



RANCHO SANTA FE FIRE PROTECTION DISTRICT BOARD OF DIRECTORS MEETING AGENDA

Rancho Santa Fe FPD
Board/Community Room – 16936 El Fuego
Rancho Santa Fe, California 92067

October 14, 2009
Regular Session 1:00 pm

RULES FOR ADDRESSING BOARD OF DIRECTORS

Members of the audience who wish to address the Board of Directors are requested to complete a form near the entrance of the meeting room and submit it to the Board Clerk.

Any person may address the Board on any item of Board business or Board concern. The Board cannot take action on any matter presented during Public Comment, but can refer it to the Administrative Officer for review and possible discussion at a future meeting. As permitted by State Law, the Board may take action on matters of an urgent nature or which require immediate attention. The maximum time allotted for each presentation is FIVE (5) MINUTES.

Pledge of Allegiance

1. Roll Call

2. Public Comment

3. Special Presentation

a. H1N1 Virus

A presentation on the virus will be made by Mary Murphy, RN EMS Coordinator

4. Motion waiving reading in full of all Resolutions/Ordinances

All items listed on the Consent Calendar are considered routine and will be enacted by one motion without discussion unless Board Members, Staff or the public requests removal of an item for separate discussion and action. The Board of Directors has the option of considering items removed from the Consent Calendar immediately or under Unfinished Business.

5. Consent Calendar

a. Board of Directors Minutes

i) Board of Directors minutes of September 9, 2009 (Regular meeting)

ACTION REQUESTED: APPROVE

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a meeting, please contact the Secretary at 858-756-5971. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to assure accessibility to the meeting.

b. Receive and File

i) Monthly/Quarterly Reports – ACTION REQUESTED: **INFORMATION**

(1) List of Demands

Check 19773 thru 19879 for the period September 1 – 30, 2009 totaling:	\$ 473,422.37
Payroll for the period September 1 – 30, 2009	\$ 613,337.74
TOTAL DISTRIBUTION	\$1,086,760.11

(2) Budget Review – July 1 – September 30, 2009

(3) Activity Reports – September 2009

- Fire Prevention
- Operations
- Training

(4) District Articles – September 2009

(5) Correspondence - letters/cards were received from the following members of the public:

- Burn Institute

6. Old Business

- a. None

7. New Business

a. Budget Authorization

To discuss and/or approve the purchase a new digital copier. [Staff Report 09-19](#)

ACTION REQUESTED: **APPROVE**

b. Contract: Agreement for Cooperative Management Services

To discuss and/or approve the agreement to provide fire management services between Rancho Santa Fe Fire Protection District and the Cities of Del Mar, Encinitas, and Solana Beach. [Staff Report 09-20](#)

ACTION REQUESTED: **APPROVE**

c. Temporary Administrative Captain Position

To discuss and/or approve a temporary Administrative Captain position to assist with replacement Fairbanks Fire Station and management services agreement. [Staff Report 09-21](#)

ACTION REQUESTED: **APPROVE**

d. Proposition 1A Receivable Financing Program

To discuss and/or approve the District's participation with the Proposition 1A Receivable Financing Program sponsored by the California Statewide Communities Development Authority (CSCDA)

[Staff Report 09-22](#)

ACTION REQUESTED: **APPROVE**

e. Long Range Financial Plan

To discuss the District's updated plan

ACTION REQUESTED: **INFORMATION**

8. Resolution/Ordinance

a. Resolution No. 2009-06

To discuss and/or adopt Resolution No. 2009-06 – *entitled* a Resolution Approving the Form of and Authorizing the Execution and Delivery of a Purchase and Sale Agreement and Related Documents with Respect to the Sale of the Seller's Proposition 1A Receivable from the State; and Directing and Authorizing Certain Other Actions in Connection Therewith

ACTION REQUESTED: **ADOPT**

9. Oral Reports

- a. Fire Chief – Pavone
 - i) Fairbanks Ranch Replacement Fire Station – Update
 - ii) District Activities
- b. Operations – Deputy Chief Michel
- c. Training – Battalion Chief Davidson
- d. Fire Prevention - Fire Marshal Hunter
- e. Administrative Manager – Rannals
- f. Board of Directors
 - i) North County Dispatch JPA – Update
 - ii) County Service Area – 17 – Update
 - iii) Comments

10. Closed Session

- a. With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54956.8
Conference with negotiators for the following real property:
18029 Calle Ambiente, Rancho Santa Fe
Negotiating Parties: James Ashcraft, Director; John C. Tanner, Director; Nick Pavone, Fire Chief
Under Negotiation: Both Price and Terms of Payment
- b. With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54957.6
CONFERENCE WITH LABOR NEGOTIATORS
Agency Negotiators: Jim Ashcraft, Randy Malin, Assigned Staff
Represented Employees: Rancho Santa Fe Professional Firefighters Association – Local 4349
Under Negotiation: A successor Memorandum of Understanding
- c. With respect to every item of business to be discussed in closed session pursuant to Government Code Section 54957.6:
CONFERENCE WITH LABOR NEGOTIATORS
Agency designated representatives: Nicholas G Pavone, Fire Chief
Employee organization: Unrepresented Employees
Position – Fire Chief (1); Deputy Chief (1); Battalion Chief (4); Fire Marshal (1); Administrative Manager (1)

11. Adjournment



RANCHO SANTA FE FIRE PROTECTION DISTRICT
Board of Directors Regular Meeting – Agenda
Wednesday, October 14, 2009 1:00 pm PST

CERTIFICATION OF POSTING

I certify that on October 9, 2009 a copy of the foregoing agenda near the regular meeting place of the Board of Directors of Rancho Santa Fe Fire Protection District, said time being at least 72 hours in advance of the meeting of the Board of Directors (Government Code Section 54954.2)

Executed at Rancho Santa Fe, California on October 9, 2009

Karlena Rannals

Karlena Rannals
Board Clerk



**RANCHO SANTA FE FIRE PROTECTION DISTRICT
REGULAR BOARD OF DIRECTORS MEETING
MINUTES – September 9, 2009**

President Ashcraft called to order the regular session of the Rancho Santa Fe Fire Protection District Board of Directors at 1:00 pm.

Pledge of Allegiance

Karlena Rannals led the assembly in the *Pledge of Allegiance*.

1. Roll Call

Directors Present: Ashcraft, Hickerson, Hillgren, Malin

Directors Absent: Tanner

Staff Present: Nick Pavone, Fire Chief; Tony Michel, Deputy Chief; Cliff Hunter, Fire Marshal; Bret Davidson, Battalion Chief; Fred Cox, Battalion Chief; and Karlena Rannals, Board Clerk

2. Public Comment

No one requested to speak to the Board.

3. Motion waiving reading in full of all Resolutions/Ordinances

MOTION BY DIRECTOR HICKERSON, SECOND BY DIRECTOR MALIN, CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to waive reading in full of all resolutions/ordinances.

4. Consent Calendar

MOTION BY DIRECTOR HICKERSON, SECOND BY DIRECTOR HILLGREN, CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to approve the Consent Calendar with the removal of 4.b(1) – List of Demands, and 4.b(2) – Revised Statement of Cash Assets – June 30, 2009

a. Board of Directors Minutes

i) MOTION BY DIRECTOR HICKERSON, SECOND BY DIRECTOR HILLGREN, CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to approve the Board of Directors minutes of August 19, 2009

b. *Receive and File*

MOTION BY DIRECTOR HICKERSON, SECOND BY DIRECTOR HILLGREN, CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to receive and file:

i) Monthly/Quarterly Reports

(3) Activity Reports – July 2009

- Fire Prevention
- Operations
- Training

(4) District Articles – July 2009

(5) Correspondence

- San Miguel Consolidated Fire Protection District
- Julia
- Gay Hugo-Martinez

b. Receive and File

i) Monthly/Quarterly Report

(1) List of Demands

Check 18189 thru 18284 for the period August 1 – 31, 2009 totaling:	\$1,574,357.78
Payroll for the period August 1 – 31, 2009	<u>\$ 457,362.09</u>
TOTAL DISTRIBUTION	\$2,031,719.87

The board members questioned a check written to *RSF Association*. Staff explained the obligation was the District's portion of the parking structure proposal between RSF Association and RSF School District.

(2) REVISED Statement of Cash Assets – June 30, 2009

Director Malin requested that the Board consider establishing a reserve for future CalPERS expenses. Karlana Rannals reviewed the employer rate history with the board members. Staff responded to questions from the Board. At the conclusion of the discussion, the Board agreed to continue their discussion with the adoption of the FY10 budget.

MOTION BY DIRECTOR HICKERSON, SECOND BY DIRECTOR HILLGREN, CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to receive and file the monthly reports.

5. Old Business

- a. None

6. Public Hearing

- a. Final Budget Fiscal Year 2009/2010

President Ashcraft opened and closed the public hearing. Karlana Rannals informed the Board that she had not received any written correspondence regarding the final budget.

7. New Business

- a. Final Budget FY 2009/2010

Chief Pavone reviewed and summarized the differences between the preliminary budget presented in June and the final budget presented at this meeting. Staff responded to questions from the board.

The Board continued their discussion on the merits of reserving funds for future CalPERS expenditures. At the conclusion of the discussion, all members agreed to establish and fund a reserve for future expenditures.

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR HILLGREN, and CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to approve Fiscal Year 2009/2010 Budget as presented.

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR HILLGREN, and CARRIED 4 AYES; 0 NOES; 1 ABSENT; 0 ABSTAIN to reallocate the June 30, 2009 undesignated fund balance of \$1,300,272 to the following reserve funds:

1. Establish a new CalPERS reserve fund and allocate \$500,000 for future expenditures;
2. Reallocate remainder of fund balance (\$800,272) to the Capital Replacement reserve fund.

8. Resolution/Ordinance

a. Resolution No. 2009-05

Chief Pavone reviewed the purpose of the resolution and stated that the County requires that the District renew each year as a participant in the Fire Mitigation Fee Fund program. This resolution identifies future capital expenditures planned over the next five years.

MOTION BY DIRECTOR MALIN, SECOND BY DIRECTOR HILLGREN, and APPROVED Resolution No. 2009-05 *entitled* a resolution of the Board of Directors of the Rancho Santa Fe Fire Protection District adopting the Fire Mitigation Fee Fund Multi-Year plan on a roll call vote:

AYES: Ashcraft, Hickerson, Hillgren, Malin
NOES: None
ABSTAIN: Tanner
ABSENT: None

9. Oral Reports

a. Fire Chief – Pavone

He reported on the following topics:

- Fairbanks Ranch Replacement Fire Station – Update
 - Permits - The project continues to move forward. The Planning Commission is scheduled to hear the project on September 23rd. Final approval is expected from the Board of Supervisors in October. Both items are anticipated that they will be approved on the consent calendar.
 - Interim Fire Station - the permit process is progressing.
 - Station Demolition - he anticipates that demolition will occur in the December/January period.
 - New Construction – he has been working with the architect about a “design/build” approach. Unfortunately, state law does not allow the Fire District to use this format. The architect has completed approximately 95% of the station documents.
- Management Services Contract – he anticipates the management services contract will be presented to the Board of Directors for approval at the October 14 regular meeting. Once approved, the expected “go live” date is October 15. All participating entities have agreed to participate in a press conference, tentatively scheduled for October 15. There have also been numerous task groups formed to resolve any operational or contractual issues prior to implementation.
- USAR Trailer – (CALEMA [OES]) has offered an USAR Trailer to the District. This trailer offers specialized equipment and can be used for confined space and trench rescues. The trailer requires a tow vehicle and must have six qualified individuals. The District may be interested if through the cooperative efforts of other local agencies it can be staffed. He will update the Board as he obtains more information.
- District Activities
 - Pancake Breakfast: Scheduled for October 11, 2009.

b. *Operations – Deputy Chief Michel*

He reported on the following topics:

- Significant calls include:
 - OES Engine responded to the Station Fire on a strike team response, in addition to two additional District units.
 - Fuel moistures remain at a critical level

c. Training – Battalion Chief Davidson

Chief Davidson summarized the monthly training activity, which included:

- RSF Personnel participated in:
 - Pipeline training hosted by Kinder Morgan
 - Snake training
- Currently recruiting and testing for two (anticipated) Firefighter/Paramedic positions.

d. Fire Prevention – Fire Marshal Hunter

- Reviewed new construction statistics
- Distributed statistics for the removal of the dead eucalyptus trees.
- Distributed the comments in response to the initial study for a negative declaration for the Rowe School playground expansion project.
- He was interviewed by the Australian Broadcasting Network.

e. Administration – Administrative Manager Rannals

- She reviewed the potential impact of CalPERS employer rates for future fiscal years, based upon information received from CalPERS.
- Reminder of the CalPERS Conference scheduled for October 26-28, 2009.

f. Board of Directors

- North County Dispatch JPA – Update – Director Ashcraft: next meeting October 1, 2009
- County Service Area 17 – Update – Director Hickerson: no report
- Comments:
 - Hillgren– spoke about a recent Union-Tribune editorial regarding pensions and the increasing pension benefits.

The meeting recessed for ten-minutes.

10. Closed Session

Pursuant to the following Government Code Section, the Board of Directors convened in Closed Session from 3:40 – 4:30 pm for discussions on the following:

- a. Conference with negotiators for the following real property, pursuant to Government Code Section 54956.8

18029 Calle Ambiente, Rancho Santa Fe

Negotiating Parties: James Ashcraft, Director; John Tanner, Director; Nick Pavone, Fire Chief

Under Negotiation: Both Price and Terms of Payment

NOTE: All members of the Board and staff listed attended the Closed Session.

- b. With respect to every item of business to be discussed, pursuant to Government Code Section 54957.6

CONFERENCE WITH LABOR NEGOTIATORS

Agency Negotiators: Jim Ashcraft, Randy Malin, Assigned Staff

Represented Employees: Rancho Santa Fe Professional Firefighters Association – Local 4349

Under Negotiation: A successor Memorandum of Understanding

NOTE: All members of the Board listed and Chief Pavone, Deputy Chief Michel, and Karlena Rannals attended the Closed Session.

- c. With respect to every item of business to be discussed, pursuant to Government Code Section 54957.6

CONFERENCE WITH LABOR NEGOTIATORS

Agency designated representative: Nicholas G Pavone, Fire Chief

Employee Organization: Unrepresented Employees

Position – Fire Chief (1); Deputy Chief (1); Battalion Chief (4); Fire Marshal (1); Administrative Manager (1)

NOTE: All members of the Board listed and Chief Pavone attended the Closed Session

President Ashcraft reported that an update was provided to the board members for agenda item 10.a and direction was provided to staff and negotiators regarding the pursuit of real property.

President Ashcraft also reported that the Board was provided an update from the negotiators for agenda item 10.b and 10.c. and direction was provided.

11. Adjournment

Meeting adjourned at 4:35 pm.

Karlana Rannals
Secretary

James H Ashcraft
President

RANCHO SANTA FE FIRE PROTECTION

List of Demands - September 2009

Check #	Amount	Vendor	Purpose
19773	\$181.75	AT&T Calnet 2	Telephone
19774	\$1,132.00	Blend	Outside Printing & Binding
19775	\$250.00	CA Fire Chiefs Assoc	Association Dues
19776	\$300.00	Cnty of SD Dept.of Public Work	FBR #3 Replacement
19777	\$700.00	Cnty of SD DPLU	FBR #3 Replacement
19778	\$307.60	HSBC Business Solutions	Apparatus Parts & Supplies
19780	\$108,510.44	PERS	PERS (Employer Paid)
19781	\$25.00	RSFPFA	Firefighters Assn.
19782	\$49.00	Terminix International	Building - Monthly Service Contract
19783	\$3,408.55	The SoCo Group Inc	Gasoline & Diesel Fuel
19784	\$20.00	U P S	Shipping Service
19785	\$7,168.42	U S Bank Corporate Payment System	Cal-Card./IMPAC program
19786	\$824.69	Waste Management Inc	Trash Disposal
19788	\$2,000.00	Cnty of SD Dept.of Public Work	FBR #3 Replacement
19789	\$707.30	Accme Janitorial Service Inc	Building - Admin
19790	\$446.18	AT&T Calnet 2	Telephone
19792	\$403.04	Blend	Outside Printing & Binding
19793	\$131.18	Captaris Inc	Computer - License/Software
19795	\$824.00	Charles Z Fedak & Company	Accounting-Audit Services
19796	\$367.00	Cnty of SD APCD	Permit-Generator
19797	\$1,857.87	Complete Office of California Inc	Office Supplies
19798	\$2,464.50	County of SD/RCS	800 MHz Network Admin Fees
19799	\$156.24	Daniels Tire Service Inc	Vehicle Repair
19801	\$609.85	Home Depot, Inc	Apparatus Tool/Equipment Replacement/Propane/Station Maint./Training Tower
19802	\$317.46	HSBC Business Solutions	Janitorial Supplies
19803	\$50.45	Metro Fire & Safety Inc	CERT Program
19805	\$13.04	Napa Auto Parts Inc	Apparatus Parts & Supplies
19806	\$1,318.80	Olivenhain Municipal Water District	Water
19807	\$25,000.00	Rancho Santa Fe Fire Protection District	Workers' Compensation
19808	\$25.00	RSFPFA	Firefighters Assn.
19809	\$1,724.00	San Diego Gas & Electric	FBR #3 Replacement
19810	\$700.00	Santa Fe Irrigation District	Vehicle Site Rental

RANCHO SANTA FE FIRE PROTECTION

List of Demands - September 2009

Check #	Amount	Vendor	Purpose
19811	\$19,890.00	Shapouri Engineering Company Inc	FBR #3 Replacement
19813	\$1,283.21	Stephen J Fitch & Associates	Legal Services
19815	\$38.44	The Lighthouse Inc.	Apparatus Repair
19816	\$2,754.35	The SoCo Group Inc	Gasoline & Diesel Fuel
19817	\$78.35	U P S	Shipping Service
19818	\$604.44	United Imaging	Office Supplies
19819	\$124.82	Vista Paint Corp.	Hydrant Maintenance
19820	\$5,000.00	WinTech Computer Services	Consulting Services
19821	\$285.10	Aair Purification Systems Reinhart Corp	Apparatus Parts & Supplies
19822	\$44.68	AT&T	Telephone
19823	\$881.67	AT&T Calnet 2	Telephone
19824	\$269.33	Blend	Outside Printing & Binding
19825	\$300.00	CA Fire Chiefs Assoc	Admin - Overnight Conf/Seminars
19826	\$268.00	Dept of Forestry & Fire Protec	Certification
19827	\$1,664.85	Direct Energy Business - Dallas	Elec/Gas/Propane
19828	\$1,197.00	Engineered Mechanical Services Inc	Building Maintenance/Repair
19829	\$25.56	FedEx	Shipping Service
19830	\$147.00	Galindo, Chris	CSA-17 - Supplies
19831	\$18,186.00	Jeff Katz Architecture	FBR #3 Replacement
19832	\$131.25	KTU+A	GIS Services
19833	\$4,951.60	L N Curtis & Sons Inc	Safety Clothing
19834	\$609.00	Miramar Truck Sales Inc	Vehicle Repair
19835	\$239.00	New Earth Enterprises Inc	Landscaping Maintenance Service
19836	\$4,392.40	North County EVS Inc	Apparatus Scheduled maintenance
19837	\$40.00	Rainville, Greg D.	Class B License
19838	\$75.00	RSFPFA	Firefighters Assn.
19839	\$6,029.85	San Diego Gas & Electric	Elec/Gas/Propane
19840	\$7,166.00	Shapouri & Associates	FBR #3 Replacement
19841	\$156.50	Terminix International	Building - Admin
19842	\$3,299.92	The SoCo Group Inc	Gasoline & Diesel Fuel
19843	\$40.00	U P S	Shipping Service
19844	\$275.00	Whispering Palms CSD	FBR #3 Replacement

Prepared by Connie P Balignasay

RANCHO SANTA FE FIRE PROTECTION

List of Demands - September 2009

Check #	Amount	Vendor	Purpose
19845	\$130.49	Willis, Erwin L.	Computer Equipment/Parts
19846	\$147.00	Wood, Tim	CSA-17 - Supplies
19847	\$18,312.53	911Vehicle	2009 Ford Expedition 4x4 XLT
19848	\$441.00	A to Z Plumbing Inc	Station Maintenance
19849	\$98.77	AT&T	Telephone
19850	\$445.53	AT&T Calnet 2	Telephone
19853	\$136.50	C.A.P.F.	Disability/Life Insurance
19854	\$1,767.12	CDW Government Inc.	Program Upgrade/Software Enhancement
19855	\$957.00	Charles Z Fedak & Company	Accounting-Audit Services
19856	\$5,000.00	Cnty of SD DPLU	FBR #3 Replacement
19857	\$150.00	CSDA-S.D. Chapter	Association Dues
19858	\$318.50	Door Service & Repair Inc	Station Maintenance
19859	\$1,072.93	Engineered Mechanical Services Inc	Building Maintenance/Repair
19860	\$222.24	Foster, Richard S.	CERT Program/Medical Reimbursement
19861	\$667.72	Galls Retail	Uniform - Safety Personnel
19862	\$2,991.13	Guardian Life Insurance Co	Dental Insurance
19863	\$59,902.44	Health Net	Medical Insurance
19864	\$546.00	Jauregui & Culver Inc	Refuel Facility Repair
19866	\$94.22	North County EVS Inc	Refuel Facility Repair/Apparatus Scheduled Maintenance
19867	\$5,000.00	Olivenhain Municipal Water District	FBR #3 Replacement
19868	\$1,656.46	Parkhouse Tire, Inc.	Tires & Tubes
19869	\$114,248.63	PERS	PERS (Employer Paid)
19871	\$25.00	RSFPFA	Firefighters Assn.
19872	\$146.00	Savmart Pharmaceutical Service	CSA-17 - Supplies
19873	\$49.00	Terminix International	Building - Monthly Service Contract
19874	\$419.95	The Lincoln National Life Ins Co	Disability/Life Insurance
19875	\$2,532.49	The SoCo Group Inc	Gasoline & Diesel Fuel
19876	\$20.00	U P S	Shipping Service
19877	\$7,733.84	U S Bank Corporate Payment System	Cal-Card./IMPAC program
19878	\$87.38	Uniform Specialists Inc	Uniform - Administrative
19879	\$1,339.94	Verizon Wireless	MDT Broadband + ATN Line/Telephone- Cellular
Various	<u>\$4,320.88</u>	Various	Medical Reimbursement

Prepared by Connie P Balignasay

RANCHO SANTA FE FIRE PROTECTION

Check #	Amount	Vendor	Purpose
Sub-total	\$473,422.37		
15-Sep-09	\$282,998.84	Rancho Santa Fe Fire PD	Payroll
15-Sep-09	\$18,616.42	Rancho Santa Fe Fire PD	Payroll
30-Sep-09	\$7,304.40	Rancho Santa Fe Fire PD	Payroll
30-Sep-09	\$304,418.08	Rancho Santa Fe Fire PD	Payroll
Sub-total	\$613,337.74		
TOTAL	\$1,086,760.11		

**RANCHO SANTA FE FIRE PROTECTION DISTRICT
 OPERATING EXPENDITURES FOR FISCAL YEAR 2010**
 July 1, 2009 thru Sept 30, 2009

	BUDGET EXPENDITURES FY10	ESTIMATED EXPENDITURES FY10	% OF BUDGET
PERSONNEL COSTS			
Salaries/Wages - Staff	\$4,788,008	\$1,206,944	25.2%
Holiday Pay	\$156,264		0.0%
Overtime	\$980,892	\$243,264	24.8%
Health Insurance + HRSA	\$996,195	\$198,433	19.9%
Life Insurance & Long Term Disability	\$9,560	\$1,537	16.1%
Paramedic Incentive Pay	\$16,800	\$7,200	42.9%
Retirement	\$1,377,544	\$332,974	24.2%
Social Security Tax	\$1,798	\$751	41.8%
Unemployment Insurance	\$14,630		0.0%
Medicare Tax	\$73,102	\$17,234	23.6%
Workers' Compensation	\$127,264	\$64,660	50.8%
Labor (Temporary)	<u>\$17,200</u>	<u>\$10,212</u>	59.4%
PERSONNEL (Subtotal)	\$8,559,257	\$2,083,209	24.3%

RANCHO SANTA FE FIRE PROTECTION DISTRICT
OPERATING EXPENDITURES FOR FISCAL YEAR 2010
 July 1, 2009 thru Sept 30, 2009

	BUDGET EXPENDITURES FY10	ESTIMATED EXPENDITURES FY10	% OF BUDGET
CONTRACTURAL			
Administrative Fees	\$154,072	\$16,913	11.0%
Advertising	\$2,278		0.0%
Apparatus	\$4,000		0.0%
Association Dues	\$7,372	\$1,769	24.0%
Building/Facility Lease	\$12,000		0.0%
Dispatching	\$114,146	\$39,783	34.9%
Equipment Rental	\$1,509	\$300	19.9%
Equipment Repair	\$27,450	\$1,747	6.4%
Insurance	\$63,450	\$62,145	97.9%
Laundry Service	\$0		
Legal Services	\$25,000	\$3,867	15.5%
Local Meeting/Meal Expense	\$7,084	\$1,152	16.3%
Mileage Reimbursement	\$854	\$97	11.4%
Other Contractual Services	\$57,984	\$7,632	13.2%
Other Professional Services	\$146,376	\$14,197	9.7%
Permits	\$6,135	\$453	7.4%
Service Agreements	\$49,916	\$16,599	33.3%
Soil Contamination Cleanup	\$5,000		0.0%
Subscriptions	\$2,526	\$255	10.1%
Training	\$77,793	\$4,462	5.7%
Utilities			
Electricity	\$85,111	\$16,946	19.9%
Sewer	\$12,849		0.0%
Telephone	\$54,309	\$8,054	14.8%
Trash	\$9,574	\$1,970	20.6%
Water	\$14,723	\$2,392	16.2%
Vehicle Maintenance (Scheduled)	\$61,800	\$7,285	11.8%
Vehicle Repair	\$71,600	\$6,213	8.7%
CONTRACTURAL COSTS (Subtotal)	\$1,074,911	\$214,231	19.9%

RANCHO SANTA FE FIRE PROTECTION DISTRICT
OPERATING EXPENDITURES FOR FISCAL YEAR 2010
 July 1, 2009 thru Sept 30, 2009

	BUDGET EXPENDITURES FY10	ESTIMATED EXPENDITURES FY10	% OF BUDGET
MATERIALS & SUPPLY			
Apparatus	\$32,375	\$5,205	16.1%
Audio Visual	\$1,250		0.0%
Books	\$4,500		0.0%
Cellular	\$1,250	\$381	30.5%
Computer	\$52,588	\$1,099	2.1%
Electrical Supplies	\$417		0.0%
Fire Hose, Nozzles & Supply	\$5,000		0.0%
Firefighting Foam	\$3,500		0.0%
Food for Major Emergencies	\$1,000	\$95	9.5%
Fuel	\$70,300	\$15,779	22.4%
Furnishings/Equipment	\$4,500	\$95	2.1%
Grants	\$11,000		0.0%
Hydrant Maintenance	\$600	\$138	23.0%
Janitorial	\$20,500	\$550	2.7%
Knox Replacement	\$0		
Landscape	\$0	\$29	
Lumber/Screws/Nails	\$0		
Maps	\$750		0.0%
Medical Supplies	\$45,680		0.0%
Miscellaneous	\$3,254		0.0%
Office - General	\$46,351	\$10,239	22.1%
Paint	\$0		
Program Supplies	\$3,500	\$222	6.4%
Public Education	\$7,000	\$1,397	20.0%
Radio	\$25,200	\$67	0.3%
Rock, Sand, Gravel	\$500		0.0%
Safety	\$47,625	\$10,361	21.8%
Special Events & Awards	\$5,000		0.0%
Station Maintenance	\$38,466	\$3,304	8.6%
Station Supplies/Replacements	\$4,000	\$52	1.3%
Street Signs & Markers	\$500		0.0%
Tools	\$1,000		0.0%
Training (Expendable Supplies)	\$9,000	\$1,075	11.9%
Uniforms	\$27,500	\$3,662	13.3%
MATERIAL & SUPPLY (Subtotal)	\$474,106	\$53,751	11.3%
OPERATING COST SUMMARY			
Personnel	\$8,559,257	\$2,083,209	24.3%
Contractual	\$1,074,911	\$214,231	19.9%
Material & Supply	\$474,106	\$53,751	11.3%
Depreciation	\$629,263	\$0	0.0%
TOTAL COSTS	\$10,737,537	\$2,351,190	21.9%
BEFORE CAPITAL OUTLAY			

RANCHO SANTA FE FIRE PROTECTION DISTRICT
OPERATING EXPENDITURES FOR FISCAL YEAR 2010
 July 1, 2009 thru Sept 30, 2009

	BUDGET EXPENDITURES FY10	ESTIMATED EXPENDITURES FY10	% OF BUDGET
CAPITAL and PLANNED PROJECTS			
RSF3 - FBR Station			
Engineering Services	\$201,646	\$118,009	58.5%
Architectural Services	\$319,334		0.0%
Temporary Facility	\$139,971		0.0%
Construction	\$3,000,000		0.0%
Admin Building Remodel	\$191,096	\$11,103	5.8%
Dept Operation Center (DOC)	\$4,200	(\$4,530)	-107.9%
Admin/Hqtrs Parking	\$3,000,000		0.0%
Copier Replacement	\$26,000		0.0%
0383 - Command	\$38,321	\$18,313	47.8%
Total Capital & Projects	<u>\$6,920,568</u>	<u>\$142,895</u>	2.1%

**Previous year expense voided check, to be reissued October 2009.*

PLAN REVIEW

RESIDENTIAL PLAN REVIEWS	Number of Structures	Sq Footage
Fire Marshal	26	103,959
Fire Inspector	2	11,115
TOTAL	28	115,074

RESIDENTIAL ADDITIONS	Original Sq Footage	Added Sq Footage
Fire Marshal	26,104	2,250
Fire Inspector	0	0
TOTAL	26,104	2,250

COMMERCIAL PLAN REVIEWS	Number of Structures	Sq Footage
Fire Marshal	0	0
Fire Inspector	0	0
TOTAL	0	0

TOTAL NEW CONSTRUCTION		Sq Footage
Based on permitted Sq footage	Total Added	117,324

FIRE SPRINKLER REVIEWS	Commercial	Residential
Fire Marshal	0	0
Fire Inspector	1	10
TOTAL	1	10

TENANT IMPROVEMENTS	Number of Structures	Sq Footage
Fire Marshal	0	0
Fire Inspector	0	0
TOTAL	0	0

LANDSCAPE REVIEWS	Number of Reviews	Staff Hours
Urban Forester	17	13.0
TOTAL	17	13.0

SERVICES PERFORMED

DPLU - Fire Marshal	Number	Staff Hours
Project Availability Forms	3	3.0
Use Permits	1	2.0
Zaps	2	2.0
Administrative Review	0	0.0
Habit Plans	0	0.0
Approval Letters	8	8.0
TOTAL	14	15.0

INSPECTION SERVICES- All Staff	Number of Inspections	Staff Hours
Undergrounds	1	1.0
Hydros	24	21.5
Finals	11	10.0
Landscape	6	3.0
Reinspections	7	5.0
Code Enforcement	18	18.0
Misc.	22	25.0
TOTAL	89	83.5

HAZARD INSPECTIONS - All Staff	Number of Inspections	Staff Hours
Weed Abatement Inspection	47	18.5
Weed Abatement Reinspection	133	55.5
1st Notice	59	23.0
2nd Notice	29	11.5
Final Notice	10	4.5
Forced Abatement	0	0.0
Homeowner Meeting	47	25.5
TOTAL	325	138.5
Shelter-In-Place Community (Intern)	1st Notice	Homeowner Meetings
Bridges Notices	3	1
Cielo Notices	2	2
Crosby Notices	0	0
Lakes Notices	0	0
TOTAL	5	3.0

SERVICES PERFORMED

GRADING - Fire Marshal	Number of Inspections	Staff Hours
Plan Review	5	5.0
Site Inspection	0	0.0
TOTAL	5	5.0

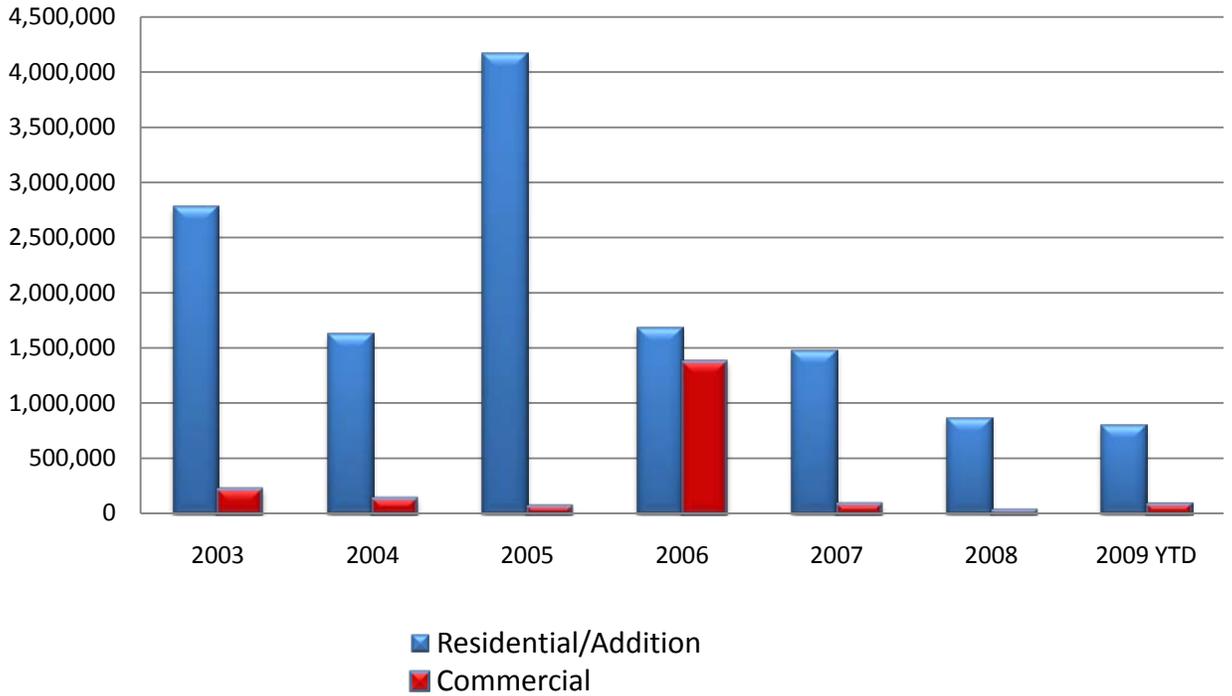
SPECIAL PROJECTS - All Staff	Number of Inspections	Staff Hours
GIS Mapping	0	
Fuels Mitigation	0	
Special Projects/Other		37.0
Continuing Education (Staff Hours)		
TOTAL	0	37.0

FIRE PREVENTION - All Staff	Number	Staff Hours
Incoming Phone Calls	330	29.0
Consultations	6	6.0
General Office	16	12.0
TOTAL	336	35.0

PUBLIC EDUCATION - PRC	Number	Staff Hours
Web Master (Website hits and hours worked)	0	19.0
Graphic Design		0.0
Communication & Relations		5.0
Number of Releases	1.0	
Education: Design and Prepare		40.0
Education: Presentations	30.0	16.0
Number Reached: Children		
Number Reached: Adults		
In Service Staff Training		
Child Safety Seat Installations	15.0	15.0
Clerical		59.0
Continuing Education		16.5
Special Projects		0.0
TOTAL		170.5

Office Support Coordinator-Prevention	Number	Staff Hours
Phone Calls (All Administrative Staff)	574	28.7
Walk in/Counter (All Administrative Staff)	173	8.7
Knox Application Request	5	0.4
UPS Outgoing Shipments	5	0.4
Plan Accepted/Routed	29	4.8
Training Classes:		
Outside Meetings		
TOTAL		43.0

Total Construction Per Square Footage



Calendar Year	Residential/Addition	Commercial	Total
2003	2,780,155	228,014	3,008,169
2004	1,626,386	142,969	1,769,355
2005	4,169,259	74,753	4,244,012
2006	1,682,953	1,375,623	3,058,576
2007	1,468,352	92,962	1,561,314
2008	864,159	35,264	899,423
2009 YTD	797,199	90,332	887,531

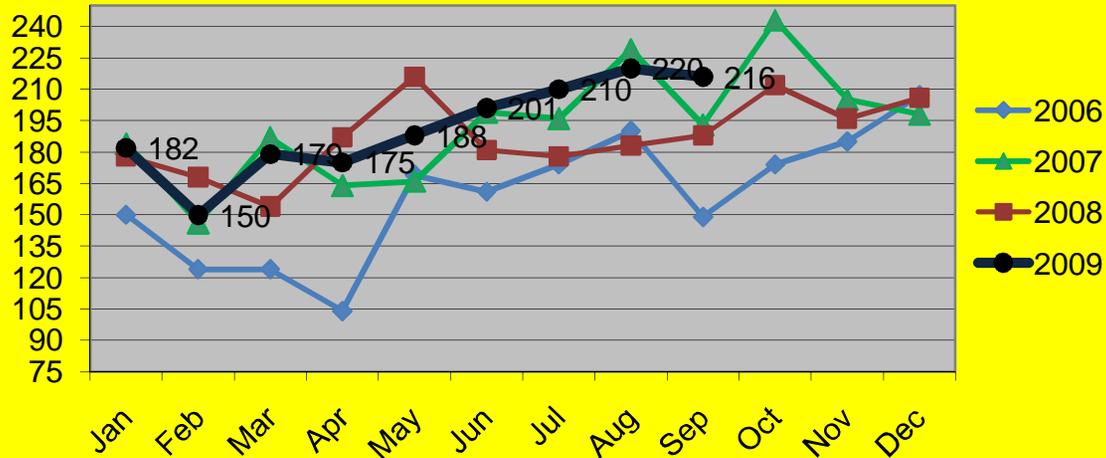
Comparison 2008/2009 Total Square Footage

2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	166,243	42,871	54,537	52,307	172,708	15,308	17,050	40,658	141,204	85,693	83,616	27,228
2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
	68,294	65,561	47,061	62,307	171,971	53,878	142,534	68,269	117,324			

Rancho Santa Fe Fire Protection District Incident Response Report

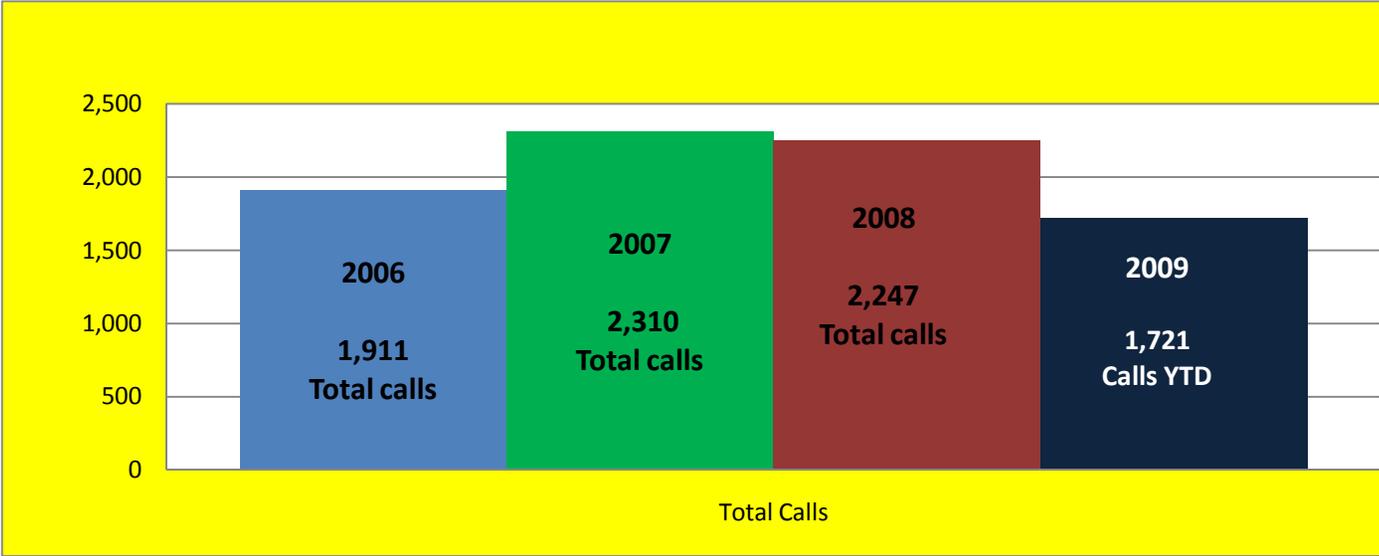
October 2009 Board Report

Four Year Monthly Response Comparison



2006	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Responses
Responses	150	124	124	104	169	161	174	190	149	174	185	207	1,911
YTD	150	274	398	502	671	832	1,006	1,196	1,345	1,519	1,704	1,911	18% increase
2007	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Responses
Responses	184	146	187	164	166	199	196	229	193	243	205	198	2,310
YTD	184	330	517	681	847	1,046	1,242	1,471	1,664	1,907	2,112	2,310	21% increase
2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
Responses	178	168	154	187	216	181	178	183	188	212	196	206	2,247
YTD	178	346	500	687	903	1,084	1,262	1,445	1,633	1,845	2,041	2,247	2.7% decrease

2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD Responses
Responses	182	150	179	175	188	201	210	220	216				1,721
YTD	182	332	511	686	874	1,075	1,285	1,505	1,721				



Incident Summary by Incident Type

Date Range: From 09/01/2009 To 09/30/2009

Incident Type(s) Selected: All

Incident Type	Incident Count	Used in Ave. Resp.	Average Response Time hh:mm:ss	Total Loss	Total Value
Fire	9	7	00:08:23	\$3,000.00	\$3,060.00
EMS/Rescue	99	95	00:05:25	\$0.00	\$0.00
Hazardous Condition	2	1	00:02:44	\$0.00	\$0.00
Service Call	48	12	00:05:39	\$0.00	\$0.00
Good Intent	30	3	00:06:27	\$0.00	\$0.00
False Call	28	26	00:07:14	\$0.00	\$0.00
Totals	216	144		\$3,000.00	\$3,060.00

Note: The incident count used in averages does not include the following:
Not Completed incidents, Mutual Aid Given, Other Aid Given, Cancelled in Route, Not Priority, Fill-In Standby, No Arrival and Invalid Dates/Times.

September 2009

September 2009							October 2009						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
		1	2	3	4	5					1	2	3
6	7	8	9	10	11	12	4	5	6	7	8	9	10
13	14	15	16	17	18	19	11	12	13	14	15	16	17
20	21	22	23	24	25	26	18	19	20	21	22	23	24
27	28	29	30				25	26	27	28	29	30	31

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Aug 30 - Sep 5	Aug 30	31	Sep 1	2 9:30am Shift Meeting	3 Fire Prevention Inspec	4 9:00am 2611 Hose La 1:30pm 2612 Hose La	5 Battalion Chiefs Drill;
	6	7 Labor Day	8 Fire Prevention Inspec 9:00am Career Surviv. 1:30pm Career Surviv.	9 Fire Prevention Inspec	10 9:00am Zone Rehab F 1:30pm Shift Meeting	11 9:00am Zone Rehab F	12
Sep 6 - 12	13	14 8:00am Bill Gee ; Sta ; 8:00am CBD Hose lay 9:00am Zone Rehab F	15 8:30am 2614 CE SDSI 9:00am Fire Preventic 10:00am Fire Preventic 1:30pm 2611 CE SDSI	16 8:30am 2614 CE SDSI 9:00am Fire Preventic 1:30pm 2611 CE SDSI 3:00pm Fire Preventic	17 8:30am 2614 CE SDSI 9:00am Fire Preventic 10:00am Fire Preventic 1:30pm 2611 CE SDSI	18 Firefighter Testing; St	19 Battalion Chiefs Drill;
	20 9:00am 2611 Swift W. 1:30pm 2612 Swift W.	21 9:00am 2611 Swift W. 1:30pm 2613 Swift W.	22 8:00am 800 MHz Rad 9:00am 2611 Swift W. 1:30pm 2612 Swift W.	23 Scripps FCA; Sta 4 & 2 8:30am Captains Mee 1:30pm 2614 Swift W. 2:00pm Set Up Chairs	24 Scripps FCA; Sta 1 and 9:00am 2613 Swift W. 1:30pm 2614 Swift W.	25 Scripps FCA; Sta 1 and 9:00am 2613 Swift W. 1:30pm 2614 Swift W.	26 Battalion Chiefs Drill; 9:00am FW: RSF/San
Sep 13 - 19	13	14	15	16	17	18	19
	20	21	22	23	24	25	26
Sep 20 - 26	27	28 9:00am Fire Preventic	29 9:00am 2611 Hose La 1:30pm 2612 Hose La 4:30pm Fire Preventic	30 9:00am 2611 Hose La 1:30pm 2612 Hose La	Oct 1	2	3
	27	28	29	30	Oct 1	2	3
Sep 27 - Oct 3	27	28	29	30	Oct 1	2	3
	27	28	29	30	Oct 1	2	3



www.burninstitute.org

September 9, 2009

Dear Chief Pavone,

We are pleased to let you know that
Susan and Ken Heffner
Have made a generous gift to the Burn Institute
In Recognition of Mike Shore and Rancho Santa Fe FPD

This contribution will enable the Burn Institute to
continue our efforts in making the community a safer
place and providing support to burn survivors and their
families

We are extremely grateful for this gift your honor

The Burn Institute is a non profit 501(c)(3) agency dedicated to reducing the impact of burn injuries and deaths in San Diego, Imperial, Riverside and San Bernardino counties.
Founded in 1972, the Institute is celebrating 37 years of service.

www.BurnInstitute.org

STAFF REPORT

NO. 09-19

TO: BOARD OF DIRECTORS
NICHOLAS G PAVONE, FIRE CHIEF

FROM: KARLENA RANNALS, ADMINISTRATIVE MANAGER

SUBJECT: BUDGET AUTHORIZATION

DATE: OCTOBER 9, 2009



The following budget action is requested for approval and/or modification:

Description	FY 08/09 Budget	Funding Request	Funding Source	Action Requested
<i>Copier</i>	\$26,000	\$20,200	<i>Equipment Replacement Reserves</i>	Authorize Staff to proceed with the purchase of a replacement copier.

JUSTIFICATION for Funding Request:

Members of the Administrative staff have researched replacement copiers for the past four months. Proposals were solicited by contacting company representatives in the San Diego area. After reviewing all proposals, three companies were selected and they all agreed to allow the District to “test drive” their copier for a minimum of one week. Functionality, maintenance costs, and customer service were the driving factors for selection.

Our current copier purchased in August 2002, has an excess of 930,000 copies and the maintenance costs have increased. Upon approval and purchase of a new copier, the copier will be retained until a final determination is made in relocating the District’s administrative offices.

Staff also evaluated leasing a copier in lieu of purchase. The suggested machine has a monthly lease value of \$457 + sales tax = \$496.99 per month. The minimum lease period is 48 months, which equates to \$23,856.

Staff recommends the purchase of a Konica Minolta BIZ HUB C652 – Digital Copier. (Our current copier is also a Minolta), which was also the lowest bid received.

STAFF REPORT

NO. 09-20

TO: BOARD OF DIRECTORS
FROM: NICHOLAS PAVONE, FIRE CHIEF
SUBJECT: FIRE MANAGEMENT SERVICES AGREEMENT
DATE: OCTOBER 9, 2009



BACKGROUND

In June of 2007, the Board approved moving forward with a fire management services contract with the Cities of Solana Beach (SOL) and Del Mar (DMR). The agencies have been working together to draft an agreement and an operational plan to complete the process. In December of 2008, the City of Encinitas Fire Department (ENC) once again expressed an interest in the cooperative effort. The four agencies discussed options for incorporating ENC into the cooperative effort, and it was determined that the best option was to enter into a joint-fire management services agreement.

CURRENT SITUATION

The inclusion of Encinitas into the joint-management services agreement allows all the agencies to benefit from the additional resources. This concept distributes the workload between two agencies and takes advantage of existing management positions between the Encinitas and Rancho Santa Fe (RSF) fire agencies.

RSF will provide Battalion Chief Services to all four agencies. SOL, DMR, and ENC will reimburse RSF on a pro-rata basis for the Battalion Chief services. The anticipated reimbursement to RSF for Battalion Chief Services will be \$367,542.00. ENC will provide the other management overhead positions to SOL and DMR.

The District's attorney originally drafted the attached agreement. Each of the agencies legal counsels has reviewed the agreement. The City Councils of ENC and DMR have already approved the agreement. It is on the Council agenda in SOL and is being recommended that they approve the agreement. If RSF and SOL approve the agreement, the agreement will be effective on October 15, 2009. A press conference is scheduled for October 15, 2009 for the official signing of the agreement at Seaside Park in Solana Beach.

RECOMMENDATION

This process started in June 2006; a significant amount of time and effort has been invested in this process to bring this to the Board for final approval. Staff believes this is a step in the right direction to reduce redundancy and promote a more efficient use of resources. Staff recommends that the Board approve the agreement and authorize the Board President to sign on behalf of the District.

AGREEMENT FOR COOPERATIVE MANAGEMENT SERVICES

This Agreement is made and entered this 14th day of October, 2009, by and between the CITY OF DEL MAR, CITY OF ENCINITAS, RANCHO SANTA FE FIRE PROTECTION DISTRICT and the CITY OF SOLANA BEACH (hereinafter collectively referred to as "PARTIES"), all of which are public agencies organized and existing under and by virtue of the laws of the State of California.

RECITALS

WHEREAS, each party is charged with providing fire prevention and suppression activities, emergency medical services ("EMS") and emergency/disaster management as provided for in California Health and Safety Code §13862 and Government Code Chapter 7, within their respective boundaries;

WHEREAS, due to their proximity to one another and similar organizational elements, the PARTIES wish to cooperate in sharing fire management functions;

WHEREAS, sharing the functions of organizational direction and control, supervision of operations, training, fire prevention, administrative, fiscal management and disaster preparedness can provide effective leadership to multiple agencies, eliminating redundancy, duplication of effort and provide opportunities for current cost savings and an increased level of service for each party, while avoiding the full cost of completely independent fire administration;

WHEREAS, all employees of PARTIES performing pursuant to this Agreement shall remain employees of their respective jurisdiction and no express or implied employment contract exists for the same as a result of this Agreement,

WHEREAS, this Agreement provides a cost effective option for sharing said functions between the PARTIES.

NOW THEREFORE, the parties agree as follows:

1. **Purpose.** This Agreement when executed shall constitute an agreement by the PARTIES to cooperate in sharing certain management services relating to fire prevention and suppression activities, EMS and emergency/disaster management. The Parties desire to

maximize the use of existing resources, create cost containment opportunities, maintain local control and continue to deliver fire emergency medical services at a high level of service. During the duration of this Agreement, the Parties will continue to explore further opportunities to work jointly in delivering efficient emergency and fire-related services to the public.

2. **Management Services.** Each party shall furnish or contract for the management services identified in Exhibit “A” (“Description of Services”).

2.1. In providing the services listed in Exhibit “A”, PARTIES agree that the minimum hours to be provided by each parties’ personnel shall be the amount necessary to maintain the overall level of services contemplated by the Agreement upon its effective date.

3. **Employees of PARTIES.** All personnel hired by each party for their respective fire departments, shall be and remain employees of said party and shall at all times be subject to the direction, supervision and control of said party directly or by other agencies acting on behalf of said party pursuant to this Agreement. Each party shall have sole responsibility of paying the salaries, taxes, including, but not limited to Federal Social Security Taxes, Federal, California and Employment taxes and all other employee related expenses including but not limited to Workers’ Compensation Insurance and Retirement Benefits regarding their respective employees.

4. **Compliance with Applicable Statutes, Ordinance and Regulations.**

In performing the management services required under this Agreement, each party shall comply with all applicable federal, state, and county statutes, ordinance and regulations.

5. **Insurance**

a. Each party shall furnish and keep in full force and effect during all times of the Agreement the following insurance:

i. Workers’ Compensation insurance covering all employees exercising duties pursuant to this Agreement.

ii. Comprehensive Liability insurance to include general liability, automotive liability, and public officials and professional liability for any and all property claims or suits for damages arising out of their respective employees' duties pursuant to this Agreement including officers, agents, representatives, subcontractors or volunteers. These policies shall provide coverage for bodily injury and property damage in an amount not less than one million dollars (\$1,000,000) combined single limit per occurrence and shall name the PARTIES as an additional insured. No cancellation or change of coverage shall be effective until thirty (30) day written notice has been given to the PARTIES.

6. **Compensation.** Those PARTIES receiving fire management services agree to pay for the services herein to be performed, during the term of this Agreement. The fees for fire management services shall be calculated using the total actual cost of salaries and benefits for personnel providing the services identified in Exhibit "A" during the term of this Agreement and apportioned to reflect the extent to which the PARTIES utilize fire management services, based on the following formula:

10% equally shared

20% by population (based on the most recent figures from the State of California Department of Finance

20% by area served

20% by number of annual calls for service (based on the most recent figures from North County Dispatch Joint Powers Authority)

30% by number of fire suppression personnel

Payment to PARTIES to render the services described in Exhibit "A" hereunder shall be set forth in Exhibit "B" which is attached hereto and incorporated herein as though fully set forth at length. The total payment shall be made in quarterly installments.

The compensation provided to the Rancho Santa Fe Fire Protection District (RSF) for the services herein shall increase as of TBD of each year by the average percentage increase in

salary and benefits for the Battalion Chiefs (3) of RSF for that fiscal year. RSF shall notify the PARTIES of the percentage of increase on or before August 31st of each year.

The compensation provided to the City of Encinitas (ENC) for services herein shall increase as of TBD of each year by the average percentage increase in salary and benefits for the Fire Chief, Division Chiefs, Fire Marshal and Management Analyst of ENC for that fiscal year. ENC shall notify the remaining PARTIES of the percentage of increase on or before August 31st of each year.

PARTIES rendering the services described in Exhibit A will not be compensated for the cost of fuel, vehicle maintenance, future vehicle replacement, office equipment, information technology, office supplies or incidentals incurred as a result of the performance of this Agreement.

7. Duration of Agreement.

7.1 The term of this Agreement shall commence on October 15, 2009, and shall continue in full force and effect for a period of two years (2) years. This Agreement shall automatically renew on an annual basis after the initial two (2) year term.

7.2 Termination without Cause. Each party may terminate this AGREEMENT, without cause, by giving written notice to PARTIES. Such termination shall be effective ninety (90) days following receipt of the written notice.

7.3 Termination for Cause. Should any party be in default of any covenant or condition hereof, the other party may immediately terminate this AGREEMENT for cause if the defaulting party fails to cure the default within ten (10) calendar days of receiving a written notice of the default.

7.4 Performance after Termination. Should either the CITY OF DEL MAR or the CITY OF SOLANA BEACH terminate this Agreement pursuant to section 7.2 or 7.3, above, this Agreement shall continue in full force and effect for the remaining PARTIES without a reduction in the services set forth in Exhibit A for the remaining PARTIES or an increase in the compensation due under Exhibit B except as specifically provided for in this Agreement.

8. **Joint Services.** The PARTIES agree to meet and confer in good faith to further explore joint efficiencies and effectiveness in providing services.

9. **Non-assignability.** This Agreement shall not be assigned by any party without first obtaining the express written consent of PARTIES.

10. **Notices.** Any and all notices or other communications required or permitted by this Agreement or by law to be served on or given to the PARTIES shall be in writing and shall be deemed duly served and given when personally delivered to the party whom directed or in lieu of such personal services when deposited in the United States mail, postage pre-paid to:

City of Del Mar
1050 Camino Del Mar
Del Mar, CA 92014
Attn: City Manager
Telephone: (858) 755-9313

City of Encinitas
505 S. Vulcan Avenue
Encinitas, CA 92024
Attn: Fire Chief
Telephone: (760)633-2800

Rancho Santa Fe Fire Protection District,
P.O. Box 410
Rancho Santa Fe, Ca 92067
Attn: Fire Chief
Telephone (858) 756-5971

City of Solana Beach
635 South Highway 101
Solana Beach, CA 92075
Attn: City Manager
Telephone: (858)720-2434

11. **Indemnification.** Each party agrees to defend, indemnify, and save all other parties harmless from any and all claims arising out of said party's employees' negligent acts, errors, omissions or willful misconduct while performing pursuant to this Agreement.

Each party hereby agrees to defend itself from any claim, action or proceeding arising out of the concurrent acts or omissions of their employees. In such cases, each party agrees to retain their own legal counsel, bear their own defense costs, and waive their right to seek reimbursement of such costs.

Notwithstanding the above, where a trial verdict or arbitration award allocates or determines the comparative fault of the members, the members may seek reimbursement and/or reallocation of defense costs, settlement payments, judgments and awards, consistent with said comparative fault.

For purposes of this section, the terms "employee" or "employees" shall refer to and include employees, officers, agents, representatives, subcontractors or volunteers. Notwithstanding the foregoing, no employee, officer, agent, representative, subcontractor or volunteer of any party to this Agreement shall be considered an "employee" of any other party to this Agreement for purposes of indemnification.

12. **Legal Representation and Advice.** Each party employee shall rely upon and consult with its respective jurisdiction's legal counsel regarding legal matters or issues related to the employee's performance pursuant to this Agreement. In the event that a legal matter or issue relates to two or more employees of differing jurisdictions, said jurisdictions shall meet and confer on appropriate legal representation and apportionment of costs, if applicable.

For purposes of this section, the terms "employee" or "employees" shall refer to and include employees, officers, agents, representatives, subcontractors or volunteers. Notwithstanding the foregoing, no employee, officer, agent, representative, subcontractor or volunteer of any party to this Agreement shall be considered an "employee" of any other party to this Agreement for purposes of legal representation and advice.

13. **Entire Agreement.** PARTIES agree that this Agreement constitutes the sole and only Agreement between them representing the management services and correctly sets forth their obligations and duties with respect to each other.

14. **Amendment.** This Agreement may be amended only by written consent of the PARTIES to the Agreement.

15. **Subject Headings** The subject heading of the Paragraphs in this Agreement are included solely for the purposes of convenience and references, and shall not be deemed to explain, modify, limit, amplify or aid in the meaning, construction or interpretation of any provision of this Agreement.

16. **No Interpretation Against Drafting.** This Agreement has been negotiated at arm's length between PARTIES hereto. Accordingly, any rule or law (including California Civil Code §1635 et seq.) or legal decisions that would require interpretation of any ambiguities in this Agreement against the party that has drafted the applicable provisions, is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the purpose of the PARTIES.

17. **Execute in Counterparts.** The parties hereto agree that there shall be two originals of this agreement which shall be identical in all respects, including form and substance. The parties may execute this Agreement in two or more counterparts, which shall, in the aggregate, be deemed an original, but all of which, together, shall constitute one and the same instrument.

18. **Governing Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of California.

Executed at San Diego, California on the date and year first appearing above.

City of Del Mar
a Municipal Corporation

By: _____
Name: _____
Its: _____

City of Encinitas
a Municipal Corporation

By: _____
Name: _____
Its: _____

Rancho Santa Fe Fire Protection District

By: _____
Name: _____
Its: _____

City of Solana Beach
a Municipal Corporation

By: _____
Name: _____
Its: _____

EXHIBIT A
Description of Services

The **Rancho Santa Fe Fire Protection District (RSF)** will furnish the following services:

1. Duty Coverage.

The Rancho Santa Fe Fire Protection District will furnish the management services that include the positions of Shift Battalion Chiefs (3) to the City of Del Mar, City of Encinitas and City of Solana Beach in order to provide supervision of operations for their Fire Departments. Said management services shall include the following:

- a. Provide emergency incident command officer coverage.*
- b. Respond to incidents requiring a chief officer, when necessary.
- c. Supervise and provide direction and training when needed to shift personnel.

*Should RSF personnel at or above the Battalion Chief level be unavailable to respond, the Cities of Del Mar, Encinitas and Solana Beach will use shared duty officers from other cooperating agencies or choose to provide their own "Duty Officer"

The **Encinitas Fire Department** will furnish the following services:

1. Management services for Del Mar

The Encinitas Fire Department will furnish the management services that include the positions of Fire Chief (1), Division Chiefs (3), Fire Marshal (1) and Management Analyst (1) to the City of Del Mar in order to manage its Fire Department. Said management services shall include the following:

- a. Under the Direction and supervision of the City Manager of Del Mar, provide broad policy guidance, fire management expertise and leadership to Del Mar fire personnel.
- b. Confer with Del Mar Fire Department personnel when required to ascertain the needs and evaluate the efficiency of the services provided by the Del Mar Fire Department to its citizens.
- c. As directed by the City Manager, respond to citizen complaints regarding personnel or services, requests for services, and inquires.
- d. Provide support to major incidents.

- e. Promote a harmonious working relationship between fire prevention and suppression personnel of each respective agency while striving to uphold each Fire Departments Mission Statements.
- f. Coordinate assignment and maintenance programs of fire apparatus and equipment.
- g. Supervise and provide direction when needed for fire prevention suppression, and EMS activities for the City of Del Mar.
- h. Supervise personnel of the Del Mar Fire Department. Supervise adherence to Del Mar policies and procedures (i.e., personnel rules, administrative policies, purchasing and budget policies, budget administration, department emergency operations policies, memorandum of understanding, vacation, and sick leave policies, etc.).
- i. As directed by the City Manager, attend and represent the Del Mar Fire Department and implement Del Mar's policies and directives at various local and regional meetings [i.e., City Council (when required), City Manager staff meetings, County Fire Chiefs, North Zone, CSA-17, UDC, etc.].
- j. Supervise the purchasing of materials and equipment within the budgetary constraints of Del Mar.
- k. Provide overhead supervision for safety, command and control functions on an as needed basis.
- l. Provide support personnel dependent upon nature and location of incident for Emergency Operation Center (EOC) activities, during activation.
- m. Assist in the maintenance of the Cities' emergency plans and coordinate training for Del Mar staff.
- n. Administer grant programs and submit applications for grants
- o. Prepare and review budgets and facilitate cost recovery.

2. Training Services for Del Mar

The Encinitas Fire Department will furnish training services of a Division Chief (Training Officer) to Del Mar in order to train, and assist in the training management of Del Mar's Fire Department. Said training services shall include the following:

- a. Under direction of the Fire Chief, coordinate the training program for the members of the Del Mar Fire Department.
- b. Prepare and oversee said training program.
- c. Monitor required annual training attendance records.
- d. Ensure annual state and federal training mandates are met.
- e. Ensure that all firefighters are instructed in the same firefighter techniques (North Zone Operations and Training Manual).
- f. Provide training guidance and management to Del Mar fire personnel.
- g. Establish training standards and develop curriculum and lesson plans.

- h. Develop a master training schedule including multi-company drills on a regular basis.
- i. Training shall include the development of a training academy for new hires.
- j. Evaluate training effectiveness and periodically review training records for completeness.
- k. Represent Del Mar at Zone and County training activities.

3. Management Services for Solana Beach

The Encinitas Fire Department proposes to furnish the management services that include the positions of Fire Chief (1) and Division Chiefs (2) to the City of Solana Beach in order to manage its Fire Department. Said management services shall include the following:

- a. Under the Direction and supervision of the City Manager of Solana Beach, provide broad policy guidance, fire management expertise and leadership to Solana Beach fire personnel.
- b. Confer with Solana Beach Fire Department personnel when required to ascertain the needs and evaluate the efficiency of the services provided by the Solana Beach Fire Department to its citizens.
- c. At the direction of the City Manager, respond to citizen complaints regarding personnel or services, requests for services, and inquires.
- d. Provide support to major incidents.
- e. Promote a harmonious working relationship between fire prevention and suppression personnel of each respective agency while striving to uphold each Fire Departments Mission Statements.
- f. Coordinate assignment and maintenance programs of fire apparatus and equipment.
- ~~g. Supervise and provide direction when needed for fire prevention suppression, and EMS activities for the City of Solana Beach.~~
- ~~h. Supervise personnel of the Solana Beach Fire Department. Supervise adherence to Solana Beach policies and procedures (i.e., personnel rules, administrative policies, purchasing and budget policies, budget administration, department emergency operations policies, memorandum of understanding, vacation, and sick leave policies, etc.).~~
- i. As directed by the City Manager, attend and represent the Solana Beach Fire Department and implement Solana Beach's policies and directives at various local and regional meetings [i.e., City Council (when required), City Manager staff meetings, County Fire Chiefs, North Zone, CSA-17, UDC, etc.].
- j. Supervise the purchasing of materials and equipment within the budgetary constraints of Solana Beach.
- k. Provide overhead supervision for safety, command and control functions on an as needed basis.

- l. Provide support personnel, dependent upon nature and location of incident for Emergency Operation Center (EOC) activities, during activation.

4. Training Services for Solana Beach

The Encinitas Fire Department will furnish training services of a Division Chief (Training Officer) to Solana Beach in order to train, and assist in the training management of Solana Beach's Fire Department. Said training services shall include the following:

- a. Under direction of the Fire Chief, coordinate the training program for the members of the Solana Beach Fire Department.
- b. Prepare and oversee said training program.
- c. Monitor required annual training attendance records.
- d. Ensure annual state and federal training mandates are met.
- e. Ensure that all firefighters are instructed in the same firefighter techniques (North Zone Operations and Training Manual).
- f. Provide training guidance and management to Solana Beach fire personnel.
- g. Establish training standards and develop curriculum and lesson plans.
- h. Develop a master training schedule including multi-company drills on a regular basis.
- i. Training shall include the development of a training academy for new hires.
- j. Evaluate training effectiveness and periodically review training records for completeness.
- k. As designated by the City Manager, represent Solana Beach at Zone and County training activities.
- ~~l. Assist in the maintenance of the Cities' emergency plans and coordinate training for Solana Beach staff.~~

EXHIBIT B

Payment for Services

	DMR	SOL	ENC	RSF	Total (Salary & Benefits)
DIRECTOR PS/ FIRE CHIEF	\$ 28,576	\$ 44,762	\$ 149,573	\$ -	\$ 222,911
DIVISION CHIEF (TRAINING)	\$ 25,525	\$ 39,983	\$ 133,602	\$ -	\$ 199,110
DIVISION CHIEF (ADMIN/SUPPORT SERVICES)	\$ 25,525	\$ 39,983	\$ 133,602	\$ -	\$ 199,110
DIVISION CHIEF (OPS)	\$ 33,675	\$ -	\$ 165,435	\$ -	\$ 199,110
BATTALION CHIEF (3)	\$ 52,876	\$ 80,437	\$ 234,229	\$ 209,874	\$ 577,416
FIRE MARSHAL	\$ 24,748	\$ -	\$ 121,577	\$ -	\$ 146,325
MANAGEMENT ANALYST (DP, GRANTS)	\$ 19,504	\$ -	\$ 95,819	\$ -	\$ 115,323
SUBTOTAL - ENC REVENUE	\$ 157,553	\$ 124,727	N/A	N/A	
SUBTOTAL - RSF REVENUE	\$ 52,876	\$ 80,437	\$ 234,229	N/A	
TOTAL	\$ 210,429	\$ 205,164	\$1,033,838	\$ 209,874	\$ 1,659,304

Cost Allocation	DMR	SOL	ENC	RSF
Fire Chief/Training Officer/Division Chief	12.82%	20.08%	67.10%	
Battalion Chiefs	9.16%	13.93%	40.57%	36.35%
Ops Chief/Fire Marshal/Analyst	16.91%		83.09%	

STAFF REPORT

NO. 09-21

TO: BOARD OF DIRECTORS
FROM: NICHOLAS PAVONE, FIRE CHIEF
SUBJECT: TEMPORARY ADMINISTRATIVE CAPTAIN POSITION
DATE: OCTOBER 7, 2009



BACKGROUND

The three RSF shift Battalion Chiefs are management level positions that not only provide emergency response supervision, but also provide a vast array of support functions. The shift Battalion Chiefs provide daily supervision of all of the District suppression personnel. The support functions are split between the three Battalion Chiefs. Examples of support functions include fleet purchase and maintenance; facilities maintenance and repairs; communications, records and reports; etc. Additional responsibilities include attending staff and other meetings associated with their area of responsibility.

CURRENT SITUATION

The Board will be considering a joint fire management services contract with Encinitas, Solana Beach, and Del Mar. If approved, the Fire District will provide Battalion Chief Services to the three other cities. The original concept for the fire management services included the cities of Solana Beach and Del Mar. The most recent proposal includes adding the city of Encinitas to the agreement. Although this is very desirable, this also includes the addition of 5 stations and 45 personnel. This brings the total stations that the Battalion Chiefs will be supervising to 11 and approximately 111 personnel.

This supervision ratio of approximately 1-BC: 11 stations/37 personnel on a daily basis appears to be a larger than normal supervisory ratio, with the standard for most agencies being 5-7 stations per battalion. In our contractual arrangement for the joint fire management services agreement, the primary responsibility for the BC's is daily supervision of the fire stations and personnel.

This may prove to be an excellent opportunity to take advantage of the revenues from the fire management services agreement, and provide a developmental opportunity for our current suppression staff. This growth opportunity would be consistent with our Strategic plan, primarily in the area of succession planning. The proposal would be to temporarily assign a Captain to an administrative position. This individual would take on all the support functions of the Battalion Chiefs; thus freeing up the BC's to focus on the day-to-day supervision of the 11 fire stations. The administrative position would also assist with logistical support for the interim and RSF3 replacement fire station.

STAFF REPORT 09-21

The temporary administrative Captain position would also include a temporary promotion of an engineer to Captain, and FF/PM to engineer. All of the promotional positions would be temporary, contingent on the Fire Management Services Agreement.

The total cost of this proposal is approximately \$144,217.00/year and includes the following temporary appointments: Shift Captain to Administrative Captain; Engineer to Acting Captain; FF/PM to Acting Engineer; and back-fill with overtime at the FF/PM rank. The estimated cost of this proposal was included in the FY10 budget approved at the September 9, 2009 meeting.

RECOMMENDATION

This is an excellent growth opportunity, which allows us to temporarily promote personnel to give them a training/development opportunity to groom their skills. There is nothing like the real experience that enhances a training opportunity. The revenue (\$367,542) that will be realized from the Joint Management Services Agreement will offset the cost of this proposal.

Staff recommends that the Board approve this proposal and authorize the temporary appointments.

STAFF REPORT

NO. 09-22

TO: BOARD OF DIRECTORS
FROM: NICHOLAS PAVONE, FIRE CHIEF
SUBJECT: PROPOSITION 1A SECURITIZATION PROGRAM
DATE: OCTOBER 9, 2009



BACKGROUND

Proposition 1A Suspension: Proposition 1A was passed by California voters in 2004 to ensure local property tax and sales tax revenues remain with local government thereby safeguarding funding for public safety, health, libraries, parks, and other local services. Provisions can only be suspended if the Governor declares a fiscal necessity and two-thirds of the Legislature concurs.

The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties, and special districts. The state will be required to repay those obligations plus interest by June 30, 2013.

The legislature is currently reviewing a clean-up bill, SB67 which would provide for a few critical changes to the enacted legislation, including but not limited to providing for: financing to occur in November; county auditor certification of amount of Prop 1A receivable; tax-exempt structure; California Communities as the only issuer; more flexibility on bond structure (interest payments, state payment date and redemption features); sales among local agencies; and revision to the hardship mechanism. While SB 67 has not yet been passed and signed into law, California Communities expects that to occur prior to funding the Program. If for any reason SB 67 is not enacted and the bonds cannot be sold by December 31, 2009, all approved documents placed in escrow with Transaction counsel will be of no force and effect and will be destroyed.

Proposition 1A Securitization Program: Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A Receivables to California Communities. Currently, SB67 is being considered to clarify specific aspects of ABX4 14 and ABX4 15. Under the Securitization Program, California Communities will simultaneously purchase the Proposition 1A Receivables, issue bonds ("Prop 1A Bonds") and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If the Fire District sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the Rancho Santa Fe Fire Protection District's Proposition 1A Receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The Fire District's

sale of its Proposition 1A Receivable will be irrevocable. Bondholders will have no recourse to the Fire District if the State does not make the Proposition 1A Repayment.

Proposition 1A Program Sponsor: California Statewide Communities Development Authority (“California Communities”) is a joint powers authority sponsored by the California State Association of Counties and the League of California Cities. The member agencies of California Communities include approximately 230 cities and 54 counties throughout California. *Note –Rancho Santa Fe Fire Protection District does not need to be a member of California Communities to participate.*

Benefits of Participation in the Proposition 1A Securitization Program:

The benefits to the Rancho Santa Fe Fire Protection District’s participation in the Proposition 1A Securitization Program include:

- Immediate cash relief – the sale of the Fire District's Proposition 1A Receivable will provide the Fire District with 100% of its Proposition 1A Receivable in two equal installments, on January 15, 2010 and May 3, 2010.
- Mitigates impact of 8% property tax withholding in January and May – Per ABX4 14 and ABX4 15 and the proposed clean-up legislation SB 67, the State will withhold 8% of property tax receivables due to Cities, Counties, and Special Districts under Proposition 1A. The financing outlines bond proceeds to be distributed to coincide with the dates that the State will be shifting property tax from local agencies.
- All costs of financing borne by the State of California. The Fire District will not have to pay any interest cost or costs of issuance in connection with its participation.
- No obligation on Bonds. The Fire District has no obligation with respect to the payment of the bonds, nor any reporting, disclosure or other compliance obligations associated with the bonds.

Proceeds of the Sale of the Rancho Santa Fe Fire Protection District's Proposition 1A Receivable:

Upon delivery of the Proposition 1A Bonds, California Communities will make available to the Fire District its fixed purchase price, which will equal 100% of the local agency’s Proposition 1A Receivable. These funds may be used for any lawful purpose of the Fire District and are not restricted by the program.

Proposed Proposition 1A Receivables Sale Resolution:

The proposed Proposition 1A Receivables Sale Resolution:

- (1) Authorizes the sale of the Rancho Santa Fe Fire Protection District's Proposition 1A Receivable to California Communities for 100% of its receivable;
- (2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents;
- (3) Authorizes and directs any Authorized Officer to send, or to cause to be sent, an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement of the Proposition 1A Receivable to the Proposition 1A Bond Trustee;

- (4) Appoints certain Fire District officers and officials as Authorized Officers for purposes of signing documents; and
- (5) Authorizes miscellaneous related actions and makes certain ratifications, findings, and determinations required by law.

Proposed Purchase and Sale Agreement

The proposed Purchase and Sale Agreement:

- (1) Provides for the sale of the Proposition 1A Receivable to California Communities;
- (2) Contains representations and warranties of the Fire District to assure California Communities that the Proposition 1A Receivable has not been previously sold, is not encumbered, that no litigation or other actions is pending or threatened to disrupt the transaction and that this is an arm's length "true sale" of the Proposition 1A Receivable.
- (3) Provides mechanics for payment of the Purchase Price
- (4) Contains other miscellaneous provisions.

Proposed Purchase and Sale Agreement Exhibits:

The proposed Proposition 1A Purchase and Sale Agreement Exhibits:

- (B1) Opinion of Counsel: This is an opinion of the counsel to the local agency covering basic approval of the documents, litigation, and enforceability of the document against the Seller. It will be dated as of the Pricing date of the bonds (currently expected to be November 10, 2009).
- (B2) Bring down Opinion: This simply "brings down" the opinions to the closing date (currently expected to be November 19, 2009).
- (C1) Certificate of the Clerk of the Local Agency: A certificate of the Clerk confirming that the resolution was duly adopted and is in full force and effect.
- (C2) Seller Certificate: A certification of the Seller dated as of the Pricing Date confirming that the representations and warranties of the Seller are true as of the Pricing Date, confirming authority to sign, confirming due approval of the resolution and providing payment instructions.
- (C3) Bill of Sale and Bring down Certificate: Certificate that brings the certifications of C2 down to the Closing Date and confirms the sale of the Proposition 1A Receivable as of the Closing Date.
- (D) Irrevocable Instructions to the Controller: Required in order to let the State Controller know that the Proposition 1A Receivable has been sold and directing the State to make payment of the receivable to the Trustee on behalf of the Purchaser.
- (E) Escrow Instruction Letter: Instructs Transaction Counsel (Orrick) to hold all documents in escrow until closing, and if closing does not occur by December 31, 2009 for any reason, to destroy all documents.

RECOMMENDATION

After Board of Directors discussion and questions, if the Board of Directors wishes to participate in the Proposition 1A Securitization Program, it should adopt the proposed Proposition 1A Sale Resolution and Purchase and Sale Agreement, which requires only a simple majority vote.

RANCHO SANTA FE FIRE PROTECTION DISTRICT, CALIFORNIA,
as Seller

and

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY,
as Purchaser

PURCHASE AND SALE AGREEMENT

Dated as of November 1, 2009

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PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT, dated as of November 1, 2009 (this "Agreement"), is entered into by and between:

(1) RANCHO SANTA FE FIRE PROTECTION DISTRICT, a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code (the "Seller"); and

(2) CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY, a joint exercise of powers authority organized and existing under the laws of the State of California (the "Purchaser").

RECITALS

A. Pursuant to Section 25.5 of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, local agencies within the meaning of Section 6585(f) of the California Government Code are entitled to receive certain payments to be made by the State of California (the "State") on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year, which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code.

B. The Seller is the owner of the Proposition 1A Receivable (as defined below) and is entitled to and has determined to sell all right, title and interest in and to the Proposition 1A receivable, namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund any lawful purpose as permitted under the applicable laws of the State.

C. The Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require.

D. The Purchaser, a joint exercise of powers authority organized and existing under the laws of the State, has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable.

E. The Seller is willing to sell, and the Purchaser is willing to purchase, the Proposition 1A Receivable upon the terms specified in this Agreement.

F. Pursuant to its Proposition 1A Receivable Financing Program (the "Program"), the Purchaser will issue its bonds (the "Bonds") pursuant to an Indenture (the "Indenture"), between the Purchaser and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and will use a portion of the proceeds thereof to purchase the Proposition 1A Receivable from the Seller.

G. The Purchaser will grant a security interest in such Proposition 1A Receivable to the Trustee and each Credit Enhancer to secure the Bonds.

AGREEMENT

NOW, THEREFORE, in consideration of the above Recitals and the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. Definitions and Interpretation.

(a) For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in Exhibit A attached hereto and which is incorporated by reference herein.

(b) The words “hereof,” “herein,” “hereunder” and words of similar import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement; section and exhibits references contained in this Agreement are references to sections and exhibits in or to this Agreement unless otherwise specified; and the term “including” shall mean “including without limitation.”

(c) Any agreement, instrument or statute defined or referred to herein or in any instrument or certificate delivered in connection herewith means such agreement, instrument or statute as from time to time may be amended, modified or supplemented and includes (in the case of agreements or instruments) references to all attachments and exhibits thereto and instruments incorporated therein; and any references to a Person are also to its permitted successors and assigns.

2. Agreement to Sell and Purchase; Conditions Precedent.

(a) The Seller agrees to sell, and the Purchaser agrees to purchase, on the Closing Date, for an amount equal to the Purchase Price, all right, title and interest of the Seller in and to the “Proposition 1A receivable” as defined in Section 6585(g) of the California Government Code (the “Proposition 1A Receivable”), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code. The Purchase Price shall be paid by the Purchaser to the Seller in two equal cash installment payments, without interest (each, an “Installment Payment” and, collectively, the “Installment Payments”), on January 15, 2010, and May 3, 2010 (each a “Payment Date” and, collectively, the “Payment Dates”). The Purchaser shall pay the Purchase Price by wire transfer pursuant to wire instructions provided by the Seller to the Trustee by e-mail to john.delaray@wellsfargo.com or by facsimile to 213-614-3355, Attention: John Delaray. If wire instructions are not provided to the Trustee (or if such wire instructions are invalid) payment will be made by check mailed to the Seller’s Principal Place of Business.

(b) The performance by the Purchaser of its obligations hereunder shall be conditioned upon:

- (i) Transaction Counsel receiving on or before the date the Bonds are sold (the “Pricing Date”), to be held in escrow until the Closing Date and then delivered to the Purchaser on the Closing Date, the following documents

duly executed by the Seller or its counsel, as applicable: (1) an opinion of counsel to the Seller dated the Pricing Date in substantially the form attached hereto as Exhibit B1, (2) certificates dated the Pricing Date in substantially the forms attached hereto as Exhibit C1 and Exhibit C2, (3) irrevocable instructions to the Controller dated as of the Closing Date in substantially the form attached hereto as Exhibit D, (4) this Agreement, (5) a certified copy of the resolution of the Seller's Board of Directors approving this Agreement, the transactions contemplated hereby and the documents attached hereto as exhibits, and (6) an escrow instruction letter in substantially the form attached hereto as Exhibit E;

- (ii) Transaction Counsel receiving on or before the Pricing Date, (1) a bringdown opinion of counsel to the Seller dated as of the Closing Date in substantially the form attached hereto as Exhibit B2, and (2) a bill of sale and bringdown certificate of the Seller (the "Bill of Sale") in substantially the form attached hereto as Exhibit C3; provided that the Purchaser may waive, in its sole discretion, the requirements of Section 2(b)(ii)(1);
- (iii) the Purchaser issuing Bonds in an amount which will be sufficient to pay the Purchase Price; and
- (iv) the receipt by the Purchaser of a certification of the County Auditor confirming the Initial Amount of the Proposition 1A Receivable pursuant to the Act.

(c) The performance by the Seller of its obligations hereunder shall be conditioned solely upon the Purchaser's issuance of the Bonds its execution and delivery of this Agreement, pursuant to which it is legally obligated to pay the Installment Payments to the Seller on the Payment Dates as set forth in this Agreement, and no other act or omission on the part of the Purchaser or any other party shall excuse the Seller from performing its obligations hereunder. Seller specifically disclaims any right to rescind this Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make Installment Payments in the requisite amounts on the Payment Dates.

3. Purchase Price, Conveyance of Proposition 1A Receivable and Payment of Purchase Price.

(a) Upon pricing of the Bonds by the Purchaser, the Purchaser will inform the Seller that it will pay the Purchase Price in Installment Payments on the Payment Dates.

(b) In consideration of the Purchaser's agreement to pay and deliver to the Seller the Installment Payments on the Payment Dates, the Seller agrees to (i) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided herein, and the Purchaser agrees to purchase, accept and receive, the Proposition 1A Receivable, and (ii) assign to the Purchaser, to the extent permitted by law, all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other

applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. This is the statement referred to in Sections 6588.6(b) and (c) of the California Government Code.

4. Representations and Warranties of the Purchaser. The Purchaser represents and warrants to the Seller, as of the date hereof, as follows:

(a) The Purchaser is duly organized, validly existing and in good standing under the laws of the State of California.

(b) The Purchaser has full power and authority to enter into this Agreement and to perform its obligations hereunder and has duly authorized such purchase and assignment of the Proposition 1A Receivable by the Purchaser by all necessary action.

(c) Neither the execution and delivery by the Purchaser of this Agreement, nor the performance by the Purchaser of its obligations hereunder, shall conflict with or result in a breach or default under any of its organizational documents, any law, rule, regulation, judgment, order or decree to which it is subject or any agreement or instrument to which it is a party.

(d) To the best of the knowledge of the Purchaser, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Purchaser affecting the existence of the Purchaser or the titles of its commissioners or officers, or seeking to restrain or to enjoin the purchase of the Proposition 1A Receivable or to direct the application of the proceeds of the purchase thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Purchaser contemplated by any of said documents, or in any way contesting the powers of the Purchaser or its authority with respect to the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Purchaser contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Purchaser from purchasing the Proposition 1A Receivable or which if determined adversely to the Purchaser would have an adverse effect upon the Purchaser's ability to purchase the Proposition 1A Receivable, nor to the knowledge of the Purchaser is there any basis therefor.

(e) This Agreement, and its execution, delivery and performance hereof have been duly authorized by it, and this Agreement has been duly executed and delivered by it and constitutes its valid and binding obligation enforceable against it in accordance with the terms hereof, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(f) The Purchaser is a separate legal entity, acting solely through its authorized representatives, from the Seller, maintaining separate records, books of account, assets, bank accounts and funds, which are not and have not been commingled with those of the Seller.

(g) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the purchase by the Purchaser of the Proposition 1A Receivable or the performance by the Purchaser of its obligations under the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(h) Insofar as it would materially adversely affect the Purchaser's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Purchaser is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Purchaser, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the execution and delivery by the Purchaser of the Transaction Documents to which it is a party, and compliance by the Purchaser with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Purchaser a breach of or default under any agreement or other instrument to which the Purchaser is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Purchaser is subject.

5. Representations and Warranties of the Seller. The Seller hereby represents and warrants to the Purchaser, as of the date hereof, as follows:

(a) The Seller is a local agency within the meaning of Section 6585(f) of the California Government Code, with full power and authority to execute and deliver this Agreement and to carry out its terms.

(b) The Seller has full power, authority and legal right to sell and assign the Proposition 1A Receivable to the Purchaser and has duly authorized such sale and assignment to the Purchaser by all necessary action; and the execution, delivery and performance by the Seller of this Agreement has been duly authorized by the Seller by all necessary action.

(c) This Agreement has been, and as of the Closing Date the Bill of Sale will have been, duly executed and delivered by the Seller and, assuming the due authorization, execution and delivery of this Agreement by the Purchaser, each of this Agreement and the Bill of Sale constitutes a legal, valid and binding obligation of the Seller enforceable in accordance with its terms, subject to the effect of bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws relating to or affecting creditors' rights generally or the application of equitable principles in any proceeding, whether at law or in equity.

(d) All approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would adversely affect, the sale by the Seller of the Proposition 1A Receivable or the performance by the Seller of its

obligations under the Resolution and the Transaction Documents to which it is a party and any other applicable agreements, have been obtained and are in full force and effect.

(e) Insofar as it would materially adversely affect the Seller's ability to enter into, carry out and perform its obligations under any or all of the Transaction Documents to which it is a party, or consummate the transactions contemplated by the same, the Seller is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or to which it or any of its property or assets is otherwise subject, and, to the best of the knowledge of the Seller, no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, and the adoption of the Resolution and the execution and delivery by the Seller of the Transaction Documents to which it is a party, and compliance by the Seller with the provisions thereof, under the circumstances contemplated thereby, do not and will not conflict with or constitute on the part of the Seller a breach of or default under any agreement or other instrument to which the Seller is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Seller is subject.

(f) To the best of the knowledge of the Seller, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller affecting the existence of the Seller or the titles of its Board of Directors members or officers to their respective offices, or seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or in any way contesting or affecting the validity or enforceability of any of the Transaction Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents, or in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Transaction Documents to which it is a party or any other applicable agreement, or any action on the part of the Seller contemplated by the Transaction Documents, or in any way seeking to enjoin or restrain the Seller from selling the Proposition 1A Receivable or which if determined adversely to the Seller would have an adverse effect upon the Seller's ability to sell the Proposition 1A Receivable, nor to the knowledge of the Seller is there any basis therefor.

(g) Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller was the sole owner of the Proposition 1A Receivable, and has such right, title and interest to the Proposition 1A Receivable as provided in the Act. From and after the conveyance of the Proposition 1A Receivable by the Seller to Purchaser on the Closing Date, the Seller shall have no right, title or interest in or to the Proposition 1A Receivable. Except as provided in this Agreement, the Seller has not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor has the Seller created, or to the best knowledge of the Seller permitted the creation of, any lien, pledge, security interest or any other encumbrance (a "Lien") thereon. Prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller held title to the Proposition 1A Receivable free and clear of any Liens. As of the Closing Date, this Agreement, together with the Bill of Sale, constitutes a valid and absolute sale to the Buyer of all of the Seller's right, title and interest in and to the Proposition 1A Receivable.

(h) The Seller acts solely through its authorized officers or agents.

(i) The Seller maintains records and books of account separate from those of the Purchaser.

(j) The Seller maintains its respective assets separately from the assets of the Purchaser (including through the maintenance of separate bank accounts); the Seller's funds and assets, and records relating thereto, have not been and are not commingled with those of the Purchaser.

(k) The Seller's principal place of business and chief executive office is located at PO Box 410, Rancho Santa Fe, CA 92067-0410.

(l) The aggregate amount of the Installment Payments is reasonably equivalent value for the Proposition 1A Receivable. The Seller acknowledges that the amount payable to or on behalf of the Purchaser by the State with respect to the Proposition 1A Receivable will be in excess of the Purchase Price and the Initial Amount of the Proposition 1A Receivable and confirms that it has no claim to any such excess amount whatsoever.

(m) The Seller does not act as an agent of the Purchaser in any capacity, but instead presents itself to the public as an entity separate from the Purchaser.

(n) The Seller has not guaranteed and shall not guarantee the obligations of the Purchaser, nor shall it hold itself out or permit itself to be held out as having agreed to pay or as being liable for the debts of the Purchaser; and the Seller has not received nor shall the Seller accept any credit or financing from any Person who is relying upon the availability of the assets of the Purchaser in extending such credit or financing. The Seller has not purchased and shall not purchase any of the Bonds or any interest therein.

(o) All transactions between or among the Seller, on the one hand, and the Purchaser on the other hand (including, without limitation, transactions governed by contracts for services and facilities, such as payroll, purchasing, accounting, legal and personnel services and office space), whether existing on the date hereof or entered into after the date hereof, shall be on terms and conditions (including, without limitation, terms relating to amounts to be paid thereunder) which are believed by each such party thereto to be both fair and reasonable and comparable to those available on an arms-length basis from Persons who are not affiliates.

(p) The Seller has not, under the provisions of Section 100.06(b) of the California Revenue and Taxation Code, received a reduction for hardship or otherwise, nor has it requested, made arrangements for, or completed a reallocation or exchange with any other local agency, of the total amount of the ad valorem property tax revenue reduction allocated to the Seller pursuant to Section 100.06(a) of the California Revenue and Taxation Code.

6. Covenants of the Seller.

(a) The Seller shall not take any action or omit to take any action which adversely affects the interests of the Purchaser in the Proposition 1A Receivable and in the proceeds thereof. The Seller shall not take any action or omit to take any action that shall adversely affect

the ability of the Purchaser, and any assignee of the Purchaser, to receive payments of the Proposition 1A Receivable.

(b) The Seller shall not take any action or omit to take any action that would impair the validity or effectiveness of the Act, nor, without the prior written consent of the Purchaser or its assignees, agree to any amendment, modification, termination, waiver or surrender of, the terms of the Act, or waive timely performance or observance under the Act. Nothing in this agreement shall impose a duty on the Seller to seek to enforce the Act or to seek enforcement thereof by others, or to prevent others from modifying, terminating, discharging or impairing the validity or effectiveness of the Act.

(c) Upon request of the Purchaser or its assignee, (i) the Seller shall execute and deliver such further instruments and do such further acts (including being named as a plaintiff in an appropriate proceeding) as may be reasonably necessary or proper to carry out more effectively the purposes and intent of this Agreement and the Act, and (ii) the Seller shall take all actions necessary to preserve, maintain and protect the title of the Purchaser to the Proposition 1A Receivable.

(d) On or before the Closing Date, the Seller shall send (or cause to be sent) an irrevocable instruction to the Controller pursuant to Section 6588.6(c) of California Government Code to cause the Controller to disburse all payments of the Proposition 1A Receivable to the Trustee, together with notice of the sale of the Proposition 1A Receivable to the Purchaser and the assignment of all or a portion of such assets by the Purchaser to the Trustee. Such notice and instructions shall be in the form of Exhibit D hereto. The Seller shall not take any action to revoke or which would have the effect of revoking, in whole or in part, such instructions to the Controller. Upon sending such irrevocable instruction, the Seller shall have relinquished and waived any control over the Proposition 1A Receivable, any authority to collect the Proposition 1A Receivable, and any power to revoke or amend the instructions to the Controller contemplated by this paragraph. Except as provided in Section 2(c) of this Agreement, the Seller shall not rescind, amend or modify the instruction described in the first sentence of this paragraph. The Seller shall cooperate with the Purchaser or its assignee in giving instructions to the Controller if the Purchaser or its assignee transfers the Proposition 1A Receivable. In the event that the Seller receives any proceeds of the Proposition 1A Receivable, the Seller shall hold the same in trust for the benefit of the Purchaser and the Trustee and each Credit Enhancer, as assignees of the Purchaser, and shall promptly remit the same to the Trustee.

(e) The Seller hereby covenants and agrees that it will not at any time institute against the Purchaser, or join in instituting against the Purchaser, any bankruptcy, reorganization, arrangement, insolvency, liquidation, or similar proceeding under any United States or state bankruptcy or similar law.

(f) The financial statements and books and records of the Seller prepared after the Closing Date shall reflect the separate existence of the Purchaser and the sale to the Purchaser of the Proposition 1A Receivable.

(g) The Seller shall treat the sale of the Proposition 1A Receivable as a sale for regulatory and accounting purposes.

(h) From and after the date of this Agreement, the Seller shall not sell, transfer, assign, set over or otherwise convey any right, title or interest of any kind whatsoever in all or any portion of the Proposition 1A Receivable, nor shall the Seller create, or to the knowledge of the Seller permit the creation of, any Lien thereon.

7. The Purchaser's Acknowledgment. The Purchaser acknowledges that the Proposition 1A Receivable is not a debt or liability of the Seller, and that the Proposition 1A Receivable is payable solely by the State from the funds of the State provided therefor. Consequently, neither the taxing power of the Seller, nor the full faith and credit thereof is pledged to the payment of the Proposition 1A Receivable. No representation is made by the Seller concerning the obligation or ability of the State to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any representation made with respect to the ability of the State to enact any change in the law applicable to the Transaction Documents (including without limitation Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). The Purchaser acknowledges that the Seller has no obligation with respect to any offering document or disclosure related to the Bonds.

8. Notices of Breach.

(a) Upon discovery by the Seller or the Purchaser that the Seller or Purchaser has breached any of its covenants or that any of the representations or warranties of the Seller or the Purchaser are materially false or misleading, in a manner that materially and adversely affects the value of the Proposition 1A Receivable or the Purchase Price thereof, the discovering party shall give prompt written notice thereof to the other party and to the Trustee, as assignee of the Purchaser, who shall, pursuant to the Indenture, promptly thereafter notify each Credit Enhancer and the Rating Agencies.

(b) The Seller shall not be liable to the Purchaser, the Trustee, the holders of the Bonds, or any Credit Enhancer for any loss, cost or expense resulting from the failure of the Trustee, any Credit Enhancer or the Purchaser to promptly notify the Seller upon the discovery by an authorized officer of the Trustee, any Credit Enhancer or the Purchaser of a breach of any covenant or any materially false or misleading representation or warranty contained herein.

9. Liability of Seller; Indemnification. The Seller shall be liable in accordance herewith only to the extent of the obligations specifically undertaken by the Seller under this Agreement. The Seller shall indemnify, defend and hold harmless the Purchaser, the Trustee and each Credit Enhancer, as assignees of the Purchaser, and their respective officers, directors, employees and agents from and against any and all costs, expenses, losses, claims, damages and liabilities to the extent that such cost, expense, loss, claim, damage or liability arose out of, or was imposed upon any such Person by the Seller's breach of any of its covenants contained herein or any materially false or misleading representation or warranty of the Seller contained herein. Notwithstanding anything to the contrary herein, the Seller shall have no liability for the payment of the principal of or interest on the Bonds issued by the Purchaser.

10. Limitation on Liability.

(a) The Seller and any officer or employee or agent of the Seller may rely in good faith on the advice of counsel or on any document of any kind, prima facie properly executed and submitted by any Person respecting any matters arising hereunder. The Seller shall not be under any obligation to appear in, prosecute or defend any legal action regarding the Act that is unrelated to its specific obligations under this Agreement.

(b) No officer or employee of the Seller shall have any liability for the representations, warranties, covenants, agreements or other obligations of the Seller hereunder or in any of the certificates, notices or agreements delivered pursuant hereto, as to all of which recourse shall be had solely to the assets of the Seller.

11. The Seller's Acknowledgment. The Seller hereby agrees and acknowledges that the Purchaser intends to assign and grant a security interest in all or a portion of (a) its rights hereunder and (b) the Proposition 1A Receivable, to the Trustee and each Credit Enhancer pursuant to the Indenture. The Seller further agrees and acknowledges that the Trustee, the holders of the Bonds, and each Credit Enhancer have relied and shall continue to rely upon each of the foregoing representations, warranties and covenants, and further agrees that such Persons are entitled so to rely thereon. Each of the above representations, warranties and covenants shall survive any assignment and grant of a security interest in all or a portion of this Agreement or the Proposition 1A Receivable to the Trustee and each Credit Enhancer and shall continue in full force and effect, notwithstanding any subsequent termination of this Agreement and the other Transaction Documents. The above representations, warranties and covenants shall inure to the benefit of the Trustee and each Credit Enhancer.

12. Notices. All demands upon or, notices and communications to, the Seller, the Purchaser, the Trustee or the Rating Agencies under this Agreement shall be in writing, personally delivered or mailed by certified mail, return receipt requested, to such party at the appropriate notice address, and shall be deemed to have been duly given upon receipt.

13. Amendments. This Agreement may be amended by the Seller and the Purchaser, with (a) the consent of the Trustee, (b) the consent of each Credit Enhancer, and (c) a Rating Agency Confirmation, but without the consent of any of the holders of the Bonds, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Agreement.

Promptly after the execution of any such amendment, the Purchaser shall furnish written notification of the substance of such amendment to the Trustee and to the Rating Agencies.

14. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Seller, the Purchaser and their respective successors and permitted assigns. The Seller may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Purchaser. Except as specified herein, the Purchaser may not assign or transfer any of its rights or obligations under this Agreement without the prior written consent of the Seller.

15. Third Party Rights. The Trustee and each Credit Enhancer are express and intended third party beneficiaries under this Agreement. Nothing expressed in or to be implied from this Agreement is intended to give, or shall be construed to give, any Person, other than the parties hereto, the Trustee, and each Credit Enhancer, and their permitted successors and assigns hereunder, any benefit or legal or equitable right, remedy or claim under or by virtue of this Agreement or under or by virtue of any provision herein.

16. Partial Invalidity. If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions of this Agreement nor the legality, validity or enforceability of such provision under the law of any other jurisdiction shall in any way be affected or impaired thereby.

17. Counterparts. This Agreement may be executed in any number of identical counterparts, any set of which signed by all the parties hereto shall be deemed to constitute a complete, executed original for all purposes.

18. Entire Agreement. This Agreement sets forth the entire understanding and agreement of the parties with respect to the subject matter hereof and supersedes any and all oral or written agreements or understandings between the parties as to the subject matter hereof.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Seller and the Purchaser have caused this Agreement to be duly executed as of the date first written above.

RANCHO SANTA FE FIRE PROTECTION
DISTRICT, as Seller

By: _____
Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES
DEVELOPMENT AUTHORITY, as Purchaser

By: _____
Authorized Signatory

**EXHIBIT A
DEFINITIONS**

For all purposes of this Agreement, except as otherwise expressly provided herein or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings set forth below.

“Act” means Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended.

“Bill of Sale” has the meaning given to that term in Section 2(b)(ii) hereof.

“Closing Date” means the date on which the Bonds are issued. The Closing Date is expected to be November 19, 2009, but the Purchaser may change the Closing Date by providing e-mail notification to rannals@rsf-fire.org not later than one day prior to the Closing Date.

“Controller” means the Controller of the State.

“County Auditor” means the auditor or auditor-controller of the county within which the Seller is located.

“Credit Enhancer” means any municipal bond insurance company, bank or other financial institution or organization which is performing in all material respects its obligations under any Credit Support Instrument for some or all of the Bonds.

“Credit Support Instrument” means a policy of insurance, a letter of credit, a stand-by purchase agreement, a revolving credit agreement or other credit arrangement pursuant to which a Credit Enhancer provides credit or liquidity support with respect to the payment of interest, principal or purchase price of the Bonds.

“Initial Amount” means, with respect to the Proposition 1A Receivable, the amount of property tax revenue reallocated away from the Seller pursuant to the provisions of Section 100.06 of the Revenue and Taxation Code, as certified by the County Auditor pursuant to the Act.

“Installment Payments” have the meaning set forth in Section 2(a).

“Payment Dates” have the meaning set forth in Section 2(a).

“Pricing Date” means the date on which the Bonds are sold. The Pricing Date is expected to be November 10, 2009, but the Purchaser may change the Pricing Date by providing e-mail notification to rannals@rsf-fire.org not later than one day prior to the Pricing Date.

“Principal Place of Business” means, with respect to the Seller, the location of the Seller’s principal place of business and chief executive office located at PO Box 410, Rancho Santa Fe, CA 92067-0410.

“Proposition 1A Receivable” has the meaning set forth in Section 2(a).

“Purchase Price” means an amount equal to the Initial Amount.

“Rating Agency” means any nationally recognized rating agency then providing or maintaining a rating on the Bonds at the request of the Purchaser.

“Rating Agency Confirmation” means written confirmation from each Rating Agency that any proposed action will not, in and of itself, cause the Rating Agency to lower, suspend or withdraw the rating then assigned by such Rating Agency to any Bonds.

“Resolution” means the resolution adopted by the Board of Directors approving the sale of the Proposition 1A Receivable.

“State” means the State of California.

“Transaction Counsel” means Orrick, Herrington & Sutcliffe LLP.

“Transaction Documents” mean this Agreement, the Bill of Sale, the Indenture, the Bonds and the Irrevocable Instructions For Disbursement of Proposition 1A Receivable of Rancho Santa Fe Fire Protection District, dated as of the Closing Date.

OPINION OF COUNSEL
to
RANCHO SANTA FE FIRE PROTECTION DISTRICT

Dated: Pricing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

[I have/This Office has] acted as counsel for the Rancho Santa Fe Fire Protection District (the “Seller”) in connection with the adoption of that certain resolution (the “Resolution”) of the Board of Directors of the Seller (the “Governing Body”) pursuant to which the Seller authorized the sale to the California Statewide Communities Development Authority (the “Purchaser”) of the Seller’s “Proposition 1A Receivable”, as defined in and pursuant to the Purchase and Sale Agreement dated as of November 1, 2009 (the “Sale Agreement”) between the Seller and the Purchaser. In connection with these transactions, the Seller has issued certain Irrevocable Instructions For Disbursement of the Seller’s Proposition 1A Receivable to the Controller of the State of California (the “Disbursement Instructions”) and a Bill of Sale and Bringdown Certificate of the Seller (the “Bill of Sale” and, collectively with the Sale Agreement and the Disbursement Instructions, the “Seller Documents”).

Unless the context otherwise requires, capitalized terms used but not otherwise defined herein shall have the meanings given to such terms in the Sale Agreement. [I/We] have examined and are familiar with the Seller Documents and with those documents relating to the existence, organization, and operation of the Seller, the adoption of the Resolution, and the execution of the Seller Documents, and have satisfied ourselves as to such other matters as [I/we] deem necessary in order to render the following opinions. As to paragraphs numbered 3 and 4 below, [I/we] have relied as to factual matters on the representations and warranties of the Seller contained in the Sale Agreement.

Based upon the foregoing, and subject to the limitations and qualifications set forth herein, [I/we] are of the opinion that:

1. The Seller is a local agency, within the meaning of Section 6585(f) of the California Government Code. The Governing Body is the governing body of the Seller.

2. The Resolution was duly adopted at a meeting of the Governing Body, which was called and held pursuant to law and with all public notice required by law, and at which a quorum was present and acting throughout, and the Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

3. To the best of [my/our] knowledge, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Seller (i) affecting the existence of the Seller or the titles of its Governing Body members or officers to their respective offices; (ii) seeking to restrain or to enjoin the sale of the Proposition 1A Receivable or to direct the application of the proceeds of the sale thereof, or materially adversely affecting the sale of the Proposition 1A Receivable; (iii) in any way contesting or affecting the validity or enforceability of the Resolution, Seller Documents or any other applicable agreements or any action of the Seller contemplated by any of said documents; or (iv) in any way contesting the powers of the Seller or its authority with respect to the Resolution or the Seller Documents or any other applicable agreement, or any action on the part of the Seller contemplated by any of said documents.

4. To the best of [my/our] knowledge, prior to the sale of the Proposition 1A Receivable to the Purchaser, the Seller had not sold, transferred, assigned, set over or otherwise conveyed any right, title or interest of any kind whatsoever in all or any portion of the Seller's Proposition 1A Receivable, nor had the Seller created, or permitted the creation of, any Lien thereon.

5. The Seller has duly authorized and executed the Seller Documents and, assuming the due authorization execution and delivery of the Sale Agreement by the Purchaser, each Seller Document will be legal, valid and binding against the Seller and enforceable against the Seller in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium or laws relating to or affecting creditors' rights, and the application of equitable principles and the exercise of judicial discretion in appropriate areas.

No opinion is expressed concerning the obligation or ability of the State of California to make any payment of the Proposition 1A Receivable pursuant to Section 100.06 of the Revenue and Taxation Code and Section 25.5 of Article XIII of the California Constitution, nor is any opinion expressed with respect to the ability of the State to enact any change in the law applicable to the Seller Documents (including, without limitation, Section 100.06 of the Revenue and Taxation Code or Section 6588.6 of the Government Code). Furthermore, [I/we] express no opinion as to the value of the Proposition 1A Receivable or as to any legal or equitable remedies that may be available to any person should the Proposition 1A Receivable have little or no value. No opinion is expressed with respect to the sale of Bonds by the Purchaser.

The legal opinion set forth herein is intended for the information solely of the addressees hereof and for the purposes contemplated by the Sale Agreement. The addressees may not rely on it in connection with any transactions other than those described herein, and it is not to be relied upon by any other person or entity, or for any other purpose, or quoted as a whole or in part, or otherwise referred to, in any document, or to be filed with any governmental or administrative agency other than the Purchaser or with any other person or entity for any purpose without [my/our] prior written consent. In addition to the addressees hereof, each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. [I/We] do not undertake to advise you of matters that may come to [my/our] attention subsequent to the date hereof that may affect the opinions expressed herein.

Very truly yours,

By: _____
Seller's Counsel

OPINION OF COUNSEL
to
RANCHO SANTA FE FIRE PROTECTION DISTRICT

Dated: Closing Date

California Statewide Communities Development Authority
Sacramento, California

Wells Fargo Bank, National Association
Los Angeles, California

Re: Sale of Proposition 1A Receivable (Bringdown Opinion)

Ladies & Gentlemen:

Pursuant to that certain Purchase and Sale Agreement dated as of November 1, 2009 (the “Sale Agreement”) between the Rancho Santa Fe Fire Protection District (the “Seller”) and the California Statewide Communities Development Authority (the “Purchaser”), this Office delivered an opinion (the “Opinion”) dated the Pricing Date as counsel for the Seller in connection with the sale of the Seller’s Proposition 1A Receivable (as defined in the Sale Agreement), the execution of documents related thereto and certain other related matters.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

I confirm that you may continue to rely upon the Opinion as if it were dated as of the date hereof. Each Credit Enhancer and the underwriters of the Bonds may rely upon this legal opinion as if it were addressed to them. This letter is delivered to you pursuant to Section 2(b)(ii)(1) of the Sale Agreement.

Very truly yours,

By: _____
Seller’s Counsel

**EXHIBIT C1
CLERK'S CERTIFICATE**

CERTIFICATE OF THE
SECRETARY OF
RANCHO SANTA FE FIRE PROTECTION DISTRICT, CALIFORNIA

Dated: Pricing Date

The undersigned Secretary of the Rancho Santa Fe Fire Protection District (the "Seller"), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, does hereby certify that the foregoing is a full, true and correct copy of Resolution No. _____ duly adopted at a regular meeting of the Board of Directors of said Seller duly and legally held at the regular meeting place thereof on the _____ day of _____, 2009, of which meeting all of the members of said Board of Directors had due notice and at which a quorum was present and acting throughout, and that at said meeting said resolution was adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

I do hereby further certify that I have carefully compared the same with the original minutes of said meeting on file and of record in my office and that said resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes and that said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

I do hereby further certify that an agenda of said meeting was posted at least 72 hours before said meeting at a location in the City of Rancho Santa Fe, California freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

Capitalized terms used but not defined herein shall have the meanings given to such terms in the Purchase and Sale Agreement, dated as of November 1, 2009, between the Seller and the California Statewide Communities Development Authority.

WITNESS by my hand as of the Pricing Date.

By: _____
Secretary of the Rancho Santa Fe Fire
Protection District, California

**EXHIBIT C2
SELLER CERTIFICATE**

SELLER CERTIFICATE

Dated: Pricing Date

We, the undersigned officers of the Rancho Santa Fe Fire Protection District (the “Seller”), a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code, holding the respective offices herein below set opposite our signatures, do hereby certify that on the date hereof the following documents (the “Seller Transaction Documents”) were officially executed and delivered by the Authorized Officer or Officers whose names appear on the executed copies thereof, to wit:

Document

1. Purchase and Sale Agreement, dated as of November 1, 2009 (the “Sale Agreement”), between the Seller and the California Statewide Communities Development Authority (the “Purchaser”).
2. Irrevocable Instructions For Disbursement of Seller’s Proposition 1A Receivable to the Controller of the State of California, dated the Closing Date.
3. Bill of Sale, dated the Closing Date.

Capitalized terms used herein and not defined herein shall have the meaning given such terms in the Sale Agreement.

We further certify as follows:

1. At the time of signing the Seller Transaction Documents and the other documents and opinions related thereto, we held said offices, respectively, and we now hold the same.
2. The representations and warranties of the Seller contained in the Seller Transaction Documents are true and correct as of the date hereof in all material respects.
3. The Board of Directors duly adopted its resolution (the “Resolution”) approving the sale of the Seller’s Proposition 1A Receivable at a meeting of the Board of Directors which was duly called and held pursuant to law with all public notice required by law and at which a quorum was present and acting when the Resolution was adopted, and such Resolution is in full force and effect and has not been amended, modified, supplemented or rescinded.

Name, Official Title _____

Signature

Karlana Rannals, Administrative Manager

Nicholas G Pavone, Fire Chief

Tony Michel, Deputy Chief

I HEREBY CERTIFY that the signatures of the officers named above are genuine.

Dated: Pricing Date

By: _____
Secretary of the Rancho Santa Fe Fire
Protection District, California

EXHIBIT C3
BILL OF SALE AND BRINGDOWN CERTIFICATE

BILL OF SALE AND BRINGDOWN CERTIFICATE

Pursuant to terms and conditions of the Purchase and Sale Agreement (the "Sale Agreement"), dated as of November 1, 2009, between the undersigned (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), and in consideration of the obligation of the Purchaser to pay and deliver to the Seller the Purchase Price (as defined in the Sale Agreement), in two equal installment payments to be made on January 15, 2010, and May 3, 2010 (collectively, the "Payment Dates"), the Seller does hereby (a) transfer, grant, bargain, sell, assign, convey, set over and deliver to the Purchaser, absolutely and not as collateral security, without recourse except as expressly provided in the Sale Agreement, the Proposition 1A Receivable as defined in the Sale Agreement (the "Proposition 1A Receivable"), and (b) assign to the Purchaser, to the extent permitted by law (as to which no representation is made), all present or future rights, if any, of the Seller to enforce or cause the enforcement of payment of the Proposition 1A Receivable pursuant to the Act and other applicable law. Such transfer, grant, bargain, sale, assignment, conveyance, set over and delivery is hereby expressly stated to be a sale and, pursuant to Section 6588.6(b) of the California Government Code, shall be treated as an absolute sale and transfer of the Proposition 1A Receivable, and not as a grant of a security interest by the Seller to secure a borrowing. Seller specifically disclaims any right to rescind the Agreement, or to assert that title to the Proposition 1A Receivable has not passed to the Purchaser, should Purchaser fail to make the installment payments in the requisite amounts on the Payment Dates.

The Seller hereby certifies that the representations and warranties of the Seller set forth in the Certificate of the Secretary dated the Pricing Date, the Seller Certificate dated the Pricing Date and in the Transaction Documents to which the Seller is a party are true and correct in all material respects as of the date hereof (except for such representations and warranties made as of a specified date, which are true and correct as of such date). Capitalized terms used but not defined herein shall have the meanings given to such terms in the Sale Agreement.

Dated: Closing Date

RANCHO SANTA FE FIRE
PROTECTION DISTRICT

By: _____
Authorized Officer

EXHIBIT D

IRREVOCABLE INSTRUCTIONS TO CONTROLLER

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT
OF PROPOSITION 1A RECEIVABLE OF
RANCHO SANTA FE FIRE PROTECTION DISTRICT

Dated: Closing Date

Office of the Controller
State of California
P.O. Box 942850
Sacramento, California 94250-5872

Re: Notice of Sale of Proposition 1A Receivable by the Rancho Santa Fe Fire Protection District and Wiring Instructions Information Form

Dear Sir or Madam:

Pursuant to Section 6588.6(c) of the California Government Code, Rancho Santa Fe Fire Protection District (the "Seller") hereby notifies you of the sale by Seller, effective as of the date of these instructions written above, of all right, title and interest of the Seller in and to the "Proposition 1A Receivable" as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

By resolution, the Seller's Board of Directors authorized the sale of the Proposition 1A Receivable to the California Statewide Communities Development Authority (the "Purchaser") pursuant to a Purchase and Sale Agreement, dated as of November 1, 2009 (the "Purchase and Sale Agreement") and a Bill of Sale, dated the Closing Date (as defined in the Purchase and Sale Agreement). The Proposition 1A Receivable has been pledged and assigned by the Purchaser pursuant to an Indenture, dated as of November 1, 2009 (the "Indenture") between the Purchaser and Wells Fargo Bank, National Association, as Trustee (the "Trustee").

The Seller hereby irrevocably requests and directs that, commencing as of the date of these instructions written above, all payments of the Proposition 1A Receivable (and documentation related thereto) be made directly to Wells Fargo Bank, National Association, as Trustee, in accordance with the wire instructions and bank routing information set forth below.

Please note that the sale of the Proposition 1A Receivable by the Seller is irrevocable and that: (i) the Seller has no power to revoke or amend these instructions at any time; (ii) the Purchaser shall have the power to revoke or amend these instructions only if there are no notes of the Purchaser outstanding under the Indenture and the Indenture has been discharged; and (iii) so long as the Indenture has not been discharged, these instructions

cannot be revoked or amended by the Purchaser without the consent of the Trustee. Should the Purchaser, however, deliver a written notice to the Office of the Controller stating that: (a) the Seller failed to meet the requirements set forth in the Purchase and Sale Agreement; (b) the Purchaser has not waived such requirements; and (c) the Purchaser has not purchased the Proposition 1A Receivable as a result of the circumstances described in (a) and (b) above, then these instructions shall be automatically rescinded and the Seller shall again be entitled to receive all payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code.

Bank Name: Wells Fargo Bank, N.A.
Bank ABA Routing #: 121000248
Bank Account #: 0001038377
Bank Account Name: Corporate Trust Clearing
Further Credit To: CSCDA Proposition 1A Bonds
Bank Address: 707 Wilshire Blvd., 17th Floor
MAC E2818-176
Los Angeles, CA 90017
Bank Telephone #: (213) 614-3353
Bank Contact Person: Robert Schneider

Please do not hesitate to call the undersigned if you have any questions regarding this transaction. Thank you for your assistance in this matter.

Very truly yours,

RANCHO SANTA FE FIRE PROTECTION
DISTRICT

By: _____
Authorized Officer

EXHIBIT E
ESCROW INSTRUCTION LETTER

ESCROW INSTRUCTION LETTER

_____, 2009

California Statewide Communities Development Authority
1100 K Street
Sacramento, CA 95814

Re: Proposition 1A Receivable Financing

Dear Sir or Madam:

The Rancho Santa Fe Fire Protection District (the “Seller”) hereby notifies you of its agreement to participate in the California Statewide Communities Development Authority Proposition 1A Receivable Financing. By adoption of a resolution (the “Resolution”) authorizing the sale of its Proposition 1A Receivable, the Seller’s Board of Directors has agreed to sell to the California Statewide Communities Development Authority (the “Purchaser”), for a purchase price that meets the conditions set forth in the Resolution, all of its right, title and interest in the Proposition 1A Receivable.

Enclosed herewith are the following documents which have been duly approved and executed by the Seller and which are to be held in escrow by Orrick, Herrington & Sutcliffe LLP, as transaction counsel (“Transaction Counsel”), as instructed below:

1. certified copy of the Resolution, together with a certificate of the Secretary, dated the Pricing Date;
2. the Seller Certificate, dated the Pricing Date;
3. the Opinion of Seller’s Counsel, dated the Pricing Date;
4. the Opinion of Seller’s Counsel (bringdown opinion), dated the Closing Date;
5. the Purchase and Sale Agreement, dated as of November 1, 2009;
6. the Bill of Sale and Bringdown Certificate, dated the Closing Date; and
7. the Irrevocable Instructions to Controller, dated the Closing Date.

The foregoing documents are to be held in escrow by Transaction Counsel and shall be delivered on the Closing Date (as defined in the Purchase and Sale Agreement), provided that such Closing Date occurs on or before December 31, 2009.

Should (i) the Closing Date not occur on or before December 31, 2009, or (ii) Transaction Counsel receive prior to the Closing Date written notification from Seller or Seller's Counsel stating, respectively and in good faith, that the representations made in the Seller's Certificate are not true and accurate, or the opinions set forth in the Opinion of Seller's Counsel are not valid, in each case as of the Closing Date and provided that the Purchaser may, in its sole discretion, choose to waive receipt of such representations or opinions, then this agreement shall terminate and Transaction Counsel shall destroy all of the enclosed documents.

Very truly yours,

**RANCHO SANTA FE FIRE PROTECTION
DISTRICT**

By: _____
Authorized Officer

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP

RESOLUTION NO. 2009 - 06

**BOARD OF DIRECTORS
OF THE
RANCHO SANTA FE FIRE PROTECTION DISTRICT**

A RESOLUTION APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT AND RELATED DOCUMENTS WITH RESPECT TO THE SALE OF THE SELLER'S PROPOSITION 1A RECEIVABLE FROM THE STATE; AND DIRECTING AND AUTHORIZING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, pursuant to Section 25.5 of Article XIII of the California Constitution and Chapter 14XXXX of the California Statutes of 2009 (Assembly Bill No. 15), as amended (the "Act"), certain local agencies within the State of California (the "State") are entitled to receive certain payments to be made by the State on or before June 30, 2013, as reimbursement for reductions in the percentage of the total amount of ad valorem property tax revenues allocated to such local agencies during the State's 2009-10 fiscal year (the "Reimbursement Payments"), which reductions have been authorized pursuant to Sections 100.05 and 100.06 of the California Revenue and Taxation Code;

WHEREAS, the Rancho Santa Fe Fire Protection District, a local agency within the meaning of Section 6585(f) of the California Government Code (the "Seller"), is entitled to and has determined to sell all right, title and interest of the Seller in and to its "Proposition 1A receivable", as defined in Section 6585(g) of the California Government Code (the "Proposition 1A Receivable"), namely, the right to payment of moneys due or to become due to the Seller pursuant to Section 25.5(a)(1)(B)(iii) of Article XIII of the California Constitution and Section 100.06 of the California Revenue and Taxation Code, in order to obtain money to fund public capital improvements or working capital;

WHEREAS, the Seller is authorized to sell or otherwise dispose of its property as the interests of its residents require;

WHEREAS, the California Statewide Communities Development Authority, a joint exercise of powers authority organized and existing under the laws of the State (the "Purchaser"), has been authorized pursuant to Section 6588(x) of the California Government Code to purchase the Proposition 1A Receivable;

WHEREAS, the Purchaser desires to purchase the Proposition 1A Receivable and the Seller desires to sell the Proposition 1A Receivable pursuant to a purchase and sale agreement by and between the Seller and the Purchaser in the form presented to this Board of Directors (the "Sale Agreement") for the purposes set forth herein;

WHEREAS, in order to finance the purchase price of the Proposition 1A Receivable from the Seller and the purchase price of other Proposition 1A Receivables from other local agencies, the Purchaser will issue its bonds (the "Bonds") pursuant to Section 6590 of the California Government Code and an Indenture (the "Indenture"), by and between the Purchaser and Wells, Fargo Bank, National Association, as trustee (the "Trustee"), which Bonds will be payable solely

from the proceeds of the Seller’s Proposition 1A Receivable and other Proposition 1A Receivables sold to the Purchaser by local agencies in connection with the issuance of the Bonds;

WHEREAS, the Seller acknowledges that (i) any transfer of its Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement shall be treated as an absolute sale and transfer of the property so transferred and not as a pledge or grant of a security interest by Rancho Santa Fe Fire Protection District to secure a borrowing, (ii) any such sale of its Proposition 1A Receivable to the Purchaser shall automatically be perfected without the need for physical delivery, recordation, filing or further act, (iii) the provisions of Division 9 (commencing with Section 9101) of the California Commercial Code and Sections 954.5 to 955.1 of the California Civil Code, inclusive, shall not apply to the sale of its Proposition 1A Receivable, and (iv) after such transfer, the Seller shall have no right, title, or interest in or to the Proposition 1A Receivable sold to the Purchaser and the Proposition 1A Receivable will thereafter be owned, received, held and disbursed only by the Purchaser or a trustee or agent appointed by the Purchaser;

WHEREAS, the Seller acknowledges that the Purchaser will grant a security interest in the Proposition 1A Receivable to the Trustee and any credit enhancer to secure payment of the Bonds;

WHEREAS, a portion of the proceeds of the Bonds will be used by the Purchaser to, among other things, pay the purchase price of the Proposition 1A Receivable;

WHEREAS, the Seller will use the proceeds received from the sale of the Proposition 1A Receivable for any lawful purpose as permitted under the applicable laws of the State;

NOW THEREFORE, the Board of Directors of the Rancho Santa Fe Fire Protection District hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this Board of Directors hereby so finds and determines.

Section 2. The Seller hereby authorizes the sale of the Proposition 1A Receivable to the Purchaser for a price equal to the amount certified as the Initial Amount (as defined in the Sale Agreement) by the County auditor pursuant to the Act. The form of Sale Agreement presented to the Board of Directors is hereby approved. An Authorized Officer (as set forth in Appendix A of this Resolution, attached hereto and by this reference incorporated herein) is hereby authorized and directed to execute and deliver the Sale Agreement on behalf of the Seller, which shall be in the form presented at this meeting.

Section 3. Any Authorized Officer is hereby authorized and directed to send, or to cause to be sent, an irrevocable written instruction to the State Controller (the “Irrevocable Written Instruction”) notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement pursuant to Section 6588.6(c) of California Government Code of the Proposition 1A Receivable to the Trustee, on behalf of the Purchaser, which Irrevocable Written Instruction shall be in the form presented at this meeting.

Section 4. The Authorized Officers and such other Seller officers, as appropriate, are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents, including but not limited to, if required, appropriate escrow instructions relating to the delivery into escrow of executed documents prior to the closing of the Bonds, and such other documents mentioned in the Sale Agreement or the Indenture, which any of them may deem necessary or desirable in order to implement the Sale Agreement and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution; and all such actions heretofore taken by such officers are hereby ratified, confirmed and approved.

Section 5. All consents, approvals, notices, orders, requests and other actions permitted or required by any of the documents authorized by this Resolution, whether before or after the sale of the Proposition 1A Receivable or the issuance of the Bonds, including without limitation any of the foregoing that may be necessary or desirable in connection with any default under or amendment of such documents, may be given or taken by an Authorized Officer without further authorization by this Board of Directors, and each Authorized Officer is hereby authorized and directed to give any such consent, approval, notice, order or request, to execute any necessary or appropriate documents or amendments, and to take any such action that such Authorized Officer may deem necessary or desirable to further the purposes of this Resolution.

Section 6. The Board of Directors acknowledges that, upon execution and delivery of the Sale Agreement, the Seller is contractually obligated to sell the Proposition 1A Receivable to the Purchaser pursuant to the Sale Agreement and the Seller shall not have any option to revoke its approval of the Sale Agreement or to determine not to perform its obligations thereunder.

Section 7. This Resolution shall take effect from and after its adoption and approval.

PASSED AND ADOPTED by the Board of Directors of the Rancho Santa Fe Fire Protection District, State of California, this 14 th day of October, 2009, by the following vote:

AYES: Ashcraft, Hickerson, Hillgren, Malin, Tanner

NOES:

ABSENT:

President
James H. Ashcraft

Attest:

Secretary
Karlana Rannals

Approved as to form :

SELLER'S COUNSEL

By _____

Dated: _____

Stephen J. Fitch

APPENDIX A

RANCHO SANTA FE FIRE PROTECTION DISTRICT

Authorized Officers: Karlena Rannals, Administrative Manager

Nicholas G Pavone, Fire Chief

Tony Michel, Deputy Chief

any designee of any of them, as appointed in a written certificate of such Authorized Officer delivered to the Trustee.