

VALLEY CENTER FIRE PROTECTION DISTRICT



**BOARD OF DIRECTORS' REGULAR MEETING
VCMWD Board Room**

Thursday – May 16, 2024 at 6:00 p.m.

Valley Center Fire Protection District Board of Directors
REGULAR MEETING AGENDA
May 16, 2024 / 6:00 p.m.

Valley Center Municipal Water District Board Room
29300 Valley Center Rd Valley Center, CA 92082

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PUBLIC COMMENT

Any member of the Public may speak on any matter that is not on the Agenda. However, under State law, no decisions or actions can be taken and any such matters will be referred to the next meeting.

5. PROCLAMATIONS AND PRESENTATIONS

- A. Swearing in of Director Werkheiser

6. CONSENT CALENDAR

All items listed on the Consent Calendar listed as Consent Items are considered routine and will be enacted in one motion. There will be no separate discussion of these items prior to the Board action on the motion, unless members of the Board, Staff or public request specific items be removed from the Consent Calendar from the Board Agenda for discussion.

- A. Approve Board Meeting Minutes on the Regular Meeting April 18, 2024

Standing Item – Review and Approve

- B. Proposal to adopt Ordinance 64 regarding Fire Service Availability and Standby Cost of Living Increase, in the form and content as attached hereto.

Review and Approve

- C. Proposal to adopt Resolution 2024-12 regarding Community Facility District 2000-01 annual increase for fire suppression and fire protection services in the form and content as attached hereto.

Review and Approve

7. STAFF REPORTS

- A. Fire Chief's Report
- B. Operations Division Report
- C. Fire Station Project Monthly Update
- D. Administrative Services & Community Risk Reduction Division Report
- E. Valley Center Firefighters Association Report

8. OLD BUSINESS

None

9. NEW BUSINESS

- A. Second Reading of the FY 2024-25 Budget

- B. Proposal to adopt Resolution 2024-13 Approving The Form Of And Authorizing The Execution And Delivery Of A Site Lease, A Lease/Purchase Agreement, And An Escrow Agreement And Authorizing Certain Additional Actions Necessary For The Consummation Of The Transactions Contemplated By This Resolution. Questions from the Board regarding this matter should directed to counsel.

10. TREASURER'S REPORT

Review of Fiscal Recap for April 2024.

11. CLOSED SESSION

Contract Negotiations - Review of the labor negotiations with VCFA Local 5187 MOU -

A. 54957.7. Announcement prior to Closed Session:

(a) Prior to holding any closed session, the legislative body of the local agency shall disclose, in an open meeting, the item or items to be discussed in the closed session. The disclosure may take the form of a reference to the item or items as they are listed by number or letter on the agenda. In the closed session, the legislative body may consider only those matters covered in its statement. Nothing in this section shall require or authorize a disclosure of information prohibited by state or federal law.

(b) After any closed session, the legislative body shall reconvene into open session prior to adjournment and shall make any disclosures required by Section 54957.1 of action taken in the closed session.

(c) The announcements required to be made in open session pursuant to this section may be made at the location announced in the agenda for the closed session, as long as the public is allowed to be present at that location for the purpose of hearing the announcements.

12. ANNOUNCEMENT OF CLOSED SESSION ACTIONS

None

13. BOARD OF DIRECTORS COMMENTS

14. ADJOURNMENT

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, as required by Section 202 of the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to the Board Secretary at (760) 751-7600, at least 48 hours before the meeting, if possible

NEXT REGULAR MEETING – June 20, 2024

CONSENT CALENDAR

BOARD OF DIRECTORS' PACKET

VALLEY CENTER FIRE PROTECTION DISTRICT



**Minutes
Of A Regular Meeting
Of the Board of Directors of
Valley Center Fire Protection District
April 18, 2024 / 6:00 p.m.**

Valley Center Municipal Water District Board Room
29300 Valley Center Rd
Valley Center, CA 92082

1. Call to Order at 6:00 p.m.
2. Roll Call:
Mike O'Connor – Present
Phil Bell – Present
Steve Hutchison – Present
Robb Rattray – Present
Ron Duff - Present
3. Pledge of Allegiance – led by Chief Davidson
4. Public Comment
None
5. Proclamations and Presentations
 - A. The interested parties for the vacant Board position in District 5, John Yeager and Lin Werkheiser, each reintroduced themselves to the Board and interviews were conducted with each of the candidates.
 - B. The need for immediate action, to be added to the agenda, the swearing in of the new Board member was voted on unanimously by Directors Bell, Hutchison, O'Connor and Rattray. President Bell then administered the oath of office to newly appointed director, Ron Duff.
6. Consent Calendar –The consent calendar, containing the minutes from the Regular Meeting March 21, after motion made and seconded, was unanimously approved by the Board.
7. Staff Reports
 - A. Fire Chief's Report – Chief Napier presented the month's activities
 - B. Operations Division Report – was also presented by Chief Napier.
 - C. Fire Station Project Monthly Update – presented by Chief Napier.
 - D. Administrative Services & Community Risk Reduction Division Report – Chief Davidson presented his report and a report on the activities of the CERT group.

- E. Valley Center Firefighters Association Report – Captain Chris Palmer reported on the events that are being planned. The Local has signed up for Western Days to sell merchandise and will be signing up for the Rodeo. Leo Gonzalez is the new Local Board Secretary, also the President and the Vice President traveled to the IAFF conference. The labor negotiations have started and the process is appreciated. He noted that there is a tentative date for a Sweethearts Ball/Gala of February 2025.
8. Old Business
None
9. New Business
- A. The Board held a Public Hearing on an Annexation Petition into CFD 2008-1. After the hearing, upon motion duly made and seconded, Resolution NO. 2023-11 (Pala Loma) was approved unanimously by the Board.
 - B. The Board was asked to vote to accept a Neighborhood Reinvestment Grant of \$25,000, which will be used for design and infrastructure for Station 3, after motion made and seconded, the Board voted unanimously to accept the grant.
 - C. After review and discussion of the candidates for the Board vacancy, the Board voted 3-2 to appoint Mr. Lin Werkheiser to the vacant position in District 5.
 - D. Chief Davidson presented the First Reading of the FY 2024-25 Budget
 - E. Chief Napier presented a Staff Report for Station 3 and Fire Station Project Financing, there was a long discussion about the information provided. Director Hutchison and Director O'Connor had concerns about taking on a loan and would have liked to send it back to staff and the finance committee and look at all the alternatives. After the discussion, a motion was made and seconded to accept the financing, which passed by a 3 to 2 vote, with Directors Bell, Rattray and Duff voting for and Directors Hutchison and O'Connor voting against.
10. Treasurers Report – Chief Davidson presented the Report. After motion made and seconded, the Treasurer's Report was unanimously approved by the Board.
11. Closed Session – None
12. Announcement of Closed Session Actions – None
13. Board of Directors Comments
- Director Duff thanked his predecessor, Director Roberts, for all the work she has done for the District and thanks to the Board for the opportunity to serve the community. Director O'Connor said this has been an eye-opening experience and feels like the community is better off over the years after taking off on our own. "I will be watching you guys, good luck and enjoyed my part in it." Thank you everybody.
- Director Rattray commended how he respects and appreciates Director O'Connor's passion. He welcomed Director Duff to the Board.
- Director Hutchison thanked Director O'Connor for his service the last 10 years to the fire community.
- Director Bell thanked Director O'Connor for his participation on the Board for the last 10 years and how he made him think about a different viewpoint in matters they discussed.
- Adjournment – 9:16 p.m.

NEXT REGULAR MEETING: May 16, 2024

Phil Bell, President

ORDINANCE NO. 64

**AN ORDINANCE OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER FIRE PROTECTION DISTRICT
SETTING THE MAXIMUM SERVICE AVAILABILITY CHARGE
FOR FIRE SUPPRESSION SERVICE WITHIN SAID DISTRICT**

The Board of Directors of the Valley Center Fire Protection District does ordain as follows:

SECTION 1:

WHEREAS, the Valley Center Fire Protection District was formed by voter approval on June 8, 1982, in compliance with Government Code Section 53972-53977 and County of San Diego Ordinance No. 6254 (new series); and

SECTION 2:

Pursuant to Section 4 of said Ordinance No.6254, the Board is empowered with the authority to increase the maximum availability charge stated in Section 1 of said ordinance by the percentage increase of the adjusted Consumer Price Index for the San Diego area as determined by the U.S. Department of Labor.

SECTION 3:

Pursuant to the authority vested in the Board of Directors of the Valley Center Fire Protection District, said Board does hereby find, resolve and determine that for the year ending December 31, 2023, the All Urban Index increased by 5.1% and that the maximum availability charge shall be as follows:

Parcel, Class of Improvement to Property, Use of Property	Maximum Availability Charge
Residential (5 acres or less).....	\$274.67 per dwelling unit
Residential Estate.....	\$274.67 for each dwelling unit plus \$27.46 for each additional acre over 5 to a maximum of \$549.33 for the land
Commercial, Industrial, Institutional.....	\$1098.73 per building
Improved Agricultural.....	\$27.46 per acre or portion thereof Up to a maximum of \$549.33 per parcel
Unimproved (each parcel).....	\$13.74 per acre and/or portion of acre up to a maximum of \$549.33

SECTION 4:

The Board of Directors hereby declares that should any section, paragraph, sentence or word of this Ordinance be declared for any reason to be invalid, it is the intent of this Board that it would have passed all other portions independent of the eliminations therefrom of any such portion as may be declared invalid.

SECTION 5:

This Ordinance shall take effect 30 days from the date of its adoption and shall be publicly posted at the Valley Center Fire Protection District Administrative Office, Valley Center Municipal Water District and at the District's website, vcfpd.org.

INTRODUCED, APPROVED AND ADOPTED this 16th day of May.

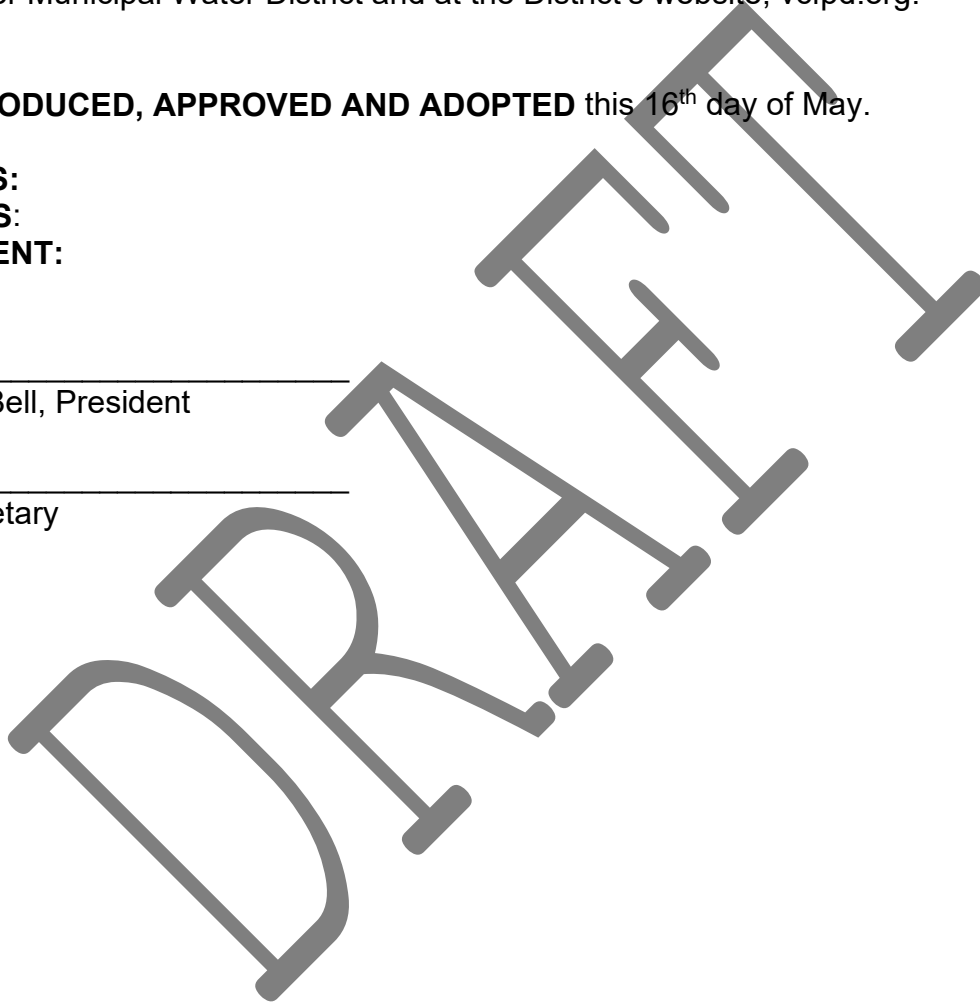
AYES:

NOES:

ABSENT:

Phil Bell, President

Secretary



RESOLUTION NO. 2024-12

**RESOLUTION OF THE BOARD OF DIRECTORS OF
THE VALLEY CENTER FIRE PROTECTION DISTRICT
CONTINUING THE ANNUAL SPECIAL TAX LEVY FOR COMMUNITY
FACILITIES DISTRICT NO. 2000-01 FOR TAX YEAR 2024-2025**

WHEREAS, the Board of Directors of the Valley Center Fire Protection District (the "Board"), has initiated proceedings, held a public hearing, conducted an election and received a favorable vote from the qualified electors relating to the levy of a special tax in a Community Facilities District, all as authorized pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982" being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California. This Community Facilities District is designated as COMMUNITY FACILITIES DISTRICT NO. 2000-01 (The "Community Facilities District"); and,

WHEREAS, the Board of Directors, acting as the legislative body of the District, is authorized to annually determine the special tax to be levied which shall not exceed the maximum special tax calculated pursuant to the "Rate and Method" of apportionment.

WHEREAS, the maximum special tax rate section C states, "on each July 1, commencing July 1, 2002, the Maximum Special Tax per Benefit Unit shall be increased by 2 percent (%) of the amount in effect in the previous Fiscal Year".

WHEREAS, the Special Tax per Benefit Unit in Fiscal Year 2023 was \$4.62 and with the allowed 2.0 percent (%) increase shall be \$4.71 per Benefit Unit for the Fiscal Year 2024-2025.

NOW THEREFORE, BE IT RESOLVED that the Special Tax per benefit unit for the fiscal year 2024-2025 shall be \$4.71. **IT IS FURTHER RESOLVED** that this Resolution shall take effect 30 days from the date of its adoption and shall be publicly posted at the Valley Center Fire Protection District Administrative Office, the Valley Center Municipal Water District and the District's website, vcfpd.org.

INTRODUCED, APPROVED AND ADOPTED this 16th day of May, 2024.

AYES:

NOES:

ABSENT:

Phil Bell, President

Secretary

STAFF REPORTS

BOARD OF DIRECTORS' PACKET

VALLEY CENTER FIRE PROTECTION DISTRICT



10 VALLEY CENTER FIRE PROTECTION DISTRICT

28234 Lilac Road, Valley Center, CA 92082
(760) 751-7600 Fax (760) 749-3892
Website: vcfpd.org



May 16, 2024

Fire Chief's Report Valley Center Fire Protection District Board

1. The Valley Center Fire Department had a busy month with 161 Emergency Incidents, training and the Every 15 Minutes Program at Valley Center High School.
2. ALS Program: Musculoskeletal Emergencies
3. Operational Area Update: County Wildland Drill
4. Local and Regional Training: Command of Extended Attack Wildland Incidents
5. Cal Fire Valley Center Battalion: Station 71 is at augmented winter staffing levels: 1, Type 3 with 3/0 staffing and 1 Ambulance staffed by AMR employees.
6. Law Enforcement / Fire /Tribal Interagency Operations: Genasys Protect (Zonehaven) Training Completed. Changed the Roll-out: May 31, 2024
7. Fire Station Projects: Station 3 construction: Erikson Hall is working with the County on the Cole Grade Widening and their responsibility to Storm Water and our Storm Water Requirements.

Valley Center Fire Station 1
28234 Lilac Road
Valley Center, CA 92082

Valley Center Fire Station 2
28205 N. Lake Wohlford Road
Valley Center, CA 92082

VCFPD OPERATIONAL REPORT: April, 2024

Monthly Incident Data:

	VCFPD Station 1 E161	VCFPD Station 2 E162	VCFPD Station 2 OES E370	VCFPD Station 2 S162	VCFPD Admin Command	VCFPD Admin Prevention	Auto Aid Received	Auto Aid Given	Total Incidents	Turnout Time	Travel Time	Response Time
	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total Incidents	Total VCFPD Incidents	90 th Percentile	90 th Percentile	90 th Percentile
JAN	106	46	0	65	5	0	71	28	185	0:2:20	0:10:41	0:12:47
FEB	88	35	0	59	6	0	34	24	156	0:2:25	0:12:09	0:14:05
MAR	65	51	0	80	5	1	69	33	161	0:2:24	0:12:26	0:13:57
APR	111	41	0	72	4	0	61	31	182	0:2:17	0:11:50	0:13:12
MAY												
JUN												
JUL												
AUG												
SEP												
OCT												
NOV												
DEC												
March 2023	123	47	0	74	4	2	44	32	208	0:02:11	0:11:32	0:12:54
2023 Year End Total	1268	598	4	872	87	22	545	415	2236	0:2:34	0:13:53	0:15:19
2024 Year to Date	370	173	0	276	20	1	234	116	684	0:02:25	0:12:21	0:14:03
2024 YTD % Change												
Concurrent Incidents	Total Incidents	Two Concurrent Incidents	Three Concurrent Incidents	Four Concurrent Incidents	Five Concurrent Incidents	Two Concurrent Incidents	Three Concurrent Incidents	Four Concurrent Incidents	Five Concurrent Incidents			
2024 Monthly Total	182	50	7	1	0	28.09%	3.93%	0.56%	0%			
2023 Ambulance Responses Monthly	Medic 11/211	Medic 256/70	Medic 71	Medic 151	Rincon Fire Rescue Ambulance 181,182	North Zone Rescue Ambulance 132,114,143	Mercy Air	Total Unit Responses	Total Unit Transports	90 th Percentile Turnout	90 th Percentile Travel	90 th Percentile Response
Ambulance Transports	6	9	63	0	14	1	1		93	TBD	TBD	TBD

Firefighters in the program: 33

- Firefighter Driver Operators: 1
- Firefighter Paramedics: 15
- Firefighter EMTs: 19
- Fire Explorers: 10

Apparatus and Equipment:

Station 1:

- E-161 - In Service
- C-1601 - In Service
- C-1602 - In Service
- C-1603 – In Service

CP-1616 - In Service
 E169 – In Shop: Pump Transfer Case
 C-1604 – In Reserve
 BR161 – In Service/Cross Staffed

Station 2:

- E-162 – In Service
- S-162 – In Service

E-168 – In Reserve
 OES E370 – In Service/Cross Staffed

Valley Center Fire Station 1
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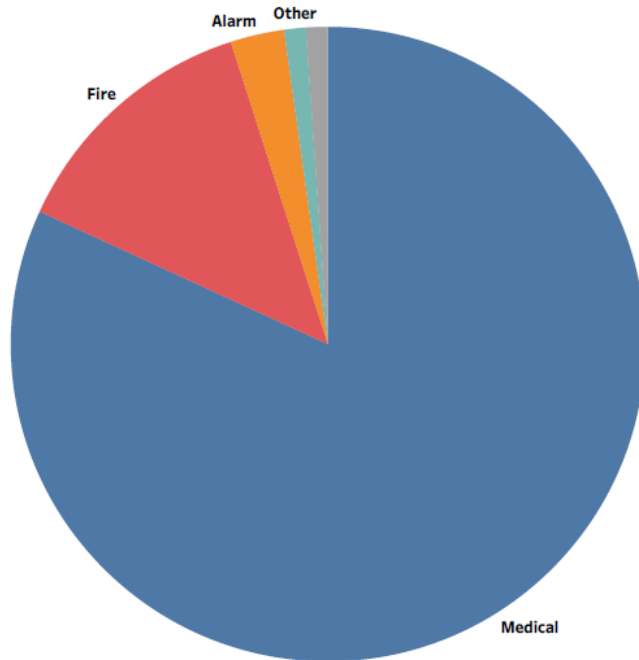
Valley Center Fire Station 2
 28205 N. Lake Wohlford Road
 Valley Center, CA 92082

Assigned Incidents for VALLEY CENTER FPD
 April 2024

Agency
 VALLEY CENTER FPD

Month
 April 2024 to April 2024

Medical	149 incidents / 81.87%
Fire	24 incidents / 13.19%
Alarm	5 incidents / 2.75%
Aid	2 incidents / 1.10%
Other	2 incidents / 1.10%
Grand Total	182 incidents / 100.00%



Problem Category

- Medical
- Fire
- Alarm
- Aid
- Other

Data Source: AgencyDashboard_v3_Extract_v3
 Data Last Updated: 5/1/2024 2:01:52 PM

Special Training and Future Community Events:

- Planning Group Evacuation Sub-Committee Quarterly Meeting: May 23, 2024 at 6:30pm
- CPR for VCHS Senior Class: May 20 and May 21
- Valley Center Rodeo: Memorial Day Weekend: May 24, 25 and 26
- Western Days Parade and Festival: May 31 and June 1, 2024
- SDG&E Safety Fair and Wildland Symposium at Bates Nut Farm: August 24, 2024, 9:00am to 1:00pm

Legislative / Political Updates:

San Diego County 6% of the 1%: We have gained the support of Cal Fire – County Fire.

Valley Center Fire Station 1
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Grants/Awards FY22-24:

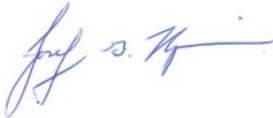
- AFG Prevention Grant Application FY2021: Awarded \$63,000: Migrant Outreach Program
- Safer Grant Application FY2023: In Application Review by FEMA
- AFG Grant Application FY2023: In Application Review by FEMA
- Neighborhood Reinvestment Grant: Awarded \$25,000

Significant Incidents/Station Activities:

- Rescue Traffic Collision: Cole Grade Road and Cool Valley Road
- Vehicle vs Pedestrian: Fatal - Cool Valley Road
- Transformer Fire: Pauma Heights
- Working Structure Fire: Hilltop Drive

Trauma Intervention Program (TIP):

- 0 TIP responses for the month of April, 2024 to Valley Center.



Josef G. Napier
Fire Chief, Valley Center Fire Protection District

MEMORANDUM

DATE: May 8, 2024
TO: Joe Napier, Fire Chief, Valley Center Fire Protection District
FROM: Robin Biglione, Biglione Construction Management
SUBJECT: Update on Erickson-Hall Design-Build Agreement Progress

Temporary Fire Station No. 3

County Building Permit approval is pending approval of the Street Improvement Plans. The design team had two meetings with the County regarding plan revisions and stormwater issues, during the last week in April. The County agreed not to have all stormwater treated on the Temporary Fire Station No. 3 site, due to complications resulting from the County's Cole Grade Road Capital Improvement Project (CIP). The CIP project will include provisions for treating stormwater that falls on Cole Grade Road, downstream from a new trench drain requested by the County, on the Fire Station No. 3 driveway at the street right-of-way line. The County also requested the addition of notes to the grading and improvement plans and indicated that the stormwater report should only address on-site flow.

The changes to the plans have been completed and the associated revisions to the stormwater report are underway. Erickson-Hall estimates a May 17 date for resubmittal to the County. Assuming the County will take two weeks to review the changes, the plan approval date is estimated to be May 31.

Fire Station Nos. 1 and 2

As soon as Fire Station No. 3 is underway, bidding and GMP compilation needs to be completed for Fire Station Nos. 1 and 2. If all of the work that has been designed cannot be financed at this time, scope reductions will be discussed.

Next Steps

1. Complete revisions to technical reports and submit to the County
2. Obtain final permit from County
3. Present First Amendment to Erickson-Hall contract (for construction of Temporary Fire Station No. 3) to Fire District Board of Directors



VALLEY CENTER FIRE PROTECTION DISTRICT

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Administrative Services and Community Risk Reduction Division Board Report for April 2024

Section 1.0 - Administrative Services Report

Unrestricted Fund Balances

This section describes the state of the property tax bank accounts at the county, and our accounts at Cal-Trust. These accounts are the basis for our general operating funds, and can be used as needed without restriction. Accrual based, meaning these are the bank balances minus any outstanding payments like uncashed checks. This is a snapshot of the accounts on 4/30/2024.

*Accounts marked with * are held at the County, all others are with our bank.*

Description	Balance as of 4/30/2024
Property Tax/Standby Fee/CFD 2001-1*	\$1,791,329.94
CFD 2008-01 Tax Account*	\$917,450.33
General Operating	\$181,869.44
Payroll	\$125,922.91
Training	\$44,484.52
Explorer	\$27,011.45
Fire Foundation	\$7,290.16
Total	\$3,088,068.59

Valley Center Fire Station 1
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April Expenses

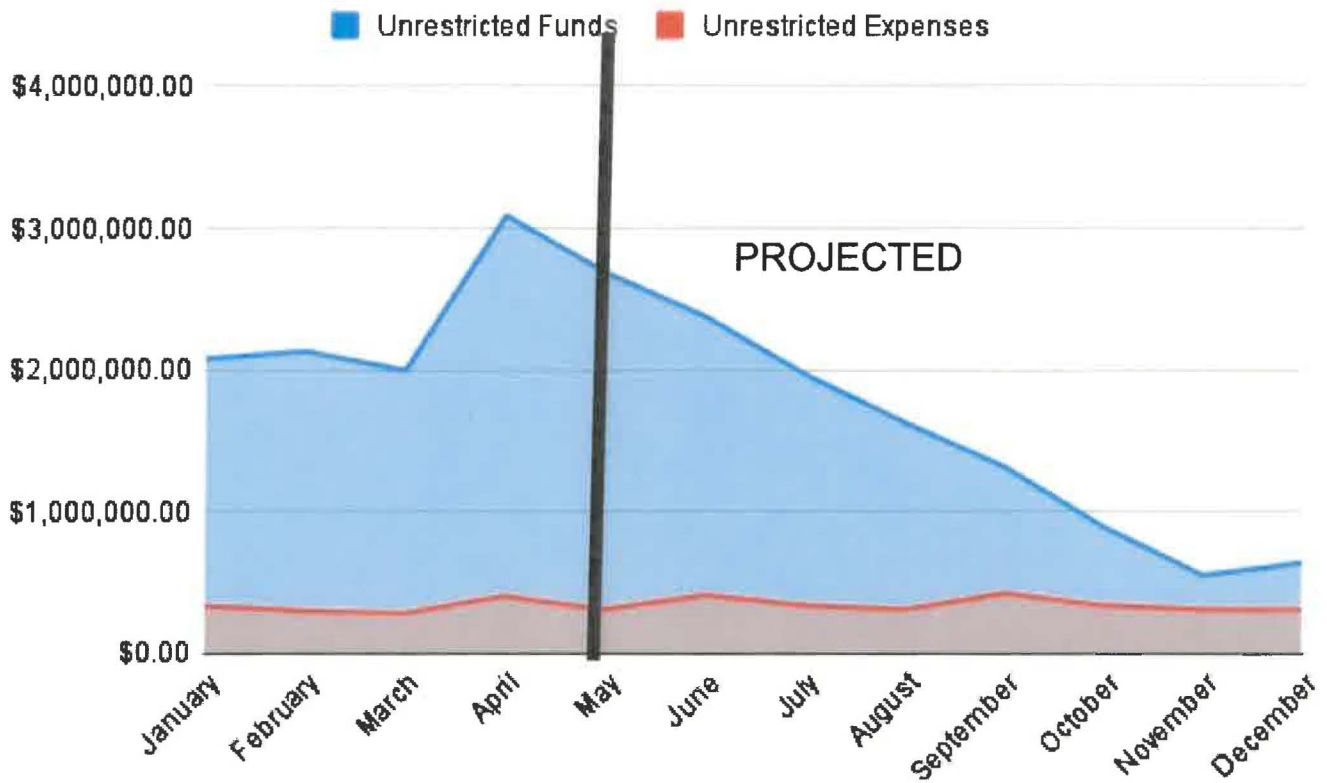
Description	Amount
Payroll (There were three pay periods)	\$318,995.43
Expenses	\$84,451.14
Total	\$403,446.57

Expected Expenses in April

This section outlines the expected big expenses in the coming months that will be paid out of unrestricted funds.

- Expenses in April are expected to be about \$80k.
- Quarterly payroll taxes expected in May (~\$29,000.00).
- Litigation Expenses are running approx \$2000/month

In the chart below, January thru April are actuals, **May through December are projections based on previous years revenue and expenses.** We are officially on the “glide-slope” to December.



Valley Center Fire Station 1
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Valley Center Fire Station 2
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Restricted fund balances

This section is the restricted fund balances. These funds are restricted in their usage, and cannot be used for general expenses. In the case of mitigation funds, they can only be used for apparatus, equipment and facilities upgrades (not maintenance). Grant monies can only be used within the requirements of the grants.

Account	Balance as of 4/30/2024
Fire Mitigation*	\$447,554.54
Grant Account	\$81,387.00
Total	\$528,941.54

Expected Expenses in Restricted funds

This section outlines the expected big expenses in the coming months that will be paid out of mitigation or grant restricted funds.

- We have an outstanding invoice from Biglione for ~\$25k. This will be the final from them.
- \$10,000 for 2.5" hose replacement, probably in May

Section 2 - Fire Marshal's Report

Recent Events

- Extinguisher Day. Good turnout, ~132 done
- CERT Family Event

The Business of Prevention in April

Description	Qty
New Fire Extinguishers	7
Fire Extinguisher	132
2.1.1 New Residential or remodel Plan Review (Any type under 4000 sq ft, includes Inspections)	4
2.1.3 Residential Fire Sprinklers NFPA 13-D or NFPA 13-R (under 4000 sq ft Includes 2 inspections)	1
2.3.2 Accessory Dwelling Unit Plan Review (Includes 2 inspections)	1
2.3.4 Barns & Outbuildings (500 Sq Ft and over and under 4,000 Sq Ft)	1
2.3.6 Minor Grading Plan (Including resubmittal)	1
4.1.21 AB-38 Defensible Space Inspection	4

NEW BUSINESS

BOARD OF DIRECTORS' PACKET

VALLEY CENTER FIRE PROTECTION DISTRICT

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24									
Budget Entry Type	FY 2023-2024 Budget	Expected increase over FY2024 budget or projected actuals.	FY 2023-2024 Actuals YTD (7/1/2023-3/31/24)	FY 2023-2024 Projection calculated from Actuals	FY 2024-2025 Proposed	FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes	
OPERATIONAL REVENUE									
30130 . CFD2008-1 Interest	Operating Revenue	\$3,954.44	3.00%	\$8,303.90	\$8,636.06				
40000 . Benefit Fees/Standby (315001)	Operating Revenue	\$1,976,722.24	5.50%	\$1,149,827.59	\$3,254,321.27	\$2,085,441.96	Actuals are from "oracle" account 47850 which includes Benefit/Standby, property taxes AND CFD 2000-1 revenue together are 3,084,664.71 on 4/22/2024	7% bump from 2022 From 4/12 apportionment report. FY20:\$1,673,387.82 FY21:\$1,680,943, FY22: \$1,716,438	
40100 . Taxes, Property (315000)	Operating Revenue	\$815,560.58	2.00%	\$496,786.49	\$831,871.80		See 40100 for actuals	3% bump over 2022 FY20: \$594,292.13 FY21: \$580,801 FY22: \$644,000	
40150 . Misc Revenue	Operating Revenue		0.00%	\$9,306.97	\$10,000.00				
40200 . CFD-2000-1 (315002)	Operating Revenue	\$341,911.50	2.00%	\$198,945.30	\$348,749.73		See 40100 for actuals	2% bump over 2022 FY20: \$305,121.84 FY21: \$300,304 FY22: \$318,277	
40300 . CFD-2008-01 (315003)	Operating Revenue	\$435,072.27	4.00%	\$616,888.49	\$641,564.03	\$641,564.03	Actuals are from Oracle account 47853	4% bump over 2022. IAD FY20: \$110,500.00 FY21:\$151,289 FY 22:383,066	
40400 . General Fund Interest	Operating Revenue	\$6,500.00	3.00%	\$22,222.29	\$6,695.00				
40600 . First Responder Fees	Operating Revenue	\$40,000.00	0.00%	\$0.00	\$40,000.00			Our target needs to be \$10,000 per quarter received by \$40,000 JDN Status of billing for these fees in-house - this will impact budget number	
40700 . Community Development Fees	Operating Revenue	\$48,000.00		\$71,352.05	\$70,000.00	Actuals are from Square. Expect development fees to drop somewhat. Square also includes the False Alarm income	From Square - 7/1/22 to 3/23/23 - 93,592.71 Figure on 50 houses, 100 AB-38 inspections, and 50 ADUs total, using the new fee schedule		
40900 . CFAA Reimbursement	Operating Revenue	\$0.00	3.00%	\$0.00	\$0.00			Inmaterial revenue (20% admin fee - ONLY when there is a fire)	
41000 . Fixed Asset Disposal	Operating Revenue		0.00%	\$0.00	\$0.00				
42000 . Incident Cost Recovery-Fire USA	Operating Revenue	\$18,000.00	3.00%	\$6,943.60	\$18,540.00		Low participation by crews, 9 payments received	This should include Fire Alarm activation fees. JGN	
43000 . Training Reimb-Target & Palomar	Operating Revenue	\$30,000.00	0.00%	\$21,771.72	\$30,000.00				
49000 - NCD JPA Capital Equipment Reimbursement	Operating Revenue	\$18,000.00	3.00%	\$0.00	\$18,540.00			We have \$29768 in northcomm replacement reserve	
49001 . SAFER Grant	Operating Revenue	\$0.00		\$0.00	\$0.00			I've marked the safer grant as ZERO, and have not placed the station 3 personnel in the operations payroll costs. If we open station 3 with a full crew in FY23, we will need to revisit	
41100 SDG&E Lease	Operating Revenue	\$30,000.00		\$40,000.00	\$60,000.00			Lease income from back 5 acres	
70001.2 - RCS NextgeN 2021 reimbursement	Operating Revenue			\$0.00					
OPERATIONAL REVENUE		\$3,763,721.03			\$4,170,038.57				
OPERATIONAL EXPENSES: TRAINING									
50000 . Explorer Post	Operating Expense	\$5,000.00	3.00%	\$500.00	\$665.00	\$5,150.00		Explorers have Chili Cook-off annually - should be a Grant item	
50100 . EMT & Paramedic License Renewal	Operating Expense	\$4,680.00	4.00%	\$3,033.00	\$4,033.89	\$4,867.20			
50200 . Tuition and Reference Materials expenses	Operating Expense	\$8,764.00	4.00%	\$2,992.47	\$3,979.99	\$9,114.56		Includes palomar tuition and reference books	
50500 . Training & Expenses								Just a header.	
50501 . Training Expenses - Operating expense funded	Operating Expense	\$18,000.00	3.00%	\$7,448.75	\$9,906.84	\$18,540.00			
OPERATIONAL EXPENSES: ADMINISTRATIVE SERVICES									
51000.1. Administrative Support Expenses	Operating Expense	\$140,000.00	4.00%	\$100,190.66	\$133,253.58	\$145,600.00		Includes: Service awards, bank fees, IT equipment, Office supplies, Broadband/telephone, internet, Google suite, copier lease, printing costs, crew scheduling software, dues and subscriptions, Target (vector) solutions, first arriving (\$1000/year),PC upgrades (\$6k)	
51001 . Contingencies & Misc.	Operating Expense	\$13,000.00	30.00%	\$849.29	\$1,129.56	\$16,900.00		Add a couple of computers for station 3 - \$3k	
51002 . Recruitment and on boarding expenses	Operating Expense	\$6,000.00	5%	\$5,443.34	\$7,239.64	\$6,300.00		Any additional contingency costs for all areas, includes fire line meals	
51006 . Election/Annexation Service	Operating Expense	\$2,000.00		\$3,729.10	\$4,959.70	\$15,000.00	three seats for the board	Advertising, FF Recruit & Physicals (excluding uniforms)	
51010 . Reserve recharge (NEW)	Operating Expense			\$0.00	\$0.00	\$100,000.00	Money set aside each year to create financial reserves	No election this year	
OPERATIONAL EXPENSES: CONTRACT SERVICES									
51101 . Professional and contract services	Operating Expense	\$90,000.00	3.00%	\$69,380.86	\$92,276.54	\$92,700.00	White/Bright actual 23/24=\$5976.6	White/Bright retainer to reduce costs? Did any station 3 costs go into this? Like the CEQA? any property stuff? if so we can move to mitigation and capitalize it. Includes \$3k bump for LandVision Can we dump Lynx and move to Interra?	
51105 . Insurance	Operating Expense	\$47,930.40	14.00%	\$42,258.00	\$56,203.14	\$64,071.58	Assume 14% increase. All fees which it belong	Bump by 14% over 2022 actual	
51107 . Trauma Intervention Program	Operating Expense	\$3,450.00	0.00%	\$0.00	\$0.00	\$3,450.00		Invoice for 2022-23 received Oct 1, 2022 for \$3450	
51109 . Burn Inst/Youth Fire Prevent	Operating Expense	\$642.00	0.00%	\$0.00	\$0.00	\$642.00		unless they raise it	

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24							FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes
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OPERATIONAL EXPENSES: COMMUNITY RISK REDUCTION									
51200.1 - CRRD Operational Expenses	Operating Expense	\$7,500.00	0.00%	\$263.26	\$350.14	\$7,500.00			Public education, Safety products, hydrant maintenance, CERT, outreach programs, and POST recertification costs
51200.2 - FEMA FP&S Grant - Migrant Outreach	Grant Expense	\$36,000.00		\$0.00	\$0.00	\$27,000.00		Prepare - Expect to spend about \$36k	
OPERATIONAL EXPENSES: FIRE FACILITIES									
FIRE STATION #1									
51301 - #1 Facility Maint/Repairs/replacement	Operating Expense	\$25,000.00	3.00%	\$16,360.74	\$21,759.78	\$25,000.00		Reduce to \$25,000.JGN	Includes modular buildings at st 1, this includes appliance repair/replacement, building repairs, septic, garage doors, etc. Anything nailed down, or is a 'durable' good. Replace 2 public chairs and 3 rolling chairs in st 1 (Capitalize station repairs/deferred maint? no)
51302 - #1 Utilities	Operating Expense	\$3,100.00	3.00%	\$5,327.63	\$7,085.75	\$3,193.00	Actuals may be higher	Add Direct TV for both stations. We can probably reduce this more. Water is \$200 per month for ST1 (Direct TV is \$2700/2 (spread over 2 stations = \$675/station) JD	Electric, gas, water, but not phone/or internet. Estimate FY22 usage of electricity to be 45% of FY21 for both station 1 and station 2. Station 1 electricity was ~\$12k in FY 21 Add Direct TV for all stations to this (\$2700/year total, split with the association)
51303 - #1 Consumables	Operating Expense	\$3,600.00		\$1,067.23	\$1,419.42	\$1,500.00		Check to make sure consumables are being pulled from the right bucket	TP, supplies other than station repairs (Updated numbers from Sandy)
FIRE STATION #2									
51310 - #2 Facility Maint/Repairs	Operating Expense	\$16,000.00		\$5,447.35	\$7,244.98	\$8,000.00		no lazy boys	Lazy-Boys: Buy 3 now, buy 2 next year - Office chairs \$850
51312 - #2 Utilities	Operating Expense	\$3,700.00	3.00%	\$8,939.42	\$11,889.43	\$3,811.00	Actuals may be higher	Add Direct TV for both stations. We can probably reduce this more. Water is \$250 per month for ST2 (Direct TV is \$2700/2 (spread over 2 stations = \$675/station) JD	Station 2 electric was \$7200 for FY21
51313 - #2 Consumables	Operating Expense	\$3,600.00		\$1,997.27	\$2,656.37	\$2,000.00			
FIRE STATION #3									
51320 - #3 Facility Maint/Repairs	Operating Expense	\$2,500.00	3.00%	\$0.00	\$0.00	\$2,575.00		Note: startup items that are not covered under capital mitigation go here. We will need a decent number when we ask for \$ from mit	
51322 - #3 Utilities	Operating Expense	\$6,000.00	3.00%	\$0.00	\$0.00	\$6,180.00		Assuming 1/3 year occupancy	Estimate, assuming 1/2 year of occupancy without solar
51323 - #3 Consumables	Operating Expense	\$1,800.00		\$275.44	\$366.34				Estimate, assuming 1/2 year of occupancy
OPERATIONAL EXPENSES: OPERATIONS / FIRE APPARATUS									
51400 - Operations expenses	Operating Expense	\$120,000.00	12.00%	\$84,944.05	\$112,975.59	\$134,400.00	Trim based on actuals plus	Probably trimmable a little? - trimmed a little (JAD)	Includes apparatus repairs, maintenance and all tools and supplies in station and on apparatus except what falls under the programs, does not include PPE or uniforms. includes tires, brakes, etc. Add \$4k for 4-gas monitors (critical, 2 recip saws (\$1000)
51402 - Fuel	Operating Expense	\$60,400.00	0.00%	\$36,673.38	\$48,775.60	\$60,400.00	Fuel costs are fairly stable	\$7.5gas/\$9diesel	Includes DEF, and small engine fuels and additives
OPERATIONAL EXPENSES: OPERATIONS PROGRAMS									
51511 Hose/Nozzles/fittings/ladders	Operating Expense	\$8,000.00		\$0.00	\$0.00	\$8,000.00		Where did new hose payment come from? Sit down with Dianne and re-categorize the expenses	I suggest putting everything to 51400 - too hard to track this way as the Purchase Orders from employees are NOT using these GL codes
51512 Tools/minor equip/small engines	Operating Expense	\$16,000.00		\$279.29	\$371.46	\$16,000.00		Expected to spend this year to upgrade some equipment	I suggest putting everything to 51400 - too hard to track this way as the Purchase Orders from employees are NOT using these GL codes
51513 BAs, fit testing, flow testing, compressor maintenance, air sampling	Operating Expense	\$16,000.00		\$4,200.33	\$5,586.44	\$16,000.00		Includes budget requests 1 and 2 from Marquez, for SCBA masks and hydro static testing	I suggest putting everything to 51400 - too hard to track this way as the Purchase Orders from employees are NOT using these GL codes
51514 Rescue systems/equipment	Operating Expense	\$2,500.00		\$0.00	\$0.00	\$2,500.00		Includes budget request #4 from Fego, for pulleys and a storage bag	I suggest putting everything to 51400 - too hard to track this way as the Purchase Orders from employees are NOT using these GL codes
51514.1 Rescue Equipment Grant (Was 51503 equipment grant)	Operating Expense	\$0.00		\$0.00	\$0.00				Was categorized here in 2022-2023; however, should be a grant
51515 PPE/Uniforms		\$0.00		\$0.00	\$0.00				Was categorized here in 2022-2023; however, should be a grant
51515.2 PPE non-Grant	Operating Expense	\$18,000.00		\$8,471.72	\$11,267.39	\$18,000.00		\$20k after shsgp and mitigation	Includes budget request #3 from Robinson for PPE. Could this be a fire foundation grant item?
OPERATIONAL EXPENSES: COMMUNICATIONS									
51600 - North County Dispatch	Operating Expense	\$171,638.00		\$176,174.32	\$176,174.32	\$171,638.00	Need new numbers from NCDJPA	Base assessment:152875, MDC Maint and repair:4947, Medical Director: 5952, Tablet Command: 1450, Tableau: 504 GIS services:6000 (JAD 5/9/23)	Base assessment \$142,000 + \$6293 medical + \$6000 GIS
51601 - RCS Communication Fees	Operating Expense	\$14,022.00	0.00%	\$10,992.50	\$14,620.03	\$14,022.00	Adding brush 800, and engine 163 800.	Including 6 additional 800 radios	997.50/month (\$28.50 per radio) knock fees

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24							FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes
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OPERATIONAL EXPENSES: PARAMEDIC EMERGENCY SUPPLIES									
51700 . Medical Equipment & Supplies	Operating Expense	\$18,000.00	3.00%	\$14,023.79	\$18,651.64	\$18,540.00		Need to budget for at least 3 new ipads. JAD One for scott and two as replacements. Includes new trauma bags, budget request #5: Reduced to \$18,000 and Shift to Capital or Foundation:JGN	Includes: Cardiac Monitor Calibration/Repairs, medications, durable medical supplies. Include 5 ipads at \$3040. Check if these actuals are correct, and can we purchase ipads today? Two ipads purchased in 2021, so only 3 allocated here
OPERATIONAL EXPENSES: PAYROLL-ADMINISTRATIVE									
60000 . Admin Payroll	Operating Expense	\$ 398,436.38		\$413,614.33	\$550,107.06	\$426,046.35	Admin portion of medical TBD. Waiting for Laly numbers, figuring ~60k	Imported from comp calc worksheet	Payroll less medical \$50,834
OPERATIONAL EXPENSES: PAYROLL-OPERATIONAL PERSONNEL									
61000 . Operational Payroll	Operating Expense	\$1,760,517.93		\$1,451,755.30	\$1,930,834.55	\$1,820,278.19	Operational portion of medical. TBD waiting for numbers from Laly. Figure ~200k	Imported from comp calc worksheet. Does not include 4.5 employees for 1/2 year of station 3	Payroll less medical of \$143,695
66000 . PAYROLL EXPENSES									
66008 . Taxes, FICA, SUTA, Unemployment	Operating Expense	\$245,939.01		\$138,950.15	\$184,803.70	\$266,090.91			Imported from compensation spreadsheet
66002 . FMRS (Formerly FASIS) Workers Comp Emp Asst	Operating Expense	\$202,399.57		\$211,284.00	\$211,284.00	\$218,983.91	actuals are quarter numbers	8.6% from FASIS (\$200,666 against payroll of \$2,312,505)	Imported from compensation spreadsheet
66003 . Payroll Service	Operating Expense	\$6,000.00	3.00%	\$4,348.45	\$5,783.44	\$6,180.00			Updated price from Sandy on 5/5/2022
66004 . Accident/Life&AD&D/STD insurance (New) & Medical	Operating Expense	\$200,501.67		\$293,877.52	\$293,877.52	\$305,611.88	actuals are quarter numbers		New insurance offerings from pickering (from Cost Spreadsheet) : Life/AD&D/Accident/Short Term Disability \$5972.67 Est Medical Pd \$194,529
CAPITAL PROJECTS									
70020.1 - Fire Station 3 Debt Service (operating) (NEW)	Operating Expense			\$0.00	\$0.00	\$80,701.78	From CSDA Finance Corp Quote dated March 25, 2024 - This represents 1/3 of the debt service. Entire yearly payment is 242105.33		
70010.2 - Fire Hose - Op Expense	Operating Expense	\$0.00		\$0.00	\$0.00				All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
70007 - Fire Station Electrical Resiliency Program - complete		\$0.00		\$0.00	\$0.00				All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
70008 - MDC Replacement program - Complete		\$11,400.00		\$0.00	\$0.00	\$11,400.00		From Northcomm "Other Services Rebills", MDC Capital Replacement	All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
70012 - Cardiac Monitor Replacement		\$0.00		\$0.00	\$0.00				All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
70012.1 - Cardiac Monitor Replacement - General fund expense	Operating Expense	\$0.00		\$0.00	\$0.00				All Capital Projects should be "classified" in Grants as we don't have the operational budget to afford these items in standard Operating Revenue.
Operating Revenue		\$3,763,721.03				\$4,170,038.57			
Operating Expense		\$3,718,020.95		\$3,125,092.94	\$3,931,532.78	\$4,163,887.36			
Operating Surplus		\$45,700.07				\$6,151.21			

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24							FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes
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MITIGATION REVENUE									
30100 . Mitigation Fees Capital Expected Expenditures	Fire Mitigation revenue	\$812,523.54		\$95,040.90		\$407,054.54	Expected Mitigation revenue. \$440000 in account 4/1/2024. \$97500 and \$73000 already expected to spend. Expect about \$130k revenue throughout the year.		\$738k is county mitigation account as of January, \$124k is estimate of park circle mitigation funds for FY2021
30120 . Mitigation Interest	Fire Mitigation revenue			\$9,392.65					
MITIGATION EXPENSES									
70001 - RCS NextGen Network Infrastructure	Capital Exp. (Mitigation)	\$10,290.00		\$6,002.50		\$10,290.00			\$24.50 per radio per month (857.50 /month) - Review past payments, reimburse from mitigation (See below)
70001.1 - RCS Nextgen 2021 reimbursement from mitigation	Fire Mitigation revenue	\$10,290.00		\$0.00		\$10,290.00			These two lines are the reimbursement of operating expense from mitigation for the nextgen infrastructure upgrades of FY2021
70009.2 - Type 3 engine - Mitigation funds	Capital Exp. (Mitigation)	\$72,000.00		\$152,987.83		\$0.00		Upgrade Darley Pump, Comms and Chassis: \$30,000	
70004.5 - Fire Station Developments Costs - Fire Mitigation	Capital Exp. (Mitigation)	\$350,000.00		\$41,567.79		\$0.00		Just station 3	
70005.1 - New Station Consulting	Capital Exp. (Mitigation)	\$90,000.00		\$0.00		\$0.00		Need estimate for robin	Biglone construction managing
70010.1 - Fire Hose - Mitigation funds	Capital Exp. (Mitigation)	\$10,000.00		\$1,249.58		\$10,000.00		Wildland hose From Fire Etc.	
70011 - VHF Radio replacement	Capital Exp. (Mitigation)	\$0.00		\$11,795.43		\$0.00		VHF Mobile radios (Finished FY2022-23)	VHF radios from mitigation funds (american radio quote)
70012.3 - Cardiac Monitor Replacement - Mitigation Funds	Capital Exp. (Mitigation)	\$0.00		\$0.00		\$0.00		Finished in FY 2022-23	1/2 of \$108k from mitigation. Napier staff report Jan 2022. This number is lower due to cost of monitors being less than quoted.
70003.2 - PPE 6 sets	Capital Exp. (Mitigation)	\$20,000.00		2138.85		\$20,000.00		6 sets of PPE	
70009.5 - Type 1 payments	Capital Exp. (Mitigation)	\$97,500.00		\$0.00		\$97,500.00		Type 1 engine payments - constant for 7 years	Fire Engine
70005.2 - Fire Station Expansion	Capital Exp. (Mitigation)	\$150,000.00		\$0.00		\$0.00		Station 1 and 2 upgrades	
70003.3 - New TIC (replacement for E161)	Capital Exp. (Mitigation)	\$7,758.54		\$0.00		\$7,758.54		New Thermal imaging Camera	
70003.4 - Airbag system for E161	Capital Exp. (Mitigation)	\$4,975.00		\$0.00		\$4,975.00		Air Bag System for E161	
MDC->iPad Program	Capital Exp. (Mitigation)	\$0.00		\$0.00		\$12,764.12	Cost of project is \$58764.12, minus approx \$46000 from NCDJPA	One iPad/TC with mounts for C1602 (Pilot) - pull from Northcomm	
VHF Mobile Radio Installs	Capital Exp. (Mitigation)	\$0.00		\$0.00		\$0.00		Installation of VHF Mobiles (done in FY 2022)	
70020.1 - Fire Station 3 Debt Service (Mitigation) (NEW)	Capital Exp. (Mitigation)			\$0.00	\$0.00	\$161,403.55	From CSDA Finance Corp Quote dated March 25,2024 - This represents 2/3 of the debt service. Entire yearly payment is 242105.33		
Mitigation Balance FY 2024 (Capital Expenses)		\$812,523.54				\$92,653.33			

VALLEY CENTER FIRE PROTECTION DISTRICT - FY 2024-2025 DRAFT as of 4-3-24	Budget Entry Type	FY 2023-2024 Budget	Expected increase over FY2024 budget or projected actuals.	FY 2023-2024 Actuals YTD (7/1/2023-3/31/24)	FY 2023-2024 Projection calculated from Actuals	FY 2024-2025 Proposed	FY2024 Budget Meeting Notes	2023 budget meeting notes	FY 2022 Notes
	TYPE	Proposed							
GRANT REVENUE									
45000 . Fire Explorer Post Donations	Grant Revenue	\$5,000.00		\$250.00		\$5,000.00			Expected to be about the same in FY22
46000.1 - Applied UASI Grant income - 2019	Grant Revenue			\$0.00		\$0.00		Done	
46000.2 - Applied UASI Grant income - 2020	Grant Revenue			\$0.00		\$0.00		Done	
46000.3 - Applied UASI Grant income - 2021	Grant Revenue			\$0.00		\$0.00			
46000.4 - Applied UASI Grant income - 2022	Grant Revenue	\$42,100.00		\$6,175.03		\$0.00		2022 uasi to to be spent after Sept 2023 on CFED, RSI, fresno, etc	
46000.5 - Applied UASI Grant Income - 2023	Grant Revenue			\$0.00		\$0.00			
47000 . Applied SHSGP Grant Income	Grant Revenue	\$11,000.00		\$0.00		\$11,000.00			
48000 . Applied Grant Income-Other	Grant Revenue	\$30,000.00		\$0.00		\$30,000.00			Other, non-federal grants, not NRGF
44000 . Fire Foundation Fund				\$0.00		\$0.00			
46000 . Applied UASI Grant Income	Grant Revenue	\$42,100.00		\$0.00		\$42,100.00			Each of the below refer to a specific grant year. This entry is the rolled up sum of all the years
49002 - San Diego COVID-19 ARPA Grant (3/11/2021)	Grant Revenue	\$179,000.00		\$0.00		\$0.00		Fire Station HVAC Systems and Kitchen Remodels;JGN	ARPA Grant for infrastructure
49003 - San Diego COVID-19 ARPA Grant (12/22/2021)	Grant Revenue	\$0.00		\$0.00		\$0.00		100% Spent:JGN	ARPA Grant for cardiac monitors
49004 - Waldron Award	Grant Revenue	\$1,060,000.00		\$0.00		\$0.00		Fire Station 3 and BME Type 3:JGN	
49005 - VC Fire Foundation Grant	Grant Revenue	\$576,000.00		\$0.00		\$550,000.00			Fire Foundation Grant for FS3. Is this a promise from the fire foundation?
49006 - Neighborhood Reinvestment Grant Program	Grant Revenue	\$100,000.00		\$0.00		\$100,000.00			NRGP - Is this a new grant for 2022 or remaining funds from the 2021 grant? If it is remaining, there is ~58k left
49007 - San Diego County fire foundation grants	Grant Revenue	\$0.00		\$0.00		\$0.00			Need to find out status of this grant? Is this a new grant for 22 or leftover from 21
49008 - CPF Grant - wellness	Grant Revenue	\$0.00		\$0.00		\$0.00		100% spent:JGN	Need to find out status of this grant? Is this a new grant for 22 or leftover from 21
49009 - FEMA FP&S Grant - Migrant Outreach	Grant Revenue	\$63,000.00		\$21,000.00		\$0.00		New grant recieved in 2022, for migrant outreach videos	
GRANT EXPENSES									
50502.1 - Applied UASI Grant income - 2019	Grant Expense			\$0.00		\$0.00			These grants mirror the training expenses for the indicated years
50502.2 - Applied UASI Grant income - 2020	Grant Expense			\$0.00		\$0.00			
50502.3 - Applied UASI Grant income - 2021	Grant Expense			\$0.00		\$0.00			
50502.4 - Applied UASI Grant income - 2022	Grant Expense	\$42,100.00		\$0.00		\$42,100.00			
50502.5 - Applied UASI Grant Income - 2023	Grant Expense			\$0.00		\$0.00			
51101.1 Professional and contract services - grant funded	Grant Expense	\$5,000.00		\$5,775.00		\$5,000.00			Cordico funded from wellness grant
51515.1 PPE Grant (Was 51502 SHSGP Grant PPE)	Grant Expense	\$11,000.00		\$13,083.03	\$17,400.43	\$11,000.00			Expected grant income
51514.1 Rescue Equipment Grant (Was 51503 equipment grant)	Operating Expense	\$0.00		\$0.00		\$0.00			Was categorized in OPERATING EXP in prior FY - should be a grant
70000 . Engine 163 & Equipment	Grant Expense			\$0.00		\$0.00			This entire expense is moved to FY23. \$200k for equipment, total of \$792561.74 to be financed. First payment in FY 2023
70009.1 - Type 3 engine - Waldron Award	Grant Expense	\$380,000.00		\$360,276.40		\$0.00			
70004.1 - Fire Station Development Costs - Waldron Award	Grant Expense	\$178,000.00		\$56,053.44		\$0.00			\$502k out of \$680k went in fy21 for design portion of the contract, and workout gear
70004.2 - Fire Station Development Costs - COVID-19 ARPA Funds	Grant Expense	\$179,000.00		\$0.00		\$0.00			
70004.3 - Fire Station Development Costs - Fire Foundation Award	Grant Expense	\$576,000.00		\$0.00		\$0.00			
70004.4 - Fire Station Development Costs - Neighborhood reinvestment grant	Grant Expense	\$100,000.00		\$0.00		\$0.00		Fire station Expansion	
70012.2 - Cardiac Monitor Replacement - COVID-19 ARPA Funds	Grant Expense	\$0.00		\$0.00		\$0.00			
70013 - Workout gear - CPF wellness grant	Grant Expense	\$0.00		\$0.00		\$0.00			may be purchasable in FY21
65001 - SAFER grant FS 3 Payroll		\$0.00		\$0.00		\$0.00			target for year 1, station 3 starting in FY 23. 100% for all three years. This year, just expense 1/2 year of 3 captains, 3 engineers, and 3 FFs. \$2544286.50 for all three years, this is 1/2 of one years worth
70009.1	Grant Expense			\$360,276.40					
70009.2				\$152,987.83					
70009 . Type Three Engine				\$0.00		\$0.00			\$380k from Marie Waldron \$, \$44201.61 from mitigation Total:421611 per invoiceoct 3, 2021 from BME
70004 - Fire Station Development Costs	Grant Expense			-\$179,200.00		\$550,000.00	San Diego County Deposit		Build phase of erikson hall contract (estimate)
70004.1	Grant Expense			\$56,053.44					
50502 . Training Expenses - UASI Grant Funded				\$0.00		\$0.00			was just uasi. Need sub categories for all grants and years of uasi

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Grant Revenue	\$2,108,200.00				\$738,100.00				
Grant Expense	\$1,507,100.00				\$635,100.00				
Grant Surplus	\$601,100.00				\$103,000.00				

RESOLUTION NO. 2024-13

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE
VALLEY CENTER FIRE PROTECTION DISTRICT
APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION
AND DELIVERY OF A SITE LEASE, A LEASE/PURCHASE AGREEMENT, AND AN
ESCROW AGREEMENT AND AUTHORIZING CERTAIN ADDITIONAL ACTIONS**

WHEREAS, the Valley Center Fire Protection District (the “District”), a fire protection district duly organized and validly existing under and by virtue of the laws of the State of California, wishes to finance the construction of a new fire station (the “Project”);

WHEREAS, the District is authorized to acquire any property within the District by any means, hold, dispose of, convey and encumber the property, and to create a leasehold interest in the property for the benefit of the District;

WHEREAS, pursuant to the request of the District, Municipal Finance Corporation (the “Corporation”) and Capital One Public Funding, LLC (the “Lender”), will assist the District in lease financing the Project pursuant to a Lease/Purchase Agreement (the “Lease/Purchase Agreement”) between the District and the Corporation, the form of which has been presented to this meeting;

WHEREAS, the financing of the Project will be accomplished by (i) the Corporation’s entering into a site lease (the “Site Lease”) with the District, whereby the District will lease two fire stations (the “Leased Property”) to the Corporation in exchange for an advance rental, (ii) the Corporation’s leasing the Leased Property back to the District pursuant to the Lease/Purchase Agreement under which the District will be obligated to make Rental Payments to the Corporation; (iii) the Corporation’s assignment without recourse of all rights to receive such Rental Payments to Capital One Public Funding, LLC (the “Lender”), pursuant to an assignment agreement (the “Assignment Agreement”); and (iv) the application of the amount payable as advance rental under the Site Lease (a portion of which will be held and disbursed pursuant to an escrow agreement (the “Escrow Agreement”), between Argent Institutional Trust Company, the Lender, and the District), and other funds made available by the District to pay the costs of the Project and transaction costs;

WHEREAS, it appears to the Board that the authorization, approval, execution, and delivery of the Site Lease, the Lease/Purchase Agreement, and the Escrow Agreement described above or contemplated thereby or incidental thereto are desirable and in the best interests of the District;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Valley Center Fire Protection District as follows:

Section 1. Recitals. This Board finds and determines that all of the above recitals are true and correct.

Section 2. Authorization of Officers to Execute and Deliver Documents. The Board hereby authorizes and directs the Fire Chief of the District, the President of the Board of Directors, and their designees (the “Designated Officers”), and each of them individually, for and

in the name of and on behalf of the District, to approve, execute, and deliver the Site Lease, the Lease/Purchase Agreement, and the Escrow Agreement in substantially the forms presented to this meeting, which agreements are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the officer or officers executing the agreements for the District; provided that the total principal components of the District's rental payments thereunder may not exceed \$3,030,000 and that the rate at which the interest components of the rental payment are calculated may not exceed 4.95% per annum. The execution of the foregoing by a Designated Officer or Officers of the District constitutes conclusive evidence of such officer's or officers' and the Board's approval of any such changes, insertions, revisions, corrections, or amendments to the forms of the agreements presented to this meeting.

Section 3. Designation as Qualified Tax-Exempt Obligation. The Board hereby finds that the District's obligations under the Lease/Purchase Agreement will not be a private activity bond as defined in Section 141 of the Internal Revenue Code of 1986; and the Board reasonably anticipates that the District and all subordinate entities and all entities that issue obligations on its behalf will not issue more than \$10 million of tax-exempt obligations (excluding private activity bonds) during the current calendar year. The District hereby designates the District's obligations under the Lease/Purchase Agreement as a qualified tax-exempt obligation within the meaning of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

Section 4. Disclosure of Specified Financing Information. Pursuant to the requirements of Government Code section 5852.1, the District is required to disclose at a public meeting certain information related to the financing. The Board has obtained from the Lender good faith estimates of this required information and hereby discloses the information as shown in Exhibit A attached hereto and incorporated herein by this reference.

Section 5. General Authorization. The Designated Officers, and each of them individually, are hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver any and all documents, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to effect the purposes of this resolution. All actions heretofore taken by the Designated Officers that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

Section 6. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Directors of the Valley Center Fire Protection District on the 16th day of May 2024 by the following vote:

Ayes:

Noes:

Absent:

Abstain:

ATTEST:

President, Board of Directors

Secretary, Board of Directors

DRAFT

Exhibit A

Specified Financial Information

The good faith estimates set forth herein are provided with respect to the Lease/Purchase Agreement (the "Lease/Purchase Agreement") between the Valley Center Fire Protection District (the "District") and Municipal Finance Corporation, the Corporation's interests in which will be assigned to Capital One Public Funding, LLC (the "Lender"). Such good faith estimates have been provided to the District by the Lender.

Principal Amount. The estimated aggregate amount of the principal components of the rental payments under the Lease Agreement is \$3,030,000.

True Interest Cost. The estimated true interest cost of the Lease/Purchase Agreement, which means the rate necessary to discount the amounts payable on the respective rental interest payment dates to the advance rental received for the Lease/Purchase Agreement, is 4.95%.

Finance Charge. The estimated finance charge for the Lease/Purchase Agreement, which means the sum of all fees and charges paid to third parties, is \$30,000.

Amount of Proceeds to be Received. The estimate of the amount of proceeds to be received by the District from the Lease/Purchase Agreement is \$3,030,000.

Total Payment Amount. The estimated total payment amount is \$4,842,106.64, which includes the sum total of all rental payments the District will make under the Lease/Purchase Agreement, \$4,842,106.64, plus the finance charges not paid with the proceeds of the Lease/Purchase Agreement, \$0.

The foregoing estimates are good faith estimates only. The actual figures may differ from the estimates owing to changes in the District's financing plan.

LEASE/PURCHASE AGREEMENT

between

MUNICIPAL FINANCE CORPORATION

and the

VALLEY CENTER FIRE PROTECTION DISTRICT

Dated June 5, 2024

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LEASE/PURCHASE AGREEMENT

This Lease/Purchase Agreement dated June 5, 2024, and entered into between Municipal Finance Corporation (the “Corporation”), a corporation duly organized and existing under the laws of the State of California, as lessor, and the Valley Center Fire Protection District (the “District”), a public agency duly organized and validly existing under and by virtue of the laws of the State of California, as lessee,

WITNESSETH:

WHEREAS, the District intends to finance the construction of a new fire station (the “Project”);

WHEREAS, pursuant to the request of the District, the Corporation will assist the District in the financing of the Project;

WHEREAS, such financing will be accomplished by (i) the District’s leasing property to the Corporation pursuant to the Site Lease dated June 5, 2024 (the “Site Lease”), in exchange for an advance rental, (ii) the Corporation’s leasing to the District the property leased under the Site Lease pursuant to this Lease/Purchase Agreement, under which the District will be obligated to make Rental Payments (as such term is defined herein) to the Corporation; (iii) the Corporation’s assignment without recourse of all rights to receive such Rental Payments to Capital One Public Funding, LLC (the “Lender”), in exchange for the amount payable by the Corporation under the Site Lease; and (iv) the application of the amount payable as advance rental under the Site Lease (which will be held and disbursed pursuant to an escrow agreement between the Lender, the District, and Argent Institutional Trust Company), together with other funds made available by the District, to the payment of Project costs;

WHEREAS, the District is authorized to enter into this Lease/Purchase Agreement for the purposes and subject to the terms and conditions set forth herein;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereby agree as follows:

ARTICLE 1.

DEFINITIONS; OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions. For all purposes of this Lease/Purchase Agreement and of any certificate, opinion, or other document herein mentioned, unless the context otherwise requires:

(A) The terms defined in this Section have the meanings herein specified and include the plural as well as the singular.

(B) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles.

(C) All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of applicability thereof.

(D) All references herein to “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Lease/Purchase Agreement as originally executed.

(E) The words “herein,” “hereof,” “hereby,” “hereunder,” and other words of similar import refer to this Lease/Purchase Agreement as a whole and not to any particular Article, Section, or other subdivision.

(F) Words of any gender shall mean and include words of all other genders.

Applicable Environmental Laws means and shall include, but shall not be limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (“CERCLA”), 42 USC Sections 9601 et seq.; the Resource Conservation and Recovery Act (“RCRA”), 42 USC Sections 6901 et seq.; the Federal Water Pollution Control Act, 33 USC Sections 1251 et seq.; the Clean Air Act, 42 USC Sections 7401 et seq.; the California Hazardous Waste Control Law (“HWCL”), California Health & Safety Code Sections 25100 et seq.; the Hazardous Substance Account Act (“HSAA”), California Health & Safety Code Sections 25300 et seq.; the Porter-Cologne Water Quality Control Act (the “Porter-Cologne Act”), California Water Code Sections 13000 et seq.; the Air Resources Act, California Health & Safety Code Sections 39000 et seq.; the Safe Drinking Water & Toxic Enforcement Act, California Health & Safety Code Sections 25249.5 et seq.; and the regulations under each thereof; and any other local, state, and/or federal laws or regulations, whether currently in existence or hereafter enacted, that govern:

- (1) the existence, cleanup, and/or remedy of contamination on property;
- (2) the protection of the environment from spilled, deposited, or otherwise emplaced contamination;
- (3) the control of hazardous wastes; or
- (4) the use, generation, transport, treatment, removal, or recovery of Hazardous Substances, including building materials.

Assignment Agreement means the assignment agreement dated June 5, 2024, between the Corporation and the Lender pursuant to which the Corporation assigns certain of its rights under the Site Lease and this Lease/Purchase Agreement to the Lender.

Authorized District Representative means the Fire Chief, the Board President and the Board Secretary, or the designee of any of them.

Business Day means any day other than a Saturday, Sunday, or a day on which banking institutions in the State of California are authorized or obligated by law or executive order to be closed.

Code means the Internal Revenue Code of 1986 and the regulations applicable to or issued thereunder.

Corporation means Municipal Finance Corporation, or its successors or assigns as lessee under the Site Lease and lessor hereunder.

District means the Valley Center Fire Protection District.

Effective Interest Rate means the rate of interest per annum specified on Exhibit B.

Escrow Agent means Argent Institutional Trust Company, as Escrow Agent under the Escrow Agreement.

Escrow Agreement means the escrow agreement dated June 5, 2024, between the District, the Lender, and the Escrow Agent.

Event of Default means any of the events specified in Section 7.1 (Events of Default).

Fiscal Year means the period beginning on July 1 of each year and ending on the next succeeding June 30 or any other twelve-month period hereafter selected and designated as the official fiscal year period of the District.

Funding Date means the date payment is made by or on behalf of the Corporation to or for the account of the District under the Site Lease.

Hazardous Substance means any substance that shall, at any time, be listed as “hazardous” or “toxic” in any Applicable Environmental Law or that has been or shall be determined at any time by any agency or court to be a hazardous or toxic substance regulated under Applicable Environmental Laws; and also means, without limitation, raw materials, building components, the products of any manufacturing, or other activities on the Leased Property, wastes, petroleum, and source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended (42 USC Sections 3011 et seq.) and any hazardous, toxic or regulated substances or related materials as defined in the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Sections 110001 et seq.) (“Title III”), the Clean Water Act, as amended (33 U.S.C. Sections 1321 et seq.) (“CWA”), and the Toxic Substances Control Act, as amended (15 U.S.C. Sections 2601 et seq.) (“TSCA”).

Leased Property means the real property described in Exhibit A attached to this Lease/Purchase Agreement, together with all present and future improvements and fixtures located thereon, with the exception of two modular buildings thereon leased from Modular Building Concepts, Inc.

Lease/Purchase Agreement means this Lease/Purchase Agreement between the Corporation and the District, dated June 5, 2024, wherein the Corporation leases the Leased Property to the District, as originally executed and as it may from time to time be supplemented, modified, or amended pursuant to the provisions hereof.

Lender means Capital One Public Funding, LLC, a limited liability company organized under the laws of the State of New York, and its successors and assigns as permitted by this Lease/Purchase Agreement, as assignee of the Corporation under the Assignment Agreement.

Payment Date means June 5 in each year, commencing June 5, 2025, and continuing until June 5, 2044, as specified in Section 3.3 (Lease Term; Occupancy), unless the term hereof is terminated or extended as set forth herein.

Person means a corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

Project means the new fire station financed by this Lease/Purchase Agreement.

Rental Payments means the rental payments payable by the District pursuant to the provisions of the Lease/Purchase Agreement.

Site Lease means the Site Lease between the District and the Corporation, dated June 5, 2024, wherein the District leases the Leased Property to the Corporation, as originally executed and as it may from time to time be supplemented, modified, or amended pursuant to the provisions hereof and thereof.

Statement, Certificate, Request, Requisition, and Order of the District mean, respectively, a written statement, certificate, request, requisition, or order signed in the name of the District by an Authorized District Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Tax Certificate means the tax certificate delivered by the District at the time of the execution and delivery of this Lease/Purchase Agreement, as the same may be further amended or supplemented in accordance with its terms.

Section 1.2. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to:

District: Valley Center Fire Protection District
28234 Lilac Road
Valley Center, CA 92082
Attention: Fire Chief

Corporation: Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Attention: President

Lender: Capital One Public Funding, LLC
1307 Walt Whitman Road, 3rd Floor
Melville, NY 11747
Attention: President

The District, the Corporation, and the Lender may, by notice given hereunder, designate any further or different address to which subsequent notices shall be sent.

Section 1.3. Successors and Assigns. Whenever in this Lease/Purchase Agreement either the District, the Corporation, or the Lender is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Lease/Purchase Agreement contained by, on behalf of, or for the benefit of the District, the Corporation, or the Lender shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 1.4. Benefits of Agreement. Nothing in this Lease/Purchase Agreement expressed or implied is intended or shall be construed to give to any person other than the District, the Corporation, and the Lender as the Corporation's assignee, any legal or equitable right, remedy, or claim under or in respect of this Lease/Purchase Agreement or any covenant, condition, or provision therein or herein contained; and all such covenants, conditions, and provisions are and shall be held to be for the sole and exclusive benefit of the District, the Corporation, and the Lender as the Corporation's assignee.

Section 1.5. Amendments. This Lease/Purchase Agreement may be altered, amended, or modified in writing as may be mutually agreed by the District and the Lender, as assignee of the Corporation.

Section 1.6. Payments/Actions Otherwise Scheduled on Non-Business Days. Any payments or transfers that would otherwise become due on any day that is not a Business Day shall become due or shall be made on the next succeeding Business Day. When any other action is provided for herein to be done on a day named or within a specified time period and the day named or the last day of the specified period falls on a day other than a Business Day, such action may be performed on the next succeeding Business Day with the same effect as though performed on the appointed day or within the specified period.

Section 1.7. Effect of Headings and Table of Contents. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction, or effect of this Lease/Purchase Agreement.

Section 1.8. Validity and Severability. If any one or more of the provisions contained in this Lease/Purchase Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Lease/Purchase Agreement and such invalidity, illegality, or unenforceability shall not affect any other provision of this Lease/Purchase Agreement, and this Lease/Purchase Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The District and the Corporation hereby declare that they would have entered into this Lease/Purchase Agreement and each and every other Section, paragraph, sentence, clause, or phrase hereof irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Lease/Purchase Agreement may be held illegal, invalid, or unenforceable.

If for any reason it is held that any of the covenants and conditions of the District hereunder, including the covenant to pay Rental Payments hereunder, is unenforceable for the full term hereof, then and in such event this Lease/Purchase Agreement is and shall be deemed to be a lease from year to year under which the Rental Payments are to be paid by the District annually in consideration of the right of the District to possess, occupy, and use the Leased Property, and all of the rental and other terms, provisions, and conditions of this Lease/Purchase Agreement, except to the extent that such terms, provisions, and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

Section 1.9. Governing Law. This Lease/Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 1.10. Execution in Counterparts. This Lease/Purchase Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 1.11. Recording. The District shall cause the recording of this Lease/Purchase Agreement by memorandum of lease, in the form attached hereto as Exhibit C, with the San Diego County Recorder concurrently with the recording of the Site Lease and the Assignment Agreement.

ARTICLE 2. REPRESENTATIONS OF CORPORATION AND DISTRICT

Section 2.1. Representations, Warranties, and Covenants of the Corporation. The Corporation makes the following covenants, representations and warranties to the District and the Lender as of the date of the execution and delivery of this Lease/Purchase Agreement:

(A) Valid Existence. The Corporation has been duly organized and is validly existing as a corporation under the laws of the State of California.

(B) Power to Enter into Agreements. The Corporation is authorized under the terms of its articles of incorporation and its bylaws to enter into the Site Lease, this Lease/Purchase Agreement, and the Assignment Agreement and perform all of its obligations thereunder and hereunder.

(C) Due Authorization and Execution. The Site Lease, this Lease/Purchase Agreement, and the Assignment Agreement have been duly authorized by all necessary actions on the part of the Corporation. The representatives of the Corporation executing the Site Lease, this Lease/Purchase Agreement, and the Assignment Agreement are fully authorized to execute the same under official action taken by the Board of Directors of the Corporation.

(D) Enforceability of Agreements. The Corporation represents, covenants, and warrants that all requirements have been met and procedures have occurred in order to ensure the enforceability of the Site Lease, this Lease/Purchase Agreement, and the Assignment Agreement (except as such enforceability may be limited by bankruptcy, insolvency, or other laws affecting creditors' rights generally and by the application of equitable principles).

(E) No Fiduciary Relationship. The Corporation is entering into this Lease/Purchase Agreement as an arm's length commercial transaction and not acting in the capacity of a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, or as a fiduciary of the District.

Section 2.2. Representations, Warranties, and Covenants of the District. The District makes the following covenants, representations and warranties to the Corporation and the Lender as of the date of the execution and delivery of this Lease/Purchase Agreement:

(A) Valid Existence. The District has been duly organized and is validly existing as a fire protection district under the laws of the State of California.

(B) Power to Enter into Agreements. The District is authorized under the California Health & Safety Code to enter into the Site Lease and this Lease/Purchase Agreement and perform all of its obligations thereunder and hereunder.

(C) Due Authorization and Execution. The Site Lease, this Lease/Purchase Agreement, and the Escrow Agreement have been duly authorized by all necessary actions on the part of the District. The representatives of the District executing the Site Lease, this Lease/Purchase Agreement, and the Escrow Agreement are fully authorized to execute the same under official action taken by the District.

(D) Enforceability of Agreements. The District represents, covenants, and warrants that the Site Lease, this Lease/Purchase Agreement, and the Escrow Agreement are valid and binding obligations of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles.

(E) No Violation of Law or Breach of Contract. The execution and delivery of the Site Lease, this Lease/Purchase Agreement, and the Escrow Agreement and compliance with the provisions thereof and hereof will not (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the District under any court order or administrative decree to which the District is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the District is a party or is otherwise subject or bound.

(F) No Adverse Litigation. No litigation is pending before any court or administrative agency or, to the knowledge of the District, threatened against the District (i) regarding the Leased Property or the District's use of the Leased Property for the purposes contemplated by the Site Lease or the Lease/Purchase Agreement or (ii) that will materially adversely affect the ability of the District to perform its obligations under the Site Lease, this Lease/Purchase Agreement, or the Escrow Agreement.

(G) No Defaults. To the best of the District's knowledge, at no time in the last ten (10) years has the District failed to appropriate funds for or defaulted under any of its payment or performance obligations or covenants, either under any financing lease of the same general nature as this Lease/Purchase Agreement, or under any of its bonds, notes, or other debt obligations.

(H) Fee Title; Encumbrances. The District is the owner in fee of title to the Leased Property. No lien or encumbrance on the Leased Property materially impairs the District's use of the Leased Property for the purposes for which it is, or may reasonably be expected to be, held. The Site Lease and this Lease/Purchase Agreement are the only leases that encumber the Leased Property.

(I) Use of the Leased Property. During the term of this Lease/Purchase Agreement, the Leased Property will be used by the District only for the purpose of performing one or more governmental or proprietary functions of the District consistent with the permissible scope of the District's authority.

(J) Essential Facilities. The District hereby represents that the facilities located on the Leased Property are essential District facilities.

(K) Current Compliance. To the best of the District's knowledge, the District is in all material respects in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to the Leased Property, including seismic building code requirements of the State of California at the time the fire stations on the Leased Property were constructed.

(L) Hazardous Substances. To the best of the District's knowledge, the Leased Property is free of all Hazardous Substances that would impair the District's use of the Leased Property for the purposes for which it is, or may reasonably be expected to be, held or that will materially adversely affect the ability of the District to perform its obligations under the Site Lease and this Lease/Purchase Agreement.

(M) Flooding Risk. To the best of the District's knowledge, the Leased Property is not located in a "Special Flood Hazard Area" shown on a Flood Hazard Boundary Map or a Flood Insurance Rate Map used in connection with the National Flood Insurance Program and has not been subject to material damage from flooding within the last ten (10) years.

(N) Value of Leased Property. The insured value of Fire Station No. 1 is at least \$2,516,645; the insured value of Fire Station No. 2 is at least \$1,882,666.

(O) Useful Life. To the best of the District's knowledge, Fire Station No. 1 was constructed in 1981. Fire Station No. 2 was constructed in 1990. The Leased Property has a remaining useful life that extends at least to June 5, 2054.

(P) Financial Condition. The financial statements of the District for the year ended June 30, 2023, supplied to the Lender (i) were prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly present the District's financial condition as of the date of the statements. There has been no material adverse change in the District's financial condition subsequent to June 30, 2023.

(Q) Acknowledgment of Disclaimers of the Lender and the Corporation. The District acknowledges that:

(1) The Lender is acting solely for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor;

(2) The Lender and the Corporation have not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District (including to any financial advisor or placement agent engaged by the District) with respect to the structuring of the financing or the execution and delivery of this Lease/Purchase Agreement;

(3) The Lender and the Corporation have no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the District with respect to the transactions relating to the structuring of the financing or the execution and delivery of this Lease/Purchase Agreement and the discussions, undertakings, and procedures leading thereto;

(4) To the extent that the District or any municipal advisor or placement agent engaged by the District desires to, should, or needs to seek or obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to the lease financing transaction, it shall seek or obtain such advice from its financial, legal, and other advisors (and not the Lender or its affiliates);

(5) The Lender has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to any municipal advisor or placement agent engaged by the District, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to any municipal advisor or placement agent engaged by the District, with respect to any such matters; and

(6) The District and the Lender are entering into the transactions relating to this Lease/Purchase Agreement as an arm's-length, commercial transaction in which the Lender is acting and has acted solely as a principal and for its own interest, and the Lender has not made recommendations to the District with respect to the transactions relating to this Lease/Purchase Agreement.

(R) Financial Obligation Disclosure. If the District enters into a continuing disclosure undertaking (a "Continuing Disclosure Agreement") pursuant to SEC Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), and the District is required to file with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system or its successor ("EMMA") notice of any accommodation, waiver, amendment, modification of terms or other similar events reflecting financial difficulties in connection with this Lease/Purchase Agreement and related documents, in each case including a full copy thereof or a description of the material terms thereof (each such posting, an "EMMA Posting"), the District shall provide the Lender a copy of the proposed EMMA Posting for review and approval, which approval shall not be unreasonably withheld and which shall be provided in a timely manner. The District agrees that it shall not file or submit or permit the filing or submission of any EMMA Posting that includes the following information relating to the Lender: unredacted sensitive or confidential information about the Lender or its affiliates; address and account information of the Lender or any affiliates; e mail addresses, telephone numbers, or fax numbers; or names and signatures of officers, employees and signatories of the Lender or its affiliates. The District acknowledges and agrees that the Lender and its affiliates are not responsible for the District's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with the Rule, any Continuing Disclosure Agreement or any applicable securities or other laws, including but not limited to those relating to the Rule.

ARTICLE 3. LEASE OF LEASED PROPERTY

Section 3.1. Lease of Leased Property. The Corporation hereby leases to the District, and the District hereby leases from the Corporation, the Leased Property in accordance with the provisions of this Lease/Purchase Agreement, to have and to hold for the term of this Lease/Purchase Agreement.

Section 3.2. No Merger of Estates. The leasing by the Corporation to the District of the Leased Property pursuant to this Lease/Purchase Agreement shall not effect or result in a merger of the District's leasehold estate pursuant hereto and its fee estate. The Corporation shall continue to have and hold a leasehold estate in the Leased Property pursuant to the Site Lease throughout the term thereof and the term of this Lease/Purchase Agreement. As to the Leased Property, this Lease/Purchase Agreement shall be deemed and constitutes a sublease.

Section 3.3. Lease Term; Occupancy.

(A) Term. The term of this Lease/Purchase Agreement commences on the Funding Date and ends on June 5, 2044, unless such term is extended or sooner terminated upon prepayment as provided in Section 4.9 (Prepayment) or pursuant to Section 7.2(A) (Termination of Lease). If on June 5, 2044, the obligation to make Rental Payments hereunder shall have been abated at any time and for any reason and not otherwise paid from rental abatement insurance or other sources, or the District shall have defaulted in its payment of Rental Payments hereunder or any Event of Default has occurred and continues without cure by the District, then the term of this Lease/Purchase Agreement shall be extended for the actual period of abatement or for so long as the default remains uncured, but not to exceed ten (10) years. When the aggregate amount of Rental Payments paid under this Lease/Purchase Agreement equals the total amount of Rental Payments originally scheduled herein, and the District has paid and performed in full all of its other obligations under this Lease/Purchase Agreement, the term of this Lease/Purchase Agreement shall end ten (10) days thereafter or ten (10) days after written notice by the District to the Corporation, whichever is earlier.

(B) Occupancy. The District will remain in possession of the Leased Property upon commencement of the term of this Lease/Purchase Agreement.

Section 3.4. Modifications to the Leased Property. Subject to Section 5.5 (Liens and Encumbrances) hereof, the District shall, at its own expense, have the right to remodel, make alterations or improvements to, or attach fixtures, structures, or signs to the Leased Property if the alterations, improvements, fixtures, structures, or signs are necessary or beneficial for the use of the Leased Property by the District, provided, however, that such actions by the District shall not materially adversely affect the value of the Leased Property.

Section 3.5. Title to the Leased Property. At all times during the term of this Lease/Purchase Agreement, the District will hold fee title to the Leased Property, subject to the Site Lease. During the term of this Lease/Purchase Agreement, the Corporation does and shall hold a leasehold interest in the Leased Property pursuant to the Site Lease. Upon the termination or expiration of the term of this Lease/Purchase Agreement (other than under Section 7.2(A) (Remedies on Default – Termination of Lease) hereof) or upon payment in full of all Rental Payments, the Corporation's leasehold interest in the Leased Property will automatically terminate.

Section 3.6. Actions in the Event of Uninsured Casualty.

(A) Substitution of Property. If the Leased Property is damaged or destroyed owing to a risk (such as earthquake) against which the District is not insured and/or for which rental abatement insurance is not available, the District shall substitute under the Site Lease and this Lease/Purchase Agreement one or more parcels of real property owned by the District, to the extent available, (i) that are subject only to encumbrances that do not materially impair the ability of the

District to perform its obligations under the Site Lease and this Lease/Purchase Agreement and (ii) the insured value of which, in the aggregate, is at least one hundred ten percent (110%) of the unpaid principal components of the Rental Payments.

(B) Refinancing. If the District is unable to substitute real property for the Leased Property in the amount required under subsection (A) above, the District may prepay principal components of the Rental Payments (without prepayment penalty) in an amount such that the insured value of the undamaged Leased Property is at least one hundred ten percent (110%) of the remaining unpaid principal components of the Rental Payments.

(C) Subordination. If the District is unable to implement (A) above or does not exercise its option under (B) above, the District and the Corporation hereby agree that the obligations evidenced by this Lease/Purchase Agreement shall be the senior encumbrance on the Leased Property and any future encumbrance, including without limitation any lease, mortgage, deed of trust or security interest, shall be subordinate to this Lease/Purchase Agreement and there shall be no payments during the term of this Lease/Purchase Agreement on the obligations evidenced or secured thereby until all of the scheduled Rental Payments set forth on Exhibit B hereto have been paid in full.

ARTICLE 4. RENTAL PAYMENTS

Section 4.1. Rental Payments. The District agrees to pay to the Corporation, its successor or assigns, as rental for the use of the Leased Property (subject to the provisions of Section 4.6 (Abatement of Rental) hereof) the following amounts, at the following times, in the manner hereinafter set forth:

(A) Amount and Timing. The District shall pay Rental Payments, comprising principal and interest components, in installments of the amounts and at the times set forth in the Schedule of Rental Payments attached as Exhibit B hereto. The interest components of the Rental Payments shall be paid by the District as and constitute interest paid on the principal components of the Rental Payments.

(B) Extension of Lease Term. If the term of this Lease/Purchase Agreement shall have been extended pursuant to Section 3.3 (Lease Term; Occupancy) hereof because of an abatement of rental, Rental Payments shall continue to be due as described herein. Rental Payment installments shall continue to be payable in installments on June 5 in each year, continuing to and including the date of termination of this Lease/Purchase Agreement. Upon such extension of this Lease/Purchase Agreement, the principal and interest components of the Rental Payments shall be established so that the principal components will, in the aggregate, be sufficient to pay all unpaid principal components and the interest components will be sufficient to pay all unpaid interest components plus interest on the extended principal components at the Effective Interest Rate, computed on the basis of a 360-day year composed of twelve 30-day months.

(C) Rental Period. Each payment of Rental Payments shall be for the use of the Leased Property for the twelve-month period ending on the Payment Date.

(D) Medium and Place of Payment. Each installment of Rental Payments hereunder shall be paid in lawful money of the United States of America to or upon the order of the Lender, as assignee of the Corporation, such payment to be made by wire or other form of electronic payment in accordance with written instructions provided by the Lender or, with the Lender's consent, by such other commercially reasonable method of payment.

(E) Rate on Overdue Rental Payments. Any Rental Payment installment that is not paid when due shall bear interest at the rate of eight percent (8%) per year, or such lesser rate allowed by law, from the date the installment was due hereunder until the same shall be paid.

Section 4.2. Allocation of Rental Payments. All Rental Payments received shall be applied first to the interest components of the Rental Payments due hereunder, then to the principal components of the Rental Payments due hereunder, but no such application of any payments that are less than the total amount of Rental Payments due and owing shall be deemed a waiver of any default hereunder.

Section 4.3. No Offsets. Notwithstanding any dispute between the Corporation and the District, the District shall make all Rental Payments when due without deduction or offset of any kind and shall not withhold any Rental Payments pending the final resolution of such dispute. If it is determined that the District was not liable for the Rental Payments or any portion thereof, the payments or excess payments, as the case may be, shall, at the option of the District, be credited against subsequent Rental Payments due hereunder or be refunded at the time of such determination.

Section 4.4. Net Lease. This Lease/Purchase Agreement shall be deemed and construed to be a "net-net-net lease" and the District hereby agrees that the Rental Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges, or setoffs whatsoever.

Section 4.5. Covenant to Budget and Appropriate. The District covenants and agrees to take such action as may be necessary to include all Rental Payments due hereunder in its annual budgets and to make the necessary annual appropriations for all such Rental Payments. Annually within thirty (30) days of the adoption of the budget, and if requested in writing by the Lender, the District will furnish to the Lender a Certificate of the District certifying that such budget contains the necessary appropriation for all Rental Payments. If requested in writing by the Lender, the District will furnish a copy of such budget.

The agreements and covenants on the part of the District herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the agreements and covenants in this Lease/Purchase Agreement agreed to be carried out and performed by the District.

Section 4.6. Abatement of Rental. Rental Payments shall be abated proportionately during any period in which, by reason of damage to, destruction of, taking under the power of eminent domain (or sale to any entity threatening the use of such power) of, or title defect with respect to any portion of the Leased Property, there is substantial interference with the use and possession of the Leased Property or a portion thereof. The amount of abatement shall be such that the resulting Rental Payments represent fair consideration for the use and possession of the portion of the Leased

Property not so interfered with. Such abatement shall commence with the date of such interference and shall end only with cure thereof.

Section 4.7. No Termination Upon Damage or Destruction. The District waives the benefits of Civil Code Sections 1932, subd. 2, and 1933, subd. 4, and any and all other rights to terminate this Lease/Purchase Agreement by virtue of any damage to or destruction of the Leased Property.

Section 4.8. Contributions/Advances. Nothing contained in this Lease/Purchase Agreement shall prevent the District from making contributions or advances to the Corporation from time to time for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Leased Property in the event of damage to or the destruction of the Leased Property.

Section 4.9. Prepayment. On any Payment Date on or after June 5, 2031, the District may prepay its obligations hereunder in whole by paying to the Lender the Rental Payment due on such date together with an amount equal to a percentage of the unpaid principal components of the Rental Payments, plus the amount of any interest components of the Rental Payments that were abated and that have not been otherwise paid from rental abatement insurance or other sources or paid during an extension of the lease term, if any (the "Prepayment Price"), as follows:

<u>Prepayment Dates</u>	<u>Prepayment Price</u>
June 5, 2031	102%
June 5, 2032	101
June 5, 2033, and thereafter	100

The District may also prepay unpaid principal components of the Rental Payments, once in each calendar year, in an amount up to \$500,000, on any Payment Date, without premium. Any such partial prepayment shall be applied to the principal components of the Rental Payments in inverse order of their payment date.

The District shall, at least thirty (30) days prior to any such prepayment, notify the Lender of its intention to prepay its obligations hereunder. The District agrees that, if following such prepayment the Leased Property is damaged or destroyed or taken by eminent domain, it is not entitled to, and by such prepayment waives the right of, abatement of such prepaid Rental Payments and shall not be entitled to any reimbursement of such Rental Payments. Upon such prepayment, and satisfaction of all other obligations of the District hereunder, the term of this Lease/Purchase Agreement shall terminate.

ARTICLE 5. COVENANTS

Section 5.1. Quiet Enjoyment. The Corporation hereby covenants to provide the District during the term of this Lease/Purchase Agreement with quiet use and enjoyment of the Leased Property and the District shall during the term of this Lease/Purchase Agreement peaceably and quietly have, hold, and enjoy the Leased Property without suit, trouble, or hindrance from the Corporation, so long as the District observes and performs its covenants and agreements and is not in default hereunder.

Section 5.2. Right of Entry. Upon reasonable notice, the Corporation and its assignees shall have the right (but not the duty) to enter the Leased Property during reasonable business hours and upon reasonable notice to the District (a) to inspect the same, (b) for any purpose connected with

the Corporation's or the District's rights or obligations under this Lease/Purchase Agreement, and (c) for all other lawful purposes.

Section 5.3. Maintenance of the Leased Property by District. The District agrees that, at all times during the term of this Lease/Purchase Agreement, the District will, at the District's own cost and expense, maintain, preserve, and keep the Leased Property and every portion thereof in good repair, working order, and condition and that the District will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals.

Section 5.4. Taxes and Other Governmental Charges; Utility Charges; Contest of Charges.

(A) Taxes and Other Governmental Charges on the Leased Property. The parties to this Lease/Purchase Agreement contemplate that the Leased Property will be used for governmental purposes of the District and, therefore, that the Leased Property will be exempt from all taxes presently assessed and levied with respect to property. In the event that the use, possession, or acquisition by the District, the Corporation, or the Lender of the Leased Property, or the assignment of the Corporation's interests therein to the Lender, is found to be subject to taxation in any form, the District will pay during the term of this Lease/Purchase Agreement, as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Leased Property, and any equipment or other property acquired by the District in substitution for, as a renewal or replacement of, or a modification, improvement or addition to the Leased Property; provided that, with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are accrued during such time as this Lease/Purchase Agreement is in effect.

(B) Utility Charges. The District shall pay or cause to be paid all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility, and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the Leased Property.

(C) Contest of Charges. The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, or other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Lender shall notify the District that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Lender in the Leased Property will be materially endangered or the Leased Property, or any part thereof, will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments, or charges or provide the Lender with full security against any loss that may result from nonpayment, in form satisfactory to the Lender.

Section 5.5. Liens and Encumbrances. (A) Liens. If the District shall at any time during the term of this Lease/Purchase Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Leased Property, the District shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies, or equipment furnished or alleged to have been furnished to or for the District in, upon or about the Leased Property and shall keep the Leased Property free of any and all mechanics' or materialmen's liens or other liens against the Leased Property or the Corporation's interest therein. In the event any such lien attaches to or is filed against the Leased Property or the Corporation's interest therein, the District shall cause each such lien to be fully

discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so in good faith. If any such lien is reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and the stay thereafter expires, the District shall forthwith pay (or cause to be paid) and discharge such judgment. The District agrees to and shall, to the maximum extent permitted by law, indemnify and hold the Corporation, the Lender, their directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Leased Property or the Corporation's interest therein.

(B) Encumbrances. Except as provided in this Article 5, the District shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Leased Property that materially impairs the District's use of the Leased Property for the purposes for which it is, or may reasonably be expected to be, held (referred to herein as a "material encumbrance"). Except as expressly provided in this Article 5, the District shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any material encumbrance for which it is responsible, if the same shall arise at any time; provided that the District may in good faith contest any such encumbrance, if it provides security to the Lender against any loss or forfeiture. The District shall reimburse the Lender for any expense incurred by it in order to discharge or remove any material encumbrance. If the District is unable to discharge or remove any material encumbrance, the District shall substitute under the Site Lease and this Lease/Purchase Agreement one or more parcels of real property owned by the District, to the extent available, (a) that are subject only to encumbrances that do not materially impair the ability of the District to perform its obligations under the Site Lease and this Lease/Purchase Agreement and (b) the insured value of which, in the aggregate, is at least one hundred ten percent (110%) of the unpaid principal components of the Rental Payments.

Section 5.6. Environmental Covenants.

(A) Compliance with Laws; No Hazardous Substances. The District will comply with all Applicable Environmental Laws with respect to the Leased Property and will not use, store, generate, treat, transport, or dispose of any Hazardous Substance thereon or in a manner that would cause any Hazardous Substance to later flow, migrate, leak, leach, or otherwise come to rest on or in the Leased Property. The District shall indemnify and hold the Corporation and the Lender harmless from any liabilities, damages, or expenses incurred in connection with a violation by the District of this Section 5.6(A).

(B) Remediation. The District shall conduct and complete all investigations, studies, sampling and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Substances on, from, or affecting the Leased Property, in accordance with all Applicable Environmental Laws and (b) in accordance with the orders and directives of all Federal, state and local governmental authorities.

(C) Notification of the Lender. The District will transmit copies of all notices, orders, or statements received from any governmental entity concerning violations or asserted violations of Applicable Environmental Laws with respect to the Leased Property and any operations conducted thereon or any conditions existing thereon to the Lender, and the District will notify the Lender in writing immediately of any release, discharge, spill, or deposit of any Hazardous

Substance that has occurred or is occurring that in any way affects or threatens to affect the Leased Property, or the people, structures, or other property thereon, provided that no such notification shall create any liability or obligation on the part of the Lender.

(D) Access for Inspection. The District will permit the Lender, its agents, or any experts designated by the Lender to have full access to the Leased Property during reasonable business hours for purposes of such independent investigation of compliance with all Applicable Environmental Laws, provided that the Lender has no obligation to do so, or any liability for any failure to do so, or any liability should it do so.

Section 5.7. Assignment and Subleasing by District. Neither this Lease/Purchase Agreement nor any interest of the District hereunder shall be mortgaged, pledged, assigned, sublet, or transferred by the District by voluntary act or by operation of law or otherwise, except with the prior written consent of the Lender, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest components of the Rental Payments payable by the District hereunder. No such mortgage, pledge, assignment, sublease, or transfer shall in any event affect or reduce the obligation of the District to make the Rental Payments required hereunder.

Section 5.8. District Consent to Assignments; Restrictions on Transfers. The Corporation's rights under the Site Lease and this Lease/Purchase Agreement, including the right to receive and enforce payment of the Rental Payments, are being assigned to the Lender pursuant to the Assignment Agreement. The District hereby consents to such assignment.

The Lender and its assignees may further assign, sell, or transfer their rights under the Site Lease and this Lease/Purchase Agreement, including the right to receive and enforce payment of the Rental Payments. The District hereby consents to any such assignment, sale, or transfer of such rights by the Lender or its assignees; provided that any such assignment, sale, or transfer by the Lender or its assignees shall be made in accordance with applicable law only in whole to (a) an affiliate of the Lender or the assignee or (b) a bank, trust, custodian, insurance company, or other financial institution or an affiliate of such an entity.

The Lender and its assignees further retain the right to sell or assign participation interests in the Lease/Purchase Agreement to one or more entities listed in (a) or (b) of the preceding paragraph, provided that any participation, custodial, or similar agreement under which multiple ownership interests are created in the Lease/Purchase Agreement shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer, or other fiduciary or agent acting on behalf of all of the assignees to act on their behalf with respect to the rights and interests of the registered owner of this Lease/Purchase Agreement, including with respect to the exercise of rights and remedies of the registered owner on behalf of such owners upon the occurrence of an event of default under this Lease/Purchase Agreement.

The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, that may be reasonably requested by the Lender or its assignees to protect their interests in the Leased Property and in this Lease/Purchase Agreement.

Section 5.9. Corporation's Disclaimer of Warranties. THE CORPORATION MAKES NO AGREEMENT, WARRANTY, OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY, FITNESS

FOR PARTICULAR PURPOSE, OR FITNESS FOR USE OF THE LEASED PROPERTY, OR WARRANTY WITH RESPECT THERETO. THE DISTRICT ACKNOWLEDGES THAT THE CORPORATION HAS NOT CONSTRUCTED THE LEASED PROPERTY AND IS NOT A REAL ESTATE BROKER, THAT THE DISTRICT LEASES THE LEASED PROPERTY AS-IS, ITS BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event shall the Corporation or the Lender be liable for any incidental, indirect, special, or consequential damage in connection with or arising out of this Lease/Purchase Agreement or the existence, furnishing, functioning, or the District's use of the Leased Property or any item or products or services provided for in this Lease/Purchase Agreement.

Section 5.10. Corporation and Lender Not Liable; Indemnification of the Corporation and the Lender. The Corporation and the Lender and their directors, officers, agents, and employees shall not be liable to the District or to any other party whomsoever for any death, injury, or damage that may result to any person or property by or from any cause whatsoever in, on or about the Leased Property.

The District shall to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless the Corporation and its assignees (including the Lender) and their directors, officers, and employees from and against any and all liability, obligations, losses, claims, and damages whatsoever, regardless of the cause thereof, and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of (i) the District's performance of any of its obligations under this Lease/Purchase Agreement or any other agreement entered into in connection herewith or therewith, (ii) the District's maintenance of the Leased Property, (iii) the design or ownership of the Leased Property, (iv) the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any part of the Leased Property, or (v) any accident in connection with the operation, use, condition, possession, storage, or return of any item of the Leased Property resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the District or the Corporation; any claim for patent, trademark, or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this section shall continue in full force and effect notwithstanding the full payment of all obligations under this Lease/Purchase Agreement or the termination of the term of this Lease/Purchase Agreement for any reason. The District and the Corporation mutually agree to promptly give notice to each other and the Lender of any claim or liability hereby indemnified against following either's learning thereof.

No indemnification is made under this Section or elsewhere in this Lease/Purchase Agreement for claims, losses or damages, including legal fees and expenses arising out of the willful misconduct or negligence under this Lease/Purchase Agreement by the Corporation, the Lender, or any of their respective directors, officers, agents, employees, successors or assigns.

Section 5.11. Federal Income Tax Covenants. The District shall at all times do and perform all acts and things permitted by law and this Lease/Purchase Agreement that are necessary and desirable in order to assure that the interest component of the Rental Payments will be excludable from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excludable. Without limiting the generality of the foregoing, the District agrees to comply with the provisions of the Tax Certificate. This covenant shall survive the payment in full of the District's obligations hereunder.

Section 5.12. Further Assurances. The District and the Corporation agree that they will, from time to time, execute, acknowledge, and deliver, or cause to be executed, acknowledged, and delivered such supplements hereto and such further instruments as may be necessary or proper to carry out the intention or to facilitate the performance of this Lease/Purchase Agreement.

Section 5.13. Financial Statements. During the term of this Lease/Purchase Agreement, the District shall furnish or cause to be furnished to the Lender, at the District's expense, (i) the audited financial statements of the District within six (6) months of the end of the Fiscal Year, or as soon as practicable thereafter, and (ii) any interim or unaudited financial statements that may be reasonably requested by the Lender as soon as available. Any audited financial statements furnished to the Lender shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the District's financial condition as of the date of the statements. Any such audited or unaudited financial statements may be delivered to the Lender in electronic form.

ARTICLE 6. INSURANCE; EMINENT DOMAIN

Section 6.1. Insurance Coverage. At its own expense, the District shall maintain (i) the usual and customary "all risk" property insurance (which may exclude the risk of earthquake) insuring the Leased Property against loss or damage, which insurance shall be provided by an insurer rated no less than "A" by A.M. Best, or as otherwise approved by the Lender, in an amount equal to 100% of the replacement cost without deduction for depreciation; (ii) liability insurance that protects the Lender from liability in all events in a reasonable amount satisfactory to the Lender; (iii) rental abatement insurance in an amount equal to at least two years' Rental Payments; and (iv) workers' compensation insurance covering all employees working on, in, near or about the Leased Property.

Section 6.2. Alternative Risk Management. The District may provide the insurance required by Section 6.1 (Insurance Coverage) through (i) a self-insurance method or plan of protection, but only with the Lender's prior written consent, (ii) a program involving captive insurance companies, (iii) participation in state or federal insurance programs, (iv) participation with other public agencies in mutual or other cooperative insurance or other risk management programs, including those made available through joint exercise of powers agencies, or (v) establishment or participation in other alternative risk management programs; provided that the District may not self-insure against the risk of rental abatement. The District may not increase any of its self-insurance retention amounts with respect to the insurance required by Section 6.1 (Insurance Coverage) without the Lender's prior written consent.

Section 6.3. General Provisions. All such insurance shall be with insurers that are authorized to issue such insurance in the State of California, (other than the workers' compensation insurance) shall name the Lender as an additional insured, and shall contain a provision to the effect that such insurance shall not be cancelled or modified materially and adversely to the interest of the Lender without first giving written notice thereof to the Lender in accordance with the policy terms or memorandum of coverage. The District shall not agree to such changes' becoming effective without the Lender's prior consent, which consent shall not be unreasonably withheld. The District shall, at the Lender's request, furnish to the Lender certificates evidencing such coverage.

The "all risk" insurance shall contain a provision making any losses payable to the Lender and the District as their respective interests may appear. All insurance proceeds from rental

abatement insurance shall be paid to the Lender or its assigns and shall be credited toward the payment of Rental Payments in the order in which the Rental Payments come due and payable.

Section 6.4. Advances. In the event the District shall fail to maintain the full insurance coverage required by this Lease/Purchase Agreement or shall fail to keep the Leased Property in good repair and operating condition, the Lender may (but shall be under no obligation to) purchase the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and the District agrees to reimburse the Lender all amounts so advanced within thirty (30) days of a written request therefor. The Lender shall notify the District of its intent to purchase a policy of insurance and pay premiums thereof no fewer than five (5) days prior to purchasing the policy.

Section 6.5. Damage, Destruction, and Condemnation. If (a) the Leased Property or any portion thereof is damaged or destroyed, in whole or in part, or (b) title to, or the temporary use of, the Leased Property or any part thereof is taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the District and the Corporation shall cause the proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt repair, reconstruction, or replacement of the Leased Property, unless the District has exercised its right to prepay this Lease/Purchase Agreement as provided herein. Any balance of the proceeds not required for such repair, reconstruction, or replacement shall be paid to the District.

ARTICLE 7. DEFAULT AND REMEDIES

Section 7.1. Events of Default. The following events shall be Events of Default:

(A) Payment Default. Failure of the District to pay any Rental Payments payable hereunder when the same become due and payable, time being expressly declared to be of the essence of this Lease/Purchase Agreement;

(B) Breach of Covenant. Failure of the District to keep, observe, or perform any other term, covenant or condition contained herein to be kept or performed by the District for a period of thirty (30) days after written notice of the same has been given to the District by the Lender; provided that the Lender shall not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the District within the applicable period and diligently pursued until the default is corrected, except that such grace period shall not exceed sixty (60) days without the prior written consent of the Lender;

(C) Transfer of District's Interest. Assignment or transfer of the District's interest in this Lease/Purchase Agreement or any part hereof without the written consent of the Lender, either voluntarily or by operation of law or otherwise;

(D) Bankruptcy or Insolvency. Institution of any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency, or similar law or any law providing for the appointment of a receiver, liquidator, trustee, or similar official of the District or of all or substantially all of its assets, by or with the consent of the District, or institution of any such proceeding without its consent that is not permanently stayed or dismissed within sixty (60) days, or agreement by the District with the District's creditors to effect a composition or extension of time to

pay the District's debts, or request by the District for a reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or a general or any assignment by the District for the benefit of the District's creditors;

(E) Abandonment of the Leased Property. Abandonment by the District of any part of the Leased Property.

Section 7.2. Remedies on Default. Upon the occurrence and during the continuance of an Event of Default, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or the following remedies granted pursuant to this Lease/Purchase Agreement:

(A) Termination of Lease.

(1) Notice of Termination; Re-entry. By written notice to the District, to terminate this Lease/Purchase Agreement and to re-enter the Leased Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Leased Property and place such personal property in storage in any warehouse or other suitable place in the county in which the District is located. In the event of such termination, the District agrees to surrender immediately possession of the Leased Property, without let or hindrance, and to pay the Corporation all damages recoverable at law that the Corporation may incur by reason of default by the District, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Leased Property and removal or storage of such property by the Corporation or its duly authorized agents in accordance with the provisions herein contained.

(2) No Termination Except by Notice. Neither (a) notice to pay rent or to deliver up possession of the Leased Property given pursuant to law, nor (b) any entry or re-entry by the Corporation, nor (c) any proceeding brought by the Corporation to recover possession of the Leased Property, nor (d) the appointment of a receiver upon initiative of the Corporation to protect the Corporation's interests under this Lease/Purchase Agreement shall of itself operate to terminate this Lease/Purchase Agreement. No termination of this Lease/Purchase Agreement on account of default by the District shall be or become effective by operation of law or acts of the parties hereto, unless and until the Corporation shall have given written notice to the District of the election on the part of the Corporation to terminate this Lease/Purchase Agreement. The District covenants and agrees that no surrender of the Leased Property or of the remainder of the term hereof or any termination of this Lease/Purchase Agreement shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

(B) Continuation of Lease; Reletting.

(1) Continuation Remedies. Without terminating this Lease/Purchase Agreement, (a) to collect each Rental Payment as it becomes due and enforce any other term or provision hereof to be kept or performed by the District, regardless of whether or not the District has abandoned the Leased Property, and/or (b) to enter, retake possession of, and re-let the Leased Property. The term "re-let" or "re-letting" as used in this Article shall include, but not be limited to, re-letting by means of the operation by the Corporation of the Leased Property.

(2) District to Remain Liable. If the Corporation does not elect to terminate this Lease/Purchase Agreement in the manner provided for in subsection (A) hereof, the District shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the District. If the Leased Property is not re-let, the District agrees to pay the full amount of the Rental Payments to the end of the term of this Lease/Purchase Agreement; if the Leased Property is re-let, the District agrees to pay any deficiency in Rental Payments that results therefrom. The District further agrees to pay the Rental Payments punctually at the same time and in the same manner as for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Corporation may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified and notwithstanding any entry or re-entry by the Corporation or proceeding brought by the Corporation to recover possession of the Leased Property. Notwithstanding this obligation, the District shall not be obligated to make any payments in excess of the Rental Payments provided in this Lease/Purchase Agreement.

(3) Agency. Should the Corporation elect to enter or re-enter the Leased Property as herein provided, the District hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the District to re-let the Leased Property, or any item or part thereof, from time to time, either in the Corporation's name or otherwise, upon such terms and conditions and for such use and period as the Corporation may deem advisable. The District further appoints the Corporation as its agent to remove all persons in possession of the Leased Property and all personal property whatsoever situated upon the Leased Property and to place such personal property in storage in any warehouse or other suitable place in the county in which the District is located, for the account of and at the expense of the District. The District hereby exempts and agrees to save harmless the Corporation from any costs, loss, or damage whatsoever arising out of, in connection with, or incident to any such retaking of possession and re-letting of the Leased Property and removal and storage of such property by the Corporation or its duly authorized agents in accordance herewith.

(4) Adequate Notice. The District agrees that the terms of this Lease/Purchase Agreement constitute full and sufficient notice of the right of the Corporation to re-let the Leased Property and to do all other acts to maintain or preserve the Leased Property as the Corporation deems necessary or desirable in the event of such retaking or re-entry without effecting a surrender of this Lease/Purchase Agreement, and further agrees that no acts of the Corporation in attempting such re-letting shall constitute a surrender or termination of this Lease/Purchase Agreement, irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Lease/Purchase Agreement shall vest in the Corporation to be effected in the sole and exclusive manner provided for in subsection (A) hereof.

(5) Waiver of Right to Excess Rent; Agreement to Pay Costs. The District further waives the right to rental obtained by the Corporation in excess of the Rental Payments herein specified and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-letting the Leased Property or any items or part thereof.

The District hereby waives any and all claims for damages caused or that may be caused by the Corporation in entering or re-entering and taking possession of the Leased Property as herein

provided and all claims for damages that may result from the destruction of or injury to the Leased Property and all claims for damages to or loss of any property belonging to the District, or any other person, that may be in or upon the Leased Property.

(C) Remedies under the Site Lease. If an Event of Default occurs and continues hereunder, the Corporation may exercise its rights under the Site Lease.

Section 7.3. No Acceleration. Notwithstanding anything herein to the contrary, there shall be no right under any circumstance to accelerate the Rental Payments or otherwise declare any Rental Payments not yet due to be immediately due and payable.

Section 7.4. No Remedy Exclusive. Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Corporation to any or all other remedies. If any statute or rule of law validly shall limit the remedies given to the Corporation hereunder, the Corporation nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

Section 7.5. Corporation Defaults; District Remedies.

(A) Corporation Defaults. The Corporation shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Corporation shall have failed to perform such obligation within thirty (30) days or such additional time as is reasonably required to correct any such default after notice by the District to the Corporation properly specifying wherein the Corporation has failed to perform any such obligation.

(B) District Remedies. The Corporation's failure to perform any of its obligations hereunder shall not be an event permitting the nonpayment of Rental Payments by the District. The parties hereto agree that the performance of the Corporation is unique, that the remedies at law for the Corporation's nonperformance would be inadequate, and that the District shall institute a suit for specific performance by the Corporation upon any default by the Corporation.

Section 7.6. Attorneys' Fees. Upon the occurrence of an Event of Default, the District agrees to pay to Corporation or reimburse Corporation for, in addition to all other amounts due hereunder, all of Corporation's costs of collection, including reasonable attorneys' fees, whether or not suit or action is filed thereon. Any such costs shall be immediately due and payable upon written notice and demand given to the District. If suit or action is instituted to enforce any of the terms of this Lease/Purchase Agreement, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as attorneys' fees at trial or on appeal of such suit or action or in any bankruptcy proceeding, in addition to all other sums provided by law.

Section 7.7. No Additional Waiver. Failure of the Corporation to take advantage of any default on the part of the District shall not be, or be construed as, a waiver thereof, nor shall any custom or practice that may grow up between the parties in the course of administering this Lease/Purchase Agreement be construed to waive or to lessen the right of the Corporation to insist upon performance by the District of any term, covenant or condition hereof, or to exercise any rights given the Corporation on account of such default. A waiver of a particular default shall not be deemed to be a waiver of the same or any subsequent default. The acceptance of rent hereunder shall not be, nor be construed to be, a waiver of any term, covenant or condition of this Lease/Purchase Agreement.

Section 7.8. Application of Amounts Collected. All amounts collected by the Corporation under this Article shall be credited towards the Rental Payments in order of Payment Dates.

[Signature page follows]

DRAFT

IN WITNESS WHEREOF, the Corporation has executed this Lease/Purchase Agreement in its name and the District has caused this Lease/Purchase Agreement to be executed in its name by its duly authorized officer.

MUNICIPAL FINANCE CORPORATION, Lessor

By: _____
William A. Morton, President

VALLEY CENTER FIRE PROTECTION DISTRICT, Lessee

By: _____

DRAFT

EXHIBIT A

PROPERTY DESCRIPTION

All that certain real property located in unincorporated territory in the County of San Diego, State of California, described as follows:

Parcel 1:

APN:

This property is commonly known as Fire Station No. 1 and is located at 28234 Lilac Road, Valley Center, California.

Parcel 2:

APN:

This property is commonly known as Fire Station No. 2 and is located at 28205 N. Lake Wohlford Road, Valley Center, California.

DRAFT

EXHIBIT B

SCHEDULE OF RENTAL PAYMENTS

<u>Due Date</u>	<u>Amount Attributable to Principal</u>	<u>Amount Attributable to Interest</u>	<u>Total Rental Payment</u>
June 5, 2025	\$ 92,120.33	\$149,985.00	\$ 242,105.33
June 5, 2026	96,680.29	145,425.04	242,105.33
June 5, 2027	101,465.96	140,639.37	242,105.33
June 5, 2028	106,488.53	135,616.80	242,105.33
June 5, 2029	111,759.71	130,345.62	242,105.33
June 5, 2030	117,291.82	124,813.52	242,105.34
June 5, 2031	123,097.76	119,007.57	242,105.33
June 5, 2032	129,191.10	112,914.23	242,105.33
June 5, 2033	135,586.06	106,519.27	242,105.33
June 5, 2034	142,297.57	99,807.76	242,105.33
June 5, 2035	149,341.30	92,764.03	242,105.33
June 5, 2036	156,733.69	85,371.64	242,105.33
June 5, 2037	164,492.01	77,613.32	242,105.33
June 5, 2038	172,634.37	69,470.97	242,105.34
June 5, 2039	181,179.77	60,925.57	242,105.34
June 5, 2040	190,148.17	51,957.17	242,105.34
June 5, 2041	199,560.50	42,544.83	242,105.33
June 5, 2042	209,438.74	32,666.59	242,105.33
June 5, 2043	219,805.96	22,299.37	242,105.33
June 5, 2044	<u>230,686.36</u>	<u>11,418.97</u>	<u>242,105.33</u>
Total	\$3,030,000.00	\$1,812,106.64	\$4,842,106.64

Effective Interest Rate: 4.95%

EXHIBIT C

MEMORANDUM OF LEASE

RECORDING REQUESTED BY:
Valley Center Fire Protection District

WHEN RECORDED RETURN TO:
Lozano Smith, LLP
One Capitol Mall, Suite 640
Sacramento, CA 95814
Attn.: Deborah Fields

This document is recorded for the benefit of the Valley Center Fire Protection District, and recording is exempt from recording fees pursuant to Government Code §27383.

The term of this lease is less than 35 years. This transaction is exempt from documentary transfer tax under Revenue & Taxation Code §11928.

MEMORANDUM OF LEASE/PURCHASE AGREEMENT

This Memorandum of Lease/Purchase Agreement dated as of June 5, 2024, is made and entered into by and between Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California (the “Corporation”), as Lessor, and the Valley Center Fire Protection District (the “District”), a public agency duly organized and validly existing under and by virtue of the laws of the State of California, as lessee,

The Corporation and the District have entered into that certain Lease/Purchase Agreement dated June 5, 2024, pursuant to which the Corporation has leased to the District and does hereby lease to the District and the District does hereby lease from the Corporation all of that certain Leased Property in the County of San Diego, State of California, described in *Exhibit A* attached hereto and incorporated herein by reference, for a term commencing on June 5, 2024, and ending on June 5, 2044, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease/Purchase Agreement.

This Memorandum has been prepared for the purpose of giving notice of the Lease/Purchase Agreement and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease/Purchase Agreement, the terms of which remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease/Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

MUNICIPAL FINANCE CORPORATION, Lessor

By: _____
William A. Morton, President

VALLEY CENTER FIRE PROTECTION DISTRICT, Lessee

By: _____

DRAFT

Insert Notary Acknowledgments for District and Municipal Finance Corporation

DRAFT

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PROPERTY

PROPERTY DESCRIPTION

All that certain real property located in unincorporated territory in the County of San Diego, State of California, described as follows:

Parcel 1:

APN:

This property is commonly known as Fire Station No. 1 and is located at 28234 Lilac Road, Valley Center, California.

Parcel 2:

APN:

This property is commonly known as Fire Station No. 2 and is located at 28205 N. Lake Wohlford Road, Valley Center, California.

DRAFT

RECORDING REQUESTED BY:
Valley Center Fire Protection District

WHEN RECORDED RETURN TO:
Lozano Smith, LLP
One Capitol Mall, Suite 640
Sacramento, CA 95814
Attn.: Deborah Fields

This document is recorded for the benefit of the Valley Center Fire Protection District, and recording is exempt from recording fees pursuant to Government Code §27383.

The term of this lease is less than 35 years. This transaction is exempt from documentary transfer tax under Revenue & Taxation Code §11928.

SITE LEASE

between the

VALLEY CENTER FIRE PROTECTION DISTRICT

and

MUNICIPAL FINANCE CORPORATION

Dated June 5, 2024

SITE LEASE

This Site Lease, dated June 5, 2024 (this "Site Lease"), between the Valley Center Fire Protection District, a public agency duly organized and validly existing under and pursuant to the Constitution and laws of the State of California (the "District"), as lessor, and Municipal Finance Corporation, a corporation duly organized and validly existing under and by virtue of the laws of the State of California (the "Corporation"), as lessee,

WITNESSETH:

WHEREAS, the District intends to finance the construction of a new fire station (the "Project");

WHEREAS, pursuant to the request of the District, the Corporation will assist the District in the financing of the Project;

WHEREAS, the financing will be accomplished by (i) the Corporation's entering into this Site Lease with the District and then subleasing the property leased hereunder to the District pursuant to the Lease/Purchase Agreement dated June 5, 2024 (the "Lease/Purchase Agreement"), recorded concurrently herewith, under which the District will be obligated to make Rental Payments (as such term is defined in the Lease/Purchase Agreement) to the Corporation; (ii) the Corporation's assignment without recourse of all rights to receive such Rental Payments to Capital One Public Funding, LLC (the "Lender"), pursuant to the Assignment Agreement dated June 5, 2024 (the "Assignment Agreement"), recorded concurrently herewith, in exchange for the amount of the advance rental payable hereunder, and (iii) the application of the amount payable as advance rental hereunder (which will be held and disbursed pursuant to an escrow agreement between the Lender, the District, and Argent Institutional Trust Company), together with other funds made available by the District, to pay the costs of the Project;

NOW THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereby agree as follows:

Section 1. Leased Property. The District hereby leases to the Corporation, and the Corporation hereby leases from the District, on the terms and conditions hereinafter set forth, the real property located in the County of San Diego, State of California, described in Exhibit A attached hereto and made a part hereof, together with all present and future improvements from fixtures located thereon, with the exception of two modular buildings thereon leased from Modular Building Concepts, Inc.

Section 2. Term. The term of this Site Lease commences on the Funding Date, as that term is defined in the Lease/Purchase Agreement (the "Commencement Date"), and ends on June 5, 2044, unless such term is extended or sooner terminated as hereinafter provided. If the term of the Lease/Purchase Agreement is extended, the term of this Site Lease is extended commensurately. If the District has paid and performed in full all of its obligations under the Lease/Purchase Agreement, the term of this Site Lease ends.

Section 3. Rental. As and for advance rental hereunder for the entire term hereof, the Corporation shall transfer, or cause to be transferred, to or for the account of the District the sum of \$3,030,000, on the Commencement Date. The Corporation hereby waives any right that it may have under the laws of the State of California to a rebate of such rental in full or in part in the event there is substantial interference with the use and right to possession by the Corporation of the Leased Property or portion thereof as a result of material damage, destruction, or condemnation.

Section 4. Application of Rental; Payment of Costs. The District shall apply the funds received as advance rental and deposited pursuant to the Escrow Agreement (\$3,000,000) to pay the costs of the acquisition and construction of the Project. The District shall apply any such funds not needed for Project costs to the payment of Rental Payments due under the Lease/Purchase Agreement. The District is responsible to pay the costs it incurs with respect to the execution and delivery of this Site Lease and the Lease/Purchase Agreement, including the fee of the Corporation (\$30,000) and title company fees, the fees of its counsel, and the California Debt and Investment Advisory Commission fee.

Section 5. Purpose. The Corporation shall use the Leased Property solely for the purpose of leasing the Leased Property to the District pursuant to the Lease/Purchase Agreement and for such purposes as may be incidental thereto; provided that in the Event of Default by the District under the Lease/Purchase Agreement the Corporation may exercise the remedies provided in the Lease/Purchase Agreement.

Section 6. Owner in Fee. The District covenants that it is the owner in fee of the Leased Property described on Exhibit A. If a defect in the District's title to the Leased Property impairs its right to use and occupy the Leased Property, the District covenants that it will exercise its condemnation powers to the extent permitted by law to obtain the necessary rights in the Leased Property to cure such defect and limitation of its right to use and occupancy.

Section 7. Assignment and Subleases. The District acknowledges and affirms the assignment by the Corporation of its rights under this Site Lease to the Lender under the terms of the Assignment Agreement dated the date hereof. This Site Lease may also be assigned and the Leased Property subleased, as a whole or in part, by the Corporation or its assignees without the consent of the District, if any Event of Default occurs under the Lease/Purchase Agreement.

Section 8. Right of Entry. The District reserves the right for any of its duly authorized representatives to enter upon the Leased Property at any time to inspect the same or to make any repairs, improvements, or changes necessary for the preservation thereof.

Section 9. Surrender of Possession. The Corporation agrees, upon the termination of this Site Lease, to quit and surrender the Leased Property to the District, without warranty as to condition.

Section 10. Default. If the Corporation defaults in the performance of any obligation on its part to be performed under the terms of this Site Lease, which default continues for thirty (30) days following notice and demand for correction thereof to the Corporation, the District may exercise any and all remedies granted by law, except that no merger of this Site Lease and of the

Lease/Purchase Agreement shall be deemed to occur as a result thereof; provided, however, that the District shall have no power to terminate this Site Lease by reason of any default on the part of the Corporation if such termination would affect or impair any assignment or sublease of all or any part of the Leased Property then in effect between the Corporation and any assignee or subtenant of the Corporation (other than the District under the Lease/Purchase Agreement). So long as any such assignee or subtenant of the Corporation shall duly perform the terms and conditions of this Site Lease and of its then existing sublease (if any), such assignee or subtenant shall be deemed to be and shall become the tenant of the District hereunder and shall be entitled to all of the rights and privileges granted under any such assignment. Notwithstanding the foregoing, so long as the Lease/Purchase Agreement remains in effect, the District will continue to pay Rental Payments to the Lender or its assignees as provided in the Lease/Purchase Agreement.

Section 11. Quiet Enjoyment. The Corporation at all times during the term of this Site Lease shall peaceably and quietly have, hold and enjoy all of the Leased Property.

Section 12. Waiver of Personal Liability. All liabilities under this Site Lease on the part of the Corporation are solely liabilities of the Corporation, and the District hereby releases each and every incorporator, director and officer of the Corporation of and from any personal or individual liability under this Site Lease unless such person acted outside of the scope of his or her duties. No incorporator, director or officer of the Corporation shall at any time or under any circumstances be individually or personally liable under this Site Lease to the District or to any other party whomsoever for anything done or omitted to be done by the Corporation hereunder.

Section 13. Taxes. The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Leased Property (including both land and improvements).

Section 14. Eminent Domain. If the whole or any part of the improvements on the Leased Property is taken by eminent domain proceedings, the effect of such taking hereunder shall be in accord with the provisions of the Lease/Purchase Agreement relating thereto. The District hereby waives any and all rights that it has or may hereafter have to acquire the interest of the Corporation in and to the Leased Property through the eminent domain powers of the District. However, the District agrees, to the extent permitted by law, that the compensation to be paid in any condemnation hearings brought by or on behalf of the District with respect to the Leased Property shall be in an amount not less than the total unpaid principal components of Rental Payments plus the interest component of Rental Payments accrued to the date of payment of all Rental Payments under the Lease/Purchase Agreement.

Section 15. Amendment. The District and the Corporation (or its assignee) may at any time amend or modify any of the provisions of this Site Lease, but only with the written consent of the Lender or its assignees as provided in the Lease/Purchase Agreement.

Section 16. Governing Law. This Site Lease is governed by the laws of the State of California.

Section 17. Third Party Beneficiary. The Lender and its assignees as provided in the Lease/Purchase Agreement are hereby made third party beneficiaries hereunder with all rights of a third party beneficiary.

Section 18. Partial Invalidity. If any one or more of the terms, provisions, covenants, or conditions of this Site Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provision, covenants and conditions of this Site Lease shall be affected thereby, and each provision of this Site Lease shall be valid and enforceable to the fullest extent permitted by law.

Section 19. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and mailed by United States registered or certified mail, return receipt requested, postage prepaid, as follows:

If to the District: Valley Center Fire Protection District
28234 Lilac Road
Valley Center, CA 92082
Attention: Fire Chief

If to the Corporation: Municipal Finance Corporation
2945 Townsgate Road, Suite 200
Westlake Village, CA 91361
Attention: President

If to the Lender: Capital One Public Funding, LLC
1307 Walt Whitman Road, 3rd Floor
Melville, NY 11747
Attention: President

or to such other addresses as the respective parties may from time to time designate by notice in writing.

Section 20. Section Headings. All section headings contained herein are for convenience or reference only and are not intended to define or limit the scope of any provision of this Site Lease.

Section 21. Execution in Counterparts. This Site Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same lease. It is also agreed that separate counterparts of this Site Lease may separately be executed by the District and the Corporation, all with the same force and effect as though the same counterpart had been executed by both the District and the Corporation.

[Signature page follows]

IN WITNESS WHEREOF, the Corporation has executed this Site Lease in its name and the District has caused this Site Lease to be executed in its name by its duly authorized officer.

**VALLEY CENTER FIRE PROTECTION
DISTRICT, Lessor**

By: _____

MUNICIPAL FINANCE CORPORATION, Lessee

By: _____
William A. Morton, President

DRAFT

Insert Notary Acknowledgments for District and Municipal Finance Corporation

DRAFT

EXHIBIT A

PROPERTY DESCRIPTION

All that certain real property located in unincorporated territory in the County of San Diego, State of California, described as follows:

Parcel 1:

APN:

This property is commonly known as Fire Station No. 1 and is located at 28234 Lilac Road, Valley Center, California.

Parcel 2:

APN:

This property is commonly known as Fire Station No. 2 and is located at 28205 N. Lake Wohlford Road, Valley Center, California.

DRAFT

ESCROW AGREEMENT

COPF:

Capital One Public Funding, LLC
1307 Walt Whitman Road 3rd Floor
Melville, NY 11747

ESCROW AGENT:

Argent Institutional Trust Company
101 Summit Avenue, Suite 510
Ft. Worth, TX 76102
Attention: Barbara James, Vice President

DISTRICT:

Valley Center Fire Protection District
288234 Lilac Road
Valley Center, CA 92082

THIS ESCROW AGREEMENT (this “Escrow Agreement”) dated June 5, 2024, is entered into between Capital One Public Funding, LLC (“COPF”), Valley Center Fire Protection District (the “District”), and Argent Institutional Trust Company (the “Escrow Agent”). Municipal Finance Corporation and the District have entered into that certain Lease/Purchase Agreement dated June 5, 2024 (the “Lease Agreement”), the Corporation’s interests in which have been assigned to COPF. The Lease Agreement contemplates the construction of a fire station (the “Project”).

The Lease Agreement contemplates that COPF will deposit with the Escrow Agent cash in the amount of \$3,000,000, to be held in escrow by the Escrow Agent and applied on the express terms and conditions set forth herein. Such deposit, together with all interest and additions received with respect thereto (hereinafter, the “Escrow Fund”), is to be applied from time to time to pay certain costs of constructing or acquiring the Project.

The parties desire to set forth the terms on which the Escrow Fund is to be created and to establish the rights and responsibilities of the parties hereto.

NOW, THEREFORE, the parties agree as follows:

1. The Escrow Agent hereby agrees to serve as escrow agent upon the terms and conditions set forth herein. The Escrow Agent represents that it is a trust company duly organized and existing under the laws of the State of Florida, with full power and authority to act as Escrow Agent as provided in this Escrow Agreement under the laws of the State of California. The Escrow Agent agrees that the Escrow Fund shall be held irrevocably in trust for the account and benefit of the District and COPF and all interest earned with respect to the Escrow Fund shall accrue to the benefit of the District and shall be applied as expressly set forth herein.

To the limited extent required to perfect the security interest granted by the District to COPF in the cash and negotiable instruments from time to time comprising the Escrow Fund, COPF hereby appoints the Escrow Agent as its security agent, and the Escrow Agent hereby accepts the appointment as security agent, and agrees to hold physical possession of such cash and negotiable instruments on behalf of COPF.

2. On such day as determined to the mutual satisfaction of the parties (the “Commencement Date”), COPF shall deliver to the Escrow Agent cash in the amount of

\$3,000,000 to be held by the Escrow Agent on the express terms and conditions set forth herein. The Escrow Agent agrees to accept the deposit of the Escrow Fund by COPF, and further agrees to hold the amount so delivered, together with all interest and other additions received with respect thereto in escrow on the express terms and conditions set forth herein.

3. The Escrow Agent shall at all times segregate the Escrow Fund into a fund maintained for that express purpose, which shall be clearly identified on the books and records of the Escrow Agent as being held in its capacity as Escrow Agent. Securities and other negotiable instruments comprising the Escrow Fund from time to time shall be held or registered in the name of the Escrow Agent (or its nominee). The Escrow Fund shall not, to the extent permitted by applicable law, be subject to levy or attachment or lien by or for the benefit of any creditor of any of the parties hereto (except with respect to the security interest therein held by COPF).

4. The District hereby directs the Escrow Agent to invest the cash comprising the Escrow Fund from time to time in Qualified Investments (as hereinafter defined). Interest or other amounts earned and received by the Escrow Agent with respect to the Escrow Fund shall be held in and comprise a part of the Escrow Fund. No investment shall be made that would cause the Agreement to be deemed to be an arbitrage bond within the meaning of Section 148(a) of the Internal Revenue Code of 1986, as amended. For the purpose of this paragraph 4, the term "Qualified Investments" means an interest-bearing demand account of any bank or trust company which the Escrow Agent has a fiduciary banking relationship located within the United States; provided that any such bank or trust company must have capital and surplus of at least \$500,000, or such other investments as the District may specify in writing, to the extent the same are at the time legal for investment of the funds being invested.

5. COPF and the District hereby authorize the Escrow Agent to take the following actions with respect to the Escrow Fund:

a. From time to time, the Escrow Agent shall pay contractors or the District or other payee upon receipt of the following: (i) Payment Request in the form attached as **Exhibit A** to this Escrow Agreement (a "Payment Request") duly executed by an Authorized District Representative and approved for payment by an Authorized COPF Representative, (ii) the contractor(s) invoice(s) specifying the costs described in the Payment Request, and (iii) any additional documentation required by COPF. An "Authorized District Representative" shall be a person designated in the Incumbency Certificate attached hereto as **Exhibit B**, or on a subsequent Incumbency Certificate of the District actually received and acknowledged by COPF and the Escrow Agent. An "Authorized COPF Representative" shall be a person designated in the Certificate of Authorized COPF Representatives" attached hereto as **Exhibit C**.

b. Upon receipt of a Payment Request for payment of funds from the Escrow Fund, COPF and the Escrow Agent are authorized to seek confirmation of such instructions by telephone call-back to any Authorized District Representative designated on **Exhibit B** hereto, and COPF and the Escrow Agent may rely upon the confirmations of anyone purporting to be such Authorized District Representative. The Escrow Agent shall confirm any Payment Request by telephone call-back to the person or persons designated for verifying such draw requests on **Exhibit C** (such person verifying the request shall be different than the person initiating the request). COPF and the District hereby confirm that any call-back performed by the Escrow

Agent to verify a disbursement instruction pursuant to a Payment Request submitted pursuant to this Section before release shall be made to COPF only and the Escrow Agent shall have no obligation to call-back the District. The persons and telephone numbers for call-backs may be changed only in writing actually received and acknowledged by COPF and the Escrow Agent. The parties to this Escrow Agreement acknowledge that such security procedure is commercially reasonable.

c. It is understood that COPF, the Escrow Agent and the beneficiary's bank in any funds transfer may rely solely upon any account numbers or similar identifying number provided by any party hereto to identify (i) the beneficiary, (ii) the beneficiary's bank, or (iii) an intermediary bank.

d. In the event that COPF provides to the Escrow Agent written notice of the occurrence of an Event of Default by the District that has continued for thirty days under the Agreement, the Escrow Agent shall thereupon promptly remit to COPF the entire balance of the Escrow Fund.

e. Upon receipt by the Escrow Agent of a duly executed Payment Request identified as the final such request, the remaining monies in the Escrow Fund shall, *first* be applied to all reasonable fees and expenses incurred by the Escrow Agent, if applicable, in connection herewith as evidenced by its statement forwarded to COPF and the District; and, *second* be paid to COPF, for application against the outstanding principal components of Rental Payments (as defined in the Agreement), including prepayment of Rental Payments under the Agreement, as provided therein, unless COPF directs that payment of such amount be made in such other manner directed by COPF that, in the opinion of nationally recognized counsel in the area of tax-exempt municipal obligations satisfactory to COPF, will not adversely affect the exclusion of the interest components of Rental Payments from gross income for federal income tax purposes. If any such amount is used to prepay principal, the Payment Schedule attached to the Agreement will be revised accordingly as specified by COPF.

6. The reasonable fees and expenses of the Escrow Agent incurred in connection herewith shall be the responsibility of COPF and are herein defined as the sum of \$1,500, for escrow services as described herein; plus any extraordinary expenses incurred by the Escrow Agent at the request of COPF or the District.

7. The Escrow Agent shall have no liability for acting upon any written instruction presented by the District and COPF in connection with this Escrow Agreement which the Escrow Agent in good faith believes to be genuine. Furthermore, the Escrow Agent shall not be liable for any act or omission in connection with this Escrow Agreement except for its own gross negligence, willful misconduct or bad faith. Notwithstanding any contrary provision herein, the Escrow Agent shall be liable to any parties for any loss, expense, claim or damage that may result by reason of the Escrow Agent materially breaching this Escrow Agreement. The Escrow Agent shall not be liable for any loss or diminution in value of the Escrow Fund as a result of the investment decisions made pursuant to Section 4 in Qualified Investments at the direction of the District.

8. To the extent authorized by law, the District hereby agrees to indemnify and save the Escrow Agent harmless against any liabilities which it may incur in the exercise and performance of its powers and duties hereunder and which are not due to the Escrow Agent's gross negligence or willful misconduct. No indemnification will be made under this Section or elsewhere in this Escrow Agreement for damages arising solely out of gross negligence, willful misconduct or bad faith by the Escrow Agent, its officers, agents, employees, successors or assigns.

9. The Escrow Agent may at any time resign by giving at least 30 days' prior written notice to the District and COPF, but such resignation shall not take effect until the appointment of the successor Escrow Agent. The substitution of another bank or trust company to act as Escrow Agent under this Escrow Agreement may occur by written agreement of COPF and the District. In addition, the Escrow Agent may be removed at any time, with or without cause, by instrument in writing executed by COPF and the District. Such notice shall set forth the effective date of the removal. In the event of any resignation or removal of the Escrow Agent, a successor Escrow Agent shall be appointed by an instrument in writing executed by COPF and the District. Such successor Escrow Agent shall indicate its acceptance of such appointment by an instrument in writing delivered to COPF, the District and the predecessor Escrow Agent. Upon the effective date of resignation or removal, the Escrow Agent will transfer the Escrow Fund then held by it to the successor Escrow Agent selected by COPF and District.

10. This Escrow Agreement and the Escrow Fund established hereunder shall terminate upon receipt by the Escrow Agent of the written notice from COPF specified in Section 5(d) or Section 5(e) hereof.

11. All notices hereunder shall be in writing, sent by certified mail, return receipt requested, or by mutually recognized overnight carrier addressed to the other party at its respective address shown on page 1 of this Escrow Agreement or to such other address as such party shall from time to time designate in writing to the other parties hereto; and shall be effective on the date of receipt.

12. This Escrow Agreement shall inure to the benefit of and shall be binding upon the parties hereto and their respective successors and assigns. No rights or obligations of the Escrow Agent under this Escrow Agreement may be assigned without the prior written consent of COPF and the District. COPF may at any time assign its rights, duties, and obligations hereunder to an assignee who shall thereafter become the COPF under this Escrow Agreement.

13. This Escrow Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and no waiver, consent, modification or change of terms hereof shall bind any party unless in writing signed by all parties.

14. The Escrow Agent may employ agents, attorneys, and accountants in connection with its duties hereunder and shall not be liable for any action taken or omitted in good faith in accordance with the advice of counsel, accountants or other skilled persons.

15. This Escrow Agreement shall be governed by and be construed and interpreted in accordance with the internal laws of the State of California.

16. This Escrow Agreement may be executed in several counterparts, and each counterpart so executed will be an original. In addition, the parties agree that the transaction described herein may be conducted and related documents may be received, sent, or stored by electronic means. Copies, teletypes, facsimiles, electronic files, and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action, or suit in the appropriate court of law.

17. The parties acknowledge that in order to help the United States government fight the funding of terrorism and money laundering activities, pursuant to Federal regulations that became effective on October 1, 2003 (Section 326 of the USA PATRIOT Act) all financial institutions are required to obtain, verify, record and update information that identifies each person establishing a relationship or opening an account. The parties to this Escrow Agreement agree that they will provide to the Escrow Agent such information as it may request, from time to time, in order for the Escrow Agent to satisfy the requirements of the USA PATRIOT Act, including but not limited to the name, address, tax identification number and other information that will allow it to identify the individual or entity who is establishing the relationship or opening the account and may also ask for formation documents such as articles of incorporation or other identifying documents to be provided.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have caused this Escrow Agreement to be duly executed.

CAPITAL ONE PUBLIC FUNDING, LLC

VALLEY CENTER FIRE PROTECTION DISTRICT

By: _____

By: _____

ARGENT INSTITUTIONAL TRUST COMPANY, as Escrow Agent

APPROVED AS TO FORM:

By: _____
Authorized Officer

District Counsel

DRAFT

EXHIBIT A

PAYMENT REQUEST

Argent Institutional Trust Company (the “Escrow Agent”), as escrow agent under that certain Escrow Agreement dated June 5, 2024 (the “Escrow Agreement”), between Valley Center Fire Protection (the “District”), Capital One Public Funding, LLC (“COPF”), and the Escrow Agent, is hereby requested to pay from the Escrow Fund established and maintained thereunder, to each of the parties designated on the attached Schedule the amount set forth opposite such party’s name. The amount(s) shown is/are due and payable under a contract (or has been paid by and not previously reimbursed to the District) for a portion of the cost of the Project described in the Escrow Agreement.

The undersigned hereby certifies that:

- (a) Attached hereto is a duplicate original or certified copy of an invoice, payment request form, or equivalent document relating to the Project;
- (b) The amount requested for payment is for costs previously paid or incurred, is now due and owing (or has been paid by the District), and has not been included in any earlier Payment Request;
- (c) All necessary permits and approvals required for the portion of the work related to the Project for which payment is requested have been issued and are in full force and effect; and
- (d) No Event of Default, as that term is defined in the Lease Agreement, and no event that, with the giving of notice or lapse of time or both, would become an Event of Default, has occurred and is continuing on the date hereof.

Based on the foregoing, Escrow Agent is hereby authorized and directed to pay, or cause to be paid, to the contractor(s) named in the attached invoice, payment request form, or equivalent document (or the District, in the case of reimbursements) the amounts set forth on the attached invoice(s) from the Escrow Fund held under the Escrow Agreement in accordance with its terms.

Date: _____ IF REQUEST IS FINAL REQUEST, CHECK HERE .

Approved:

CAPITAL ONE PUBLIC FUNDING, LLC

VALLEY CENTER FIRE PROTECTION DISTRICT

By: _____
[name/title]

By: _____
District Representative

SCHEDULE

<u>ITEM</u>	<u>PAYEE</u>	<u>AMOUNT</u>	<u>PURPOSE</u>
1.	[NAME AND ADDRESS]		[general classification]
2.			

DRAFT

**EXHIBIT B
TO ESCROW AGREEMENT**

INCUMBENCY CERTIFICATE REGARDING DISTRICT REPRESENTATIVES

\$3,030,000

**LEASE/PURCHASE AGREEMENT DATED JUNE 5, 2024, BETWEEN
MUNICIPAL FINANCE CORPORATION AND VALLEY CENTER FIRE PROTECTION
DISTRICT, ASSIGNED TO CAPITAL ONE PUBLIC FUNDING, LLC**

The undersigned officer of the Valley Center Fire Protection District (the "District") hereby certifies that the persons listed below are each designated as an authorized representative of the District for the Escrow Agreement dated June 5, 2024 (the "Escrow Agreement"), between the District, Capital One Public Funding, LLC ("COPF") and TMI Trust Company, as escrow agent (the "Escrow Agent"), including but not limited to initiating and approving transactions under the Escrow Agreement and confirming such approvals through call-backs from COPF relating thereto, all on behalf of the District. Each such person is the current holder of the office or title indicated, and the signature set forth opposite the name of each such authorized representative is the true and correct specimen of such person's signature:

Name/Title/Telephone/Email

Specimen Signature

_____ Name	_____ Signature
_____ Title	
_____ Telephone #	
_____ Email Address	

Name/Title/Telephone/Email

Specimen Signature

_____ Name	_____ Signature
_____ Title	
_____ Telephone#	
_____ Email Address	

Dated: June 5, 2024

VALLEY CENTER FIRE PROTECTION DISTRICT

By: _____
Title: _____

**EXHIBIT C
TO ESCROW AGREEMENT
AUTHORIZED COPF REPRESENTATIVES
FOR ESCROW AGREEMENT**

[To be provided.]

DRAFT

RECORDING REQUESTED BY:
Valley Center Fire Protection District

WHEN RECORDED RETURN TO:
Lozano Smith, LLP
One Capitol Mall, Suite 640
Sacramento, CA 95814
Attn.: Deborah Fields

This document is recorded for the benefit of the Valley Center Fire Protection District, and recording is exempt from recording fees pursuant to Government Code §27383.

The term of this lease is less than 35 years. This transaction is exempt from documentary transfer tax under Revenue & Taxation Code §11928.

MEMORANDUM OF LEASE/PURCHASE AGREEMENT

This Memorandum of Lease/Purchase Agreement dated as of June 5, 2024, is made and entered into by and between Municipal Finance Corporation, a corporation duly organized and existing under the laws of the State of California (the “Corporation”), as Lessor, and the Valley Center Fire Protection District (the “District”), a public agency duly organized and validly existing under and by virtue of the laws of the State of California, as lessee.

The Corporation and the District have entered into that certain Lease/Purchase Agreement dated June 5, 2024, pursuant to which the Corporation has leased to the District and does hereby lease to the District and the District does hereby lease from the Corporation all of that certain Leased Property in the County of San Diego, State of California, described in *Exhibit A* attached hereto and incorporated herein by reference, for a term commencing on June 5, 2024, and ending on June 5, 2044, unless such term is extended or sooner terminated pursuant to the terms and conditions set forth in the Lease/Purchase Agreement.

This Memorandum has been prepared for the purpose of giving notice of the Lease/Purchase Agreement and of its terms, covenants, and conditions, and for no other purposes. The provisions of this Memorandum shall not in any way change or affect the provisions of the Lease/Purchase Agreement, the terms of which remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Lease/Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

MUNICIPAL FINANCE CORPORATION, Lessor

By: _____
William A. Morton, President

VALLEY CENTER FIRE PROTECTION DISTRICT, Lessee

By: _____
Phillip Bell, President

DRAFT

Insert Notary Acknowledgments for District and Municipal Finance Corporation

DRAFT

EXHIBIT A

LEGAL DESCRIPTION OF LEASED PROPERTY

PROPERTY DESCRIPTION

All that certain real property located in unincorporated territory in the County of San Diego, State of California, described as follows:

Parcel 1: 28234 Lilac Road
Valley Center, CA 92082

APN: 126-231-05-00

This property is commonly known as Fire Station No. 1 and is located at 28234 Lilac Road, Valley Center, California.

Parcel 2: 28205 N. Lake Wohlford Road
Valley Center, CA 92082

APN: 189-052-32-00

This property is commonly known as Fire Station No. 2 and is located at 28205 N. Lake Wohlford Road, Valley Center, California.

TREASURER'S REPORT

BOARD OF DIRECTORS' PACKET

VALLEY CENTER FIRE PROTECTION DISTRICT

Valley Center Fire Protection District

Profit & Loss

April 2024

	Apr 24
Ordinary Income/Expense	
Income	
NON-OPERATING REVENUE	
30120 · Mitigation Interest	863.23
Total NON-OPERATING REVENUE	863.23
OPERATING REVENUE	
41100 · SDG&E Lease	5,000.00
30130 · CFD2008-1 Interest	6,673.43
40150 · Misc Revenue	275.00
40000 · Benefit Fees/Standby (315001)	722,210.49
40100 · Taxes, Property (315000)	284,738.95
40200 · CFD-2000-1 (315002)	122,136.81
40300 · CFD-2008-01 (315003)	236,629.56
40400 · General Fund Interest	6,244.59
40700 · Community Development Fees	4,212.66
42000 · Incident Cost Recovery-Fire USA	467.20
Total OPERATING REVENUE	1,388,588.69
Total Income	1,389,451.92
Gross Profit	1,389,451.92
Expense	
OPERATIONS PROGRAMS	
51515 · PPE/Uniforms	-383.46
51513 · BA's/Fit & Flow Test/Compressor	1,033.28
51512 · Tools/Minor Equip/Small Engines	0.00
Total OPERATIONS PROGRAMS	649.82
TRAINING	
50501 · Training Exp - Oper Exp Funded	0.00
50100 · EMT & Paramedic License Renewal	250.00
50500 · Training & Expenses	6,006.00
Total TRAINING	6,256.00
OVERHEAD / ADMINISTRATIVE SERV	
51000.1 · Administrative Support Expenses	5,719.90
51001 · Contingencies & Misc.	292.20
51004 · IT Equipment & Software	13.56
Total OVERHEAD / ADMINISTRATIVE SERV	6,025.66
CONTRACT SERVICES	
51100 · Broadband Services & Telephone	928.00
51101 · Professional & Contract Svcs	4,973.02
Total CONTRACT SERVICES	5,901.02
COMMUNITY RISK REDUCTION	
51203 · POST Recertification Materials	15.00
Total COMMUNITY RISK REDUCTION	15.00
FIRE FACILITIES	
FIRE STATION #2 Utilities	228.03
FIRE STATION #1	
51301 · #1 Facility Maint/Repairs	3,661.18
51302 · #1 Utilities	203.45
Total FIRE STATION #1	3,864.63
FIRE STATION #2	
#1 Consumables	222.94
51313 · #2 Consumables	49.54
51310 · #2 Facility Maint/Repairs	174.07

Valley Center Fire Protection District
Profit & Loss
 April 2024

	Apr 24
51312 · #2 Utilities	567.41
Total FIRE STATION #2	1,013.96
Total FIRE FACILITIES	5,106.62
FIRE APPARATUS	
51400 · Operations Expense	17,572.30
51402 · Fuel	3,742.39
Total FIRE APPARATUS	21,314.69
COMMUNICATIONS	
51601 · RCS Communication Fees	1,908.00
Total COMMUNICATIONS	1,908.00
PARAMEDIC EMERGENCY SUPPLIES	
51700 · Medical Equipment & Supplies	1,575.48
Total PARAMEDIC EMERGENCY SUPPLIES	1,575.48
PAYROLL-ADMINISTRATIVE	
60000 · Division Chief-Operations/Train	8,659.80
60200 · Battalion Chief-Fire Marshal	9,024.70
60300 · Administrative Captain	8,227.59
60400 · Administrative Asst-Office Mgr.	4,581.32
60500 · Bookkeeper	3,600.00
60600 · Fire Chief	9,667.90
Total PAYROLL-ADMINISTRATIVE	43,761.31
PAYROLL - OPERATIONAL PERSONNEL	
61000 · Fire Engineers	40,623.49
63000 · Firefighter-Paramedics	54,447.32
64000 · Fire Captains	57,229.39
Total PAYROLL - OPERATIONAL PERSONNEL	152,300.20
PAYROLL EXPENSES	
66008 · Employer Taxes-FICA,SUTA,FUTA	14,687.27
66003 · Payroll Service	410.84
66004 · Health Benefit Costs	3,315.78
Total PAYROLL EXPENSES	18,413.89
CAPITAL PROJECTS	
70004.5 · Fire Station Dev - Fire Mitig	642.60
70009.2 · Type 3 Engine - Mitigation Fund	36,423.81
CAPITAL PROJECTS - Other	0.00
Total CAPITAL PROJECTS	37,066.41
Total Expense	300,294.10
Net Ordinary Income	1,089,157.82
Net Income	1,089,157.82

Valley Center Fire Protection District

Balance Sheet

As of April 30, 2024

	Apr 30, 24
ASSETS	
Current Assets	
Checking/Savings	
11011 · Petty Cash	47.17
1101 · General Operating #4811	171,061.00
1102 · Payroll Acct #2271	122,843.08
11013 · Fire Foundation #8451	7,290.16
11014 · Explorer #8469	27,655.45
11015 · Training #7024	33,128.52
11016 · Grant Acct #7073	81,387.55
11021 · VCFPD Oracle Gen Fund - #47850	1,791,329.94
11022 · VCFPD Mitigation Fund - #47855	451,877.59
11023 · CFD 2008-01 - #47853	922,049.70
Total Checking/Savings	3,608,670.16
Accounts Receivable	
11000 · Accounts Receivable	690.04
Total Accounts Receivable	690.04
Other Current Assets	
1310000 · Deposit	4,124.30
12000 · Undeposited Funds	2,581.00
Total Other Current Assets	6,705.30
Total Current Assets	3,616,065.50
Fixed Assets	
1502100 · Engines and Vehicles	2,510,620.15
1500014 · Bldg Improvements	1,362,213.78
1501000 · Const in Progress	212,952.00
1503100 · Furniture & Equipment	1,921,937.35
15902 · General Fixed Asset - Depreciat	-4,556,603.08
16000 · Land	481,600.00
Total Fixed Assets	1,932,720.20
Other Assets	
18001 · Accu Amoritization-Right of Use	-5,435.03
18000 · Right-of-use - Finance Lease	16,909.00
Total Other Assets	11,473.97
TOTAL ASSETS	5,560,259.67
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
20000 · Accounts Payable	55,013.72
Total Accounts Payable	55,013.72
Credit Cards	
9349 · 9349-VCFPD	2,798.21
Total Credit Cards	2,798.21
Other Current Liabilities	
20002 · Lease liability - due w/in 1 yr	4,386.75
20015 · Citibank	50.00
Payroll Liabilities	
24700 · PTO & Sick Time Accrual Payable	46,660.61
23200 · Wages Payable	28,281.80
24100 · FF Assoc Dues& Cond Fee Payable	-185.40
24200 · Child Support Payable	-1,038.45
24300 · Cafe Health Payable	67,748.27
24400 · ACF Local Payable	185.40

Valley Center Fire Protection District

Balance Sheet

As of April 30, 2024

	Apr 30, 24
24500 · 457 Payable	-6,007.80
24600 · Payroll Taxes Payable	-1,548.11
Total 24000 · Payroll Liabilities	134,096.32
Total Other Current Liabilities	138,533.07
Total Current Liabilities	196,345.00
Total Liabilities	196,345.00
Equity	
39000 · Investment in Gen Fixed Asset	1,939,807.42
30000 · Opening Balance Equity	2,234,798.00
32000 · Retained Earnings	646,324.15
Net Income	542,985.10
Total Equity	5,363,914.67
TOTAL LIABILITIES & EQUITY	5,560,259.67

Valley Center Fire Protection District
Profit & Loss Budget vs. Actual
 July 2023 through April 2024

	Jul '23 - Apr 24	Budget
Ordinary Income/Expense		
Income		
GRANT REVENUE		
49009 · FEMA FP&S Grant - Outreach	21,000.00	63,000.00
46000 · Applied UASI Grant Income	0.00	42,100.00
48000 · Applied Grant Income-Other	0.00	30,000.00
49008 · CPF - Wellness Grant	0.00	0.00
49007 · SD County Fire Foundation Grant	0.00	0.00
49006 · Neighborhood Reinvestment Grant	0.00	100,000.00
49005 · VC Fire Foundation Grant	0.00	576,000.00
49004 · Waldron Grant	0.00	1,060,000.00
49003 · SD COVID-19 ARPA Grant (12/21)	0.00	0.00
49002 · SD COVID-19 ARPA Grant (03/21)	0.00	179,000.00
49001 · SAFER Grant	0.00	0.00
45000 · Fire Explorer Post Donations	250.00	5,000.00
47000 · Applied SHSGP Grant Income	0.00	11,000.00
46000.4 · Applied UASI Grant - 2022	6,175.05	42,100.00
Total GRANT REVENUE	27,425.05	2,108,200.00
NON-OPERATING REVENUE		
30100 · Mitigation Fees Capital Expendi	95,040.90	812,523.54
30120 · Mitigation Interest	10,255.88	0.00
Total NON-OPERATING REVENUE	105,296.78	812,523.54
OPERATING REVENUE		
41100 · SDG&E Lease	40,000.00	30,000.00
30130 · CFD2008-1 Interest	18,482.32	3,954.44
40150 · Misc Revenue	9,581.97	
49000 · NCD JPA Capital Equipment Reimb	0.00	18,000.00
40000 · Benefit Fees/Standby (315001)	1,931,110.00	1,976,722.24
40100 · Taxes, Property (315000)	805,341.17	815,560.58
40200 · CFD-2000-1 (315002)	330,746.52	341,911.50
40300 · CFD-2008-01 (315003)	603,248.01	435,072.27
40400 · General Fund Interest	31,818.98	6,500.00
40500 · Mercy Transport Fees	0.00	0.00
40600 · First Responder Fees	0.00	40,000.00
40700 · Community Development Fees	75,564.71	48,000.00
40800 · Fire Prevention Inspection Fees	0.00	0.00
42000 · Incident Cost Recovery-Fire USA	7,410.80	18,000.00
43000 · Training Reimb-Target & Palomar	21,771.72	30,000.00
Total OPERATING REVENUE	3,875,076.20	3,763,721.03
Total Income	4,007,798.03	6,684,444.57
Gross Profit	4,007,798.03	6,684,444.57
Expense		
49009.1 · 49009.1	21,000.00	
OPERATIONS PROGRAMS		
51515.2 · PPE Non-Grant	8,855.18	18,000.00
51515.1 · PPE Grant	-13,083.03	11,000.00
51515 · PPE/Uniforms	-383.46	
51514.1 · Rescue Equip Grant	0.00	0.00
51514 · Rescue Sys/Equipment	0.00	2,500.00
51513 · BA's/Fit & Flow Test/Compressor	5,233.61	16,000.00
51512 · Tools/Minor Equip/Small Engines	279.29	16,000.00
51511 · Hose/Nozzles/Fittings/Ladders	0.00	8,000.00
Total OPERATIONS PROGRAMS	901.59	71,500.00
8610000 · Bad Debt/ Fraud / Bounced check	194.74	
TRAINING		
50502.4 · Applied UASI Grant - 2022	0.00	42,100.00
50501 · Training Exp - Oper Exp Funded	7,448.75	18,000.00
50000 · Explorer Post	500.00	5,000.00

Valley Center Fire Protection District Profit & Loss Budget vs. Actual July 2023 through April 2024

	Jul '23 - Apr 24	Budget
50100 · EMT & Paramedic License Renewal	3,283.00	4,680.00
50200 · Tuition & Reference Materials	2,992.47	8,764.00
50500 · Training & Expenses	6,636.19	0.00
Total TRAINING	20,860.41	78,544.00
OVERHEAD / ADMINISTRATIVE SERV		
51000.1 · Administrative Support Expenses	106,727.55	140,000.00
51000 · Service Awards & Commendations	0.00	0.00
51001 · Contingencies & Misc.	1,141.49	13,000.00
51002 · Recruitment and On Boarding Exp	5,433.34	6,000.00
51003 · Bank Fees / Interest Expense	412.00	
51004 · IT Equipment & Software	262.22	
51005 · Office & Computer Supplies	244.44	
51006 · Election/Annexation Service	3,729.10	2,000.00
Total OVERHEAD / ADMINISTRATIVE SERV	117,950.14	161,000.00
CONTRACT SERVICES		
51101.1 · Prof. & Contract Svcs - Grant	-5,775.00	5,000.00
51100 · Broadband Services & Telephone	3,716.14	
51101 · Professional & Contract Svcs	74,682.38	90,000.00
51102 · Equipment Rental/Copier Lease	669.27	
51105 · Insurance	50,181.51	47,930.40
51107 · Trauma Intervention Program	0.00	3,450.00
51109 · Burn Inst/Youth Fire Prevent	0.00	642.00
51110 · MDC Equip Replacement-HP Lease	0.00	0.00
Total CONTRACT SERVICES	123,474.30	147,022.40
COMMUNITY RISK REDUCTION		
51200.2 · FEMA FP&S Grant - Outreach	0.00	36,000.00
51200.1 · CRRD Operational Expenses	263.26	7,500.00
51203 · POST Recertification Materials	60.00	
Total COMMUNITY RISK REDUCTION	323.26	43,500.00
FIRE FACILITIES		
FIRE STATION #2 Utilities	228.03	
FIRE STATION #1		
51303 · #1 Consumables	1,067.28	3,600.00
51301 · #1 Facility Maint/Repairs	20,021.92	25,000.00
51302 · #1 Utilities	5,531.08	3,100.00
Total FIRE STATION #1	26,620.28	31,700.00
FIRE STATION #2		
#1 Consumables	222.94	
51313 · #2 Consumables	2,046.81	3,600.00
51310 · #2 Facility Maint/Repairs	5,621.42	16,000.00
51312 · #2 Utilities	9,506.83	3,700.00
Total FIRE STATION #2	17,398.00	23,300.00
FIRE STATION #3		
51323 · #3 Consumables	275.44	1,800.00
51320 · #3 Facility Maint/Repairs	0.00	2,500.00
51322 · #3 Utilities	0.00	6,000.00
Total FIRE STATION #3	275.44	10,300.00
Total FIRE FACILITIES	44,521.75	65,300.00
FIRE APPARATUS		
51400 · Operations Expense	103,969.99	120,000.00
51401 · Apparatus Shop Tools/Rpr Supp	12.91	
51402 · Fuel	40,415.77	60,400.00
Total FIRE APPARATUS	144,398.67	180,400.00

Valley Center Fire Protection District
Profit & Loss Budget vs. Actual
 July 2023 through April 2024

	Jul '23 - Apr 24	Budget
COMMUNICATIONS		
51600 · North County Dispatch	176,174.32	171,638.00
51601 · RCS Communication Fees	12,900.50	14,022.00
Total COMMUNICATIONS	189,074.82	185,660.00
PARAMEDIC EMERGENCY SUPPLIES		
51700 · Medical Equipment & Supplies	15,599.27	18,000.00
Total PARAMEDIC EMERGENCY SUPPLIES	15,599.27	18,000.00
PAYROLL-ADMINISTRATIVE		
60000 · Division Chief-Operations/Train	94,160.50	0.00
60200 · Battalion Chief-Fire Marshal	98,740.14	
60300 · Administrative Captain	88,825.00	
60400 · Administrative Asst-Office Mgr.	50,294.83	
60500 · Bookkeeper	24,315.00	
60600 · Fire Chief	101,257.40	
PAYROLL-ADMINISTRATIVE - Other	156.73	395,436.38
Total PAYROLL-ADMINISTRATIVE	457,749.60	395,436.38
PAYROLL - OPERATIONAL PERSONNEL		
61000 · Fire Engineers	429,835.88	0.00
63000 · Firefighter-Paramedics	576,510.83	
64000 · Fire Captains	595,852.57	
PAYROLL - OPERATIONAL PERSONNEL - Other	0.00	1,757,597.93
Total PAYROLL - OPERATIONAL PERSONNEL	1,602,199.28	1,757,597.93
PAYROLL EXPENSES		
66008 · Employer Taxes-FICA,SUTA,FUTA	153,637.42	245,633.87
66002 · FASIS Workers Comp Emp Asst	-10.00	202,148.45
66003 · Payroll Service	4,759.29	6,000.00
66004 · Health Benefit Costs	76,785.16	200,501.67
Total PAYROLL EXPENSES	235,171.87	654,283.99
CAPITAL PROJECTS		
70005.2 · Fire Station Expansion - Mit Fu	0.00	150,000.00
70003.4 · Airbag System E161 - Mitig Fund	0.00	4,975.00
70003.3 · New TIC replcmnt for E161 - Mit	0.00	7,758.54
70003.2 · PPE 6 Sets - Mitigation Fund	2,138.85	20,000.00
70009.5 · Type 1 Engine	0.00	97,500.00
70013 · Workout Gear-CPF Wellness Grant	0.00	0.00
70012.3 · Cardiac Monitor - Mit Funds	0.00	0.00
70012.2 · Cardiac Monitor - COVID-19 ARPA	0.00	0.00
70011 · VHF Radio Replacement	11,795.43	0.00
70010.2 · Fire Hose - Op Expense	0.00	0.00
70010.1 · Fire Hose - Mitigation Funds	1,249.58	10,000.00
70004.5 · Fire Station Dev - Fire Mitig	43,665.39	350,000.00
70004.4 · Fire Station Dev - Neighborhood	0.00	100,000.00
70004.3 · Fire Station Dev - Fire Found.	0.00	576,000.00
70004.2 · Fire Station Dev-COVID-19 ARPA	0.00	179,000.00
70004.1 · Fire Station Dev - Waldron Gran	56,053.44	178,000.00
70009.2 · Type 3 Engine - Mitigation Fund	189,411.64	72,000.00
70009.1 · Type 3 Engine - Waldron Grant	360,276.40	380,000.00
70009 · Type 3 Engine	0.00	0.00
70001.2 · RCS Nextgen '21 Reimbursement	0.00	0.00
70001.1 · RCS Nextgen '21 - Mitigation	0.00	10,290.00
70000 · Engine 163 & Equipment	0.00	0.00
70001 · RCS NextGen Network Infrastruct	6,002.50	10,290.00
70004 · Fire Station Development Costs	-179,200.00	
70005.1 · New Station Consulting - Mitig	0.00	90,000.00
70008 · MDC Replacement Program	0.00	11,400.00
CAPITAL PROJECTS - Other	0.00	
Total CAPITAL PROJECTS	491,393.23	2,247,213.54

Valley Center Fire Protection District
Profit & Loss Budget vs. Actual
July 2023 through April 2024

	<u>Jul '23 - Apr 24</u>	<u>Budget</u>
Total Expense	3,464,812.93	6,005,458.24
Net Ordinary Income	542,985.10	678,986.33
Net Income	<u>542,985.10</u>	<u>678,986.33</u>

Valley Center Fire Protection District
Profit & Loss Budget vs. Actual
 July 2023 through April 2024

	\$ Over Budget	% of Budget
Ordinary Income/Expense		
Income		
GRANT REVENUE		
49009 · FEMA FP&S Grant - Outreach	-42,000.00	33.3%
46000 · Applied UASI Grant Income	-42,100.00	0.0%
48000 · Applied Grant Income-Other	-30,000.00	0.0%
49008 · CPF - Wellness Grant	0.00	0.0%
49007 · SD County Fire Foundation Grant	0.00	0.0%
49006 · Neighborhood Reinvestment Grant	-100,000.00	0.0%
49005 · VC Fire Foundation Grant	-576,000.00	0.0%
49004 · Waldron Grant	-1,060,000.00	0.0%
49003 · SD COVID-19 ARPA Grant (12/21)	0.00	0.0%
49002 · SD COVID-19 ARPA Grant (03/21)	-179,000.00	0.0%
49001 · SAFER Grant	0.00	0.0%
45000 · Fire Explorer Post Donations	-4,750.00	5.0%
47000 · Applied SHSGP Grant Income	-11,000.00	0.0%
46000.4 · Applied UASI Grant - 2022	-35,924.95	14.7%
Total GRANT REVENUE	-2,080,774.95	1.3%
NON-OPERATING REVENUE		
30100 · Mitigation Fees Capital Expendi	-717,482.64	11.7%
30120 · Mitigation Interest	10,255.88	100.0%
Total NON-OPERATING REVENUE	-707,226.76	13.0%
OPERATING REVENUE		
41100 · SDG&E Lease	10,000.00	133.3%
30130 · CFD2008-1 Interest	14,527.88	467.4%
40150 · Misc Revenue		
49000 · NCD JPA Capital Equipment Reimb	-18,000.00	0.0%
40000 · Benefit Fees/Standby (315001)	-45,612.24	97.7%
40100 · Taxes, Property (315000)	-10,219.41	98.7%
40200 · CFD-2000-1 (315002)	-11,164.98	96.7%
40300 · CFD-2008-01 (315003)	168,175.74	138.7%
40400 · General Fund Interest	25,318.98	489.5%
40500 · Mercy Transport Fees	0.00	0.0%
40600 · First Responder Fees	-40,000.00	0.0%
40700 · Community Development Fees	27,564.71	157.4%
40800 · Fire Prevention Inspection Fees	0.00	0.0%
42000 · Incident Cost Recovery-Fire USA	-10,589.20	41.2%
43000 · Training Reimb-Target & Palomar	-8,228.28	72.6%
Total OPERATING REVENUE	111,355.17	103.0%
Total Income	-2,676,646.54	60.0%
Gross Profit	-2,676,646.54	60.0%
Expense		
49009.1 · 49009.1		
OPERATIONS PROGRAMS		
51515.2 · PPE Non-Grant	-9,144.82	49.2%
51515.1 · PPE Grant	-24,083.03	-118.9%
51515 · PPE/Uniforms		
51514.1 · Rescue Equip Grant	0.00	0.0%
51514 · Rescue Sys/Equipment	-2,500.00	0.0%
51513 · BA's/Fit & Flow Test/Compressor	-10,766.39	32.7%
51512 · Tools/Minor Equip/Small Engines	-15,720.71	1.7%
51511 · Hose/Nozzles/Fittings/Ladders	-8,000.00	0.0%
Total OPERATIONS PROGRAMS	-70,598.41	1.3%
8610000 · Bad Debt/ Fraud / Bounced check		
TRAINING		
50502.4 · Applied UASI Grant - 2022	-42,100.00	0.0%
50501 · Training Exp - Oper Exp Funded	-10,551.25	41.4%
50000 · Explorer Post	-4,500.00	10.0%

Valley Center Fire Protection District Profit & Loss Budget vs. Actual July 2023 through April 2024

	\$ Over Budget	% of Budget
50100 · EMT & Paramedic License Renewal	-1,397.00	70.1%
50200 · Tuition & Reference Materials	-5,771.53	34.1%
50500 · Training & Expenses	6,636.19	100.0%
Total TRAINING	-57,683.59	26.6%
OVERHEAD / ADMINISTRATIVE SERV		
51000.1 · Administrative Support Expenses	-33,272.45	76.2%
51000 · Service Awards & Commendations	0.00	0.0%
51001 · Contingencies & Misc.	-11,858.51	8.8%
51002 · Recruitment and On Boarding Exp	-566.66	90.6%
51003 · Bank Fees / Interest Expense		
51004 · IT Equipment & Software		
51005 · Office & Computer Supplies		
51006 · Election/Annexation Service	1,729.10	186.5%
Total OVERHEAD / ADMINISTRATIVE SERV	-43,049.86	73.3%
CONTRACT SERVICES		
51101.1 · Prof. & Contract Svcs - Grant	-10,775.00	-115.5%
51100 · Broadband Services & Telephone		
51101 · Professional & Contract Svcs	-15,317.62	83.0%
51102 · Equipment Rental/Copier Lease		
51105 · Insurance	2,251.11	104.7%
51107 · Trauma Intervention Program	-3,450.00	0.0%
51109 · Burn Inst/Youth Fire Prevent	-642.00	0.0%
51110 · MDC Equip Replacement-HP Lease	0.00	0.0%
Total CONTRACT SERVICES	-23,548.10	84.0%
COMMUNITY RISK REDUCTION		
51200.2 · FEMA FP&S Grant - Outreach	-36,000.00	0.0%
51200.1 · CRRD Operational Expenses	-7,236.74	3.5%
51203 · POST Recertification Materials		
Total COMMUNITY RISK REDUCTION	-43,176.74	0.7%
FIRE FACILITIES		
FIRE STATION #2 Utilities		
FIRE STATION #1		
51303 · #1 Consumables	-2,532.72	29.6%
51301 · #1 Facility Maint/Repairs	-4,978.08	80.1%
51302 · #1 Utilities	2,431.08	178.4%
Total FIRE STATION #1	-5,079.72	84.0%
FIRE STATION #2		
#1 Consumables		
51313 · #2 Consumables	-1,553.19	56.9%
51310 · #2 Facility Maint/Repairs	-10,378.58	35.1%
51312 · #2 Utilities	5,806.83	256.9%
Total FIRE STATION #2	-5,902.00	74.7%
FIRE STATION #3		
51323 · #3 Consumables	-1,524.56	15.3%
51320 · #3 Facility Maint/Repairs	-2,500.00	0.0%
51322 · #3 Utilities	-6,000.00	0.0%
Total FIRE STATION #3	-10,024.56	2.7%
Total FIRE FACILITIES	-20,778.25	68.2%
FIRE APPARATUS		
51400 · Operations Expense	-16,030.01	86.6%
51401 · Apparatus Shop Tools/Rpr Supp		
51402 · Fuel	-19,984.23	66.9%
Total FIRE APPARATUS	-36,001.33	80.0%

Valley Center Fire Protection District
Profit & Loss Budget vs. Actual
 July 2023 through April 2024

	\$ Over Budget	% of Budget
COMMUNICATIONS		
51600 · North County Dispatch	4,536.32	102.6%
51601 · RCS Communication Fees	-1,121.50	92.0%
Total COMMUNICATIONS	3,414.82	101.8%
PARAMEDIC EMERGENCY SUPPLIES		
51700 · Medical Equipment & Supplies	-2,400.73	86.7%
Total PARAMEDIC EMERGENCY SUPPLIES	-2,400.73	86.7%
PAYROLL-ADMINISTRATIVE		
60000 · Division Chief-Operations/Train	94,160.50	100.0%
60200 · Battalion Chief-Fire Marshal		
60300 · Administrative Captain		
60400 · Administrative Asst-Office Mgr.		
60500 · Bookkeeper		
60600 · Fire Chief		
PAYROLL-ADMINISTRATIVE - Other	-395,279.65	0.0%
Total PAYROLL-ADMINISTRATIVE	62,313.22	115.8%
PAYROLL - OPERATIONAL PERSONNEL		
61000 · Fire Engineers	429,835.88	100.0%
63000 · Firefighter-Paramedics		
64000 · Fire Captains		
PAYROLL - OPERATIONAL PERSONNEL - Other	-1,757,597.93	0.0%
Total PAYROLL - OPERATIONAL PERSONNEL	-155,398.65	91.2%
PAYROLL EXPENSES		
66008 · Employer Taxes-FICA,SUTA,FUTA	-91,996.45	62.5%
66002 · FASIS Workers Comp Emp Asst	-202,158.45	-0.0%
66003 · Payroll Service	-1,240.71	79.3%
66004 · Health Benefit Costs	-123,716.51	38.3%
Total PAYROLL EXPENSES	-419,112.12	35.9%
CAPITAL PROJECTS		
70005.2 · Fire Station Expansion - Mit Fu	-150,000.00	0.0%
70003.4 · Airbag System E161 - Mitig Fund	-4,975.00	0.0%
70003.3 · New TIC replcmnt for E161 - Mit	-7,758.54	0.0%
70003.2 · PPE 6 Sets - Mitigation Fund	-17,861.15	10.7%
70009.5 · Type 1 Engine	-97,500.00	0.0%
70013 · Workout Gear-CPF Wellness Grant	0.00	0.0%
70012.3 · Cardiac Monitor - Mit Funds	0.00	0.0%
70012.2 · Cardiac Monitor - COVID-19 ARPA	0.00	0.0%
70011 · VHF Radio Replacement	11,795.43	100.0%
70010.2 · Fire Hose - Op Expense	0.00	0.0%
70010.1 · Fire Hose - Mitigation Funds	-8,750.42	12.5%
70004.5 · Fire Station Dev - Fire Mitig	-306,334.61	12.5%
70004.4 · Fire Station Dev - Neighborhood	-100,000.00	0.0%
70004.3 · Fire Station Dev - Fire Found.	-576,000.00	0.0%
70004.2 · Fire Station Dev-COVID-19 ARPA	-179,000.00	0.0%
70004.1 · Fire Station Dev - Waldron Gran	-121,946.56	31.5%
70009.2 · Type 3 Engine - Mitigation Fund	117,411.64	263.1%
70009.1 · Type 3 Engine - Waldron Grant	-19,723.60	94.8%
70009 · Type 3 Engine	0.00	0.0%
70001.2 · RCS Nextgen '21 Reimbursement	0.00	0.0%
70001.1 · RCS Nextgen '21 - Mitigation	-10,290.00	0.0%
70000 · Engine 163 & Equipment	0.00	0.0%
70001 · RCS NextGen Network Infrastruct	-4,287.50	58.3%
70004 · Fire Station Development Costs		
70005.1 · New Station Consulting - Mitig	-90,000.00	0.0%
70008 · MDC Replacement Program	-11,400.00	0.0%
CAPITAL PROJECTS - Other		
Total CAPITAL PROJECTS	-1,755,820.31	21.9%

Valley Center Fire Protection District
Profit & Loss Budget vs. Actual
July 2023 through April 2024

	<u>\$ Over Budget</u>	<u>% of Budget</u>
Total Expense	-2,540,645.31	57.7%
Net Ordinary Income	-136,001.23	80.0%
Net Income	-136,001.23	80.0%