



## **BOARD FINANCE COMMITTEE**

EAST BAY REGIONAL PARK DISTRICT  
2950 Peralta Oaks Court  
Oakland, CA

**September 23, 2009**  
**12:45 p.m., Board Room**

The following agenda items are listed for Committee consideration. In accordance with the Board Operating Guidelines, no official action of the Board will be taken at this meeting; rather, the Committee's purpose shall be to review the listed items and to consider developing recommendations to the Board of Directors.

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### **AGENDA**

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<u>STATUS</u>	<u>TIME</u>	<u>ITEM</u>	<u>STAFF</u>
(R)	12:45 p.m.	1. June 30, 2009 Unaudited Financial Statements	Sumner
(I)	1:00 p.m.	2. Prop IA Securitization Program	Collins
(I)	1:30 p.m.	3. Public Comments	

- (R) Recommendation for future Board consideration
- (I) Information
- (D) Discussion

#### Future 2009 Meeting Dates:

October 28, November 25

#### Board Finance Committee Members:

Beverly Lane, Chair    Ayn Wieskamp    Doug Siden    Whitney Dotson, Alternate  
Cinde Rubaloff, Staff Coordinator

#### Distribution/Agenda Only:

John Sutter                      Rich Guarienti  
Valerie FischerGates        Steve Myli  
Yolande Barial                Bruce Beyaert  
Robert Willis  
Michael Shimansky  
Afton Crooks

#### Distribution/Full Packets:

Pat O'Brien                      Dave Collins                      John Escobar  
Ted Radosevich                Susan Gonzales                Cinde Rubaloff  
David Sumner                    Allen Pulido                      Pam Burnor  
Tyrone Davis                    Davio Santos                    Brenda Wood  
Dave Kalehele                    Bick Hooper                      NormanLaForce  
Ron Harryman                    Deborah Spaulding



EAST BAY REGIONAL PARK DISTRICT  
**BOARD FINANCE COMMITTEE**  
AGENDA STATEMENT  
MEETING DATE – SEPTEMBER 23, 2009

**SUBJECT:** Financial Reports (Unaudited) for the Second Quarter of 2009  
Report by: David Sumner, Audit Manager

**ATTACHMENTS:** **A-D** Quarterly Financial Reports – Second Quarter 2009

**RECOMMENDATION:** Review the reports and direct Staff to submit them to the Board of Directors for consideration and acceptance.

**DESCRIPTION:**

This item provides a report of the District's financial activities for the second quarter of Fiscal Year 2009. Financial statements presented include:

- Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - General Fund (**Attachment A**)
- Comparative Summary Statement of Revenues, Expenditures and Changes in Fund Balance - Special Revenue Funds, Capital Projects Funds, and Debt Service Funds (**Attachment B**)
- Comparative Statement of Expenditures by Division - General Fund and Special Revenue Funds (**Attachment C**)
- Statement of Contingency Activity and Ending Balances (**Attachment D**)

The focus of this Agenda Statement is an analysis of the General Fund Revenues and Expenditures, since the General Fund accounts for the most significant portion of the District's operations. This report details the actual (unaudited) second quarter and year-to-date financial results as compared against actual results from the prior year.

**Analysis of General Fund Revenues**

The total General Fund revenue collected for the first half of 2009 was approximately \$51.3 million. The General Fund revenue collected in the first six months of 2008 was approximately \$54.1 million. The decline in total revenues was largely due to lower property tax revenue and interest earnings. However, the District's earnings from charges for services, rents, and leases, and miscellaneous revenues increased as compared to the similar period in 2008. The following is an explanation of the changes in revenue by type:

- **Property Taxes (down \$4,468,217 or 9.46% over the prior year).** The slow-down in the Bay Area real estate market is affecting the District's property tax revenue. However, the more than \$2 million decline in property tax revenue in 2009 is related to the timing of revenue recognition. The deferred property tax revenue reversal entry was posted in first quarter of 2008, but it has not been posted for 2009 as yet. Total

collections during the first half of 2009 have decreased as compared to the first half of 2008. While property tax revenues have declined, collection fees and late payment penalties charged by County Tax Collector have increased.

- **Charges for Service (up \$1,759,839 or 5.07% over the prior year).** There has been an increase in revenues from parking, fishing, rental facility, concessions, and JPA Police Services. However, the bulk of the increase was due to timing of the collection of fire assistance, and Middle Harbor reimbursements. The increase was somewhat offset by a decrease in revenues received from swimming, recreation programs, picnic areas, and encroachment permits.
- **Interest (down \$234,664 or 1.21% over the prior year).** Overall decline in short-term rates has resulted in lower interest earnings.
- **Miscellaneous Revenues (up \$165,715 or 2.52% over the prior year).** Factors contributing to the increase were higher amounts of local government aid, membership, and other revenue. The overall increase was somewhat offset by a decrease in damage recovery, and insurance reimbursements special events.

#### **Analysis of General Fund Expenditures**

The total General Fund expenditures for the first half of 2009 was approximately \$40.4 million, as compared to \$39.9 million spent in the first half of 2008.

Additional details related to differences observed at this time (taking into consideration the Actual Year-to-Date expenditures, and excluding encumbrances):

- **Personnel Service (up \$271,032 or 0.08% over the prior year).** The overall increase in personnel services expenditures is mostly due to increased salary & wages pursuant to increased staffing, higher medical premiums and PERS pension cost. The increase was mitigated by a decline in overtime, vacation payout, other temporary help, and lower contributions to the EBRPD retirement plan.
- **Supplies and Services (up \$222,553 or 3.24% over the prior year).** The increase is due to increased expenditures for pest management, repairs and maintenance, small tools, publications and notices expenses. The overall increase was offset by a decrease in expenditures for fuel, legal, professional services, maintenance contracts, propane & kerosene.
- **Capital Outlay (up \$62,220 or 5.57% over the prior year).** It is typical for this category to fluctuate from year to year due to the nature of the activities. This increase was mainly due to expenditures for computer software and other equipment. The increase was somewhat offset by lower expenditures for rolling stock.

Included in the Quarterly Financial Reports is a Comparative Statement of Expenditures by Division (**Attachment C**), which provides a listing of expenditures by operating divisions and

departments. The total expenditures reported exclude encumbrances. Encumbrances account for commitment to pay for goods and services to be received at a later date.

The Statement of Contingency Activity and Ending Balances (**Attachment D**) provides information related to items funded from budget transfers from the three budgeted contingency accounts (Board-General, General Manager, and Maintenance and Operations). These accounts are budgeted into a general account and then transferred to specific operating accounts for unanticipated expenditures based upon District policy. The policy provides for quarterly reporting on the use of contingency funds.

It is requested that the Finance Committee review, discuss and direct staff to submit the unaudited financial reports to the Board of Directors for favorable consideration.

Comparative Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund  
For the Period Ending June 30, 2009 and 2008

	Quarter Ended 6/30/2009	Quarter Ended 6/30/2008	Year to Date 2009	Year to Date 2008	Difference in Year to Date
<b>REVENUES</b>					
Property Taxes	\$35,992,377	\$34,459,467	\$42,786,009	\$47,254,226	(\$4,468,217)
Charges for Services	3,849,937	2,319,525	5,231,645	3,471,806	1,759,839
Interest	783,638	1,145,729	1,708,817	1,943,481	(234,664)
Rents & Leases	540,591	536,144	823,806	793,878	29,928
Miscellaneous	546,125	545,279	823,587	657,872	165,715
<b>TOTAL REVENUES</b>	<b>41,712,668</b>	<b>39,006,144</b>	<b>51,373,864</b>	<b>54,121,263</b>	<b>(2,747,399)</b>
<b>OTHER FINANCING SOURCES</b>					
Operating Transfers In	21,859	179,552	61,859	179,552	(117,693)
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>21,859</b>	<b>179,552</b>	<b>61,859</b>	<b>179,552</b>	<b>(117,693)</b>
<b>TOTAL FINANCING SOURCES</b>	<b>41,734,527</b>	<b>39,185,696</b>	<b>51,435,723</b>	<b>54,300,815</b>	<b>(2,865,092)</b>
<b>EXPENDITURES</b>					
<b>PERSONNEL SERVICES</b>					
Salaries & Wages	10,958,819	11,163,439	18,389,413	18,511,166	(121,753)
Other Personnel Costs	7,973,072	7,735,664	13,750,644	13,357,859	392,785
<b>TOTAL PERSONNEL SERVICES</b>	<b>18,931,891</b>	<b>18,899,103</b>	<b>32,140,057</b>	<b>31,869,025</b>	<b>271,032</b>
<b>SUPPLIES AND SERVICES</b>					
Operating	1,616,092	1,406,694	2,383,830	2,312,809	71,021
Repairs & Maintenance	794,835	907,997	1,316,664	1,251,412	65,252
Professional Services	720,728	948,258	1,091,407	1,328,986	(237,579)
Utilities	563,725	581,226	857,187	877,926	(20,739)
Rents & Leases	185,618	120,073	318,970	265,739	53,231
Insurance & Uninsured Losses	7,191	8,073	8,708	8,392	316
Other	1,831,769	581,217	1,124,848	833,797	291,051
<b>TOTAL SUPPLIES AND SERVICES</b>	<b>5,719,958</b>	<b>4,553,538</b>	<b>7,101,614</b>	<b>6,879,061</b>	<b>222,553</b>
<b>CAPITAL OUTLAY</b>					
Structures and Improvements	0	1,276	0	1,276	(1,276)
Equipment	695,692	851,970	1,178,574	1,115,078	63,496
<b>TOTAL CAPITAL OUTLAY</b>	<b>695,692</b>	<b>853,246</b>	<b>1,178,574</b>	<b>1,116,354</b>	<b>62,220</b>
<b>SUB-TOTAL EXPENDITURES</b>	<b>25,347,541</b>	<b>24,305,887</b>	<b>40,420,245</b>	<b>39,864,440</b>	<b>555,805</b>
DEBT SERVICE	0	0	0	0	0
<b>TOTAL DEBT SERVICE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURES</b>	<b>25,347,541</b>	<b>24,305,887</b>	<b>40,420,245</b>	<b>39,864,440</b>	<b>555,805</b>
<b>OTHER USES</b>					
Grants to Other Agencies	0	0	200,000	200,000	0
Interfund Charges	450,328	340,627	450,328	711,010	(260,682)
Operating Transfers Out	36,451	312,106	5,969,526	3,764,966	2,204,560
<b>TOTAL OTHER USES</b>	<b>486,779</b>	<b>652,733</b>	<b>6,619,854</b>	<b>4,675,976</b>	<b>1,943,878</b>
<b>TOTAL USES</b>	<b>25,834,320</b>	<b>24,958,620</b>	<b>47,040,099</b>	<b>44,540,416</b>	<b>2,499,683</b>
<b>EXCESS (DEFICIENCY) OF FINANCING SOURCES OVER USES</b>	<b>\$15,900,207</b>	<b>\$14,227,076</b>	<b>\$4,395,624</b>	<b>\$9,760,399</b>	<b>(\$5,364,775)</b>

Comparative Summary Statement of Revenues, Expenditures and Changes in Fund Balance  
 Special Revenue, Capital Projects, and Debt Service Funds  
 For the Period Ending June 30, 2009 and 2008

	<b>Quarter Ended 6/30/2009</b>	Quarter Ended 6/30/2008	<b>Year to Date 2009</b>	Year to Date 2008	Difference in Year to Date
<b>Special Revenue Funds</b>					
Total Revenues	<b>\$3,328,401</b>	\$3,203,169	<b>\$3,966,867</b>	\$4,120,885	(\$154,018)
Total Expenditures	<b>1,908,529</b>	1,404,387	<b>6,705,833</b>	5,392,191	1,313,642
Revenues Over (Under) Expenditures	<b>\$1,419,872</b>	\$1,798,782	<b>(\$2,738,966)</b>	(\$1,271,306)	(\$1,467,660)
<b>Capital Projects Funds</b>					
Total Revenues	<b>\$1,647,105</b>	\$4,798,213	<b>\$18,524,634</b>	\$10,737,131	\$7,787,503
Total Expenditures	<b>5,209,426</b>	15,846,662	<b>7,505,511</b>	18,464,400	(10,958,889)
Revenues Over (Under) Expenditures	<b>(\$3,562,321)</b>	(\$11,048,449)	<b>\$11,019,123</b>	(\$7,727,269)	\$18,746,392
<b>Debt Service Funds</b>					
Total Revenues	<b>\$10,824,788</b>	\$9,505,987	<b>\$12,768,649</b>	\$12,335,008	\$433,641
Total Expenditures	<b>250</b>	1,093,543	<b>4,313,781</b>	5,368,424	(1,054,643)
Revenues Over (Under) Expenditures	<b>\$10,824,538</b>	\$8,412,444	<b>\$8,454,868</b>	\$6,966,584	\$1,488,284

Comparative Statement of Expenditures by Division  
 General Fund and Special Revenue Funds  
 For the Period Ending June 30, 2009 and 2008

	<b>Quarter Ended 6/30/2009</b>	Quarter Ended 6/30/2008	<b>Year to Date 2009</b>	Year to Date 2008	Difference in Year to Date
<b>Legislative &amp; Executive</b>					
Board of Directors	\$ 1,220,445 *	\$ 64,488	\$ 88,996	\$ 119,750	\$ (30,754)
General Manager	<u>422,921</u>	<u>437,383</u>	<u>744,479</u>	<u>767,054</u>	<u>(22,575)</u>
<b>Total Legislative &amp; Executive</b>	<b>1,643,366</b>	<b>501,871</b>	<b>833,475</b>	<b>886,804</b>	<b>(53,329)</b>
<b>District Wide Support Services</b>					
Legal	<b>337,595</b>	470,912	<b>608,155</b>	755,195	(147,040)
Finance and Management Services	<b>1,932,830</b>	2,251,025	<b>3,366,167</b>	3,174,670	191,497
Human Resources	<b>527,422</b>	514,743	<b>872,284</b>	868,534	3,750
Public Affairs	<b>690,708</b>	<u>840,762</u>	<b>1,285,488</b>	<u>1,278,688</u>	<u>6,800</u>
<b>Total District Wide Support</b>	<b>3,488,554</b>	<b>4,077,442</b>	<b>6,132,094</b>	<b>6,077,087</b>	<b>55,007</b>
<b>Operations</b>					
Park Operations	<b>8,303,825</b>	7,999,528	<b>13,604,362</b>	13,280,006	324,356
Maintenance	<b>3,454,728</b>	3,582,974	<b>5,579,558</b>	5,829,606	(250,048)
Interpretive and Rec. Services	<b>2,581,047</b>	<u>2,490,832</u>	<b>4,323,435</b>	<u>3,924,930</u>	<u>398,505</u>
<b>Total Operations</b>	<b>14,339,600</b>	<b>14,073,334</b>	<b>23,507,355</b>	<b>23,034,542</b>	<b>472,813</b>
<b>Planning/Stewardship &amp; Development</b>					
Planning and Stewardship	<b>1,302,796</b>	1,228,907	<b>2,102,793</b>	2,003,106	99,687
Design	<b>4,959</b>	552,657	<b>12,703</b>	557,426	(544,723)
Construction	<b>4,565</b>	<u>272,492</u>	<b>9,979</b>	<u>481,459</u>	<u>(471,480)</u>
<b>Total Planning/Stwdshp &amp; Dev.</b>	<b>1,312,320</b>	<b>2,054,056</b>	<b>2,125,475</b>	<b>3,041,991</b>	<b>(916,516)</b>
<b>Land</b>	<b>671,414</b>	650,406	<b>1,175,048</b>	1,154,132	20,916
<b>Public Safety</b>					
Administration	<b>1,061,688</b>	1,246,271	<b>1,813,315</b>	1,618,715	194,600
Police Services	<b>2,890,048</b>	2,684,676	<b>5,355,898</b>	4,625,596	730,302
Fire Services	<b>1,264,199</b>	<u>1,657,290</u>	<b>1,895,161</b>	<u>2,422,678</u>	<u>(527,517)</u>
<b>Total Public Safety</b>	<b>5,215,936</b>	<b>5,588,237</b>	<b>9,064,374</b>	<b>8,666,989</b>	<b>397,385</b>
<b>Total All Departments</b>	<b>\$ 26,671,190</b>	<b>\$ 26,945,346</b>	<b>\$ 42,837,821</b>	<b>\$ 42,861,545</b>	<b>\$ (23,724)</b>

\* Second quarter amount is more than Year to Date amount, because first quarter balance was a credit amount.

Statement of Contingency Activity and Ending Balances  
For the Period Ending June 30, 2009

**BOARD CONTINGENCY**

<b><u>DATE</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>AMOUNT</u></b>
	<b><i>SOURCE OF FUNDS</i></b>	
January	2009 APPROPRIATION	\$87,176
	<b>TOTAL FUNDS AVAILABLE</b>	<b>\$87,176</b>
	<b><i>USE OF FUNDS</i></b>	
1st Quarter	Co sponsorship of Save Mt. Diablo 'Moonlight on the Mountain" event	\$3,750
	Funding for Rose Hill Cemetery record publication Bd. Res. 2009-4-084	8,000
	Transfer to special events for HSPA Bay Trail Anniversary Bd. Res. 2009-2-023	2,000
2nd Quarter	Co sponsorship of the Muir Heritage Land Trust "Fresh Aire Affaire" event	1,250
	<b>TOTAL FUNDS USED</b>	<b>15,000</b>
	<b>BALANCE REMAINING</b>	<b>\$72,176</b>

Statement of Contingency Activity and Ending Balances  
For the Period Ending June 30, 2009

**GENERAL MANAGER CONTINGENCY**

<b><u>DATE</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>AMOUNT</u></b>
	<b><i>SOURCE OF FUNDS</i></b>	
January	2009 APPROPRIATION	<b>\$164,139</b>
	<b>TOTAL FUNDS AVAILABLE</b>	<b><u>\$164,139</u></b>
	<b><i>USE OF FUNDS</i></b>	
1st Quarter	Co sponsorship of Save Mt. Diablo 'Moonlight on the Mountain" event	<b>\$3,750</b>
	Purchase of software for two GM office computers	<b>3,000</b>
	To partially fund publication of Transit to Trails map & supplement in Bay Nature	<b>5,000</b>
	Funding for Rose Hill Cemetery record publication Bd. Res. 2009-4-084	<b>8,000</b>
2nd Quarter	Co sponsorship of the Muir Heritage Land Trust "Fresh Aire Affaire" event	<b>1,250</b>
	<b>TOTAL FUNDS USED</b>	<b><u>21,000</u></b>
	<b>BALANCE REMAINING</b>	<b><u>\$143,139</u></b>

Statement of Contingency Activity and Ending Balances  
For the Period Ending June 30, 2009

**MAINTENANCE AND OPERATIONS CONTINGENCY**

<b><u>DATE</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>AMOUNT</u></b>
	<b><i>SOURCE OF FUNDS</i></b>	
January	2009 APPROPRIATION	<b>\$108,701</b>
	<b>TOTAL FUNDS AVAILABLE</b>	<b><u>\$108,701</u></b>
	<b><i>USE OF FUNDS</i></b>	
1st Quarter	To fund difference in vehicle price upgrade for Naturalist at the visitor center	<b>\$2,959</b>
	To fund data & communication wiring at Muller property office on Redwood Rd.	<b>5,424</b>
	To fund removal of abandoned boat from Eastshore Satae Park	<b>3,750</b>
	Purchase of refurbished office trailer for quagga mussel inspection	<b>7,940</b>
	Funding for Rose Hill Cemetery record publication Bd. Res. 2009-4-084	<b>8,000</b>
	To fund microvawe & wireless communication at Del Valle Bd. Res. 2009-5-114	<b>6,000</b>
2nd Quarter	To fund six week internship for Cultural Atlas - part of HR Academic Internship	<b>3,686</b>
	To fund backfill Temporary Ranger at Quarry Lakes.	<b>4,713</b>
	To fund Archeological & Historical Review of District Maint. & Const. Projects	<b>3,000</b>
	<b>TOTAL FUNDS USED</b>	<b><u>45,472</u></b>
	<b>BALANCE REMAINING</b>	<b><u>\$63,229</u></b>

Statement of Budget Adjustments  
For the Period Ending June 30, 2009

<b>Date</b>	<b>Transfer From (To)</b>	<b>Requester</b>	<b>Purpose</b>	<b>Amount</b>
1/16/2009	101-5141-242-6192	E. Hernandez	To fund control of Canada geese at Quarry Lakes par	\$4,000.00
	101-5141-242-5311			\$2,000.00
	101-5141-242-6616			\$4,050.00
	101-5010-000-6191			\$4,000.00
	(101-5141-242-6191)			
			Total	<u>\$14,050.00</u>
1/27/2009	101-4160-000-5526	S. Myli	To fund Central Stores expenses not covered in '09 budge	\$1,500.00
	101-4160-000-5511			\$2,000.00
	101-4160-000-6414			\$725.00
	101-4160-000-6414			\$800.00
	(101-4340-000-5526)			
	(101-4340-000-5192)			
	(101-4340-000-6191)			
	(101-4340-000-6525)			
			Total	<u>\$5,025.00</u>
1/27/2009	101-8510-000-6191	W. Morimoto	To fund janitorial service for the added are:	\$8,000.00
	(101-8510-000-6464)			
			Total	<u>\$8,000.00</u>
1/27/2009	101-5225-000-5811	K. Fusek	To fund lapel pins for 75th Anniversary	\$5,000.00
	(101-3110-000-5811)			
			Total	<u>\$5,000.00</u>
2/10/2009	101-5141-203-5192	W. Schultz	To fund chemicals for WTP at Del Valle	\$10,000.00
	(101-5942-203-5123)			
			Total	<u>\$10,000.00</u>
2/19/2009	101-7440-000-6434	K. Fox	To help fund upgrade to two cattle troughs	\$4,000.00
	(101-5161-110-6444)			
			Total	<u>\$4,000.00</u>
2/27/2009	101-2010-000-5831	M. Mattingly	To fund the Bay Nature publication of "Transit to Trails Map	\$5,000.00
	(101-2010-000-6525)			
			Total	<u>\$5,000.00</u>
3/12/2009	101-2010-000-5833	J. Kenny	To fund purchase of refurbished office trailer - Del Valle	\$7,940.00
	101-5110-000-5192			\$4,000.00
	(101-5141-203-7505)			
			Total	<u>\$11,940.00</u>
3/13/2009	101-5161-102-6414	R. Caufield	To fund upgrade of vehicle 2811 to extended cal	\$1,594.00
	(101-5224-000-6511)			
			Total	<u>\$1,594.00</u>

East Bay Regional Park District

Attachment E

Statement of Budget Adjustments  
For the Period Ending June 30, 2009

3/13/2009	101-7440-000-5311 (101-7440-000-6191)	D. Amme	To fund solar system maintenance contrac	\$2,200.00
			Total	<u>\$2,200.00</u>
3/13/2009	220-5171-132-5311 (220-5933-000-7505)	A. Rockwell	To help fund upgrade of vehicle 2811 to extra cab.	\$1,558.65
			Total	<u>\$1,558.65</u>
3/18/2009	220-5161-162-5311 (220-5160-162-7549)	K. Barrington	To fund shipping costs for fire pumper for parks	\$142.34
			Total	<u>\$142.34</u>
3/27/2009	101-2010-000-5831 (101-2010-000-5525)	M. Mattingly	To fund purchase of Adobe software for GM Office computers	\$3,000.00
			Total	<u>\$3,000.00</u>
3/27/2009	101-2010-000-5831 555-2130-000-6818 (101-5010-423-6191) (555-2130-423-6444)	J. Escobar & L. Moss	To Fund removal of abandoned boat - East Shore State Par	\$3,750.00
				\$3,835.00
			Total	<u>\$7,585.00</u>
3/27/2009	101-5110-000-5311 (101-5172-308-5311)	D. Stewart	To fund materials needed for portable picnic table:	\$4,688.38
			Total	<u>\$4,688.38</u>
3/27/2009	101-5112-102-5311 (101-5112-102-7549)	G. Righettini	To fund shipping charges for Mancha "little Trammer"	\$794.42
				<u>\$794.42</u>
3/27/2009	101-7010-000-6191 (333-7110-429-7020)	D. Althoff	To fund engineering consulting service Delta Science Cente	\$17,922.00
				<u>\$17,922.00</u>
4/3/2009	226-5151-437-4021 (226-5151-437-5311)	R. Trujillo	To fund gates and drinking fountains - MLK Jr. / Tidewate	\$14,672.17
				<u>\$14,672.17</u>
4/6/2009	101-5110-000-5371 (101-5131-124-5311)	J. Crowle	To fund purchase of replacement Gemini Pool Sweep	\$2,552.53
				<u>\$2,552.53</u>
4/6/2009	101-5220-000-5511 (101-5220-000-6191)	A. Kassebaum	To fund consultant services for strategic plan	\$900.00
				<u>\$900.00</u>
4/14/2009	101-2010-000-5833 (101-5130-000-6611)	P. Miller	To fund Muller's property Office data and communication wir	\$5,423.81
				<u>\$5,423.81</u>

East Bay Regional Park District

Attachment E

Statement of Budget Adjustments  
For the Period Ending June 30, 2009

5/1/2009	101-5131-145-5311 (101-5131-145-7505)	S. Saffas	To provide additional funds for 15 passenger Visitors Van	\$1,000.00
				<u>\$1,000.00</u>
5/1/2009	101-7450-000-6901 (101-7450-000-5124)	N. Brownfield	To fund yellow star thistle control project - Crockett Hills.	\$18,547.80
				<u>\$18,547.80</u>
5/1/2009	101-2010-000-5833 (101-5933-000-7505)	D. Zuckerman	To fund upgrade a Prious for Naturalists at the Visitor Ct	\$2,959.00
				<u>\$2,959.00</u>
5/12/2009	101-1110-000-5821 101-2010-000-5831 (101-1110-000-6944)	M. Mattingly	To fund co-sponsorship of Save Mt. Diablo "Moon light on Mtn	\$3,750.00
				\$3,750.00
				<u>\$13,418.00</u>
5/12/2009	101-8410-000-5181 (101-8510-000-5181)	K. Terry	To reclass money deposited into 8410 instead of 8510	\$10,000.00
				<u>\$10,000.00</u>
5/12/2009	101-8110-000-5811 (101-4340-000-5311)	K. Terry	To fund purchase of a lap top computer for CALEA	\$1,425.00
				<u>\$1,425.00</u>
5/14/2009	253-6340-000-5311 253-6340-000-5811 (253-6340-000-6191)	S. Canale	To fund 1/2 of Civicorps costs at Crockett Hills	\$188.00
				\$6,512.00
				<u>\$6,700.00</u>
5/19/2009	101-8510-000-7516 (101-8510-000-5373)	L. Journeay	To fund purchase of radio equipment	\$6,158.45
				<u>\$6,158.45</u>
5/29/2009	101-8410-000-7549 (101-8410-000-5111)	K. Terry	To fund purchase of 50 Riot Duty helmets	\$7,235.00
				<u>\$7,235.00</u>
6/4/2009	101-5131-145-5311 (101-5131-145-7505)	S. Saffas	To fund purchase of 15 passenger Van for Diablo Foothills	\$791.90
				<u>\$791.90</u>
6/10/2009	101-7450-000-6901 (101-7450-000-5124)	N. Brownfield	To fund yellow star thistle control project - Briones	\$7,300.00
				<u>\$7,300.00</u>
6/10/2009	101-8230-000-6414 (101-8230-000-5371)	J. King	To fund purchase of a landing platform for Helicopte	\$9,600.00
				<u>\$9,600.00</u>

East Bay Regional Park District

**Attachment E**

Statement of Budget Adjustments  
For the Period Ending June 30, 2009

6/10/2009	101-8410-000-7549 (101-8410-000-5371)	J. King	To fund purchase of ergonomic furniture for Public Safety	\$9,000.00
				<u>\$9,000.00</u>
6/22/2009	101-7440-000-6434 (101-7440-000-6444) (101-7440-000-6511) (101-7440-000-6512) (101-7440-000-5311) (101-5934-000-5192)	D. Amme	To fund a 1550 Gallon tank for range improvement projec	\$13,900.00
				<u>\$13,900.00</u>
6/25/2009	101-5131-145-5311 (101-5131-145-7505)	S. Saffas	To provide more funds for buying 15 passenger Visitors Van it is not a fixed asset.	1,175.00
				<u>\$1,175.00</u>
6/26/2009	333-5910-000-7020 (101-5915-281-6444)	A. Scheer	To reclassify Shadow Cliffs trailer move and upgrade, fron District-wide Service Yard to Major Maintenance	\$21,859.46
				<u>\$21,859.46</u>



EAST BAY REGIONAL PARK DISTRICT  
**BOARD FINANCE COMMITTEE**  
AGENDA STATEMENT  
MEETING DATE – SEPTEMBER 23, 2009

**SUBJECT:** Prop IA Securitization Program  
Report Prepared by Dave Collins, AGM, Finance and Management Services

**ATTACHMENTS:** **Sample Purchase and Sale Agreement (ITEM 2 ATTACH A.)**  
**Sample Resolution (ITEM 2 ATTACH B.)**

**RECOMMENDATION:** It is recommended that the Finance Committee review and recommend this matter to the full Board for action.

**DESCRIPTION:**

Governor Schwarznegger, as part of the 2009/10 State Budget, has declared a fiscal state of emergency and suspended the provisions of Proposition IA. This enables the State to capture local property tax ERAF funding from cities, counties and special districts on a one-time basis to assist the State in balancing its budget. The constitutional provisions created by Proposition IA:

- Limit the amount to 8% of property tax revenues, by county;
- Require the state to repay the amount withheld, with interest, within three years.
- Bars the state from repeat borrowing before the repayment is made.
- Limits the state to exercising this action no more than twice in ten years.

The League of California Cities (League), and California State Association of Counties (CSAC) are partners in a Joint Powers Authority known as California Communities, which was formed to assist local communities with issuing low-cost debt.

California Communities, along with co-sponsor California Special District's association (CSDA), has worked with the legislature to obtain authorization to issue tax-exempt bond obligations that would replace the amount of property tax funding diverted by the state. The local agencies will receive these bond funds in lieu of the lost tax revenue in exchange for foregoing their right to be repaid by the state, that which would be used to repay the bond debt within three years.

This strategy means that 2009/10 revenues to local agencies will not be interrupted or reduced.

The program is discretionary; however, staff's assessment of the structure and documentation available at this time strongly suggests that applying to this program will be a less risky alternative than losing the tax funds in 2009/10 and waiting for (possible) repayment by the state by 2013.

The first information on the program became available on September 10<sup>th</sup>, and the formal, Board Authorized submittal to the California Communities is due no later than November 6<sup>th</sup>. Therefore, this matter is being brought to the Committee at this meeting to allow for timely approval by the full Board at the second meeting in October.

Formal documentation is not yet available in final form, however, two key documents, in draft form, the **Sample Purchase and Sale Agreement (ITEM 2 ATTACH A.)** and **Sample Resolution (ITEM 2 ATTACH B.)** have been attached to this item for the Committee's initial information. Should subsequent information be released that could materially modify the staff recommendation, the Committee will be notified and the information will be brought to the full Board.

Staff has an informational presentation from California Communities that will provide the Committee with additional information at the meeting.

It is requested that the Finance Committee recommend that staff take action to prepare the materials necessary for the District to apply to the California Communities Proposition IA Securitization Program and bring this matter to the full Board for formal consideration in October.

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«LOCAL\_AGENCY», CALIFORNIA,  
as Seller

and

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY,  
as Purchaser

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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) «LOCAL\_AGENCY», 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 [TRUSTEE], 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 shown in the Seller’s Certificate attached hereto as Exhibit C2. If the wire instructions are not provided in the Seller’s Certificate (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 «GoverningBody» 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 Closing 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 «GoverningBody» 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 «Address\_of\_Principal\_Office\_of\_Local\_Age».

(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.

SAMPLE

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 Purchase and Sale Agreement to be duly executed as of the date first written above.

«LOCAL\_AGENCY», as Seller

By: [SAMPLE – DO NOT EXECUTE]  
Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY, as Purchaser

By: [SAMPLE – DO NOT EXECUTE]  
Member

SAMPLE

**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 by [Cleanup Legislation].

“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 «Email\_of\_Principal\_Contact» 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 «Email\_of\_Principal\_Contact» 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 «Address\_of\_Principal\_Office\_of\_Local\_Age».

“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 «GoverningBody» 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 «Local\_Agency», dated as of the Closing Date.

SAMPLE

**OPINION OF COUNSEL  
to  
«LOCAL\_AGENCY»**

Dated: Pricing Date

California Statewide Communities Development Authority  
Sacramento, California

[TRUSTEE]

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

[I have/This Office has] acted as counsel for the «Local\_Agency» (the “Seller”) in connection with the adoption of that certain resolution (the “Resolution”) of the «GoverningBody» 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: [SAMPLE – DO NOT EXECUTE]  
Seller's Counsel

SAMPLE

**OPINION OF COUNSEL**  
**to**  
**«LOCAL\_AGENCY»**

Dated: Closing Date

California Statewide Communities Development Authority  
Sacramento, California

[TRUSTEE]

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 «Local\_Agency» (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: [SAMPLE – DO NOT EXECUTE]  
Seller's Counsel

**EXHIBIT C1  
CLERK'S CERTIFICATE**

CERTIFICATE OF THE  
«CLERK» OF  
«LOCAL\_AGENCY», CALIFORNIA

Dated: Pricing Date

The undersigned «Clerk» of the «Local\_Agency» (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/special» meeting of the «GoverningBody» 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 «GoverningBody» 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 «Loc\_Where\_City\_Reso\_Adopted», 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: [SAMPLE – DO NOT EXECUTE]  
«Clerk» of the «Local\_Agency»,  
California

**EXHIBIT C2  
SELLER CERTIFICATE**

**SELLER CERTIFICATE**

Dated: Pricing Date

We, the undersigned officers of the «Local\_Agency» (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 «GoverningBody» duly adopted its resolution (the “Resolution”) approving the sale of the Seller’s Proposition 1A Receivable at a meeting of the «GoverningBody» 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.

4. The Seller hereby designates the following wire instructions to the Authority for payment of the Purchase Price (if wire instructions are left blank or are invalid, payment will be made by check mailed to the Seller's Principal Place of Business):

Wire instructions for Seller's Account:

Bank Name:	«BankName»
Bank ABA Routing #:	«Routing»
Bank Account #:	«AccountNumber»
Bank Account Name:	«AccountName»
Further Credit To:	«FurtherCredit»
Bank Address:	«BankAddress1» «BankAddress2» «BankAddress3»
Bank Telephone #:	«BankTelephone»
Bank Contact Person:	«BankContact»



Name, Official Title \_\_\_\_\_

Signature

«NameTitleOfficer1»

\_\_\_\_\_

«NameTitleOfficer2»

\_\_\_\_\_

«NameTitleOfficer3»

\_\_\_\_\_

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

Dated as of the date first above written.

By: [SAMPLE – DO NOT EXECUTE]  
«Clerk» of the «Local\_Agency»,  
California

SAMPLE

**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 \$«InitialPurchasePrice» (the “Purchase Price”), 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 «Clerk» 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

«LOCAL\_AGENCY»

By: [SAMPLE – DO NOT EXECUTE]  
Authorized Officer

**EXHIBIT D**  
**IRREVOCABLE INSTRUCTIONS TO CONTROLLER**

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT  
OF PROPOSITION 1A RECEIVABLE OF  
«LOCAL\_AGENCY»

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 «Local\_Agency» and  
Wiring Instructions Information Form

Dear Sir or Madam:

Pursuant to Section 6588.6(c) of the California Government Code, «Local\_Agency» (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 «GoverningBody» 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 [TRUSTEE], 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 [TRUSTEE], 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.***

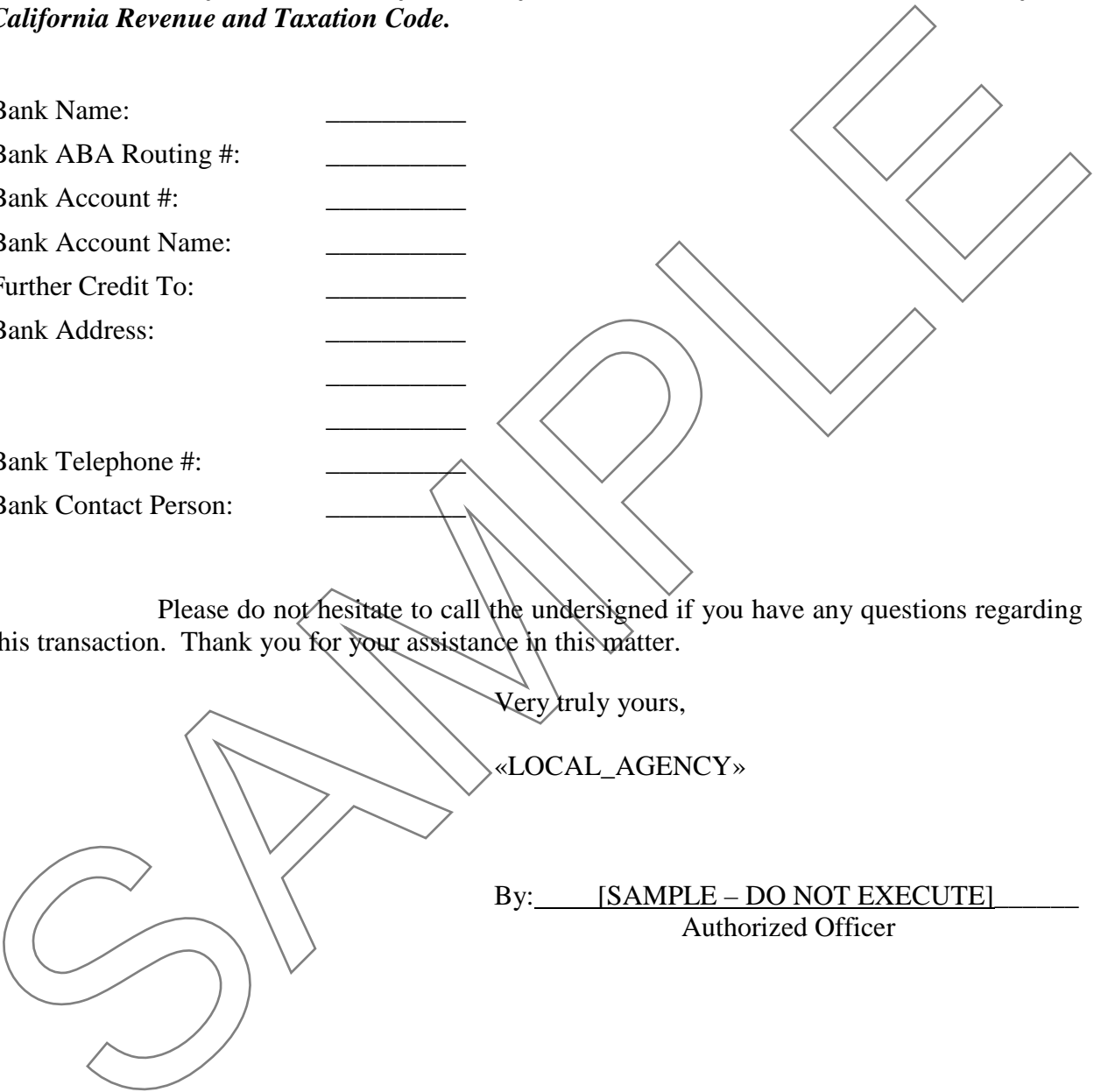
Bank Name: \_\_\_\_\_  
Bank ABA Routing #: \_\_\_\_\_  
Bank Account #: \_\_\_\_\_  
Bank Account Name: \_\_\_\_\_  
Further Credit To: \_\_\_\_\_  
Bank Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Bank Telephone #: \_\_\_\_\_  
Bank Contact Person: \_\_\_\_\_

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,

«LOCAL\_AGENCY»

By: \_\_\_\_\_ [SAMPLE – DO NOT EXECUTE] \_\_\_\_\_  
Authorized Officer



**EXHIBIT E**  
**ESCROW INSTRUCTION LETTER**

PARTICIPATION AGREEMENT  
AND  
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 «Local\_Agency» (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 «GoverningBody» 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 «Clerk», 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. Upon the occurrence of the Closing Date, Transaction Counsel is hereby authorized to fill in the Closing Date on the Irrevocable Instructions to the Controller.

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 return all of the enclosed documents to the Seller.

Very truly yours,

«LOCAL\_AGENCY»

By: [SAMPLE – DO NOT EXECUTE]  
Authorized Officer

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP

**RESOLUTION NO. \_\_\_\_\_**

**«GOVERNINGBODY»  
OF THE  
«LOCAL\_AGENCY»**

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 by [Cleanup Legislation] (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 «Local\_Agency», 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 «GoverningBody» (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 [TRUSTEE], 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 «Local\_Agency» 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 «GoverningBody» of the «Local\_Agency» hereby resolves as follows:

Section 1. All of the recitals set forth above are true and correct, and this «GoverningBody» 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 County auditor has estimated that the Initial Amount will be equal to \$«Estimated Amount». The form of Sale Agreement presented to the «GoverningBody» 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 «GoverningBody», 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 «GoverningBody» 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.

SAM

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

PASSED AND ADOPTED by the «GoverningBody» of the «Local\_Agency», State of California, this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by the following vote:

AYES:

NOES:

ABSENT:

[SAMPLE – DO NOT EXECUTE]

«MayorChair»

Attest:

[SAMPLE – DO NOT EXECUTE]

«Clerk»

Approved as to form :

SELLER'S COUNSEL

By [SAMPLE – DO NOT EXECUTE]

Dated: \_\_\_\_\_

**APPENDIX A**

«LOCAL\_AGENCY»

**Authorized Officers:** «NameTitleOfficer1»

«NameTitleOfficer2»

«NameTitleOfficer3»

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

SAMPLE