

# KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

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## A G E N D A

A Regular meeting of the Board of Directors of the Kensington Police Protection and Community Services District will be held Thursday, October 8, 2009, 7:00 P.M., at the Community Center, 59 Arlington Avenue, Kensington, California.

Note: All proceedings of the Regular meeting will be tape recorded.  
Please note the new start time of 7:00 PM.

Roll Call  
Public Comments  
Board Member/Staff Comments

### APPROVAL OF CONSENT CALENDAR

- a) Minutes of the Regular Meeting September 10, 2009
- b) Minutes of the Special Meeting September 21, 2009
- c) Profit & Loss Budget Performance Reports for September
- d) Board Member Reports
- e) Correspondence
- f) Police Department Update
- g) Monthly Calendar
- h) Recreation Report
- i) General Manager Update

DISTRICT – OLD BUSINESS- None

### DISTRICT - NEW BUSINESS

1. General Manager/ Chief of Police Greg Harman will administer the Oath of Office to newly appointed Board Member John Stein.
2. General Manager/ Chief of Police Greg Harman will administer the Oath of Office to newly appointed Police Officer Juan Ramos Jr.
3. Chief of Police Greg Harman will present Officer Doug Medina with a Blue Commendation for his arrest of a burglary suspect.
4. General Manager Greg Harman will give a presentation updating the Board with the information requested at the last Board Meeting regarding the costs associated with having the Park Restroom installed in the Tot-Lot area, the costs of repairs to the Annex to get the building up to code compliance, and will seek Board approval/ direction for moving forward with both the park restroom project and the repairs to the Annex. Board Action.
5. Discussion for possible adoption Resolution 09-10, 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. Board Action.
6. Discussion for possible adoption an Initiative Ordinance intended to ensure that no action can be taken to disband or eliminate the District's independent police department, or to subcontract, assign or delegate the District's police protection and law enforcement responsibilities, without prior voter approval. Board Action.
7. General Manager/ Chief of Police Greg Harman will request the Board consider a request by Mike Long, Troop 100 Scoutmaster, to allow the Chief of Police to apply for the position of Troop 100's Charter Organization Representative. Board Action.

### ADJOURNMENT

General Information

Accessible Public Meetings

NOTE: UPON REQUEST THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT WILL PROVIDE WRITTEN AGENDA MATERIALS IN APPROPRIATE ALTERNATIVE FORMATS, OR DISABILITY-RELATED MODIFICATION OR DISABILITIES TO PARTICIPATE IN PUBLIC MEETINGS. PLEASE SEND A WRITTEN REQUEST, INCLUDING YOUR NAME, MAILING ADDRESS, PHONE NUMBER AND A BRIEF DESCRIPTION OF THE REQUESTED MATERIALS AND PREFERRED ALTERNATIVE FORMAT OR AUXILARY AID OR SERVICE AT LEAST 10 DAYS BEFORE THE MEETING. REQUESTS SHOULD BE SENT TO:

DISTRICT SECRETARY STEPHANIE FRIES, COMMUNITY SERVICES DISTRICT, 217 ARLINGTON AVE., KENSINGTON, CA 94707  
POSTED: Public Safety Building-Colusa Food-Library-Arlington Kiosk- and at [www.kensingtoncalifornia.org](http://www.kensingtoncalifornia.org)  
Complete agenda packets are available at the Public Safety Building and the Library.

# CONSENT CALENDAR

- Minutes
- Profit & Loss Budget Performance
- Board Member Reports
- Correspondence
- Police Department Update
- Monthly Calendar
- Recreation Report
- General Manager Update

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

## Meeting Minutes for 09/10/2009

### AGENDA

A Regular meeting of the Board of Directors of the Kensington Police Protection and Community Services District was held Thursday September 10, 2009, 6:07 PM , at the Community Center, 59 Arlington Avenue, Kensington, California.

The board entered into Open Session at 7:00 PM.

### ATTENDEES

Elected Members	Guests/Presenters:	
Charles Toombs, President	Sergeant Rickey Hull	Joel Koosed
Patricia M. McLaughlin, Vice President	Joan Gallegos	
Bill Wright, Director	Gloria Morrison	
Cathie Kosel, Director	Kathy Stein	
	John Stein	
	Vida Dorroh	
	Gretchen Gillfillan	
	Val Paola	
	Ray Baraza	
<b>Staff Members</b>		
Gregory E. Harman, General Manager/ Chief of Police	Linda Lipscomb	
Stephanie Fries, District Secretary	Detective Keith Barrow	

**ANNOUNCEMENTS:** None

### PUBLIC COMMENTS

Gloria Morrison noted that the letter she read to the Board at the last meeting was not included in the minutes.

Joan Gallegos, resident, inquired about whether all Board members have completed their required ethics training and whether any Board members will be attending the CSDA conference. General Manager / Chief of Police Gregory Harman commented that he would be attending the CSDA conference.

Vida Dorroh, resident, inquired about the volunteer survey of the community. Gretchen Gillfillan, resident, volunteers to help with the survey of the community.

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

## BOARD COMMENTS

Director Kosel inquired about positions funded by COPS grant money and the possibility of cutting the Police Services Specialist position, to which General Manager / Chief of Police Gregory Harman replied that the Police Services Specialist position was figured into the budget with the expectation that we would not receive COPS grant money.

Vice President McLaughlin noted that there is more than enough money to cover COPS fund salaries.

President Toombs commented on the petition, indicating that the signatures will be taken to the County Elections office for verification.

## STAFF COMMENTS

General Manager / Chief of Police Gregory Harman reported on traffic issues resulting from the beginning of the school year, indicating that additional officers are on patrol in the area of the school. General Manager / Chief of Police Gregory Harman also reported that he will be participating in Walk to School Day and the school Safety Patrol.

General Manager / Chief of Police Gregory Harman reported on the LAFCO Municipal Services Review presentation by Dudek Consulting. General Manager / Chief of Police Gregory Harman noted that a draft of the LAFCO Municipal Services Review will be available on their website within the next three weeks.

**MOTION: The Board moves to move New Business #1 to the beginning of the meeting, before the Consent Calendar, and move New Business #2 to directly after the Consent Calendar.**

**AYES: Wright, Toombs, McLaughlin, Kosel                      NOES: 0**

**NEW BUSINESS #1 - HF&H Consultants, LLC will present the Solid Waste and Recycling Rate Review Report to the board. The Board will then review the Proposition 218 Notice of Public Hearing Proposal to Implement Increased Solid Waste Rates for possible adoption and set the Public Hearing date for November 12, 2009.**

Rick Simonson of HF&H Consultants gives an overview of the Solid Waste and Recycling Rate Review report, noting that sending out a Prop 218 notice does not bind the District to more than a 1.2% increase.

## PUBLIC COMMENTS

Kathy Stein, resident, commented that Kensington is locked into an obligation to come up with a new rate and the District does not want the hazard of opening up the contract with Bay View.

Nicky Kaiser, resident, commented that it would be a good idea to send out a preliminary warning of changes to the garbage rate.

**KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS**

**MOTION: The Board moves to approve New Business #1.**

**AYES: Wright, Toombs, McLaughlin, Kosel                      NOES: 0**

**CONSENT CALENDAR**

The Board notes changes to be made to the minutes of the August 27, 2009 meeting and the August Profit & Loss Budget Performance Report.

**MOTION: The Board moves to approve the Consent Calendar as amended.**

**AYES: Wright, Toombs, McLaughlin, Kosel                      NOES: 0**

**NEW BUSINESS #2 - General Manager Greg Harman and members of the Park Restroom Committee will give a presentation updating the Board and the public on the progress of the park restroom project.**

General Manager / Chief of Police Gregory Harman gave an overview of the Park Committee's plan for a restroom in the park. Andrew Mixer and Jack Griffith gave a presentation on the proposed park restroom.

**PUBLIC COMMENTS**

Nicky Kaiser, resident, expressed concerns over the park restroom being placed at the end of Windsor Avenue and how this will impact residents on this street.

Gretchen Gillfillan, resident, asked if the proposed park restroom would have a changing table for parents.

**OLD BUSINESS #1 - NO ACTION - Discussion for possible action- Summary of Recommendations of the Brown Taylor September 2007 Report. This discussion is a continuation of the discussion held on July 23rd, as to those recommendations made in the report that were implemented and those that were not.**

The Board discussed the Brown Taylor September 2007 Report with no action. General Manager / Chief of Police Gregory Harman indicated that he agrees with all recommendation of the Brown Taylor Report with the exception of his recommendation with regard to staffing.

**OLD BUSINESS #2 - Discussion for possible action- Summary of Recommendations of the Brown Taylor September 2007 Report. Including the recommendation: "A District process be established to conduct exit interviews for employees leaving District employment and that the findings be reported quarterly to the General Manager and the Board". This item was submitted by Director Kimball, discussed at the July 23rd meeting, with the General Manager directed to explore a recommendation of a possible process of conducting exit interviews and an employee climate survey.**

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

General Manager / Chief of Police Gregory Harman gives an overview of his report on conducting exit interviews, noting that eleven of sixteen similar agencies conducted exit interviews of some kind. The Board and General Manager / Chief of Police Gregory Harman suggest having voluntary closed session exit interviews with the Board of Directors. President Toombs will present General Manager / Chief of Police Gregory Harman's report to District counsel to determine if voluntary closed session exit interviews would be suitable.

## PUBLIC COMMENTS

Joan Gallegos, resident, asked the Board if the proposed exit interviews would be for both sworn & non-sworn employees. General Manager / Chief of Police Gregory Harman replied, indicating that exit interviews would be for both sworn & non-sworn employees.

Kathy Stein, resident, expressed concerns over exit interviews and their potential for micro-management of the General Manager / Chief of Police's duties.

General Manager / Chief of Police Gregory Harman commented that he would welcome the exit interview process, as it would put to rest any false accusations.

Gloria Morrison, resident, commented that she believes exit interviews are a good idea and could help do away with gossip in the community.

## **OLD BUSINESS #3 - Status of the Request for Proposal for retaining outside consultants to help market the Annex. Board Action**

General Manager / Chief of Police Gregory Harman gave an overview of the RFP, noting that the Annex Building is zoned as R-6 Residential and the District may need to apply for a zoning amendment prior to getting an RFP. General Manager / Chief of Police Gregory Harman also noted that simply applying for a zoning amendment does not mean the amendment will be granted.

General Manager / Chief of Police Gregory Harman will meet with the County Building Inspector to determine what is needed to get the Annex Building up to code for District business.

## **-- NO PUBLIC COMMENTS --**

## **OLD BUSINESS #4 - Steven Chang, of Lamorena & Chang, has presented the 2007/2008 Audit for the Kensington Police Protection & Community Services District for Board approval. This item was carried over from the June 25, 2009 meeting. Board Action.**

General Manager / Chief of Police Gregory Harman commented that he has spoken with Stephen Chang, corrections have been made to the Audit, and the Audit is now correct as amended.

## **PUBLIC COMMENTS**

Gloria Morrison, resident, asked the Board if there might be another way of reporting restricted funds.

**KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT  
BOARD OF DIRECTORS**

**MOTION: The Board moves to approve Old Business #4.**

**AYES: Wright, Toombs, McLaughlin, Kosel                      NOES: 0**

**MOTION: President Toombs moves to adjourn the meeting at 9:44pm.**

**AYES: Wright, Toombs, McLaughlin, Kosel                      NOES: 0**



# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

## Meeting Minutes for 09/21/2009

### AGENDA

A Regular meeting of the Board of Directors of the Kensington Police Protection and Community Services District was held Thursday September 21, 2009, 6:05 PM , at the Community Center, 59 Arlington Avenue, Kensington, California.

The board entered into Open Session at 6:05 PM.

### ATTENDEES

Elected Members	Guests/Presenters:	
Charles Toombs, President	Sergeant Rickey Hull	Joel Koosed
Patricia M. McLaughlin, Vice President	Joan Gallegos	Melissa Holmes Snyder
Bill Wright, Director	Gloria Morrison	Arne J. Brock-Utne
Cathie Kosel, Director	Sergeant Hussain Khan	
	John Stein	
	Vida Dorroh	
	Gretchen Gillfillan	
	Val Paola	
	Ray Baraza	
Gregory E. Harman, General Manager/ Chief of Police	Linda Lipscomb	
Stephanie Fries, District Secretary	Detective Keith Barrow	

**ANNOUNCEMENTS:** None

**-- NO PUBLIC COMMENTS --**

### STAFF COMMENTS

Sergeant Hussain Khan announced the Summit Reservoir Replacement Project meeting that will take place on Thursday September 24, 2009 from 6:30 - 8:00pm.

**NEW BUSINESS #1 - The Board will interview the three candidates applying for the vacant position on the KPPCSD Board. The candidates are:**

**Arne J. Brock-Utne  
Melissa Holmes Snyder  
John Stein**

# KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT BOARD OF DIRECTORS

The Board of Directors asked the following questions of each of the three candidates:

- 1. The board is sometimes presented with situations where serious and substantial difference of opinion exists, both within the board as well as the public. Can you describe your experiences in handling such situations, and describe your approach.**
- 2. Please describe how you view your relationship as a board member to the chief of police and the Police Force.**
- 3. What do you see as the single most compelling problem facing KPPCSD, what is the etiology of it, and what strategies would you use to remediate it?**
- 4. Please describe any academic, professional or technical qualifications or experience you have that would be specifically relevant to your role as a Director of a local government agency.**

The Board interviewed the three candidates, noting that all three are well-qualified candidates who each have a different and valuable set of experiences and qualifications.

**MOTION: The Board moves to appoint Arne Brock-Utne to the Board of Directors.**

**AYES: Kosel            NOES: Wright, Toombs, McLaughlin**

**MOTION: The Board moves to appoint John Stein to the Board of Directors.**

**AYES: Wright, Toombs, McLaughlin            NOES: Kosel**

John Stein is appointed to the Kensington Police Protection and Community Services Board of Directors and will be sworn in at the next regular meeting on October 8, 2009. Director Stein will serve the remainder of former Director Cindy Kimball's term, ending November of 2010.

**MOTION: President Toombs moves to adjourn the meeting at 7:08pm.**

**AYES: Wright, Toombs, McLaughlin, Kosel            NOES: 0**

**KPPCSD**  
**Profit & Loss Budget Performance**  
 September 2009

	Sep 09	Budget	Jul - Sep 09	YTD Budget	Annual Budget
<b>Ordinary Income/Expense</b>					
<b>Income</b>					
400 · Police Activities Revenue					
401 · Levy Tax	0.00		1,173,038.38		
410 · Police Fees/Service Charges	0.00		395.00		
418 · Misc Police Income	0.00		3,266.40		
<b>Total 400 · Police Activities Revenue</b>	<b>0.00</b>		<b>1,176,699.78</b>		
420 · Park/Rec Activities Revenue					
427 · Community Center Revenue	0.00		1,300.00		
428 · Building E Revenue	0.00		6,000.00		
438 · Misc Park/Rec Rev	0.00		167.00		
<b>Total 420 · Park/Rec Activities Revenue</b>	<b>0.00</b>		<b>7,467.00</b>		
<b>Total Income</b>	<b>0.00</b>		<b>1,184,166.78</b>		
<b>Expense</b>					
500 · Police Sal & Ben					
502 · Salary - Officers	64,295.25		197,390.64		
504 · Compensated Absences	0.00		17,988.36		
506 · Overtime	9,441.65		20,803.88		
508 · Salary - Non-Sworn	2,906.25		8,794.25		
516 · Uniform Allowance	533.28		1,733.16		
518 · Safety Equipment	0.00		1,250.00		
521-A · Medical/Vision/Dental-Active	6,981.27		26,195.91		
521-R · Medical/Vision/Dental-Retired	9,533.96		28,745.12		
522 · Insurance - Police	3,509.48		5,991.59		
523 · Social Security/Medicare	1,168.02		3,937.75		
524 · Social Security - District	402.44		1,180.79		
527 · PERS - District Portion	18,885.74		63,735.07		
528 · PERS - Officers Portion	6,109.01		19,605.34		
530 · Workers Comp	10,860.00		36,846.39		
<b>Total 500 · Police Sal &amp; Ben</b>	<b>134,626.35</b>		<b>434,198.25</b>		
550 · Other Police Expenses					
552 · Expendable Police Supplies	0.00		810.38		
553 · Range/Ammunition Supplies	0.00		906.78		
562 · Vehicle Operation	2,126.24		10,280.27		
564 · Communications (RPD)	17,399.72		43,801.61		
568 · Prisoner/Case Exp./Booking	515.34		609.17		
570 · Training	220.00		2,481.98		
572 · Recruiting	1,869.45		1,994.45		
574 · Reserve Officers	10.00		1,870.00		
576 · Misc. Meals & Travel	0.00		650.00		
580 · Utilities - Police	741.69		2,150.11		
581 · Bldg Repairs/Maint.	0.00		123.51		
582 · Expendable Office Supplies	4,353.50		4,620.23		
586 · Machine Maintenance	0.00		-3,685.22		

**KPPCSD**  
**Profit & Loss Budget Performance**  
 September 2009

	Sep 09	Budget	Jul - Sep 09	YTD Budget	Annual Budget
588 · Telephone(+Rich. Line)	1,022.90		2,602.87		
590 · Housekeeping	2,108.60		2,208.28		
592 · Publications	0.00		65.67		
594 · Community Policing	29.42		1,038.85		
596 · WEST-NET/CAL I.D.	0.00		8,000.00		
598 · COPS Special Fund	3,104.99		-31,616.20		
<b>Total 550 · Other Police Expenses</b>	<b>33,501.85</b>		<b>48,912.74</b>		
600 · Park/Rec Sal & Ben					
601 · Park & Rec Administrator	968.75		2,932.25		
602 · Custodian	1,750.00		5,250.00		
<b>Total 600 · Park/Rec Sal &amp; Ben</b>	<b>2,718.75</b>		<b>8,182.25</b>		
635 · Park/Recreation Expenses					
660 · Annex Expenses					
662 · Utilities - Annex	13.85		348.88		
<b>Total 660 · Annex Expenses</b>	<b>13.85</b>		<b>348.88</b>		
672 · Kensington Park O&M	3,697.50		13,564.98		
<b>Total 635 · Park/Recreation Expenses</b>	<b>3,711.35</b>		<b>13,913.86</b>		
800 · District Expenses					
810 · Computer Maintenance	11,387.00		11,387.00		
820 · Cannon Copier Contract	381.57		1,081.00		
830 · Legal (District/Personnel)	4,342.20		15,076.40		
835 · Consultanting	0.00		14,873.00		
840 · Accounting	0.00		5,490.00		
865 · Police Bldg. Lease	0.00		1,535.68		
870 · County Expenditures	3,753.79		3,753.79		
890 · Waste/Recycle	12,977.10		23,278.25		
898 · Misc. Expenses/Lobbyist	0.00		276.08		
<b>Total 800 · District Expenses</b>	<b>32,841.66</b>		<b>76,751.20</b>		
997 · Payroll Expenses	3.26		3.26		
<b>Total Expense</b>	<b>207,403.22</b>		<b>581,961.56</b>		
<b>Net Ordinary Income</b>	<b>-207,403.22</b>		<b>602,205.22</b>		
	<b>-207,403.22</b>	<b>0.00</b>	<b>602,205.22</b>	<b>0.00</b>	<b>0.00</b>

# Memorandum

Kensington Police Department



**To:** KPPCSD Board of Directors

APPROVED YES NO

\_\_\_\_\_

**From:** Gregory E. Harman, General Manager/Chief of Police

FORWARDED TO:

\_\_\_\_\_

**Date:** Friday, October 02, 2009

**Subject:** September 2009 Profit & Loss Variance Report

Once again, I find myself having to apologize for not having the Profit & Loss Budget Performance Statement printed with the budget numbers available for comparison. Our accountant has assured me that the report will be corrected and available at the next meeting. In the meantime, the following are the most significant budget variances for the month:

	Sept	Budgeted	Jul-Sept	YTD Budgeted
502 Salary-Officers	\$64,295	\$77,078	\$197,390	\$231,234

We continue to save on officer salaries as we maintain 8 sworn officers. However, this savings will not be as substantial in the coming months with the hiring of Officer Ramos and the decision by Officer Wilson to stay.

506 Overtime	\$9,441	\$2,500	\$20,803	\$7,500
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We continue to have an increase in overtime due to the 12 hour shifts and the need to pay overtime to cover for officers out sick, at training, or on vacation. However, the savings we have incurred as a result of not hiring to our authorized strength of 10 sworn officers has more than covered this increase in overtime.

572 Recruiting	\$1,869	\$637	\$1,994	\$1,912
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The costs of backgrounds, medicals, and psychological exams in our attempt to bring 5 officers on at the same time are reflected in the higher than average expense for the month.

Edward A. Spiller  
20 Windsor Ave.  
Kensington, CA, 94708

Sept. 12, 2009

Kensington Community Services District  
217 Arlington Ave.  
Kensington, CA, 94707-1401

To Whom It May Concern:

In the early morning hours of July 24, 2009, at an unguarded moment, my sick wife fell down the stairs and cracked her skull, which, unfortunately, led to her untimely death later that fateful day. I called 911 immediately after the accident. The response of your fire department, police and paramedics was very rapid, and their quick and professional action most impressive and exemplary. The fact that my poor wife died from the fall is no reflection on them. They certainly did their very best, even tried to helicopter her to the trauma center, which, however, was prevented by the thick fog that morning, so they took her there by ambulance.

Please convey my sincere gratitude to all the people involved in that incident, including the 911 dispatcher. It is reassuring to know that when emergency strikes, there is a professional team in place to respond to it.

It might be of interest to you to know that in her will, my wife left \$500 each to the Kensington Community Council, Kensington School PTA and Friends of the Kensington Library. However, her will has to go through probate, which hasn't even started and usually takes about nine months or so, meaning that the disbursement will probably only take place some time next year.

Finally, I apologize for writing this letter at such a late time, but I was so shocked and distraught by the accident and loss of my wife that I simply was unable to attend to it earlier.

Again, thank you very much for all your efforts.

Sincerely,

*Ed Spiller*

CC: OFFICER MEDINA, FILE  
KFPD  
RICHMOND DISPATCH

Valborg Thomas  
10 Windsor Ave.  
Kensington, CA 94708-1041

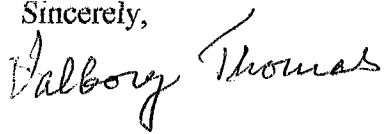
September 24, 2009

KPPCSD  
217 Arlington Ave.  
Kensington, CA 94708

Enclosed check for \$ \_\_\_\_\_ an amount I would like to donate for improvements to  
Kensington Park.

The donation is in memory of my long-time friend and neighbor Annemarie Spiller.

Please acknowledge the donation, but not the amount to Edward Spiller, 20 Windsor Ave.  
Kensington, CA 94708. I would also like an acknowledgement in the Outlook of the  
donation in memory of Annemarie, but please leave out the amount. Thank you.

Sincerely,  


# September 2009 Police Department Report

October 2, 2009

- Department Personnel

- Officer Juan “Manny” Ramos Jr. will be sworn in at the October 8<sup>th</sup>, Board meeting. Officer Ramos is a Spanish- speaking officer with experience with the Los Angeles Police Department and the Hayward Police Department. Officer Ramos is currently in the Field Training Program and is expected to be on solo duty in December.

Officer Wilson has made his decision regarding returning to Dyna Corp and a deployment to Afghanistan. He has decided to stay with us and is back out on patrol.

We are also completing the background process with four reserve officer candidates. It is hoped that the four will be ready to be sworn in at the November Board meeting.

We are currently staffed at 9 sworn positions and are continuing our recruitment of both officer and reserve officer candidates.

- Commendations and Correspondence

- Officer Medina received a letter of appreciation from Edward Spiller that is attached to the Correspondence Section of the Agenda packet.
- Officer Medina will receive a Blue Commendation at the October 8<sup>th</sup> KPPCSD Board Meeting for his arrest of a burglary suspect in September.

- Investigation of Alleged Misconduct

- Department Investigation #09-04 was initiated in April on an allegation that an officer was absent without leave for a period of seven days. This investigation has been completed and is under review.
- Department Investigation #09-05 was initiated on August 20<sup>th</sup> on an allegation that an officer displayed an inappropriate screen saver on a department computer. Sergeant Hull is the investigating officer



and the officer's interview is scheduled for early October.

- 9-1-1 / Richmond Communication Center Information.
- We have not received the Ring Time Reports for the months of August or September from Richmond Dispatch.
- Communication Center Service Complaints
  - No complaints received this month however, ***this is a good time to remind everyone that for police non-emergencies, you need to contact the dispatch center at "236-0474" and not the KPPCSD business line of 526-4141.*** The KPPCSD business line is only monitored 6 hours a day during the week and should not be used to report police matters.
- Community Networking
  - On 9-4-09, Officers Stegman, Martinez, and Reserve Officer Borgfeldt participated in the El Cerrito DUI Checkpoint.
  - On 9-9-09, Chief Harman attended an afternoon LAFCO meeting in Martinez, followed by attended the Kensington Fire Board meeting that night.
  - On 9-14-09, the fifth Kensington Public Safety Council meeting was held at the Community Center at 6:30 PM attended by Chief Harman. Following the KPSC meeting, Chief Harman attended the KCC meeting.

The Kensington Public Safety Council will expand upon the issues of police services to include those of emergency preparedness and other public safety issues affecting the community. It is hoped that by meeting in the evenings, we will be able to increase community participation and feedback on those issues concerning Kensington.

The next meeting is scheduled for Monday, October 12<sup>th</sup>, at 6:30 PM at the Community Center, Room 3.
  - On 9-26-09, Chief Harman, Officers Martinez and Ramos participated in the Tri-City Safety Day at the El Cerrito Plaza.
  - On 9-28-09, Chief Harman attended the KIC meeting.

- On 9-30-09, Chief Harman attended the Kensington Fire Board meeting.
- Community Criminal Activity
  - This section of the report has been prepared by the Watch Commanders reporting on their areas of responsibility.
- Watch Commander Reports
- **Sergeant Khan Team 1**

**SIGNIFICANT CASES/ EVENTS:**

- 09-4075 On 9/2/09 at 0213 hrs. Officer Stegman responded to an alarm at a construction site on Stanford Ave. where a suspect tried, but failed to gain entry.
- 09-4139 On 9/5/09 at 0125 hrs. Officer Stegman arrested a DUI at the DUI check point on San Pablo Ave.
- 09-4276 On 9/15/09 at 0832 hrs. Officer Barrow took a stolen vehicle report from a resident on Highland Blvd.
- 09-4378 On 9/22/09 at 1808 hrs. Officer Stegman picked up a prisoner at Santa Rita Jail and transported him to the CCC Jail. The prisoner was being held on a warrant for a Kensington case.
- 09-4483 On 9/29/09 at 1251 hrs. Officer Wilson took a residential burglary report on Edgemoor Rd. The home is being remodeled.

**BRIEFING/ TRAINING:**

Officer Stegman and I conducted firearms training for all KPD officers.

Officers Wilson and Stegman went to building search training sponsored by El Cerrito PD.

**SERGEANT'S SUMMARY:**

We are quickly approaching the holiday season, with Halloween about a month away. There are several safety considerations:

- Wear light clothing or clothing with reflective tape
- Don't eat candy that is not wrapped or has a damaged wrapper
- Be careful of traffic when crossing the street
- Trick or treat in groups, never alone.
- Immediately report all suspicious activity to the police

We hope you have a safe and enjoyable Halloween.

**TEAM STATISTICS:**

<b>Officer</b>	<b><u>Wilson</u></b>	<b><u>Stegman</u></b>
<b>Days Worked</b>	<b>6</b>	<b>14</b>
<b>Traffic Stops (no cite)</b>	<b>0</b>	<b>27</b>
<b>Moving Citations</b>	<b>0</b>	<b>5</b>
<b>Parking Citations</b>	<b>1</b>	<b>3</b>
<b>Vacation/ Security Checks</b>	<b>6</b>	<b>36</b>
<b>Field Interviews (FI's)</b>	<b>0</b>	<b>0</b>
<b>Cases</b>	<b>1</b>	<b>2</b>
<b>Self Initiated Cases</b>	<b>0</b>	<b>1</b>
<b>Arrests</b>	<b>0</b>	<b>2</b>
<b>Calls for Service</b>	<b>19</b>	<b>17</b>

**•• Sergeant Hull Team 2**

**TEAM STATISTICS**

<b>Officer:</b>	<b>Martinez (K31) (0600-1800)</b>	<b>Medina (K35) (1800-0600)</b>
<b>Days Worked</b>	<b>14</b>	<b>14</b>
<b>Traffic Stops</b>	<b>33</b>	<b>7</b>
<b>Moving Citations</b>	<b>11</b>	<b>0</b>
<b>Parking Citations</b>	<b>0</b>	<b>6</b>
<b>Vacation/Security Checks</b>	<b>18</b>	<b>42</b>
<b>FI-Feild Interview</b>	<b>8</b>	<b>0</b>
<b>Cases</b>	<b>0</b>	<b>0</b>
<b>Self Initiated Cases</b>	<b>1</b>	<b>1</b>
<b>Arrests</b>	<b>0</b>	<b>1</b>
<b>Calls for Service</b>	<b>14</b>	<b>16</b>

- Officer Medina covered Albany PD once during this month.
- Officer Martinez began working as an FTO on 9-16-2009. Officer Martinez is training Officer Ramos.

**SIGNIFICANT EVENTS:**

- 2009-4097 – On 9-3-2009 at approximately 0634 hours, Officer Martinez responded a residential alarm and discovered an attempt residential burglary in the 100 block of Stanford Avenue. No suspects had been

developed. Officer Stegman responded to the same call for service the night prior (09-4081). A suspect was arrested in a separate residential burglary with a pry bar and screwdriver in his possession. The pry bar and screwdriver fit the damage done to the front door of this case. The tools recovered in case 09-4081 were used to attempt a burglary in this case.

- 2009-4234 – On 9-11-2009, at approximately 0443 hours, Officer Medina noticed a locked gate open at a house under construction in the unit block of Eureka Avenue. Upon further investigation Officer Medina located a burglar inside a room in the residence. Due to Officer Medina's diligence no property was lost in this case and an arrest was made.
- 2009-4241 – On 9-11-2009 at 2341 hours, Officer Medina took a missing persons report in the 200 block of Trinity Avenue. A resident reported his wife and two daughters missing. The trio returned home the next morning citing they spent the night at a friend's house in El Cerrito.
- 2009-4251 – On 9-12-2009 at 1522 hours, Officer Martinez responded to a coroner's case in the unit block of Arlington Avenue. No foul play was noted so the decedent was release to the Neptune Society.
- 2009-4283 – On 9-15-2009 at 2102 hours, Officer Medina responded to the unit block of Kensington Rd. for a possible harassment case. A resident was being harassed by an ex-boyfriend who did not want to terminate the relationship. The ex-boyfriend was contacted so no further action was necessary.
- 2009-4295 – On 9-16-2009 at 2144 hours, Officer Medina responded to a report of residential burglary in 100 block of Willow Lane. An unknown suspect stole items from the interior of the house and the victim's vehicle.
- 2009-4303 – On 9-17-2009 at 1311 hours, Officer Martinez responded to the unit block of Rincon Rd. where new residents reported a residential burglary. An unknown suspect entered into a staged home for sale and moved several items including kitchen appliance to the middle of the floor in preparation to remove them from the residence. The suspect/s apparently left the scene and the items inside the residence. There was no property loss associated with this case.
- 2009-4321 – On 9-18-2009 at 1552 hours, Officer Martinez responded to a report of residential burglary in 300 block of Yale Avenue. An unknown suspect entered into a staged home for sale by forcing entry through the front door. Several items from the interior of this residence were stolen.
- 2009-4415 – On 9-25-2009 at 1238 hours, Officers Martinez and Ramos responded to a shot fired call from the 1600 block of Ocean View Ave. Upon further investigation it was learned that Berkeley PD attempted to euthanize an injured animal.

#### BRIEFING/TRAINING:

- Reviewed KPD Policy 322.4 – Search and Seizure
- Reviewed KPD Policy 323 – Fire Prevention Planning
- Officer Martinez was assigned to be the KPD representative with the Kensington Senior program. Duties and attendance will be shared with Sgt Hull.
- Reviewed KPD Policy 324 – Temporary Custody of Juveniles
- Briefed on non-injury no property damage accidents voluntary information needed for computer entry.
- Reviewed KPD Policy 325 – Temporary Detention and Transportation of Arrestees
- Reviewed KPD Policy 326 – Elder Abuse

#### SERGEANT'S SUMMARY:

I would like to recognize a job well done by Officer Medina.

Officer Medina's diligence and commitment to graveyard patrol related duties resulted in the arrest of a burglar in the process of committing a crime. This demonstrated vigilance aids in keeping the District of Kensington a safe place and in maintaining the quality of life Kensingtonians enjoy.

I would also like to recognize the assistance provided in this case by Officer Martinez and Investigator Barrow. Officer Martinez arrived for his dayshift duties and continued the preliminary investigation at the scene of the crime while Officer Medina dealt with the arrested person. Investigator Barrow responded on his day off to prepare for further investigation which yielded a person of interest. Investigator Barrow and Officer Martinez drove to several immediate cities and located the person of interest and conducted an interview. No arrest was made the person voluntarily gave the KPD Officers a handgun. One handgun was removed from the streets.

The level of cooperation and coordination involved with all involved KPD personnel should be commended.

#### •• **Detective Keith Barrow**

#### KPD INVESTIGATIONS INFORMATION:

2008-5203 Elder Abuse.  
This case is still under investigation.

2009-3190 Residential Burglary.

On 07-16-09, the Oakland Police Department, "PAC Team" made up of California State Parole Agents, Oakland Police Officers, and Alameda County Sheriff's Deputy Parole Agents and, I conducted a parole search in the City of Oakland. The search yielded property belonging to multiple victims throughout the bay area. One suspect was taken into custody for several felonies including, theft, burglary, narcotic, and gun charges. To date we have been able to identify 7 victims from the cities of Kensington, Berkeley, Piedmont, and Oakland. This case is still under investigation.

2009-4008 Robbery, Firearm.

Unknown suspect(s) attempted to rob a woman walking south bound 320 Arlington Avenue with a firearm. The woman did not have any money and the suspect(s) walked south bound Arlington Avenue. If you have any information to aid in the apprehension of the suspect(s) please call Detective Barrow at 510-526-4141 ex. 26 Case open and under investigation.

2009-4234 Residential Burglary.

On 09-14-09 Officer Medina arrested a suspect in a residential burglary. Through investigation Officer Martinez and I contacted a potential second suspect in San Pablo. The second suspect was in possession of an unregistered hand gun that he turned over to officers. This case is still under investigation.

2009-3610 Vandalism.

This case is under investigation in conjunction with case 2009-3975

2009-3975 Annoying Phone Calls.

This case is under investigation in conjunction with case 2009-3610

#### KPD INVESTIGATIONS:

- I was temporarily reassigned to cover patrol from 09-13-09 to 09-20-09 and 09-27-09.
- Made several court runs for filling cases, citation drop off, and search warrants.
- On 09-21-09 thru 09-25-09, I attended a 40 hour course on Interview and Interrogation.
- Facilitated the repair of 11 patrol radios.
- Updated the KPD residential burglary log.
- On 09-29-09 I attended a 2 hour training course on Building Searches.

#### WEST-NET ASIGNMENT:

I am currently assigned to the West Contra Costa County Narcotic Enforcement Team (West-NET) one day per week.

While on this assignment I work with other west Contra Costa County law enforcement officers and agencies. I participate and aid in the service of search warrants, surveillance and on going narcotics investigations.

This month West-NET Agents and I have served several search warrants.

#### INVESTIGATORS SUMMARY:

In the month of September the District of Kensington saw a decline in vandalism, vehicle accidents, and suffered no Identity thefts. The District of Kensington sustained 5 residential burglaries and 1 auto burglary and 0 thefts from unlocked vehicles. We saw a decline in non-injury vehicle accidents from 6 to 1, 0 hit & run accidents, 1 stolen vehicle, and 0 vandalisms. Kensington Police Department made 3 arrests.

During the month of September, Kensington residents saw a rise in residential burglaries and burglaries from construction sights. If you have any information that may aid in the apprehension or identification of the suspect(s) involved in any of these crimes, please contact Detective Keith Barrow at 510-526-4141, ext. 26.

**Please be aware if you witness criminal activity to call 911 or contact KPD immediately.**

#### •• Chief Harman

I believe the month of September will be best remembered as the month we moved forward with some exciting personnel additions. We were able to bring Officer Ramos into the department, and I believe he is the first Spanish speaking officer the District has ever had. Officer Ramos has had experience with LAPD and Hayward PD. He is a very family oriented person, whose experience and qualities will serve our District well as he continues his career with us.

While not an addition, I am very happy that Officer Wilson has decided to continue his career with us. In his short time here, he has made a very favorable impression on the community, and I know that we are all glad he will be staying.

I continue to look forward to having all four of our reserve officer candidates sworn in. These coming months will be quite a challenge for us, having five new officers going through the Field Training Program at the same time. However, I know our FTO's are up to the challenge and are looking forward to the opportunity to begin training with our new officers.

Finally, I would like to acknowledge the excellent arrest made by Officer Medina of the burglary suspect. His excellent patrol observations and initiative led to the arrest of the first suspect, and the arrest was followed up with investigation work by Detective Barrow and Officer Martinez leading to the identification of the second suspect and the recovery of a hand gun. This case also closes another burglary investigation but unfortunately demonstrates that even in Kensington we have serious criminals coming into the community that our officers have to deal with.



# General Manager September 2009 Report

## Budget

While attending the CSDA Annual Conference this month, I learned about the Proposition 1A Securitization and Payback Program. The program allows communities to sell their interests in the State's move to borrow 8% of property tax revenue. With the suspension of Proposition 1A, the State will borrow 8% of local property tax revenue with the option of paying it back in 2013 with an interest rate of 2%. Those communities not wanting to wait until 2013 to see if the State does indeed take the option of repaying the loan, can apply for the Proposition 1A Securitization Program and keep their 8% of their property tax revenue intended to be borrowed by the State.

Kensington was going to lose \$104,000 to the State in the suspension of Proposition 1A this fiscal year. The Board will be presented a resolution at the October KPPCSD Meeting approving the participation of the Securitization Program pending the passage of SB 67.

## Kensington Park

We are continuing to move forward with the park restroom project. We had our fifth meeting on September 30<sup>th</sup>, and prepared a report to the Board providing information requested at the last Board meeting about the cost of installing the restroom in the Tot Lot area instead of the Windsor cul-de-sac location.

I have also prepared a report on the estimated cost of bringing the Annex up to code for use as a public meeting place.

Both of these reports will be presented to the Board at the October 8<sup>th</sup> meeting, at which time I will be seeking approval and direction from the Board.

## Solid Waste

The Public Hearing date to discuss the Bay View Refuse possible rate increase is scheduled for the November 12<sup>th</sup>, 2009 KPPCSD Board Meeting. Everyone should have received their Proposition 218 Notice in the mail during the month.

The next meeting of the County Solid Waste Coordinating Committee is scheduled for November 17<sup>th</sup>, at 1:00 PM at the Public Safety Building.

## **Emergency Preparedness**

The fifth meeting of the Kensington Public Safety Council was held Monday, September 14th, at 6:30 PM at the Community Center. The meeting agenda included committee reports, Hazardous Mitigation Committee Update, and a KARO update. There were only 7 participants at the meeting, and we are hoping for increased participation at the next meeting, October 12<sup>th</sup>, at 6:30 PM in the Youth Hut.

We are working to have the agenda and the minutes of the Public Safety Council posted on the KPPCSD web page for future review.

## **Other District Items of Interest**

The Kensington Improvement Club (KIC) will be hosting their Annual Town Hall Meeting on Saturday, November 7<sup>th</sup>, from 9:30 to Noon. One of the scheduled speakers will be Lou Ann Texeira, Executive Officer of the Contra Costa LAFCO. She will be speaking on the issue of Special District mergers and the soon to be released Contra Costa County Community Services District Municipal Service Review.

Finally, I attended the annual California Special District's Association (CSDA) Conference in September. I received my mandatory training for both AB 1234 Ethics and Harassment Prevention. I also attended a LAFCO class and was able to speak with a California LAFCO representative during the conference.

Some of the important information I learned at the conference was about the Proposition 1A Securitization Program which, if passed, will preserve the District over \$100,000 in property tax revenue.

# NEW BUSINESS

#1 - General Manager/ Chief of Police Greg Harman will administer the Oath of Office to newly appointed Board Member John Stein.

# NEW BUSINESS

#2 - General Manager/ Chief of Police Greg Harman will administer the Oath of Office to newly appointed Police Officer Juan Ramos Jr.

# NEW BUSINESS

#3 - Chief of Police Greg Harman will present Officer Doug Medina with a Blue Commendation for his arrest of a burglary suspect.

# NEW BUSINESS

#4 - General Manager Greg Harman will give a presentation updating the Board with the information requested at the last Board Meeting regarding the costs associated with having the Park Restroom installed in the Tot-Lot area, the costs of repairs to the Annex to get the building up to code compliance, and will seek Board approval/ direction for moving forward with both the park restroom project and the repairs to the Annex. Board Action.

October 8, 2009

KPPCSD Board of Directors;

Agenda Item New Business # 4

“General Manager Greg Harman will give a presentation updating the Board with the information requested at the last Board Meeting regarding the costs associated with having the Park Restroom installed in the Tot-Lot area, the costs of repairs to the Annex to get the building up to code compliance, and will request Board approval for moving forward with both the park restroom project and the repairs to the Annex. Board Action.”

### **Park Restroom**

At the last Board Meeting, the Park Restroom Committee was asked to provide the cost estimate for placing the restroom in the area of the Tot Lot in comparison to the costs to install the restroom in the Windsor cul-de-sac location.

Andrew Mixer has prepared a detailed report dated September 30, 2009, that is included in the agenda packet.

In summary, it is estimated that placement of the restroom within the Tot Lot area would increase the cost of the project by between \$150,000 to \$235,000, making the total cost of installing the restroom in the Tot Lot between \$270,000 to \$385,000.

It should also be noted that on May 26, 2005, the KPPCSD Board approved the Park Master Plan as proposed by Jack Griffith, which identified the best location to install the park restroom at the Windsor cul-de-sac location. This location was identified as the most suitable location due to ADA accessibility and cost factors.

The Park Restroom Committee recommends the park restroom be installed at the Windsor cul-de-sac location.

### **Annex**

I have also prepared a memo to the Board which is attached to the packet, which estimates that it would cost \$7,150 to repair the Annex in order to bring the building up to code to be used as a meeting place. I also have discussed these repairs with Jack Griffith, and Jack has estimated that an additional \$8,000 to \$9,000 would be needed to modify the existing sidewalk at the upper handicapped parking spaces and the existing ramp area in order to allow for ADA access.

These repairs would also provide us the opportunity to use the Annex restroom as a temporary restroom facility until the permanent restroom is built and possibly as a secondary restroom facility afterwards. (It should be noted that the Annex restroom

should not be considered as a permanent, stand alone restroom option due to the ADA access issues associated with it.)

I have also identified in the memo, that Mitts Termite Control had recommended that the foundation of the building be repaired at an estimated cost of \$30,500.

I would recommend that the Board approve the installation of the park restroom in the Windsor cul-de-sac location and authorize the Restroom Committee to move forward with the project.

I would also request that the Board give me direction regarding the repairs to the Annex building specifically with respect to bringing the building up to code, the foundation, and ADA access. I would attempt to have the repairs paid for under the Measure WW Grant funding program.

Greg Harman



Board of Directors  
KPPCSD  
Kensington, CA

September 30, 2009

Re: Kensington Community Park  
Probable Costs for Restrooms Located Near the Tot Play Area.

Dear Board Members;

In response to the Board's request during the September 10<sup>th</sup> Board Meeting the project team working on the KCP Restroom Project has estimated costs for locating the Restroom in the Tot Play Area of the Kensington Park.

The breakdown of costs provided are those which would increase the cost of the Restroom installation above the previously presented estimated cost of \$120,000 to \$150,000 for locating the Restroom in the Cul-de-sac area of the Park.

In addition to significant site specific issues associated with the Tot Play Area, the lack of nearby utilities causes a considerable escalation in construction costs. The most noteworthy being the Sanitary Sewer connection, the closest of which is down on Arlington Ave. below the Library. At the intersection of Arlington Ave. and Kensington Park Rd. potential interference with existing water, electrical power, cable TV, telephone, traffic signal, gas and storm drain utilities poses a daunting task and much risk.

To fully address the possibilities in the Tot Play Area three locations were reviewed. Attached please find a site plan by Jack Griffith indicating the three locations considered for the estimate.

Further, to accommodate the three possible locations, three building types were considered. These building types are described in the following pages.

As this would be considered a public works project, all work must be performed at prevailing wage rates; read: union rates.

Locating the Restroom in the Tot Play Area of the Park would escalate project costs approximately \$150,350 to \$234,950 above the Cul-de-sac area location.

Consequently, the overall probable Restroom Project costs for locating the Restroom in the Tot Play Area would be in the approximate range of \$270,350 to \$384,950.

Sincerely,

Andrew K. Mixer for:  
KCP Restroom Project Team

Note: Information for the estimates was gathered from Arvin Gonzales, STEGE; Dave Franco, Moran Engineering; Italo Calpestri III, Architect; Jack Griffith, Landscape Architect & Andrew K. Mixer, Construction Manager.

## **Building Types**

Type 1: Modular Pre-engineered Unit (Same as proposed for the Cul-de-sac location)

- Pre-engineered, Factory Manufactured, delivered to the site and placed by crane on a base or foundation.
- Coordination of Modular Unit installation by General Contractor
- Utilities and site work by General Contractor
- Most economical
- Greatest quality control potential
- No additional amount added for this type.

Type 2: Manufactured Components Unit

- Pre-engineered design. Parts delivered to site
- Assembly and construction of building by General Contractor on site
- Utilities and site work by General Contractor
- Medium Cost
- Add \$10,000 for this type

Type 3: Custom Designed Unit

- Designed and engineered by Architect & consultants
- Fully constructed on site by General Contractor
- Utilities and site work by General Contractor
- Highest cost
- Add \$40,000 for this type
- Add \$18,000 for architectural design & administrative costs

**Location A – Picnic Area**

**General comments:**

- Convenient to Tot Play Area and Tennis Courts.
- Significant disturbance to existing tree roots and landscaping in Tot-lot & Annex areas due to invasive trenching for utilities.
- Disruption to main park activity during construction.
- Temporary loss of parking for construction staging area.
- Loss of picnic area
- Post construction park restoration required.
- Revision of existing irrigation system required.
- Landscape irrigation re-design required
- Located on assumed un-compacted fill.
- Soils investigation and engineering required.
- Water supply 230 feet distant from Annex
- Electrical power 260 feet distant from Annex
- Sanitary Sewer connection 360 feet distant on Arlington Ave. below Library
- Detailed site survey required as input to civil engineering.
- Civil engineering, design and construction administration required for site & utilities work.
- Type 1 Modular Unit – Not possible - Site not accessible to crane
- Type 2 Manufactured Components Unit possible
- Type 3 Custom Designed Unit possible

**Estimated Costs above \$120,000 to \$150,000 Cul-de-sac location estimate**

• Landscape irrigation re-design	\$ 1,000	
• Re-work of irrigation system	\$ 2,000	
• Post construction site restoration	\$ 2,000	
• Soils investigation, engineering & testing	\$ 3,000	
• Rework existing soil or import of engineered fill	\$ 3,000	
• Site survey, Utility location & investigation; Construction layout	\$ 7,100	
• Civil engineering, design and contract administration	\$ 8,500	
• Water supply up charge	\$ 15,025	
• Electrical power	\$ 16,225	
• Sanitary Sewer Line	\$ 76,500	
• Project & construction coordination & oversight	\$ 6,000	
 UTILITY & SITE WORK SUBTOTAL		 \$140,350
 • Type 2 Building	 \$ 10,000	
• Type 3 Building	\$ 40,000	
• Architectural Fees for Type 3 Building	\$ 18,000	

**TOTAL ESTIMATED COSTS ABOVE CUL-DE-SAC LOCATION COSTS for:**

Type 2 Building including utility & site work	\$150,350
Type 3 Building including utility & site work	\$198,000

**Location B – Meadow Area**

General comments:

- Convenient to Tot Play Area and Tennis Courts.
- Significant disturbance to existing tree roots and landscaping in Tot Play & Annex areas due to invasive trenching for utilities.
- Disruption to main park activity during construction
- Temporary loss of parking for construction staging area.
- Post construction park restoration required
- Considerable diminution of meadow area
- Significant revision of existing irrigation system required.
- Landscape irrigation re-design required
- Located on sloping ground.
- Structural fill required
- Retaining wall required
- Structural Engineering required
- Soils investigation and engineering required.
- Water supply 155 feet distant from Annex
- Electrical power 210 feet distant from Annex
- Sewer connection 400 feet distant on Arlington Ave. below Library
- Detailed site survey required as input to civil engineering.
- Civil engineering, design and construction administration required for site & utilities work.
- Type 1 Modular Unit possible
- Type 2 Manufactured Components Unit possible
- Type 3 Custom Designed Unit possible

Estimated Costs above \$120,000 to \$150,000 turn-around location estimate

• Landscape irrigation re-design	\$ 1,500
• Re-work of irrigation system	\$ 3,000
• Post construction site restoration	\$ 2,000
• Soils investigation and engineering	\$ 3,000
• Importation and placement of engineered structural fill	\$ 5,500
• Retaining wall and footings	\$ 7,500
• Site survey, Utility location & investigation; Construction layout	\$ 7,100
• Structural Engineer	\$ 2,500
• Civil engineering, design and contract administration	\$ 8,500
• Water supply including trenching & backfill	\$ 10,550
• Electrical power including trenching & backfill	\$ 13,850
• Sanitary Sewer including trenching, backfill, etc.	\$ 80,500
• Project & construction coordination & oversight	\$ 6,000
UTILITY AND SITE WORK SUBTOTAL	\$151,500
• Type 1 Building	\$ 0
• Type 2 Building	\$ 10,000
• Type 3 Building	\$ 40,000
• Architectural Fees for Type 3 Building	\$ 18,000

TOTAL ESTIMATED COSTS ABOVE CUL-DE-SAC LOCATION COSTS for:

Type 1 Building including utility and site work	\$151,500
Type 2 Building including utility and site work	\$161,000
Type 3 Building including utility and site work	\$209,500

## Location C – Hillside Area West of Play Structure

### General comments:

- Convenient to Tot Play Area and Tennis Courts.
- No loss of high use park area
- Significant disturbance to existing tree roots and landscaping in Tot Play & Annex areas due to invasive trenching for utilities.
- Temporary loss of parking for construction staging
- Disruption to main park activity during construction
- Material handling & construction accessibility complications
- Post construction park restoration required.
- Revision of existing irrigation system required.
- Landscape irrigation re-design required
- Located on top of hill and on assumed un-compacted fill.
- Structural Engineering required
- Soils investigation and engineering required.
- Water supply 250 feet distant from Annex
- Electrical power 310 feet distant from Annex
- Sewer connection 330 feet distant on Arlington Ave. below Library
- Detailed site survey required as input to civil engineering
- Civil engineering, design and construction administration required for site & utilities work.
- Type 1 Modular Unit – Not possible - Site not accessible to crane
- Type 2 Manufactured Components Unit possible
- Type 3 Custom Designed Unit possible

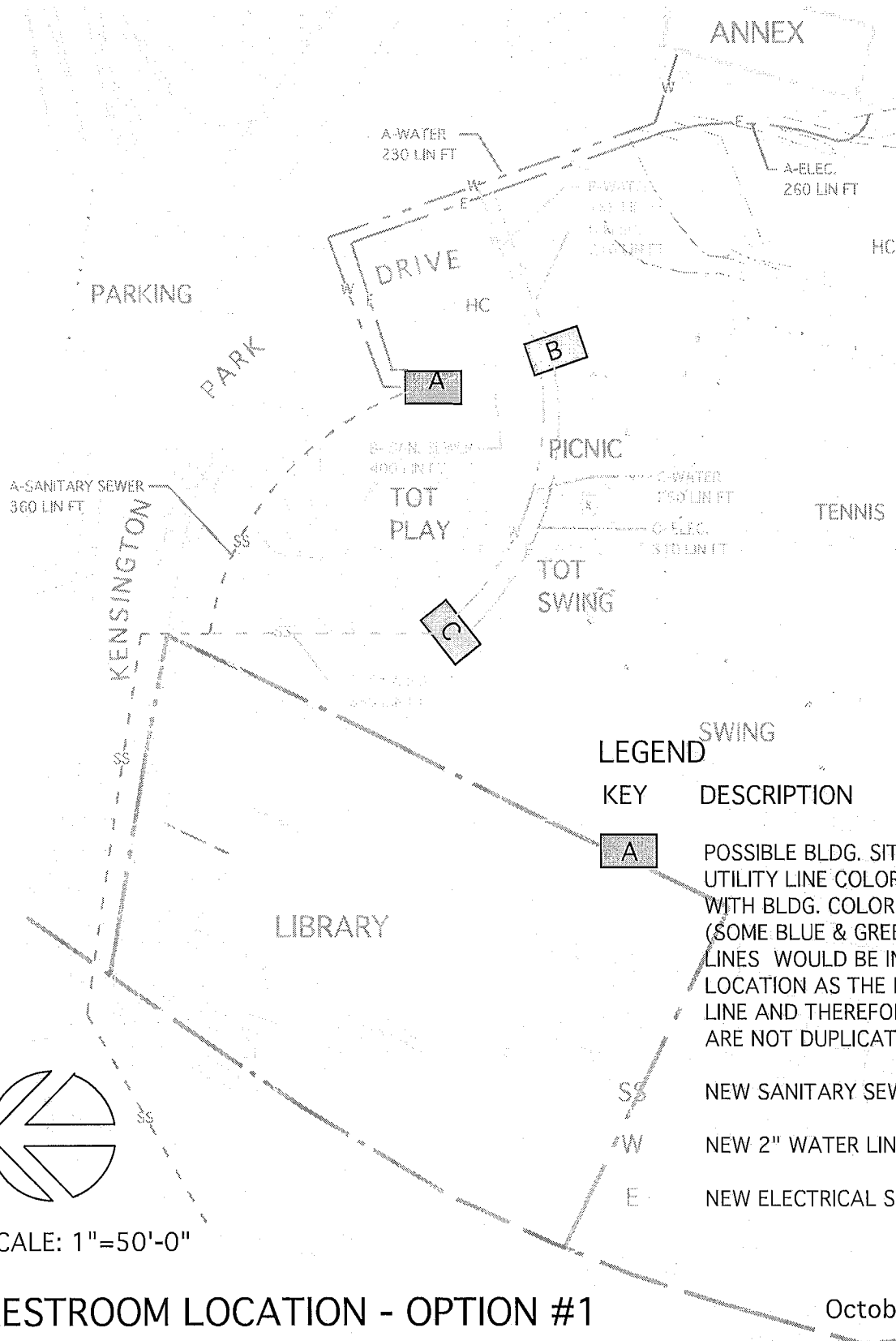
### Estimated Costs above \$120,000 to \$150,000 turn-around location estimate

• Landscape irrigation re-design	\$ 1,000	
• Re-work of irrigation system	\$ 2,000	
• Material handling & accessibility factor	\$ 2,500	
• Post construction site restoration	\$ 5,500	
• Soils investigation, engineering & testing	\$ 5,000	
• Importation and placement of engineered structural fill	** \$ 5,500	
• Caissons and foundation	\$ 18,000	
• Structural Engineer	\$ 5,500	
• Special inspections	\$ 750	
• Site survey, Utility location & investigation; Construction layout	\$ 7,100	
• Civil engineering, design and contract administration	\$ 8,500	
• Water supply including trenching & backfill	\$ 16,250	
• Electrical power including trenching & backfill	\$ 19,850	
• Sanitary Sewer including trenching, backfill, etc.	\$ 73,500	
• Project & construction coordination & oversight	\$ 6,000	
 UTILITY & SITE WORK SUBTOTAL		 \$176,950
 • Type 2 Building	 \$ 10,000	
• Type 3 Building	\$ 40,000	
• Architectural Fees for Type 3 Building	\$ 18,000	

### TOTAL ESTIMATED COSTS ABOVE CUL-DE-SAC LOCATION COSTS for:

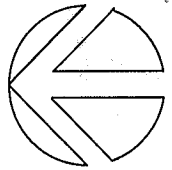
Type 2 Building including utility & site work	\$186,950
Type 3 Building including utility & site work	\$234,950

\*\* Significant unknown prior to soil investigation



**LEGEND**

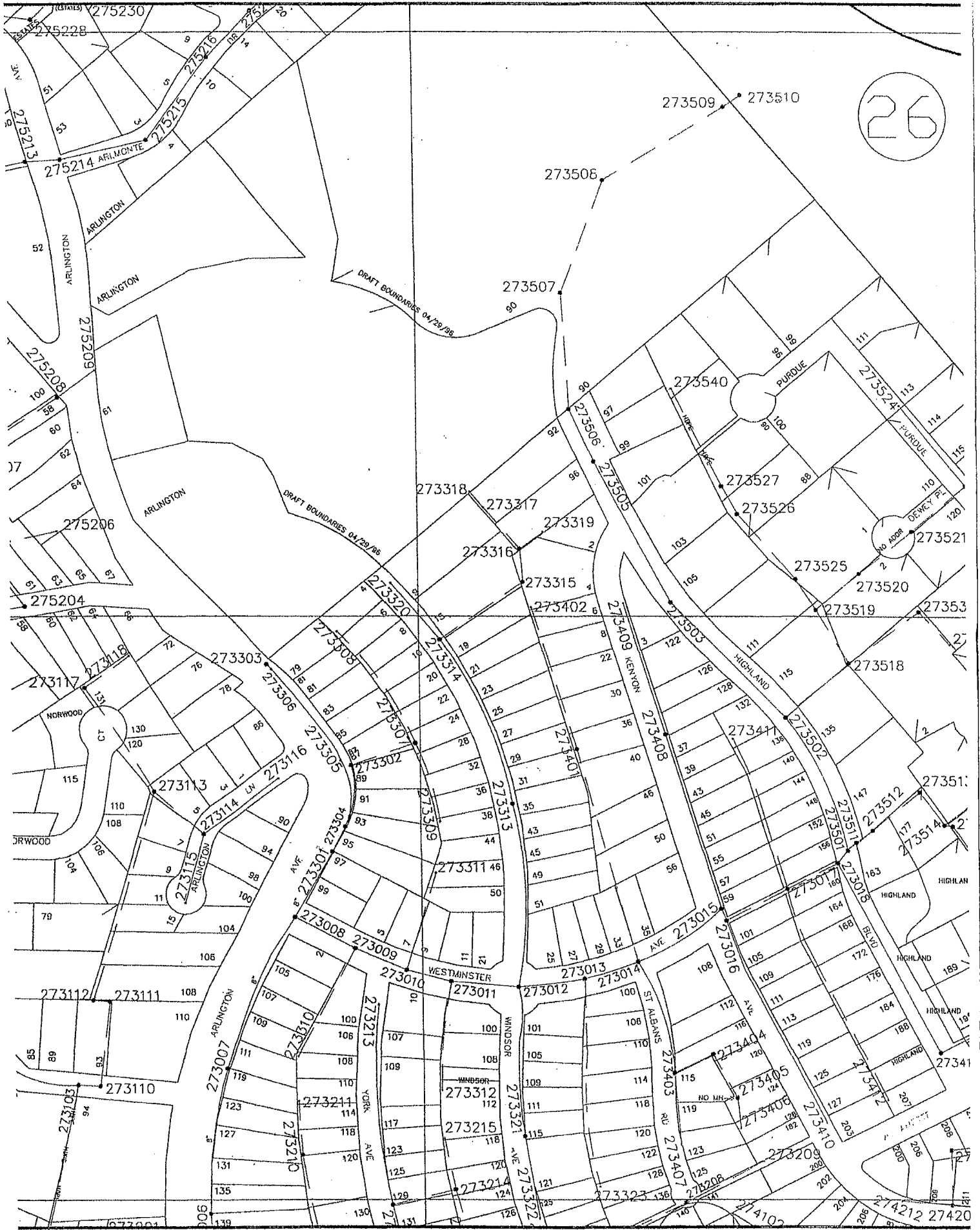
KEY	DESCRIPTION
	POSSIBLE BLDG. SITE (3 TOTAL) UTILITY LINE COLORS CORRESPOND WITH BLDG. COLOR. (SOME BLUE & GREEN UTILITY LINES WOULD BE IN THE SAME LOCATION AS THE RED UTILITY LINE AND THEREFORE ARE NOT DUPLICATED)
	NEW SANITARY SEWER
	NEW 2" WATER LINE
	NEW ELECTRICAL SERVICE



SCALE: 1"=50'-0"

**RESTROOM LOCATION - OPTION #1**  
**KENSINGTON COMMUNITY PARK**  
 SITE & UTILITIES INFORMATION

October 8, 2009



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# Memorandum

Kensington Police Department



**To:** KPPCSD Board

APPROVED      YES      NO

**From:** Gregory E. Harman, Chief of Police

\_\_\_\_\_

**Date:** Tuesday, September 29, 2009

FORWARDED TO:

**Subject:** Estimate of Annex Repairs

\_\_\_\_\_

Board President Chuck Toombs requested that I estimate how much it would cost to get the Annex building up to code in order for the District to conduct business in the building.

I contacted Mark Alford, from the Contra Costa Building Inspector's Office, and inquired into the possibility of having him inspect the Annex in order to give us an idea of what repairs would need to be made to bring the building up to code. Alford informed me that the County does not provide pre-inspection services and would only come out to inspect permitted work that was completed or on a building code complaint.

Using the six various building inspection reports that were completed in 2008 at the request of possible future tenant Michael Sautman, I believe the following repairs would need to be made before we could utilize the Annex for our public meetings. (Costs are estimates only)

## Exterior Repairs

1. Handrail opening that used to be in front of the staircase that has already been removed needs to be closed. \$500
2. Handrail post supports are set in dirt and need to be secured. \$200
3. Handicapped accessible features such as gate access, door hardware- single action, landings, and thresholds need to be code compliant. \$1500
4. Working clearance in front of the main panel must be uninterrupted and permanent- currently plywood cover. \$500



5.	Electrical conduit on exterior of the building must be supported.	\$250
6.	Railroad tie staircase on the side of the building must be removed.	\$500
7.	Rear yard area needs to be weeded, sloped, and cleared to assure proper drainage.	<u>\$500</u>
<b>Estimated Cost of Exterior Repairs</b>		<b>\$3950</b>

### Interior Repairs

A.	Toilet fixture in mop closet needs to be removed and the Sewer line needs to be sealed.	\$250
B.	Classroom "B" exposed metal clad conduit must be secured.	\$150
C.	Electric cord and plug attachments to junction boxes located in the office room needs to be made code compliant.	\$500
D.	Illuminated exit signs with battery back up and emergency lighting is needed at all exits.	\$1000
E.	Toilet (Public access) leaks and needs to be repaired.	\$100
F.	Pull chain light over sink in third room needs to be replaced.	\$100
G.	Pull fire alarms in each room with strobe lights and bells.	\$1000
H.	Toilet in half restroom leaks at supply line.	<u>\$100</u>
<b>Estimated Cost of Interior Repairs</b>		<b>\$3200</b>

**Total Costs of Exterior & Interior Repairs      \$7150**

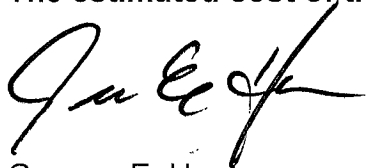
The estimated total cost of repairs to get the building up to code to hold District meetings is \$7150.00. These repairs should also allow us to use the public accessible restroom during the construction of the park restroom.

It should be noted that once the Annex building is opened and used for public meetings, it is possible that a complaint could be lodged with the County for possible building code violations, and we could be subjected to a building code inspection. At that point, further repairs and upgrades could be required to continue to use the facility for public meetings.

The Board also should be aware of a termite report that was prepared by Mitts Termite Control on November 14, 2008. The report indicated that, "The foundation around the

perimeter of this structure indicated by dash lines was faulty with exterior grade levels resulting in earth wood contacts, decay, and some insect damage.” Their recommendation was, “Recommend excavating the soil along the areas indicated to expose the original concrete slab, removing damaged siding, repairing any damaged framing as required, and then installing metal flashing and a steel reinforced concrete curb wall”. This Item was indentified as a “Section 1 Item”.

**The estimated cost of this repair was \$30,500.00.**

A handwritten signature in black ink, appearing to read "Gregory E. Harman". The signature is fluid and cursive, with a large initial "G" and "H".

Gregory E. Harman  
General Manager/ Chief of Police

# NEW BUSINESS

#5 - Discussion for possible adoption Resolution 09-10, 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. Board Action.

October 8, 2009

KPPCSD Board of Directors;

The following is an informational staff report prepared by Orrick, Herrington & Sutcliffe LLP to be used by those communities considering selling of the Proposition 1A receivables from the State.

**Proposition 1A Securitization Program  
[Tax-Exempt Proceeds]**

New Business Agenda Item # 5: A RESOLUTION (09-10) 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.

Background

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

The emergency suspension of Proposition 1A was passed by the Legislature and signed by the Governor as ABX4 14 and ABX4 15 as part of the 2009-10 budget package on July 28, 2009. Under the provision, the State will borrow 8% of the amount of property tax revenue apportioned to cities, counties and special districts. The state will be required to repay those obligations plus interest (2%) by June 30, 2013.

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

Proposition 1A Securitization Program: Authorized under ABX4 14 and ABX4 15, the Proposition 1A Securitization Program was instituted by California Communities to enable Local Agencies to sell their respective Proposition 1A Receivables to California Communities. Currently, SB67 is being considered to clarify specific aspects of ABX4 14 and ABX4 15. Under the Securitization Program, California Communities will simultaneously purchase the

Proposition 1A Receivables, issue bonds (“Prop 1A Bonds”) and provide each local agency with the cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010 (to coincide with the dates that the State will be shifting property tax from local agencies). The purchase price paid to the local agencies will equal 100% of the amount of the property tax reduction. All transaction costs of issuance and interest will be paid by the State of California. Participating local agencies will have no obligation on the bonds and no credit exposure to the State.

If the Kensington Police Protection & Community Services District sells its Proposition 1A Receivable under the Proposition 1A Securitization Program, California Communities will pledge the Kensington Police Protection & Community Services District's Proposition 1A Receivable to secure the repayment of a corresponding amount of the Prop 1A Bonds. The Kensington Police Protection & Community Services District's sale of its Proposition 1A Receivable will be irrevocable. Bondholders will have no recourse to the Kensington Police Protection & Community Services District if the State does not make the Proposition 1A Repayment.

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

Benefits of Participation in the Proposition 1A Securitization Program:

The benefits to the Kensington Police Protection & Community Services District of participation in the Proposition 1A Securitization Program include:

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

Proceeds of the Sale of the Kensington Police Protection & Community Services District's Proposition 1A Receivable:

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

Proposed Proposition 1A Receivables Sale Resolution:

The proposed Proposition 1A Receivables Sale Resolution:

- (1) Authorizes the sale of the Kensington Police Protection & Community Services District's Proposition 1A Receivable to California Communities for 100% of its receivable;
- (2) Approves the form, and directs the execution and delivery, of the Purchase and Sale Agreement with California Communities and related documents;
- (3) Authorizes and directs any Authorized Officer to send, or to cause to be sent, an irrevocable written instruction required by statute to the State Controller notifying the State of the sale of the Proposition 1A Receivable and instructing the disbursement of the Proposition 1A Receivable to the Proposition 1A Bond Trustee;
- (4) Appoints certain Kensington Police Protection & Community Services District officers and officials as Authorized Officers for purposes of signing documents; and
- (5) Authorizes miscellaneous related actions and makes certain ratifications, findings and determinations required by law.

Proposed Purchase and Sale Agreement

The proposed Purchase and Sale Agreement:

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

Proposed Purchase and Sale Agreement Exhibits:

The proposed Proposition 1A Purchase and Sale Agreement Exhibits:

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

Recommended Action:

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

Greg Harman

General Manager/ Chief of Police

RESOLUTION NO. 09 010

**BOARD OF DIRECTORS  
OF THE  
KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT**

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

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

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

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

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

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

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



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

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

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

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

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

NOW THEREFORE, the Board of Directors of the Kensington Police Protection & Community Services District hereby resolves as follows:

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

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

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

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

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

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

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

PASSED AND ADOPTED by the Board of Directors of the Kensington Police Protection & Community Services District, State of California, this \_\_\_\_\_ day of \_\_\_\_\_, 2009, by the following vote:

AYES:

NOES:

ABSENT:

\_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary

Approved as to form :

SELLER'S COUNSEL

By \_\_\_\_\_

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

APPENDIX A

KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT

**Authorized Officers:** Charles Toombs, Board of Directors

Gregory E. Harman, General Manager

Stephanie Fries, Secretary

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

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KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT,  
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) KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT, a local agency of the State of California within the meaning of Section 6585(f) of the California Government Code (the "Seller"); and

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

### RECITALS

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

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

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

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

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

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

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

## AGREEMENT

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

### 1. Definitions and Interpretation.

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

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

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

### 2. Agreement to Sell and Purchase; Conditions Precedent.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(k) The Seller's principal place of business and chief executive office is located at 217 Arlington Avenue, Kensington, California 94707.

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

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

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

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

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

## 6. Covenants of the Seller.

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

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

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

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

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

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

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

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

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

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

8. Notices of Breach.

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

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

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

10. Limitation on Liability.

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

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

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

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

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

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

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



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

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

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

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

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

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

KENSINGTON POLICE PROTECTION &  
COMMUNITY SERVICES DISTRICT, as  
Seller

By: \_\_\_\_\_  
Authorized Officer

CALIFORNIA STATEWIDE COMMUNITIES  
DEVELOPMENT AUTHORITY, as Purchaser

By: \_\_\_\_\_  
Authorized Signatory

## **EXHIBIT A DEFINITIONS**

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

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

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

“Closing Date” means the date on which the Bonds are issued. The Closing Date is expected to be November 19, 2009, but the Purchaser may change the Closing Date by providing e-mail notification to [gharman@kensingtoncalifornia.org](mailto:gharman@kensingtoncalifornia.org) not later than one day prior to the Closing Date.

“Controller” means the Controller of the State.

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

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

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

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

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

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

“Pricing Date” means the date on which the Bonds are sold. The Pricing Date is expected to be November 10, 2009, but the Purchaser may change the Pricing Date by providing e-mail notification to [gharman@kensingtoncalifornia.org](mailto:gharman@kensingtoncalifornia.org) not later than one day prior to the Pricing Date.

“Principal Place of Business” means, with respect to the Seller, the location of the Seller’s principal place of business and chief executive office located at 217 Arlington Avenue, Kensington, California 94707.

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

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

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

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

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

“State” means the State of California.

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

“Transaction Documents” mean this Agreement, the Bill of Sale, the Indenture, the Bonds and the Irrevocable Instructions For Disbursement of Proposition 1A Receivable of Kensington Police Protection & Community Services District, dated as of the Closing Date.

**OPINION OF COUNSEL**  
**to**  
**KENSINGTON POLICE PROTECTION & COMMUNITY**  
**SERVICES DISTRICT**

Dated: Pricing Date

California Statewide Communities Development Authority  
Sacramento, California

Wells Fargo Bank, National Association  
Los Angeles, California

Re: Sale of Proposition 1A Receivable

Ladies & Gentlemen:

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

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

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

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

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

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

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

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

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

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

Very truly yours,

By: \_\_\_\_\_  
Seller's Counsel

**OPINION OF COUNSEL**  
**to**  
**KENSINGTON POLICE PROTECTION & COMMUNITY**  
**SERVICES DISTRICT**

Dated: Closing Date

California Statewide Communities Development Authority  
Sacramento, California

Wells Fargo Bank, National Association  
Los Angeles, California

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

Ladies & Gentlemen:

Pursuant to that certain Purchase and Sale Agreement dated as of November 1, 2009 (the "Sale Agreement") between the Kensington Police Protection & Community Services District (the "Seller") and the California Statewide Communities Development Authority (the "Purchaser"), this Office delivered an opinion (the "Opinion") dated the Pricing Date as counsel for the Seller in connection with the sale of the Seller's Proposition 1A Receivable (as defined in the Sale Agreement), the execution of documents related thereto and certain other related matters.

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

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

Very truly yours,

By: \_\_\_\_\_  
Seller's Counsel



**EXHIBIT C1  
CLERK'S CERTIFICATE**

**CERTIFICATE OF THE  
SECRETARY OF  
KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT,  
CALIFORNIA**

Dated: Pricing Date

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

AYES:

NOES:

ABSENT:

ABSTAIN:

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

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

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

WITNESS by my hand as of the Pricing Date.

By: \_\_\_\_\_  
Secretary of the Kensington Police  
Protection & Community Services  
District, California

**EXHIBIT C2  
SELLER CERTIFICATE**

**SELLER CERTIFICATE**

Dated: Pricing Date

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

Document

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

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

We further certify as follows:

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

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

Signature

Charles Toombs, Board of Directors

\_\_\_\_\_

Gregory E. Harman, General Manager

\_\_\_\_\_

Stephanie Fries, Secretary

\_\_\_\_\_

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

Dated: Pricing Date

By: \_\_\_\_\_  
Secretary of the Kensington Police  
Protection & Community Services  
District, California

**EXHIBIT C3**  
**BILL OF SALE AND BRINGDOWN CERTIFICATE**

BILL OF SALE AND BRINGDOWN CERTIFICATE

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

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

Dated: Closing Date

KENSINGTON POLICE  
PROTECTION & COMMUNITY  
SERVICES DISTRICT

By: \_\_\_\_\_  
Authorized Officer

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

IRREVOCABLE INSTRUCTIONS FOR DISBURSEMENT  
OF PROPOSITION 1A RECEIVABLE OF  
KENSINGTON POLICE PROTECTION & COMMUNITY SERVICES DISTRICT

Dated: Closing Date

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

Re: Notice of Sale of Proposition 1A Receivable by the Kensington Police  
Protection & Community Services District and Wiring Instructions  
Information Form

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Dear Sir or Madam:

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

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

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

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

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

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

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

Very truly yours,

KENSINGTON POLICE PROTECTION &  
COMMUNITY SERVICES DISTRICT

By: \_\_\_\_\_  
Authorized Officer

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

ESCROW INSTRUCTION LETTER

\_\_\_\_\_, 2009

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

Re: Proposition 1A Receivable Financing

Dear Sir or Madam:

The Kensington Police Protection & Community Services District (the "Seller") hereby notifies you of its agreement to participate in the California Statewide Communities Development Authority Proposition 1A Receivable Financing. By adoption of a resolution (the "Resolution") authorizing the sale of its Proposition 1A Receivable, the Seller's Board of Directors has agreed to sell to the California Statewide Communities Development Authority (the "Purchaser"), for a purchase price that meets the conditions set forth in the Resolution, all of its right, title and interest in the Proposition 1A Receivable.

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

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

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

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

Very truly yours,

**KENSINGTON POLICE PROTECTION &  
COMMUNITY SERVICES DISTRICT**

By: \_\_\_\_\_  
Authorized Officer

Enclosures

cc: Orrick, Herrington & Sutcliffe LLP



# NEW BUSINESS

#6 - Discussion for possible adoption an Initiative Ordinance intended to ensure that no action can be taken to disband or eliminate the District's independent police department, or to subcontract, assign or delegate the District's police protection and law enforcement responsibilities, without prior voter approval. Board Action.

## Memorandum

**TO:** Board of Directors  
**FROM:** Michael N. Conneran  
**DATE:** October 1, 2009  
**RE:** Initiative Measure

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As you know, an initiative measure requiring voter approval of any “contracting-out” of police services was submitted to the District on August 27, 2009. Stephanie Fries, the district’s Election Official, has determined that a sufficient number of valid signatures were submitted and that, in all other respects, the petitions have satisfied the requirements of the Elections Code. Therefore, at its meeting on October 8, 2009, or within 10 days after that meeting, the Board, pursuant to Elections Code Section 9310, must decide whether to adopt the ordinance without holding an election or to order that a special election be held.

Should the District decide to call an election, such an election must be held “not less than 88 nor more than 103 days after the date of the order of election.” [Elections Code Section 1405.] Elections must be held on a Tuesday, and can not be held on the day of, or the day after, a state holiday. Therefore, if the election were to be ordered at the meeting of October 8th, it would need to be held on either January 5th (89 days) or January 12th (96 days), as the 19th of January (103 days) falls on the day after a state holiday (Martin Luther King, Jr. Day). However, this gives us little time to prepare the required resolution calling the election, which must be adopted no later than 88 days prior to the election. (The County elections office has requested the opportunity to review any such order before its adoption.) It is therefore suggested that if the Board is inclined to order a special election, that a special meeting be called at which the required documentation to approve the election could be presented. That special meeting must occur within 10 days of October 8th. This would allow the election to be scheduled for January 26th and allow us time to prepare the election resolutions, obtain their approval by the County and adopt them at least 88 days prior to the election date.

The County has also presented an estimate of the costs of holding a special election. According to the County, on 9/23/09, the District has 3,723 registered voters. The County estimates that an election would cost the District \$6.50 per registered voter, or \$24,199.50. A mailed ballot election is estimated to cost \$5.50 or \$20,476.50. I am told that this estimate is somewhat generous, but that in no event would an election likely cost less than \$3.00 per voter.

In case the Board decides to adopt the ordinance on the 8th (or at a follow-up meeting), we have prepared a form ordinance containing the text of the measure for action by the Board.

Date: October 2, 2009

To: Board of Directors

From: Stephanie Fries, District Elections Official

Re: Certification of Initiative Measure

As the Election Official for the Kensington Police Protection and Community Services District ("District"), it is my duty to review and certify the petitions for an initiative measure within the District.

A set of petitions was submitted to this office on August 27, 2009. On June 23, 2009, our office had received a Proof of Publication, indicating that the Notice of Intention to Circulate an Initiative Petition had been published on June 18, 2009 in the *West County Times*, a newspaper of general circulation. In addition, on the same day, we also received an "Affidavit of Posting and Publication" certifying the copies of the Notice of Intention to Circulate an Initiative Petition had been posted in three places within the District.

I submitted the petitions for verification of signatures to the Elections Division of the County Clerk/Recorder's office and have been informed that a sufficient number of valid signatures were submitted to qualify the measure. Therefore, I am certifying to you that the initiative petitions are valid and that the Board is now required, under Elections Code Section 9310, to either adopt the initiative in the form presented to the District or to call a special election, which must be held within 88 to 103 days of its being called. The District's legal counsel has suggested that, in order to provide sufficient time for the election resolutions to be prepared and approved by the County, that any action to call an election be taken at a subsequent meeting, to be held within 10 days of the October 8th meeting.

Sincerely,

Stephanie Fries  
District Secretary

# KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT

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## BEFORE THE BOARD OF DIRECTORS OF THE KENSINGTON POLICE PROTECTION AND COMMUNITY SERVICES DISTRICT OF THE COUNTY OF CONTRA COSTA, STATE OF CALIFORNIA

### Initiative Ordinance

WHEREAS, a set of petitions proposing the adoption of an initiative measure was presented to the District on August 27, 2009; and

WHEREAS, the District's election official has certified that the petition has been signed by a sufficient number of registered voters and in all other respects satisfies the legal requirement for such a measure; and

WHEREAS, under applicable law, the Board of Directors must decide either to adopt the measure in the form presented or call for a special election; and

WHEREAS, the Board of Directors has decided to adopt the measure in the form presented.

NOW, THEREFORE, BE IT ORDAINED by the Board of Directors of the Kensington Police Protection and Community Services District as follows:

#### Section I FINDINGS AND PURPOSE.

The maintenance of an independent police department staffed by peace officers, including a Chief of Police, employed directly by the District is in the best interests of the District and its residents. This ordinance is intended to ensure that no action can be taken to disband or eliminate the District's independent police department, or to subcontract, assign or delegate the District's police protection and law enforcement responsibilities, without prior voter approval.

#### Section II POLICE PROTECTION AND LAW ENFORCEMENT SERVICES; VOTER APPROVAL.

A. No ordinance by which the District would divest itself of its police protection and law enforcement power shall be adopted by the Board of Directors, and, except as provided in paragraphs B and C of this Section II, no contract or other arrangement between the District and any other agency of government, or non-governmental entity, pursuant to which all or any substantial part of the District's police protection and law enforcement functions would be performed by peace officers employed by the other agency or agencies or entity, shall be executed or become effective for any purpose, unless such ordinance, contract or other arrangement has first been approved by a majority of the votes cast in a duly called and conducted special or general election in which the ordinance, contract or other arrangement is submitted for voter approval.

B. Section II.A. does not apply to contracts or other arrangements for police protection and law enforcement support services such as, but not limited to, communications, information technology, and forensic science services, nor to any contract of employment between the District and any individual peace officer.

C. Section II.A. does not limit the Board's authority in case of emergency to accept temporary assistance from, or provide temporary assistance to, any other police agency pursuant to a contract or other arrangement for such temporary emergency assistance, provided, however, that the financial condition of the District shall not be considered to constitute an emergency.

D. Section II.A. does not limit the District Board's authority to determine appropriate levels of full-time, part-time and reserve staffing for the police department.

**PASSED AND ADOPTED** by the Board of Directors of the Kensington Police Protection and Community Services District at a regular meeting thereof held on the 8<sup>th</sup> day of October, 2009, by the following vote, to wit:

AYES:

\_\_\_\_\_  
Chuck Toombs, President

NOES:

\_\_\_\_\_  
Patricia M. McLaughlin, Vice President

ABSENT:

\_\_\_\_\_  
Bill Wright, Director

\_\_\_\_\_  
Cathie Kosel, Director

\_\_\_\_\_  
John Stein, Director

I HEREBY CERTIFY that the foregoing ordinance was duly and regularly passed and adopted by the Board of Directors of the Kensington Police Protection and Community Services District, at a regular meeting of said Board, held on Thursday, the 8th day of October, 2009.

\_\_\_\_\_  
District Secretary

# NEW BUSINESS

#6 - General Manager/ Chief of Police Greg Harman will request the Board consider a request by Mike Long, Troop 100 Scoutmaster, to allow the Chief of Police to apply for the position of Troop 100's Charter Organization Representative. Board Action.

KPPCSD Board of Directors,

On behalf of Kensington Boy Scout Troop 100 I respectfully ask for your consideration on a matter of some importance to Troop 100. Every scout unit - Cub Scout Pack, Boy Scout Troop, or Venture Crew - recognized as part of scouting's parent organization, the Boy Scouts of America (BSA), is required by BSA to have as part of its membership a "Charter Organization Representative" whose primary responsibility is to serve as the liaison between the scout unit and its chartering organization. This role is important to both the scout unit and the chartering organization to ensure that there is a ready avenue of communication between the two parties.

As the head of Troop 100's Chartering Organization, the Kensington Police Department, Chief Harman is currently Troop 100's "de facto" Charter Organization Representative and has filled the role of liaison between KPD and Troop 100. However Chief Harman is not currently registered as a member of BSA, which leaves Troop 100 with a gap in our compliance with BSA chartering requirements. In the recent past, Chief Garfield and then Brown Taylor after him filled the role of Charter Organization Representative to Troop 100, and as part of that role became registered members of the BSA. To facilitate Troop 100's continued compliance with its chartering requirements, we ask the Board to approve our request to register Chief Harman with BSA as Troop 100's Charter Organization Representative. I have discussed the matter with Chief Harman and he has indicated his willingness to complete the BSA registration process pending approval of the KPPCSD Board. Troop 100 would file the registration forms on Chief Harman's behalf and pay the nominal annual registration fee.

Troop 100 is very proud to be a part of the Kensington Community, and wears the symbol of the KPD with great pride. We greatly appreciate the ongoing support of the KPPCSD and thank you for your consideration of our request. Please contact me if you have any questions and I would be happy to discuss our request or any other matter pertaining to the operation of Troop 100 in Kensington.

Sincerely yours,  
Mike Long  
Troop 100 Scoutmaster