



**AGENDA  
SPECIAL MEETING**

**City Council of the Town of Colma  
Colma Community Center  
1520 Hillside Boulevard  
Colma, CA 94014**

**Wednesday, July 15, 2015  
Closed Session – 6:00 PM  
Regular Session – 7:30 PM**

**CLOSED SESSION – 6:00 PM**

1. In Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators

Agency Negotiator: Sean Rabé, City Manager  
Employee Organizations: Colma Peace Officers Association and Colma Communications/Records Association

**PLEDGE OF ALLEGIANCE AND ROLL CALL FOR REGULAR SESSION – 7:30 PM**

**ADOPTION OF AGENDA**

**REPORT FROM CLOSED SESSION**

**PUBLIC COMMENTS**

Comments on the Consent Calendar and Non-Agenda Items will be heard at this time.  
Comments on Agenda Items will be heard when the item is called.

**CONSENT CALENDAR**

2. Motion to Accept the Minutes from the June 10, 2015 Regular Meeting.
3. Motion to Accept the Minutes from the June 17, 2015 Special Meeting.
4. Motion to Approve Report of Checks Paid for June 2015.
5. Motion to Accept Informational Report on Recreation Department Programs, Activities, Events, and Trips for the Second Quarter of 2015.
6. Motion Approving the Town's Response to the 2014/15 Grand Jury Report Re: Sea Level Rise.
7. Motion to Adopt a Resolution Approving a Public Works Mutual Aid Agreement.

## **NEW BUSINESS**

### **8. RAMIREZ RECYCLER'S PERMIT**

*Consider:* Motion to Adopt a Resolution Approving a Recycler's Permit for the Collection of Cardboard from Commercial Businesses Pursuant to CEQA Guideline 15061(b)(3).

### **9. LEAGUE OF CALIFORNIA CITIES CONFERENCE DELEGATE**

*Consider:* Motion to Designate a Voting Delegate for the Annual League of California Cities Conference in September.

### **10. TOWN HALL RENOVATION FINANCING**

*Consider:* Motion to Directing the City Manager to Prepare Documents for the Execution, Sale and Delivery of Certificates of Participation (COPs) to Finance the Town Hall Renovation Project.

## **PUBLIC HEARING**

### **11. 1198 EL CAMINO REAL – TOWN HALL REMODEL**

*Consider:* Motion to Adopt a Resolution Approving Design Review for the Colma Town Hall Renovation and Expansion Project Located at 1198 El Camino Real Pursuant to CEQA Guidelines 15303,15331 and 15332.

### **12. AMENDMENT OF DESIGN REVIEW STANDARDS**

*a. Consider:* Motion to Adopt Resolution Amending The General Plan Land Use Element To Allow Additional Architectural Styles In Specified Locations Pursuant To CEQA Guideline 15061(b)(3).

*b. Consider:* Motion to Introduce an Ordinance Amending Section 5.03.300 of the Colma Municipal Code, Relating to Design Review Zone Standards Pursuant to CEQA Guideline 15061(b)(3) and Waive a Further Reading of the Ordinance.

### **13. APPROVAL OF ENGINEER'S REPORT FOR SANITARY SEWER SERVICE CHARGES**

*Consider:* Motion to Adopt a Resolution Overruling Protests to and Adopting Engineer's Report on Sewer Service Charges for Fiscal Year 2015-2016, and Directing the City Engineer to File a Copy of the Engineer's Report with the San Mateo County Tax Collector, and Authorizing the County Tax Collector to Place the Charges on the Property Tax Roll.

## **COUNCIL CALENDARING**

### **REPORTS**

Mayor/City Council

City Manager

### **ADJOURNMENT**

The City Council Meeting Agenda Packet and supporting documents are available for review at the Colma Town Hall, 1198 El Camino Real, Colma, CA during normal business hours (Mon – Fri 8am-5pm). Persons interested in obtaining an agenda via e-mail should call Caitlin Corley at 650-997-8300 or email a request to [ccorley@colma.ca.gov](mailto:ccorley@colma.ca.gov).

#### Reasonable Accommodation

Upon request, this publication will be made available in appropriate alternative formats to persons with disabilities, as required by the Americans with Disabilities Act of 1990. Any person with a disability, who requires a modification or accommodation to view the agenda, should direct such a request to Brian Dossey, ADA Coordinator, at 650-997-8300 or [brian.dossey@colma.ca.gov](mailto:brian.dossey@colma.ca.gov). Please allow two business days for your request to be processed.

**CLOSED SESSION**

1. In Closed Session Pursuant to Government Code Section 54957.6 – Conference with Labor Negotiators

Agency Negotiator:	Sean Rabé, City Manager
Employee Organizations:	Colma Peace Officers Association and Colma Communications/Records Association

*There is no staff report for this item.*





**MINUTES  
REGULAR MEETING**

City Council of the Town of Colma  
Colma Community Center, 1520 Hillside Boulevard  
Colma, CA 94014

**Wednesday, June 10, 2015**

**7:30 p.m.**

**CALL TO ORDER**

Mayor Joanne F. del Rosario called the Regular Meeting of the City Council to order at 7:36 p.m.

Council Present – Mayor Joanne F. del Rosario, Vice Mayor Diana Colvin, Council Members Helen Fisicaro, and Joseph Silva were present. Council Member Raquel “Rae” Gonzalez was absent.

Staff Present – City Manager Sean Rabé, City Attorney Christopher Diaz, Chief of Police Kirk Stratton, Recreation Services Director Brian Dossey, Director of Public Works Brad Donohue, City Planner Michael Laughlin, Administrative Technician III Caitlin Corley and Administrative Technician I Darcy De Leon were in attendance.

**ADOPTION OF THE AGENDA**

Mayor del Rosario asked if there were any changes to the agenda; none were noted. The Mayor asked for a motion to adopt the agenda.

**Action:** Council Member Fisicaro moved to adopt the agenda; the motion was seconded by Council Member Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne del Rosario, Mayor	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel “Rae” Gonzalez					✓
Joseph Silva	✓				
	4	0			

**REPORT FROM CLOSED SESSION**

The Mayor stated, “There was no reportable action taken at the closed session meeting tonight.”

**PRESENTATION**

- Recreation Director Brian Dossey introduced new recreation leaders Miranda Torres, Ramon Castro, and Chelsea Chow.

## PUBLIC COMMENTS

Mayor del Rosario opened the public comment period at 7:43 p.m. and seeing no one come forward, she closed the public comment period.

## CONSENT CALENDAR

1. Motion to Accept the Minutes from the May 13, 2015 Regular Meeting.
2. Motion to Approve Report of Checks Paid for May 2015.
3. Motion to Adopt an Ordinance Repealing and Adding a New Subchapter 4.05 of the Colma Municipal Code, Relating to the Regulation of Massage Businesses (second reading).
4. Motion to Adopt an Ordinance Amending Subchapter 3.07 of the Colma Municipal Code, Relating to Election of Sewer Service Charges (second reading).
5. Motion to Adopt a Resolution Amending Subchapter 3.06 of the Colma Municipal Code, Relating to Personnel Policies, Leaves of Absence Pursuant to CEQA Guideline 15061(b)(3).
6. Motion to Adopt a Resolution Amending Colma Administrative Code, Subchapter 1.10, Master Fee Schedule, Relating to Massage Pursuant to CEQA Guideline 15061(b)(3).

**Action:** Vice Mayor Colvin moved to approve the Consent Calendar items #1-6; the motion was seconded by Council Member Fisicaro and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne del Rosario, Mayor	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel "Rae" Gonzalez					✓
Joseph Silva	✓				
	4	0			

## PUBLIC HEARING

### 7. GOLDEN HILL MEMORIAL PARK RECONSIDERATION

City Planner Michael Laughlin presented the staff report. Mayor del Rosario opened the public comment period at 7:52 p.m. and seeing no one come forward to speak, she closed the public comment period. Council discussion followed.

**Action:** Council Member Helen Fisicaro moved to Adopt a Resolution Granting a Conditional Use Permit for a Funeral Home, Caretaker Unit, and Monument Shop; Design Review Approval for the Construction of a Funeral Home Building; and a Sign Permit for Entry Signage at Golden Hill Memorial Park Pursuant to CEQA Guidelines 15303 and 15332; the motion was seconded by Council Member Silva and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne del Rosario, Mayor	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel "Rae" Gonzalez					✓
Joseph Silva	✓				
	4	0			

## 8. CITY CLERK ORDINANCE

City Attorney Christopher Diaz presented the staff report. Mayor del Rosario opened the public comment period at 7:57 p.m. and seeing no one come forward to speak, she closed the public comment period. Council discussion followed.

**Action:** Council Member Silva moved to Introduce an Ordinance Amending Section 1.03.090 of the Colma Municipal Code, Relating to the City Clerk Pursuant to CEQA Guideline 15061(b)(3), and Waive a Further Reading of the Ordinance; the motion was seconded by Vice Mayor Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne del Rosario, Mayor	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel "Rae" Gonzalez					✓
Joseph Silva	✓				
	4	0			

## 9. MEDICAL MARIJUANA GROW OPERATIONS

City Attorney Christopher Diaz presented the staff report. Mayor del Rosario opened the public comment period at 8:01 p.m. Residents Patricia Simpson and Maureen O'Connor made comments. The Mayor closed the public comment period at 8:02 p.m. Council discussion followed.

**Action:** Vice Mayor Colvin moved to Adopt an Interim Urgency Ordinance of the Town of Colma Extending a Moratorium on the Issuance or Approval of New Permits, Licenses or Other Entitlements to Establish or Operate Marijuana Cultivation Operations, Marijuana Growing Operations, and/or Marijuana Processing Operations Pursuant to CEQA Guideline 15061(b)(3); the motion was seconded by Council Member Silva and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne del Rosario, Mayor	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel "Rae" Gonzalez					✓
Joseph Silva	✓				
	4	0			

## 10. FY 2015-16 PROPOSED BUDGET

City Manager Sean Rabé presented the staff report. Mayor del Rosario opened the public comment period at 8:10 p.m. and seeing no one come forward to speak, she closed the public comment period. Council discussion followed.

**Action:** Council Member Fisicaro moved to Adopt a Resolution Adopting Budget, Choosing Measure of Inflation, and Establishing Appropriations Limits for FY 2015-2016; the motion was seconded by Council Member Silva and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne del Rosario, Mayor	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel "Rae" Gonzalez	✓				✓
Joseph Silva	✓				
	4	0			

## NEW BUSINESS

### 11. PENSION AND OPEB TRUST FUNDS

Finance Director Charlie Francis presented the staff report. Mayor del Rosario opened the public comment period at 8:39 p.m. Resident Patricia Simpson made a comment. The Mayor closed the public comment period at 8:41 p.m. Council discussion followed.

**Action:** Council Member Helen Fisicaro moved to Adopt a Resolution Authorizing a FY 2014-15 Supplemental Appropriation of \$1,000,000 From Committed Reserves to Pre-Fund a Other Post-Employment Benefits Irrevocable Trust for Retiree Health; Adopt a Resolution Authorizing a FY 2014-15 Supplemental Appropriation Of \$1,000,000 From Committed Reserves to Pre-Fund a Other Post-Employment Benefits Irrevocable Trust for Retiree Health; and Adopt a Resolution Authorizing a FY 2014-15 Supplemental Appropriation Of \$1,000,000 From Committed Reserves to Pre-Fund a Other Post-Employment Benefits Irrevocable Trust for Retiree Health; the motion was seconded by Vice Mayor Colvin and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne del Rosario, Mayor	✓				
Diana Colvin	✓				
Helen Fisicaro	✓				
Raquel "Rae" Gonzalez					✓
Joseph Silva	✓				
	4	0			

## COUNCIL CALENDARING

The next City Council Meeting will be a Special Meeting on Thursday, July 2, 2015 at 6:30p.m. at the Colma Community Center.

There will also be a Council Meeting on Wednesday, July 15, 2015 at 7:30 p.m. at the Colma Community Center.

## REPORTS

Council Members reported on the events listed below:

### Helen Fisicaro

- Jobs for Youth Fundraiser, 5/22

### Joseph Silva

- Council of Cities Dinner, hosted by San Bruno, 5/29

## ADJOURNMENT AND CLOSE IN MEMORY

The meeting was adjourned by Mayor del Rosario at 9:03 p.m. in memory of Carol Gregori, longtime resident, Franco Gianelli, longtime resident, and Paul Stewart, SAMCAR Government Affairs Director.

Respectfully submitted,

Caitlin Corley  
Administrative Technician III



**MINUTES  
SPECIAL MEETING**

City Council of the Town of Colma  
City Hall, 1198 El Camino Real  
Colma, CA 94014

**Wednesday, June 17, 2015  
6:30 p.m.**

**CALL TO ORDER**

Mayor del Rosario called the Special Meeting of the City Council for the Town of Colma to order at 6:30 p.m.

Council Present – Mayor Joanne F. del Rosario, Vice Mayor Diana Colvin, Council Members Helen Fisicaro and Joseph Silva were present. Council Member Raquel “Rae” Gonzalez was absent.

Staff Present – City Manager Sean Rabé and City Attorney Christopher Diaz were in attendance.

**NEW BUSINESS**

**1. LAFCO Municipal Service Review**

Council Member Helen Fisicaro announced that because her husband is a member of the Colma Fire Protection District, which is a topic of the LAFCO response, she recused herself from discussing or voting on the matter and stepped down from the dais.

City Manager Sean Rabé presented the staff report. Mayor del Rosario opened the public comment period at 6:53 p.m. Resident Patricia Simpson made a comment. The Mayor closed the public comment period at 6:54 p.m. Council discussion followed.

**Action:** Mayor del Rosario moved to Accept Response Letter to 2015 LAFCO Municipal Services Review; the motion was seconded by Council Member Silva and carried by the following vote:

Name	Voting		Present, Not Voting		Absent
	Aye	No	Abstain	Not Participating	
Joanne del Rosario, Mayor	✓				
Diana Colvin	✓				
Helen Fisicaro				✓	
Raquel “Rae” Gonzalez					✓
Joseph Silva	✓				
	3	0			

**ADJOURNMENT**

Mayor del Rosario adjourned the Special Meeting at 6:58 p.m.

Respectfully Submitted,

Sean Rabé  
City Clerk



apChkLst  
06/01/2015 12:51:21PM

Final Check List  
Town of Colma

Page: 1

Bank : first FIRST NATIONAL BANK OF DALY

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
41897	6/2/2015	00051	CALIFORNIA WATER SERVICE1727052702	5/13/2015	CA WATER	201.78	
			6544607057	5/18/2015	CA WATER	138.28	
			3997460385	4/28/2015	3997460385 HILLSIDE BLVD &	76.42	416.48
41898	6/2/2015	00057	CINTAS CORPORATION #2	8402244316	5/15/2015	PW First Aid Supplies	193.86
				8402244341	5/15/2015	CA WATER	178.02
							371.88
41899	6/2/2015	00086	CITY OF BURLINGAME	BR9248	5/21/2015	4/1/15-3/31/16 Data Protector E	120.96
							120.96
41900	6/2/2015	00140	FIRST NAT BANK OF NO CA	05/20/15 Dossey	5/20/2015	CREDIT CARD CHARGE	3,146.65
				05/20/15 Gogan	5/20/2015	CREDIT CARD CHARGE	2,719.12
				05/20/15 Morque	5/20/2015	CREDIT CARD CHARGE	1,666.97
				05/20/15 Ramos	5/20/2015	CREDIT CARD CHARGE	789.95
				05/20/15 Rabe	5/20/2015	CREDIT CARD CHARGE	698.71
				05/20/15 Fisicarc	5/20/2015	CREDIT CARD CHARGE	229.81
							9,251.21
41901	6/2/2015	00307	PACIFIC GAS & ELECTRIC	0007392058-9	10/31/2014	Refund Ck#6001986 Energy Ef	40,733.00
							40,733.00
41902	6/2/2015	00307	PACIFIC GAS & ELECTRIC	0092128195-2	5/21/2015	PG&E	1,742.48
				0678090639-9	5/15/2015	PG&E	47.19
				9593452526-2	5/15/2015	9593452526-2 1500 Hillside Blv	23.98
				2039987372-6	5/20/2015	PG&E	11.03
				9956638930-2	5/20/2015	PG&E	9.55
							1,834.23
41903	6/2/2015	00432	VISION SERVICE PLAN	June 2015	5/21/2015	VISION SERVICE PLAN	980.72
							980.72
41904	6/2/2015	00449	BANK OF AMERICA	05/24/15	5/24/2015	CREDIT CARD CHARGE	572.21
							572.21
41905	6/2/2015	00464	HINDERLITER, DE LLAMAS	0023797-IN	5/15/2015	SALES TAX SERVICES	2,366.25
							2,366.25
41906	6/2/2015	00775	PANIAGUA, RUBY	2000108.003	5/26/2015	05/26/15 Withdrawal Refund Cr	3.00
							3.00
41907	6/2/2015	01030	STEPFORD, INC.	1501519	5/20/2015	PD Cabling Project Second Pha	1,735.12
				1501517	5/20/2015	PD Interview Rooms Cabling Pr	1,665.92
				1501518	5/20/2015	Cabling Required for Last 2 Inte	554.13
							3,955.17
41908	6/2/2015	01037	COMCAST CABLE	05/27-06/26 XFII	5/17/2015	XFINITY TV	10.11
							10.11
41909	6/2/2015	01050	GOMEZ L., MARTHA	2000107.003	5/26/2015	05/26/15 Deposit Refund	50.00
							50.00
41910	6/2/2015	01076	API CONSULTING	15-05 Colma	5/21/2015	RECORDS MANAGEMENT	5,756.25
							5,756.25
41911	6/2/2015	01265	HITECH SYSTEMS, INC.	6827	5/14/2015	05/01/15-04/30/16 SafetyNet Sc	1,026.94
							1,026.94
41912	6/2/2015	01308	EEL RIVER FUELS, INC,	397504	5/15/2015	PW GAS PURCHASES	365.16
							365.16
41913	6/2/2015	01370	VERIZON WIRELESS SERVICE	19745669161	5/15/2015	CELL PHONE SERVICE	1,750.45
							1,750.45
41914	6/2/2015	01565	BAY CONTRACT MAINTENAN	(May 2015	5/10/2015	JANITORIAL SERVICES	8,114.11
							8,114.11
41915	6/2/2015	01569	DARLING INTERNATIONAL IN	(600:2617524	5/12/2015	TRAP SERVICE CHARGE	79.71
							79.71
41916	6/2/2015	01652	AU ELECTRIC CORPORATION	150370	5/15/2015	Town Hall Replaced Door Hinge	501.55
							501.55

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Bank : first FIRST NATIONAL BANK OF DALY (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
41917	6/2/2015	01680	NBS GOVERNMENT FINANCE 31500045	3/31/2015	USER FEE CONSULTING SER	222.50	222.50
41918	6/2/2015	02131	GATEWAY MEMORIAL, INC. G2308	3/26/2015	Boulder Installation Charge	1,400.00	1,400.00
41919	6/2/2015	02194	BICKMORE BRS-0012041	5/29/2015	Actuarial Valuation of Other	6,750.00	6,750.00
41920	6/2/2015	02258	KIM, SEUNG NAM May 2015 Youth	5/27/2015	GOLF LESSONS	125.00	125.00
41921	6/2/2015	02320	SANCHEZ, FATIMA 2000106.003	5/26/2015	05/26/15 Deposit Refund	300.00	300.00
41922	6/2/2015	02432	GALVAN, AMELIA 2000109.003	5/26/2015	05/26/15 Withdrawal Refund Cr	3.00	3.00
41923	6/2/2015	02547	ESTES COMMERCIAL REFRIG 29229	5/8/2015	May 4 & 8, 2015 Service & Inst	1,241.34	1,241.34
41924	6/2/2015	02637	Z.A.P. MANUFACTURING INC. 43798	5/11/2015	6 ea. Signs: Brown is the New C	1,359.88	1,359.88
41925	6/2/2015	02787	AECO SYSTEMS, INC. 49671	5/11/2015	PIV Replaced Module and Put C	302.84	302.84

b total for FIRST NATIONAL BANK OF DALY CITY: 89,963.95

apChkLst  
06/01/2015 12:51:21PM

Final Check List  
Town of Colma

Page: 3

29 checks in this report.

Grand Total All Checks: 89,963.95

apChkLst  
06/02/2015 7:32:56AM

Final Check List  
Town of Colma

Page: 1

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Bank : first FIRST NATIONAL BANK OF DALY

<u>Check #</u>	<u>Date</u>	<u>Vendor</u>	<u>Invoice</u>	<u>Inv Date</u>	<u>Description</u>	<u>Amount Paid</u>	<u>Check Total</u>
41926	6/2/2015	00140	FIRST NAT BANK OF NO CA	05/20/15 Pfotenr	5/20/2015 CREDIT CARD CHARGE	117.00	117.00
b total for FIRST NATIONAL BANK OF DALY CITY:							117.00

apChkLst  
06/02/2015 7:32:56AM

Final Check List  
Town of Colma

Page: 2

1 checks in this report.

Grand Total All Checks: 117.00

Bank : first FIRST NATIONAL BANK OF DALY

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41927	6/9/2015	00002	AT&T 05/22/15	5/22/2015	PHONE BILLS	242.96	242.96
41928	6/9/2015	00004	AT&T 000006596792	5/13/2015	6509970105 4/13/15-5/12/15	0.32	0.32
41929	6/9/2015	00013	ANDY'S WHEELS & TIRES May 2015	5/30/2015	TIRE SERVICE	793.28	793.28
41930	6/9/2015	00044	BROADMOOR TOW 11324	5/31/2015	TIRE CHANGE	25.00	25.00
41931	6/9/2015	00051	CALIFORNIA WATER SERVICE 05/28/2015	5/28/2015	WATER BILL	4,623.00	4,623.00
41932	6/9/2015	00064	COLMA FLORAL SHOP May 2015	5/31/2015	May 21-23, 2015 3 Get Well Flc	150.00	150.00
41933	6/9/2015	00116	DALY CITY/COLMA CHAMBER 16083	6/1/2015	Membership 6/2015 through 05	195.00	195.00
41934	6/9/2015	00181	IEDA 20431	6/1/2015	LABOR RELATIONS CONSUL	1,242.00	1,242.00
41935	6/9/2015	00188	IRVINE & JACHENS INC 9918	5/28/2015	J. Rosset Top Ribbon Sterling S	32.70	32.70
41936	6/9/2015	00254	METRO MOBILE COMMUNICA 150608	6/1/2015	June 2015 Maintenance Contra	602.00	602.00
41937	6/9/2015	00307	PACIFIC GAS & ELECTRIC 0567147369-1	5/27/2015	0567147369-1 JSB S/O Serran	109.05	109.05
41938	6/9/2015	00500	SMC CONTROLLERS OFFICE May 2015	6/2/2015	May 2015 Allocation of Parking	1,064.20	1,064.20
41939	6/9/2015	00682	KENDRICK, MONIQUE 05/27/15 Mileage	5/28/2015	SJPD Christopher Dornier Incide	54.76	54.76
41940	6/9/2015	00715	NOWDOCS INTERNATIONAL, 58370	5/29/2015	#285 Check Stock Green Botto	183.12	183.12
41941	6/9/2015	00830	STAPLES BUSINESS ADVANT/8034462846	5/16/2015	100 Pk CD-R Spindle, Markers,	161.89	
			8034545732	5/23/2015	6-Outlet Power Strips, 9x12 Cle	80.28	242.17
41942	6/9/2015	00844	NATIONAL IMPRINT CORPOR/26504	5/8/2015	500 Personalized Debossed Cc	499.00	499.00
41943	6/9/2015	01030	STEPFORD, INC. 1501521	5/27/2015	Emergency Operation Center D	495.95	495.95
41944	6/9/2015	01037	COMCAST CABLE June 2015	5/26/2015	COMCAST CABLE TV	22,682.18	
			May 25-June 24, 5/20/2015	INTERNET 1520 HILLSIDE BL	284.02		
			06/02/15-07/01/1 5/27/2015	INTERNET 1198 & 1199 EL CA	239.02		
			May 25-June 24, 5/20/2015	INTERNET 427 F ST.	234.02		23,439.24
41945	6/9/2015	01184	PENINSULA UNIFORMS & EQ 111915	5/31/2015	Rain Jacket Waterproof & Rain	246.23	246.23
41946	6/9/2015	01308	EEL RIVER FUELS, INC, 401182	5/31/2015	PW GAS PURCHASES	168.19	168.19
41947	6/9/2015	01340	FLEX-PLAN SERVICES, INC 10022872	5/31/2015	SECTION 125 PARTICIPANT F	60.00	60.00
41948	6/9/2015	01344	PROJECT READ Jan - March 201	4/7/2015	PROJECT READ	2,575.00	2,575.00
41949	6/9/2015	01513	CARON, ANITA 2000110.003	5/29/2015	05/29/15 Deposit Refund	50.00	50.00
41950	6/9/2015	01514	ACTION SPORTS 05/27/15 Shirts	5/27/2015	105 Royal Shirts Summer Day (	1,066.76	1,066.76
41951	6/9/2015	01687	UNITED SITE SERVICES OF 114-2969482	5/26/2015	STANDARD AND REGULAR SI	118.98	118.98
41952	6/9/2015	01972	LORAL LANDSCAPING, INC 70344	5/28/2015	Spring 2015 Tree Work	18,619.50	18,619.50
41953	6/9/2015	01995	CELESTE, MIKE L. 15-0601	6/1/2015	May 8-30, 2015 Cardroom Back	660.00	660.00
41954	6/9/2015	02082	VINCE'S OFFICE SUPPLY, INCMay 2015 #2110	5/29/2015	OFFICE SUPPLIES	161.76	161.76
41955	6/9/2015	02144	DOMINIC A. DE LUCCA DBA DI483	6/2/2015	TAE KWON DO	1,700.00	1,700.00
41956	6/9/2015	02182	DALY CITY KUMON CENTER May 2015	6/3/2015	TUTORING	4,550.00	4,550.00

Bank : first FIRST NATIONAL BANK OF DALY (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
41957	6/9/2015	02216	RAMOS OIL CO. INC.	358146	5/31/2015	GASOLINE PURCHASES	1,334.52
				356592	5/20/2015	GASOLINE PURCHASES	1,302.74
				310188	5/10/2015	GASOLINE PURCHASES	1,059.69
				356731	5/20/2015	GASOLINE PURCHASES	28.82
							3,725.77
41958	6/9/2015	02274	FRANK AND GROSSMAN LANI	149283	6/1/2015	LANDSCAPE MAINTENANCE	10,363.00
41959	6/9/2015	02342	FLORES, NELSY	2000114.003	6/1/2015	06/01/15 Deposit Refund	300.00
41960	6/9/2015	02386	VIBO MUSIC SCHOOL	Jan 9-May 29, 2015	6/1/2015	MUSIC LESSONS	2,760.00
41961	6/9/2015	02499	GE CAPITAL INFORMATION T	94764534	5/22/2015	COPY MACHINE RENTAL	866.56
				94772140	5/26/2015	COPY MACHINE RENTAL	492.68
							1,359.24
41962	6/9/2015	02536	MACHUCA, ROSA	2000112.003	6/1/2015	06/01/15 Deposit Refund	50.00
41963	6/9/2015	02552	HUERTA VILLEGAS, JOSE	2000115.003	6/1/2015	06/01/15 Deposit Refund	300.00
41964	6/9/2015	02698	HAWKINS HAWKINS CO. INC	INV000924	5/27/2015	Two Piece Tightening Clip Set	161.44
41965	6/9/2015	02739	ZEBOHEAD AUTOMOTIVE INC	000002769	6/2/2015	02 Ford F-150 #14 Replaced Bl	138.68
41966	6/9/2015	02743	UTILITY TELEPHONE, INC	June 2015	6/1/2015	INTERNET ACCESS 128070	666.10
41967	6/9/2015	02799	ASTOUND BROADBAND	6/2015 RIMS IN	5/27/2015	June 2015 RIMS Pt to Pt Fiber l	400.00
41968	6/9/2015	02834	FAKERI, PAYAM	15-701	6/3/2015	Notarize CM Signature on 4 Lot	85.00
41969	6/9/2015	02840	TONG-ROBINSON, SHARON	2015-0602TC	6/2/2015	May 2015 Craft Classes (3)	126.00
b total for FIRST NATIONAL BANK OF DALY CITY:							84,405.40

43 checks in this report.

Grand Total All Checks: 84,405.40



Bank : first FIRST NATIONAL BANK OF DALY

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
41970	6/12/2015	00068	COLMA PEACE OFFICER'S	06122015 B	6/12/2015	COLMA PEACE OFFICERS: PAYMENT	684.21	684.21
41971	6/12/2015	00631	P.E.R.S.	06122015 B	6/12/2015	PERS - BUYBACK: PAYMENT	36,571.00	
				06122015 B	6/12/2015	PERS MISC NON-TAX: PAYMENT	13,573.71	
				06122015 M	6/12/2015	PERS MISC NON-TAX: PAYMENT	961.74	51,106.45
41972	6/12/2015	01340	FLEX-PLAN SERVICES, INC	06122015 B	6/12/2015	FLEX 125 PLAN: PAYMENT	538.86	538.86
41973	6/12/2015	01360	VANTAGE TRANSFER AGENT	06122015 B	6/12/2015	ICMA CONTRIBUTION: PAYMENT	4,650.00	
				06122015 M	6/12/2015	ICMA CONTRIBUTION: PAYMENT	650.00	5,300.00
41974	6/12/2015	01375	NATIONWIDE RETIREMENT S	06122015 B	6/12/2015	NATIONWIDE: PAYMENT	5,125.00	
				06122015 M	6/12/2015	NATIONWIDE: PAYMENT	700.00	5,825.00
41975	6/12/2015	02377	CALIFORNIA STATE DISBURS	06122015 B	6/12/2015	WAGE GARNISHMENT: PAYMENT	553.84	553.84
93242	6/12/2015	00521	UNITED STATES TREASURY	06122015 M	6/12/2015	FEDERAL TAX: PAYMENT	907.56	907.56
93244	6/12/2015	00130	EMPLOYMENT DEVELOPMENT	06122015 B	6/12/2015	CALIFORNIA STATE TAX: PAYMENT	7,819.35	7,819.35
93245	6/12/2015	00521	UNITED STATES TREASURY	06122015 B	6/12/2015	FEDERAL TAX: PAYMENT	43,986.59	43,986.59
o total for FIRST NATIONAL BANK OF DALY CITY:							116,721.86	

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06/10/2015 3:07:16PM

Final Check List  
Town of Colma

9 checks in this report.

Grand Total All Checks: 116,721.86

Bank : first FIRST NATIONAL BANK OF DALY

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
41976	6/15/2015	00051	CALIFORNIA WATER SERVICE	06/01/2015	6/1/2015 CA WATER	129.92	129.92
41977	6/15/2015	00057	CINTAS CORPORATION #2	May 2015	6/12/2015 CLEANING SERVICE	740.04	740.04
41978	6/15/2015	00112	DEPARTMENT OF JUSTICE	103277	6/3/2015 FINGERPRINT APPLICATIONS	245.00	245.00
41979	6/15/2015	00172	HOE/HOP MGR GROUP	0461B Refund S	6/11/2015 0461B Refund Surety Deposit (I	5,000.00	
				0187B Refund S	6/11/2015 0187B Refund Surety Deposit (I	1,200.00	6,200.00
41980	6/15/2015	00174	HOME DEPOT CREDIT SERVI	04/30/15-05/28/1	5/29/2015 04/30/15-05/28/15 PW Purchas	694.36	694.36
41981	6/15/2015	00211	KELLY-MOORE PAINTS	May 2015	5/31/2015 PAINT AND SUPPLIES	69.41	69.41
41982	6/15/2015	00214	KSM PRINTING	25108	6/11/2015 300 Incident Cards	38.15	38.15
41983	6/15/2015	00307	PACIFIC GAS & ELECTRIC	6991706865-7	6/4/2015 PG&E	332.55	
				9248309814-8	6/2/2015 PG&E	240.93	573.48
41984	6/15/2015	00364	SMC SHERIFF'S OFFICE	CL04445	5/31/2015 LAB FEES	141.67	141.67
41985	6/15/2015	00412	TELECOMMUNICATIONS ENG	43707	6/10/2015 Facilities Mgmt & Maintenance	1,328.00	1,328.00
41986	6/15/2015	00421	U.S. POSTAL SERVICE	Bulk Mail #1433	6/15/2015 Fy 15-16 Bulk Mailing Postage ;	2,500.00	2,500.00
41987	6/15/2015	00623	ARAMARK	May 2015	5/31/2015 UNIFORM SERVICE	355.84	355.84
41988	6/15/2015	00631	P.E.R.S.	Actuarial Fees	6/11/2015 Actuarial Fees for GASB	5,100.00	5,100.00
41989	6/15/2015	00963	KELCO SERVICES, INC.	1504-140515	5/20/2015 Pre-Renovation Asbestos and L	11,600.00	11,600.00
41990	6/15/2015	01170	VAN-GO PAINTING INC.	038052	6/9/2015 22 Light Poles Painted: 9 on 40	15,870.00	15,870.00
41991	6/15/2015	01399	WESTLAKE TOUCHLESS CAR	May 2015	6/1/2015 PD CAR WASH	26.85	26.85
41992	6/15/2015	01461	DOSSEY, BRIAN	06/06/15 CPR R	6/8/2015 06/06/15 Reimburse CPR Train	600.00	600.00
41993	6/15/2015	01569	DARLING INTERNATIONAL IN	600:2626071	6/2/2015 TRAP SERVICE CHARGE	79.71	79.71
41994	6/15/2015	01685	STADTLER LANDSCAPING	4690	6/9/2015 PLANT MAINTENANCE	240.00	
				4689	6/9/2015 PLANT MAINTENANCE	120.00	360.00
41995	6/15/2015	02105	MOYRONG, DOROTHY	2000118.003	6/8/2015 06/08/15 Deposit Refund	300.00	300.00
41996	6/15/2015	02307	STANDARD PLUMBING SUPPLIE	PMG46	6/10/2015 Regal Repair Kit	20.56	20.56
41997	6/15/2015	02396	SIBILLO, SOPHIA	2000119.003	6/8/2015 06/08/15 Deposit Refund	300.00	300.00
41998	6/15/2015	02499	GE CAPITAL INFORMATION TE	94872026	6/5/2015 COPY MACHINE RENTAL	1,536.90	1,536.90
41999	6/15/2015	02605	GUERRERO, SAUL	May 4-8, 2015 M	5/28/2015 May 4-8, 2015 Meals & Mileage	278.80	278.80
42000	6/15/2015	02656	AMERICAN FUTURE SYSTEM	06976928	5/21/2015 Deskbook Encyclopedia of Pub	124.95	124.95
42001	6/15/2015	02686	RABE, SEAN	May 26, 2015 Re	6/11/2015 05/26/15 Omnifocus 2 Mac App	79.98	79.98
42002	6/15/2015	02697	VIGIL, SELINA	2000123.003	6/9/2015 06/09/15 Cancellation Refund	478.04	
				2000122.003	6/9/2015 06/09/15 Cancellation Deposit F	300.00	778.04
42003	6/15/2015	02824	R3 CONSULTING GROUP, INC	7564	6/1/2015 Procurement Assistance Up to .	1,710.00	1,710.00
42004	6/15/2015	02841	CHOW, CHELSEA	32611P Refund	6/10/2015 32611P Refund Fingerprint Fee	25.00	25.00
42005	6/15/2015	02842	TORRES, MIRANDA	32620P Refund	6/10/2015 32620P Refund Fingerprint Fee	25.00	25.00

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Bank : first FIRST NATIONAL BANK OF DALY (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
42006	6/15/2015	02843	SHAHIDA, SHAIKH	Refund CO04311	6/10/2015	Refund Citation CO043100	28.00	28.00
42007	6/15/2015	02844	FONG, LYNN	2000125.003	6/10/2015	06/10/15 Refund Balance	18.00	18.00
b total for FIRST NATIONAL BANK OF DALY CITY:							51,877.66	

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Final Check List  
Town of Colma

Page: 3

32 checks in this report.

Grand Total All Checks: 51,877.66

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06/16/2015 12:39:26PM

Final Check List  
Town of Colma

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Bank : first FIRST NATIONAL BANK OF DALY

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
42008	6/15/2015	02453	DALY CITY PUBLIC LIBRARY	7457A Refund	6/16/2015 7475A Refund Security Deposit	200.00	200.00
b total for FIRST NATIONAL BANK OF DALY CITY:							200.00

1 checks in this report.

Grand Total All Checks: 200.00

Bank : first FIRST NATIONAL BANK OF DALY

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
42009	6/23/2015	00003	A. S. F. ELECTRIC	1069	6/9/2015	IT Room UPS Distribution Pane	4,495.00	4,495.00
42010	6/23/2015	00005	ABAG PLAN CORPORATION	ABGV23883-15C	4/30/2015	April 2015 Police Liability for Cl	9,474.00	9,474.00
42011	6/23/2015	00020	ASSOCIATED SERVICES INC	May 2015	6/17/2015	SUPPLIES	141.75	141.75
42012	6/23/2015	00051	CALIFORNIA WATER SERVICE	1727052702	6/12/2015	CA WATER	186.09	186.09
42013	6/23/2015	00071	CSG CONSULTANTS, INC.	Apr 25-May 29, 2	6/15/2015	CSG	110,515.94	110,515.94
42014	6/23/2015	00093	CITY OF SOUTH SAN FRANCISCO	516099	6/8/2015	DISPATCH SERVICES	8,626.09	
				516090	6/3/2015	TRAFFIC SIGNAL MAINTENANCE	754.36	9,380.45
42015	6/23/2015	00099	D.C. LOCK & SECURITY SERVICES	74117	5/7/2015	Sterling Park: 2 Schlage K/K cy	3,398.40	
				74115	5/7/2015	Sterling Park: 30 S123 Stamp K	462.05	3,860.45
42016	6/23/2015	00188	IRVINE & JACHENS INC	9940	6/15/2015	#519E Flat Badge Silver Cold H	1,835.02	1,835.02
42017	6/23/2015	00189	ITALIAN CEMETRY	702B Refund	6/10/2015	702B Refund C&D (11/21/14)	5,118.75	5,118.75
42018	6/23/2015	00208	SILVA, KAREN	06/17/15 Bridge	6/18/2015	06/17/15 CSAR Class Bridge Tr	9.00	9.00
42019	6/23/2015	00307	PACIFIC GAS & ELECTRIC	06/05/2015	6/5/2015	PG&E	6,056.96	6,056.96
42020	6/23/2015	00411	TURBO DATA SYSTEMS	22908	5/31/2015	CITATION PROCESSING	131.22	131.22
42021	6/23/2015	00534	SMC INFORMATION SERVICE	1YCL11505	6/16/2015	MICRO CHANNEL & LINES	1,322.25	1,322.25
42022	6/23/2015	00630	MAD SCIENCE OF THE BAY AREA	06/29/15 Slime V	6/18/2015	06/29/15 Slime Workshop	265.00	265.00
42023	6/23/2015	01030	STEFORD, INC.	1501511	5/20/2015	MONTHLY SERVICE CONTRA	5,380.00	5,380.00
42024	6/23/2015	01037	COMCAST CABLE	06/11-07/10 601	6/7/2015	INTERNET 601 F ST.	104.02	104.02
42025	6/23/2015	01076	API CONSULTING	15-06 Colma	6/16/2015	RECORDS MANAGEMENT	5,287.50	5,287.50
42026	6/23/2015	01180	LETCAVAGE, ALICE	2000138.003	6/15/2015	06/15/15 Adult Cooking Class V	7.00	7.00
42027	6/23/2015	01276	GONZALEZ, RAE	2000139.003	6/16/2015	06/16/15 Withdrawal Refund Pa	26.00	
				2000140.003	6/16/2015	06/16/15 Withdrawal Refund Pa	26.00	
				2000134.003	6/15/2015	06/15/15 Youth & Teen Cooking	7.00	59.00
42028	6/23/2015	01308	EEL RIVER FUELS, INC.	404180	6/15/2015	PW GAS PURCHASES	291.99	291.99
42029	6/23/2015	01367	DUO DANCE ACADEMY	May 2015	6/15/2015	DANCE CLASSES	420.00	420.00
42030	6/23/2015	01378	ASTRO JUMP OF SAN MATEO	28108	6/11/2015	06/19/15 Obstacle 5 in 1	225.00	
				28107	6/11/2015	06/15/15 Extra Large Funhouse	165.00	390.00
42031	6/23/2015	01457	BATERINA, BARBARA	2000135.003	6/15/2015	06/15/15 Adult Cooking Class V	7.00	7.00
42032	6/23/2015	01549	BURNS, LORI	5/20, 6/2, & 6/5	6/19/2015	REIMBURSEMENT	42.72	42.72
42033	6/23/2015	01565	BAY CONTRACT MAINTENANCE	(June 2015	6/10/2015	JANITORIAL SERVICES	8,114.11	8,114.11
42034	6/23/2015	01745	WILLIAM D. WHITE CO., INC.	452695COLM	6/12/2015	06/01/15 Cleaned Fire Keyswitc	375.00	375.00
42035	6/23/2015	02002	DIZCO, INC.	2605	6/17/2015	06/19/15 Puppet Show - The Tr	325.00	325.00
42036	6/23/2015	02056	GOTELLI, JODI	2000145.003	6/17/2015	06/17/15 Nerf Challenge Withdr	8.00	8.00
42037	6/23/2015	02143	ENTENMANN-ROVIN COMPANY	0108947-IN	6/8/2015	2 Colma PD 361 PL Cap Piece	207.21	207.21



Bank : first FIRST NATIONAL BANK OF DALY (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
42038	6/23/2015	02155	OLD DOMINION BRUSH COMF00745624-IN	6/16/2015	2 Poly Main Broom, 3 Front Sid	1,938.32	1,938.32
42039	6/23/2015	02396	SIBILLO, SOPHIA 2000128.003	6/15/2015	06/15/15 Deposit Refund	50.00	50.00
42040	6/23/2015	02510	REGIONAL GOVERNMENT SE5064	5/31/2015	CONTRACT C. FRANCIS	1,506.50	1,506.50
42041	6/23/2015	02527	SALVANTE, BENJAMIN 2000148.003	6/18/2015	06/18/15 Deposit Refund	225.00	
			2000147.003	6/18/2015	06/18/15 Deposit Refund	200.00	425.00
42042	6/23/2015	02662	D & C INC. 1827	6/11/2015	427 F St. Purchase & Install VC	7,694.41	7,694.41
42043	6/23/2015	02809	YEE, CLARK 2000144.003	6/17/2015	06/17/15 Nerf Challenge Withdr	4.00	4.00
42044	6/23/2015	02827	CORODATA SHREDDING, INC.RS2522771	5/31/2015	May 2015 Storage, Pickup/Deli	10.00	10.00
42045	6/23/2015	02845	GARCIA, MELODIA 2000126.003	6/15/2015	06/15/15 Deposit Refund	300.00	300.00
42046	6/23/2015	02846	HUERTAS, DANIEL 2000131.003	6/15/2015	06/15/15 Deposit Refund	225.00	
			2000132.003	6/15/2015	06/15/15 Deposit Refund	200.00	425.00
42047	6/23/2015	02847	CONTRERAS, GABRIEL 2000143.003	6/17/2015	06/17/15 Nerf Challenge Withdr	4.00	4.00
b total for FIRST NATIONAL BANK OF DALY CITY:							186,167.66

39 checks in this report.

Grand Total All Checks: 186,167.66

Bank : first FIRST NATIONAL BANK OF DALY

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total	
42048	6/26/2015	00047	C.L.E.A.	06262015 B	6/26/2015	CLEA: PAYMENT	441.00	441.00
42049	6/26/2015	00068	COLMA PEACE OFFICER'S	06262015 B	6/26/2015	COLMA PEACE OFFICERS: P/	684.21	684.21
42050	6/26/2015	00631	P.E.R.S.	06262015 B	6/26/2015	PERS - BUYBACK: PAYMENT	35,369.05	
				06262015 B	6/26/2015	PERS MISC NON-TAX: PAYME	12,714.79	48,083.84
42051	6/26/2015	01340	FLEX-PLAN SERVICES, INC	06262015 B	6/26/2015	FLEX 125 PLAN: PAYMENT	538.86	538.86
42052	6/26/2015	01360	VANTAGE TRANSFER AGENT	06262015 B	6/26/2015	ICMA CONTRIBUTION: PAYME	4,650.00	4,650.00
42053	6/26/2015	01375	NATIONWIDE RETIREMENT S	06262015 B	6/26/2015	NATIONWIDE: PAYMENT	5,125.00	5,125.00
42054	6/26/2015	02224	STANDARD INSURANCE COM	06262015 B	6/26/2015	LIFE INSURANCE: PAYMENT	333.20	333.20
42055	6/26/2015	02377	CALIFORNIA STATE DISBURSI	06262015 B	6/26/2015	WAGE GARNISHMENT: PAYM	553.84	553.84
93250	6/26/2015	00130	EMPLOYMENT DEVELOPMEN	06262015 B	6/26/2015	CALIFORNIA STATE TAX: PAY	7,854.74	7,854.74
93251	6/26/2015	00521	UNITED STATES TREASURY	06262015 B	6/26/2015	FEDERAL TAX: PAYMENT	44,714.90	44,714.90
o total for FIRST NATIONAL BANK OF DALY CITY:								112,979.59

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Final Check List  
Town of Colma

Page: 2

10 checks in this report.

Grand Total All Checks: 112,979.59

Bank : first FIRST NATIONAL BANK OF DALY

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
42056	6/30/2015	00051	CALIFORNIA WATER SERVICE6544607057	6/17/2015	6544607057 SW Corner Hillside	237.51	237.51
42057	6/30/2015	00057	CINTAS CORPORATION #2 8402291990	6/12/2015	PW First Aid Supplies	32.61	32.61
42058	6/30/2015	00099	D.C. LOCK & SECURITY SERV74374	6/25/2015	4 SC1 DND	13.08	13.08
42059	6/30/2015	00112	DEPARTMENT OF JUSTICE 101505	6/3/2015	FINGERPRINT APPLICATIONS	1,947.00	1,947.00
42060	6/30/2015	00140	FIRST NAT BANK OF NO CA 06/21/15 Gogan	6/21/2015	CREDIT CARD CHARGE	425.16	
			06/21/15 Silva	6/21/2015	CREDIT CARD CHARGE	30.00	455.16
42061	6/30/2015	00169	JENKINS, HEIDI 1442	6/19/2015	PLANT MAINTENANCE	390.00	390.00
42062	6/30/2015	00258	CELESTE, MIKE April - June 2015	6/24/2015	RETIREE MEDICAL REIMBUR	454.50	454.50
42063	6/30/2015	00307	PACIFIC GAS & ELECTRIC 0678090639-9	6/16/2015	0678090639-9 S/E Corner Hillside	59.59	
			9593452526-2	6/16/2015	9593452526-2 1500 Hillside Blv	27.29	86.88
42064	6/30/2015	00309	PAUL'S FLOWERS 10037	5/31/2015	05/13/15 Plant sent to Resident	54.50	54.50
42065	6/30/2015	00364	SMC SHERIFF'S OFFICE CL04457	6/30/2015	LAB FEES	101.73	101.73
42066	6/30/2015	00394	TENNANT 913136741	6/12/2015	Sentinel Power Sweeper, Rider	700.09	
			913136740	6/12/2015	ATLV4300 Litter Vacuum Servic	414.92	1,115.01
42067	6/30/2015	00433	GRAINGER INC 9767010706	6/12/2015	Dimming Ballast, 120-277 V, 22	695.69	
			9765423422	6/12/2015	Wall Mount Fan, 940/800/700 C	72.10	767.79
42068	6/30/2015	00617	QUINN, COLM April - June 2015	6/30/2015	RETIREE MEDICAL REIMBUR	454.50	454.50
42069	6/30/2015	00619	LUM, SHERWIN June 8-11, 2015	6/25/2015	June 8-11, 2015 Meal Reimburs	56.00	56.00
42070	6/30/2015	00631	P.E.R.S. GASB 68 Report	6/25/2015	GASB 68 Report	2,550.00	2,550.00
42071	6/30/2015	00659	ADAMSON POLICE PRODUCT INV178830	6/19/2015	10 976/RA9T-W 9MM 147 GR .	220.72	220.72
42072	6/30/2015	00685	MERCADO, SONNY 06/11/15 Mileage	6/29/2015	06/11/15 Sgt Promotional Work	38.76	38.76
42073	6/30/2015	00830	STAPLES BUSINESS ADVANT/8034731079	6/6/2015	OFFICE SUPPLIES	541.56	541.56
42074	6/30/2015	00955	DIVISION OF THE STATE April - June 2015	6/30/2015	April - June 2015 Disability Acc	13.20	13.20
42075	6/30/2015	01037	COMCAST CABLE 06/27-07/26 XFII	6/17/2015	1520 HILLSIDE XFINITY TV	10.11	10.11
42076	6/30/2015	01061	FIRST AMERICAN TITLE COMI1687-168710375	6/23/2015	Olivet Parkway Misc. Charge M	1,500.00	
			1687-168710375	6/23/2015	El Camino & Serramonte Blvd.	1,500.00	3,000.00
42077	6/30/2015	01183	BEST BEST & KRIEGER LLP 749893	6/8/2015	CITY ATTORNEY SERVICES	16,988.67	
			750861	6/18/2015	CITY ATTORNEY SERVICES	2,795.00	
			749894	6/8/2015	CITY ATTORNEY SERVICES	1,280.83	21,064.50
42078	6/30/2015	01330	CITY OF SAN BRUNO 05/29/15 Council	6/26/2015	05/29/15 Council of Cities: J. Si	45.00	45.00
42079	6/30/2015	01344	PROJECT READ April - June 2015	6/29/2015	PROJECT READ	975.00	975.00
42080	6/30/2015	01442	INTERSTATE GRADING & PAV 4697	6/24/2015	2015 Digout Repair Project	38,237.50	
			4698	6/24/2015	2015 Digout Repair Project Ret	2,012.50	40,250.00
42081	6/30/2015	01462	JACOBSON, RUTH 06/22/15 Cerami	6/23/2015	06/22/15 Monsters and Mermai	608.00	608.00

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Final Check List  
Town of Colma

Page: 2

Bank : first FIRST NATIONAL BANK OF DALY (Continued)

Check #	Date	Vendor	Invoice	Inv Date	Description	Amount Paid	Check Total
42082	6/30/2015	01643	AUSTRIA, HELEN	2000149.003	6/22/2015 06/22/15 Deposit Refund	300.00	300.00
42083	6/30/2015	02082	VINCE'S OFFICE SUPPLY, INC	IN-1276495	4/23/2015 04/23/15 Office Supplies	123.46	123.46
42084	6/30/2015	02121	SEEVERS, DANIEL	June 1-12, 2015	6/26/2015 June 1-12, 2015 ICI Investigatic	172.36	172.36
42085	6/30/2015	02179	HUB INTERNATIONAL OF CA	June 2015	6/29/2015 INSURANCE EVENTS	128.04	128.04
42086	6/30/2015	02382	GONZALEZ, MARIA	2000154.003	6/25/2015 06/25/15 Deposit Refund	250.00	250.00
42087	6/30/2015	02701	FRANCISCO, MARK	06/15/15 Reimbu	6/25/2015 06/15/15 Meal & Mileage Reimt	51.50	51.50
42088	6/30/2015	02730	THE RATCLIFF ARCHITECTS	7606	5/22/2015 COLMA TOWN HALL RENOV	87,857.40	
			7641	6/24/2015 COLMA TOWN HALL RENOV	43,928.70		131,786.10
42089	6/30/2015	02798	GODINEZ, GABRIELA	2000150.003	6/22/2015 06/22/15 Deposit Refund	50.00	50.00
42090	6/30/2015	02850	NEVAREZ, ALICIA	2000155.003	6/26/2015 06/26/15 Summer Camp Refun	37.00	37.00
b total for FIRST NATIONAL BANK OF DALY CITY:							208,381.58

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Final Check List  
Town of Colma

Page: 3

35 checks in this report.

Grand Total All Checks: 208,381.58







# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Brian Dossey, Director of Recreation Services  
 VIA: Sean Rabé, City Manager  
 MEETING DATE: July 15, 2015  
 SUBJECT: Recreation Services Department Quarterly Review, April - June 2015

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## RECOMMENDATION

Staff recommends that the City Council adopt:

A MOTION TO ACCEPT INFORMATIONAL REPORT ON RECREATION DEPARTMENT  
 PROGRAMS, ACTIVITIES, EVENTS, AND TRIPS FOR THE SECOND QUARTER OF 2015.

## EXECUTIVE SUMMARY

In the second quarter of 2015, a total of 1,319 participants attended 62 programs. This represents a decrease of 69 participants from the second quarter of 2014.

Staff estimates that 34 percent of the population had a current Colma I.D. during the second quarter of 2015, suggesting that residents participated in multiple programs.

There were a total of 71 rentals, which is a decrease of 9 rentals from the first quarter of 2015.

## BACKGROUND

### Participation

The Recreation Services Department offered programs, activities, events and trips for all age groups during the past quarter. Below is a summary of participation levels by demographic:

- A total of 102 Adults & Seniors participated in Enrichment Programs. This represents an increase of 36 participants from the second quarter of 2014. The increase is due to the new Hula and Tahitian dance programs.
- A total of 145 Adults & Seniors participated in Trips & Events. This represents a decrease of 19 participants from the second quarter of 2014. Staff attributes the decrease to fewer participants for the Golden Gate Fields and Whale Watching trips.

- A total of 602 Youths & Teens participated in Enrichment Programs. This represents a decrease of 7 participants from the second quarter of 2014. Staff attributes the decrease to the cancellation of the Tot Gym and Jam and Parent's Night Out programs.
- A total of 109 Youths & Teens participated in Events & Trips. This represents a decrease of 46 participants from the second quarter of 2014. Staff attributes the decrease to the cancellation of the All Nerf Challenge and TGI Friday's program.
- A total of 361 Youths, Adults and Seniors participated in Community Programs. This represents a decrease of 35 participants from the second quarter of 2014. Staff attributes the decrease in participation to the scheduling of fewer Project Read sessions in the spring/summer quarter.

The attachment contains a detailed breakdown of participation by program.

Due to fewer participants this quarter staff will continue to increase advertising and marketing efforts through the use of Facebook, Instagram, Town website and new Recreation Software ActiveNet. Staff has also started to look at branding using the California Parks and Recreation Society, "Parks Make Life Better" campaign.

#### Rental Activity

The Colma Community Center was rented for 49 different events:

- Resident Rentals (28 social events and one HOA meeting)
- Resident Non-profit group (one meeting)
- Non-Resident Non-profit Groups (five meetings)
- In House Reservations (14 meetings/trainings)

The Sterling Park Recreation Center was rented for 22 different events:

- Sterling Park Resident Rentals (20 social events & two Picnics)

#### **Sustainability Impact**

Staff coordinates and implements program and activities which are in alignment with the Town's Climate Action Plan and Sustainability Policy. For example, in April and May staff coordinated two community events that focused on cleaning up the streets of Colma and removing blight from the neighborhood (i.e. Town Wide Garage Sale and Town Wide Clean Up Day).

#### **ATTACHMENTS**

- A. 2015 Recreation Services Department Quarterly Review – Participation Detail

**Recreation Services Department Quarterly Review  
April - June 2015  
Participation Detail**

**Adult/Senior Enrichment Programs**

<b>Program</b>	<b>Registered</b>	<b>Sessions</b>	<b>New or Existing Program</b>
Cooking Classes	15	2	Existing
Color Me Mine	3	1	Existing
Creekside Villas Activities	3	3	Existing
Essential Oils	3	1	<b>NEW</b>
First Aid & CPR	9	1	Existing
Golf	Cancelled	3	Existing
Good Vibes & High Fives Group Fitness Class	4	1	<b>NEW</b>
Hatha Yoga	15	1	Existing
Home Safety Aids	19	1	<b>NEW</b>
Hula & Tahitian Dancing	2	1	<b>NEW</b>
Scrabble	Cancelled	2	<b>NEW</b>
Simply Creative Card Making	2	2	<b>NEW</b>
Simply Creative Crafting	4	2	<b>NEW</b>
Stamping Up Series – Scrapbooking	2	1	<b>NEW</b>
Tahitian Dancing Gracious Ladies	12	1	<b>NEW</b>
Zumba	9	1	Existing

**Adult & Senior Trips & Events**

<b>Program</b>	<b>Registered</b>	<b>Sessions</b>	<b>New or Existing Program</b>
Arm Chair Travel	8	2	<b>NEW</b>
Golden Gate Fields	13	1	Existing
Movie Mondays	Cancelled	1	Existing
San Francisco Giants Game (2 games)	45	1	<b>NEW</b>
Senior Wii Bowling	Cancelled	1	Existing
Senior Luncheon (Bingo & BBQ)	45	2	Existing
Walk About Wednesday	6	2	<b>NEW</b>
Whale Watching in Monterey	14	1	<b>NEW</b>
Wine & Canvas	14	1	<b>NEW</b>

### Youth & Teen Enrichment Programs

Program	Registered	Sessions	New or Existing Program
Alternative Camp Program	5	5	Existing
Ballet, Tap & Hip Hop	9	5	Existing
Broadway Musical Groups	Cancelled	1	Existing
Chess Wizards	Cancelled	1	Existing
Cooking	9	2	Existing
Discover Ukulele	Cancelled	2	Existing
Golf	2	1	Existing
Early Childhood Music	Cancelled	1	<b>NEW</b>
Guitar Workshop	Cancelled	2	Existing
Hula & Tahitian Dancing	6	1	<b>NEW</b>
Keyboard	10	4	Existing
Kids' Club Afterschool Program	42	4	Existing
Kumon Math Tutoring	82	3	Existing
Kumon Reading Tutoring	64	3	Existing
Parents' Night Out	Cancelled	3	Existing
Summer Day Camp Early Morning Care	77	1	Existing
Summer Day Camp	137	1	Existing
Summer Day Camp Afternoon Care	64	1	Existing
Straight & Strong Forever – Youth Yoga	Cancelled	1	Existing
Tae Kwon Do	73	3	Existing
Tahitian Drumming	2	1	<b>NEW</b>
Tot Gym & Jam	Cancelled	3	Existing
Vibo Rock Band	Cancelled	1	<b>NEW</b>
Vibo Youth Ensemble	6	2	Existing
Violin Workshop	4	3	Existing

### Youth and Teen Events & Trips

Program	Registered	Sessions	New or Existing Program
All Nerf Challenge	Cancelled	1	Existing
Earth Day	19	1	Existing
San Francisco Giants Game (2 games)	38	1	Existing
Sky High Jump	48	1	Existing
TGI Fridays	Cancelled	2	<b>NEW</b>
Whale Watching in Monterey	4	1	<b>NEW</b>

**Community Programs**

<b>Program</b>	<b>Registered</b>	<b>Sessions</b>	<b>New or Existing Program</b>
Eggstravaganza	105	1	Existing
Family Field Day	37	1	Existing
Friday Night Films	15	2	<b><i>NEW</i></b>
Project Read Learning Wheels	75	3	Existing
Project Read Nutrition Program	45	1	Existing
Project Read Science Club	15	1	Existing
Town Wide Garage Sale	26	1	Existing
Town Wide Clean up Day	43 (including staff)	1	Existing

Note: Programs were cancelled due to insufficient participation.





# STAFF REPORT

TO: Mayor and Members of the City Council  
FROM: Sean Rabé, City Manager  
MEETING DATE: July 15, 2015  
SUBJECT: 2014/15 Grand Jury Response

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## RECOMMENDATION

Staff recommends that the City Council approve:

MOTION APPROVING THE TOWN'S RESPONSE TO THE 2014/15 GRAND JURY REPORT  
RE: SEA LEVEL RISE

## EXECUTIVE SUMMARY

The City Council is required under Penal code section 933.05 to respond to the Grand Jury Report. The draft response is detailed in the Analysis section of this staff report and a draft of the proposed response letter is attached as Attachment B.

## FISCAL IMPACT

There are no fiscal implications associated with the approval of the Town's response to the Grand Jury Report.

## BACKGROUND

The County Grand Jury is a volunteer body of 19 citizens, selected at random from a pool of nominees, to investigate local governmental agencies and make recommendations to improve the efficiency of local government. The 2014/15 Final Report contains findings and recommendations on a number of subjects, including one topic that is applicable to the Town of Colma. The Presiding Judge of the County Superior Court has formally requested that the Town review the report and file a written response indicating the following:

- That the Town agrees or disagrees, in whole or in part, with the finding;
- That the recommendation has been implemented, will be implemented, requires further analysis, or will not be implemented; and
- An explanation of the reasons for any disagreement with findings or recommendations.

## ANALYSIS

### Grand Jury Findings

The 2014/15 Grand Jury found the following regarding Sea Level Rise in San Mateo County:

**F1. SMC is at severe risk for flooding due to the gradual rise in sea level, projected at up to 65 inches (167 centimeters) by the year 2100. Catastrophic SLR of nearly 15 feet is a possibility this century.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F2. SLR is a threat *countywide*, including the upland areas. All residents depend on public infrastructure, especially wastewater treatment plants. Also, a significant portion of the countywide property tax base is within the area threatened by SLR.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F3. Although many local officials are now familiar with and concerned about the threat of SLR, there is inadequate public awareness of SLR's potential impacts on this county.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F4. Levees, including their financing, are currently the responsibility of each individual city or special agency with jurisdiction along streams, bay, and coast (the County is responsible for unincorporated areas).**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F5. Flood risk is based on topography, not political boundaries. The safety of properties in one jurisdiction often depends on levee projects undertaken by another jurisdiction.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F6. Currently, no countywide agency exists to provide planning, facilitate coordination among jurisdictions, or to assist with securing funding for *existing* flood control projects. The same is true for future SLR-related projects.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F7. To the Grand Jury's knowledge, no local jurisdiction has adopted SLR projections or maps for specific local land use planning purposes. No consistent SLR projection has been adopted countywide by the County and cities.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*



**F8. There is a recognized need for a countywide approach to SLR planning and coordination among jurisdictions.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as further study is needed to determine if a countywide approach is the best means of addressing sea level rise.*

**F9. Several city managers and others interviewed did not support having a new countywide organization assume direct control of levee projects at this time.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as neither the City Council nor the City Manager were interviewed for the Grand Jury Report.*

**F10. The County and cities can address SLR in their General Plans and Climate Action Plans, can map the threat, and can adopt relevant policies.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as further study is needed to determine the best means of addressing sea level rise, including adoption of relevant policies.*

**F11. Many actions to address SLR are within the authority of regional, State, and federal agencies.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as further study is needed to determine the best means of addressing sea level rise.*

**F12. By acting *now*, SMC may be able to reduce future costs by integrating SLR-related projects with other programmed levee projects, and by using land use planning measures to mitigate future exposure to SLR.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as further study is needed to determine the best means of addressing sea level rise.*

### **Grand Jury Recommendations**

**The Grand Jury recommends increased public education about SLR:**

**R1. The County, each city in the county and relevant local special agencies should conduct a public education effort to increase awareness of SLR and its potential effects on this county.**

*TOWN OF COLMA RESPONSE: The Town Of Colma has not yet implemented this recommendation but will implement it and the Town believes the recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing sea level rise – including increasing awareness. The Town is actively participating in the Study.*

**The Grand Jury recommends identifying a single organization to undertake SLR planning:**

R2. The County, each city in the county and relevant local special agencies should identify a single organization, such as a new joint powers authority or an expanded SMC Flood Control District, to undertake countywide SLR planning. It should be structured to ensure that:

- The organization is countywide in scope
- The organization is able to *focus* on SLR
- Both the County and cities (and possibly relevant local agencies) are able to participate in the organization's decision-making
- The organization is sustainably funded

*TOWN OF COLMA RESPONSE: The Town Of Colma believes this recommendation requires further analysis of Sea Level Rise and the most efficient means of addressing it prior to the establishment of any organization focusing on SLR. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will consider the type of organization best suited to addressing SLR.*

R3. The organization's responsibilities should include:

- Adopt consistent SLR projections for use in levee planning countywide
- Conduct and/or evaluate vulnerability assessments<sup>46</sup>
- Provide a forum for inter-jurisdictional coordination and exchange of information related to SLR
- Undertake grant applications for SLR-related planning and projects
- Facilitate raising funds on a countywide basis for SLR-related projects, to be passed through to agencies with direct responsibility for project construction
- Monitor actual SLR over time and any changes in SLR projections, based upon the latest federal, State, or regional government reports and scientific studies
- Through the CEQA environmental review process, comment on major new developments proposed in the SLR floodplain
- Advocate on behalf of the member jurisdictions with federal, State, and regional agencies regarding SLR issues
- Assist the County and cities in public awareness efforts, as described in R1

*TOWN OF COLMA RESPONSE: The Town Of Colma believes this recommendation requires further analysis of Sea Level Rise and the most efficient means of addressing it prior to the establishment of any organization focusing on SLR. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will consider the type of organization best suited to addressing SLR.*

R4. The County, cities and two relevant local special agencies should consider expanding the role of the organization beyond SLR to include planning and coordination of efforts to address *existing* flooding problems along the Bay, coast, and creeks that are subject to tidal action. It may be cost-effective to integrate SLR protection with other levee-improvement programs.

The County and cities may also consider expanding the role of the new organization to include potentially compatible functions such as the National Pollution Discharge Elimination System (NPDES), currently managed by C/CAG, and the new (2014) State requirements for local sustainable groundwater planning.

*TOWN OF COLMA RESPONSE: This recommendation requires further analysis prior to any implementation. As noted in the above responses, the Town Of Colma believes further analysis of Sea Level Rise and the most efficient means of addressing it are important prior to the establishment of any organization focusing on SLR. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will consider the type of organization best suited to addressing SLR, and any expanded role.*

R5. The organization—its administration, staffing, and program expenses—should be funded on a sustainable basis by:

- Member contributions
- Contributions solicited from parties threatened by SLR, including corporations and agencies that operate public facilities such as wastewater treatment plants
- Grants solicited from available potential sources such as the California Climate Resilience Account
- Reducing administrative costs by contracting for services with the County or another agency

*TOWN OF COLMA RESPONSE: This recommendation requires further analysis prior to any implementation. As noted in the above responses, the Town Of Colma believes further analysis of Sea Level Rise and the most efficient means of addressing it are important prior to the establishment of any organization focusing on SLR. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will consider the type of organization best suited to addressing SLR, and the types of sustainable funding for the organization.*

**The Grand Jury recommends that SLR be addressed in local land use planning:**

R6. The County and each city should amend its General Plan, as needed, to address the risk for SLR. The Safety Element should include a map of any areas vulnerable to SLR, as determined by measurements in the countywide Vulnerability Assessment [R3]. Further, it should identify policies that apply to areas threatened by SLR.

*TOWN OF COLMA RESPONSE: This recommendation requires further analysis prior to any implementation. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will determine if its General Plan will require an amendment.*

**The Grand Jury recommends that local governments champion SLR issues before regional, State, and federal governments and agencies:**

R7. The County, cities, and relevant local special agencies, through their representatives on regional agencies, membership in state associations, lobbyists, and elected State and federal legislators, should pursue SLR-related issues with government bodies outside SMC.

*TOWN OF COLMA RESPONSE: This recommendation requires further analysis prior to any implementation. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will determine if and when to address SLR issues before regional, State, and federal government agencies.*

## **CONCLUSION**

Staff recommends that the City Council approve the Town's proposed response to the 2014/15 grand jury report regarding Sea Level Rise.

## **ATTACHMENTS**

- A. Excerpts from Grand Jury Report
- B. Draft response letter for 2014/15 Grand Jury Report section entitled, "Flooding Ahead: Planning For Sea Level Rise"



## FLOODING AHEAD: PLANNING FOR SEA LEVEL RISE

[Issue](#) | [Summary](#) | [Glossary](#) | [Background](#) | [Methodology](#) | [Discussion](#) | [Findings](#)  
[Recommendations](#) | [Requests for Responses](#) | [Bibliography](#) | [Appendix](#) | [Responses](#) | [Correction](#)

### ISSUE

What actions can the County of San Mateo, and the 20 cities and two relevant local special agencies within the county, take now to plan for sea level rise?

### SUMMARY

San Mateo County is at severe risk for sea level rise (SLR) over the period 2015-2100. The County, and the 20 cities and two relevant local special agencies within the county,<sup>1</sup> do not have a coordinated approach to address *existing* problems related to flooding and are not prepared for the added challenge of SLR. This investigation documents the countywide risk that SLR poses to people, property, and critical infrastructure. For example, wastewater treatment plants are highly vulnerable to SLR and this vulnerability presents significant problems for all cities, not just those along the coast and bay.

This Grand Jury report discusses ways to get organized to plan for SLR, as well as alternative sources of funding for SLR-related projects. Based on this investigation, the Grand Jury recommends that a single organization undertake SLR planning on a countywide basis. This report also examines ways to address SLR as part of local land use planning and recommends including SLR-related policies in local General Plans. It also recommends implementation of a coordinated program to raise public awareness of SLR, particularly as to how it may impact this county. Finally, the report highlights the need for effective and coordinated advocacy at the regional, State, and federal levels.

The Grand Jury strongly urges action *now* to undertake countywide planning for SLR. By acting now, SMC may be able to reduce future costs by integrating SLR-related projects with other programmed levee projects, such as those that may be triggered by new FEMA flood hazard maps. By acting now, San Mateo County jurisdictions may apply land use planning measures to mitigate future exposure to SLR. Finally, by acting now to address SLR, San Mateo County can also address the lack of coordination among jurisdictions that is evident in existing flood prevention efforts. Notably, this lack of coordination places the county at a severe disadvantage when applying for federal or State monies for flood protection.

### GLOSSARY

**County of San Mateo** or **County**: County government under the Board of Supervisors

**San Mateo County** or **SMC**, or **county**: the geographic entity. Local governments and residents collectively.

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<sup>1</sup> The two relevant special agencies with responsibilities for flood prevention are the County Flood Control District and the San Francisquito Creek Joint Powers Authority.

**Levees:** includes levees, horizontal levees, walls, dikes, and similar structures designed to prevent flooding along the coast, bay shoreline, and along creeks subject to tidal flows

**Local officials:** elected and appointed officials and staff of the County, cities, and special agencies within the county, interviewed by the jury

**CEQA:** California Environmental Quality Act. A law governing the environmental review process, including the preparation of environmental impact reports, to be used by local governments when considering proposed new developments.

**JPA:** Joint Powers Authority. A separate government agency created by its member agencies (such as cities and counties), typically with officials from the member agencies on its governing board. JPAs are formed for specific purposes and to exercise powers commonly held by the member agencies. For example, two or more cities may form a JPA to manage a common government function, such as fire protection for their jurisdictions, where it is more cost-effective to act together than separately.

### Specific Agencies

**BCDC:** San Francisco Bay Conservation and Development Commission. A State agency with permit authority over new development along the San Francisco Bay shoreline. BCDC requires an SLR risk assessment for any new development within its jurisdiction. It published the report *Living with a Rising Bay: Vulnerability and Adaptation in San Francisco Bay and on Its Shoreline* (2011).

**C/CAG:** City/County Association of Governments of San Mateo County. A JPA formed by the County of San Mateo and all 20 cities within the county for various purposes including, for example, oversight of a regional transportation Congestion Management Program.

**CCC:** California Coastal Commission. A State agency with permit authority over new development along the coast. CCC requires an SLR risk assessment for new development within its jurisdiction.

**CEC:** California Energy Commission. A State agency responsible for energy policy and planning, including research. It published the reports *The Impacts of Sea Level Rise on the San Francisco Bay* (2012) and *Climate Change Scenarios and Sea Level Rise Estimates for California* (2009).

**CO-CAT:** Coastal and Ocean Working Group of the California Climate Action Team. A working group of senior staff from 17 State agencies with ocean and coastal resource management responsibilities. It issued the *State of California Sea-Level Rise Guidance Document* (2013) for use by State agencies as part of their assessments and decisions.

**FEMA:** Federal Emergency Management Administration. A federal agency whose responsibilities include preparing Flood Insurance Rate Maps that depict areas subject to

inundation by a “100-year storm.”<sup>2</sup> At present, FEMA does not map flood hazards based on anticipated future sea levels.

**NRC:** National Research Council. An operating arm of the National Academy of Sciences and the National Academy of Engineering, a private nonprofit institution. It published the report *Sea Level Rise for the Coasts of California, Oregon and Washington: Past, Present and Future* (2012).

**SCC:** State Coastal Conservancy. A State agency that purchases, protects, restores, and enhances coastal resources. Currently supports preparation of local coastal plans and vulnerability assessments in San Mateo County that address SLR.

## BACKGROUND

San Mateo County (SMC) residents are at severe risk for flooding due to projected sea level rise (SLR) over the period 2015-2100. In fact, SLR is already occurring. Measurements at the San Francisco Tide Station at the Golden Gate show eight inches of SLR between 1897 and 2006, consistent with figures from around the world.<sup>3</sup>

The precise amount and rate of SLR are unknown, but State agencies have consistently advised that seas are rising at “accelerating rates,” and project SLR ranging up to 65 inches (167 centimeters) by the year 2100.<sup>4</sup> One scientist advised SMC officials of the possibility of even greater SLR, nearly 15 feet, during this century.<sup>5</sup>

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<sup>2</sup> A “100-year-storm” is used to define a rainfall event that statistically has a one percent chance of occurring in any given year. However, it is not the storm that will occur once every 100 years. Rather, it is the rainfall totals that have a one percent chance of being equaled or exceeded each year.

<sup>3</sup> Matthew Heberger et al. (Pacific Institute) 2012, *The Impacts of Sea Level Rise on the San Francisco Bay*, California Energy Commission (CEC) Publication No. CEC-500-2012-014, pp. 2-3; and San Francisco Bay Conservation and Development Commission (BCDC), *Living with a Rising Bay: Vulnerability and Adaptation in San Francisco Bay and on Its Shoreline*, Staff Report, October 6, 2011, p. 18.

<sup>4</sup> In 2008, Governor Schwarzenegger issued an executive order requiring State agencies to prepare SLR scenarios for the years 2050 and 2100 to “assess project vulnerability, reduce expected risks, and increase resilience to sea level rise.” In response, the Coastal and Ocean Working Group of the California Climate Action Team (CO-CAT), representing 17 State agencies, proposed interim SLR projections for the year 2100 ranging from 31 to 69 inches, grouped into “low,” “medium,” and “high” models (based on a 2009 CEC study). For some planning purposes, agencies such as BCDC focused on 55 inches of SLR, the average projection in the “high” model. However, CO-CAT urged agencies to “select SLR values based on agency and context-specific considerations of risk tolerance and adaptive capacity.” (See BCDC, *Living with a Rising Bay*, pp. 9, 20-22.) In 2012, the National Research Council (NRC) issued a report *Sea Level Rise for the Coasts of California, Oregon and Washington: Past, Present and Future*. The report projects SLR ranging from about 16 inches to 65 inches (42 to 167 centimeters) by the year 2100. The NRC report was commissioned by California, Oregon, and Washington State agencies, by the National Oceanic and Atmospheric Administration (NOAA), the U.S. Army Corps of Engineers, and the U.S. Geological Survey. CO-CAT now considers the NRC report to be the “best available science” on SLR for this state, but allows State agencies to use the projections “in a flexible manner” in their assessments or decisions. (See CO-CAT, *Sea-Level Rise Guidance Document*, March 2013, p. 1, and California Coastal Commission (CCC), *Draft Sea Level Rise Policy Guidance*, October 14, 2013, p. 4.)

<sup>5</sup> John Englander, Conference Speech at Jackie Speier, Rich Gordon, and Dave Pine, “Meeting the Challenge of Sea Level Rise in San Mateo County,” December 9, 2013, College of San Mateo Theatre, San Mateo, CA.

Scientists have identified the major sources of SLR: an increase in water temperature causing expansion of the oceans, plus the addition of water from melting glaciers.<sup>6</sup> Based on scientific studies, State agencies warn that additional SLR is now *inevitable*.<sup>7</sup>

Most discussions of SLR focus on the cause (climate change) and means of prevention (such as reducing carbon emissions). This Grand Jury report is not about preventing SLR, but rather about *adaptation* to SLR. Adaptation includes measures such as constructing or modifying levees, elevating structures, restoring wetlands, or abandoning low-lying areas.

This report addresses SLR that is projected to gradually increase through the year 2100. Although this may seem to stretch far into the future, it is within the lifespan of younger residents and the useful life of many existing buildings and infrastructure. Substantial areas of the county are *already* within existing FEMA flood insurance rate maps. Unless better protected, these areas could feel the first impact of SLR at any time.

Over the last 20 years, there have been incidents of severe flooding in SMC. In December 2014, low-lying basins and levee over-topping were contributing factors when a moderate “five-year”<sup>8</sup> storm left hundreds of residents homeless.<sup>9</sup> If the County, cities, and two relevant local special agencies are struggling to address *existing* flood conditions, how will they handle worse conditions in the future?<sup>10</sup>

## METHODOLOGY

### Documents

See Bibliography for a detailed list:

- Federal, State, and regional agency reports
- Consultant studies prepared for government agencies

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<sup>6</sup> The risk is not just SLR alone, that is, a slow rise in sea level until one day the levees are topped. For one thing, SLR can undermine the integrity of existing levees. Even more, the risk lies in the *combination* of SLR, plus the yearly high tides (“king” tides), plus a 100-year storm that causes a storm surge and wave action in the Bay, plus heavy rainwater runoff in creeks. Other factors that influence the risk of flooding due to SLR include changes in land elevation due to earthquakes, and the subsidence, or sinking, of land such as that caused by excess pumping of groundwater. See BCDC, *Living with a Rising Bay*, p. 4; and see Schaaf & Wheeler, Consulting Civil Engineers, *Climate Change Impacts for San Mateo, California*, February 2, 2009, pp. 4-10 (report commissioned by the City of San Mateo).

<sup>7</sup> “Perhaps the most notable finding from the IPCC is that the effect of GHG emissions will continue long after emissions are reduced. The IPCC projects that global temperature will continue rising for a few centuries before stabilizing. Sea level rise from thermal expansion will continue for centuries to millennia. Sea level rise from ice-sheet melting will continue for several millennia.” BCDC, *Living with a Rising Bay*, p. 9.

<sup>8</sup> A five-year storm statistically is a storm whose magnitude has a 20% chance of occurrence each year.

<sup>9</sup> Angela Swartz, “Cleanup Begins: Some Still Can’t Return to Homes Damaged from Storm, CSM Shelter Available,” *San Mateo Daily Journal*, December 16, 2014; a 45-year flood in 1998 that damaged about 1,700 properties was a factor that led to the creation of the San Francisquito Creek JPA. See <http://sfcjpa.org/web/about/agency-overview/>.

<sup>10</sup> The two relevant local special agencies with responsibilities for flood prevention are the San Mateo County Flood Control District and the San Francisquito Creek Joint Powers Authority.



- Information from government websites
- City and county planning documents
- Newspaper articles
- Videos of two conferences on SLR held in San Mateo County

## Site Tours

Silicon Valley Clean Water wastewater treatment plant (Redwood Shores)

## Interviews

In conducting this investigation, the jury interviewed 14 individuals including two elected officials; four city managers or assistant city managers; four executive directors, general managers, or assistant general managers of three joint powers authorities; and four County of San Mateo appointed officials.

## DISCUSSION

### San Mateo County's Exposure to Sea Level Rise

As noted earlier, State agencies project SLR within a range of up to 65 inches by 2100. A 2012 report, prepared by the Pacific Institute for the California Energy Commission (CEC), documents the potential impacts on areas around San Francisco Bay of sea level rise of 16 inches by 2050 and 55 inches by 2100.<sup>11</sup>

The results of the CEC study are startling. Of all the counties in California, SMC is by far the most exposed to SLR, in terms of both the residents and economic value at risk. Assuming 55 inches of SLR, the replacement value of buildings and contents at risk of flooding along the bay is estimated to exceed \$23 billion, while that along the coast is valued at \$910 million (land value is not included in these figures).<sup>12</sup> This is about one-quarter of the statewide total and nearly 40% of the Bay Area total. The dollar figure only hints at the threat to the people and structures within SMC due to SLR:

- 120,000 residents at risk of losing their homes to flooding (also nearly one-quarter of the statewide and 40 percent of the Bay Area totals)<sup>13</sup>
- 110,000 employees at job locations at risk

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<sup>11</sup> Heberger et al., *The Impacts of Sea Level Rise*, pp. 6-21. As noted in the discussion in footnote 4 of this Grand Jury report, 55 inches is the average of "high" model projections. Thus, it represents a close-to-worst-case scenario (excluding catastrophic SLR discussed elsewhere in this report).

<sup>12</sup> SCC, "San Mateo County Shoreline Vulnerability Assessment," Staff Recommendation, January 29, 2015, p. 2. Valuation of coastal property at risk was not included in the Heberger et al. report but was provided by the Pacific Institute.

<sup>13</sup> Pacific Institute, "Thematic Maps." <http://www.pacinst.org/publications/sea-level-rise-thematic-maps/>. Based upon 2010 U.S. Census data, the website updates the 110,000 population figure for SMC that was included in Heberger et al.

- 6 wastewater treatment plants at risk
- 1 power plant at risk
- 72 miles of highways at risk
- 420 miles of roads at risk
- 10 miles of railroads at risk
- 78 EPA-regulated hazardous material sites at risk
- 75% of existing wetlands at risk of being “unviable”

The Grand Jury reviewed SLR flood maps prepared by the Pacific Institute, which show the impact of 55 inches of SLR.<sup>14</sup> These maps are included in the Appendix. All of Foster City and substantial areas of Redwood City and San Mateo could be inundated. Serious flooding could also occur in East Palo Alto, Menlo Park, San Carlos, Belmont, Burlingame, Millbrae, San Bruno, and South San Francisco.

The 55-inch SLR flood zone covers important commercial centers including part of South San Francisco’s biotech industrial area, the hotels along Burlingame’s shoreline, numerous shopping areas, business parks, and recreational spaces. Within this floodplain are the headquarters of Visa International in Foster City, Franklin Templeton Investments in San Mateo, Oracle in Redwood Shores, and Facebook in Menlo Park.

Fifty-five inches of SLR waters would flood San Francisco International Airport and the County’s Half Moon Bay and San Carlos Airports. Other County facilities at risk include the new jail under construction and the Government Center, both in Redwood City. The Caltrain line in San Mateo, Burlingame, and Millbrae is threatened. The Port of Redwood City and marinas operated by the County Harbor District at Pillar Point on the coast and at Oyster Point in South San Francisco could be flooded.

The new Kaiser Foundation hospital in Redwood City, the Kaiser Foundation medical office building in San Mateo, the new Palo Alto Medical Foundation medical office building in San Carlos, and the Stanford Health Care medical office buildings in Redwood City are all within the 55-inch SLR flood zone.

On the coast, parts of Half Moon Bay and Pescadero could be flooded. In Pacifica, the potential for SLR has “very serious implications . . . areas of the Sharp Park Golf Course, the Rockaway Beach district, and the West Linda Mar and West Sharp Park neighborhoods could be inundated.”<sup>15</sup> Further, “coastal erosion processes that have caused damage along the high bluffs of Pacifica’s northern neighborhoods would very likely increase in magnitude . . . while there

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<sup>14</sup> Pacific Institute, “Impacts of Sea Level Rise on the California Coast.”  
[http://www2.pacinst.org/reports/sea\\_level\\_rise/gmap.html](http://www2.pacinst.org/reports/sea_level_rise/gmap.html).

<sup>15</sup> Dyett & Bhatia (consultants), *City of Pacifica Draft General Plan*, March 2014, pp. 7-8.

could be new risks of erosion along the length of Pacifica’s coastline in areas that are not currently exposed to wave action erosion. . . .”<sup>16</sup>

### Countywide Impact—Tax Revenue

Although no exact figure has been calculated, it is evident that the impacts identified above would also have a severe effect on tax revenues from a variety of sources. In particular, a reduction in property tax revenue from SLR flood zones would affect all taxing entities in the county. This might affect the provision of County and city services throughout the county.

### Countywide Impact—Wastewater Treatment Plants

The impact of SLR is not limited to jurisdictions touching the ocean or bay. Inundation of wastewater treatment plants would pose severe countywide environmental and health threats. Since sewer systems rely on gravity, treatment plants are often located at sea level, with outflow of treated wastewater into the bay or ocean. The CEC report identified the following plants in SMC as vulnerable with 55 inches of SLR:<sup>17</sup>

- Mid-Coast Sewer Authority (includes the city of Half Moon Bay)
- City of Millbrae
- San Francisco International Airport
- City of San Mateo (includes the city of Foster City and part of the town of Hillsborough)
- South Bay Side System Authority (now Silicon Valley Clean Water) (includes the cities and towns of Atherton, Belmont, East Palo Alto, Menlo Park, Portola Valley, Redwood City, San Carlos, and Woodside)
- South San Francisco/San Bruno (includes the town of Colma)

In addition to the threat of flooding, it is likely that these plants, and others that pump their treated water into the bay or ocean, will also need to install stronger pumps in order to deal with the increased water pressure at depths that will have increased due to SLR.<sup>18</sup>

The State CO-CAT advises that shoreline wastewater treatment plants with no space to relocate inland have “low adaptive capacity and high potential impacts from flooding.” For such facilities, preparing for a higher projected SLR would be prudent.<sup>19</sup>

The Grand Jury toured the largest treatment plant, located in Redwood Shores, operated by Silicon Valley Clean Water. It serves 200,000 south county residents. At the plant, key

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<sup>16</sup> Ibid.

<sup>17</sup> Heberger et al., *The Impacts of Sea Level Rise*, p. 16. Note also that the City of Brisbane is served by the Southeast Water Quality Control treatment facility in San Francisco, which also appears to be vulnerable to SLR.

<sup>18</sup> Source: Interview.

<sup>19</sup> CO-CAT, *Sea-Level Rise Guidance*, pp. 3-4.

components have been elevated to protect against possible levee failure. However, this does not take into account SLR. Also, staff noted that the treatment plant receives wastewater from four pumping stations, all of which are in the SLR flood plain.<sup>20</sup>

### Catastrophic Sea Level Rise

A 2013 *National Geographic Magazine* article described potential SLR of 212 feet, over many centuries.<sup>21</sup> In a presentation to SMC officials, oceanographer John Englander said that a 10-foot rise over just 10-15 years is possible this century if two west Antarctic glaciers break loose into the ocean.<sup>22</sup> This would be *in addition to* the SLR already projected by State agencies. This Grand Jury report looks at the local planning required for up to about 55 inches of SLR. At this level, SLR impacts SMC to a much greater extent than other Bay Area counties, and it makes sense to look at this county separately. However, SLR on the order of 15 feet or more would severely impact the entire Bay Area and planning may need to be addressed primarily at the regional level.

### SLR Is a Countywide Issue

A key question is whether SLR should be viewed as a *countywide* threat or only as a risk to areas threatened with *actual inundation*. The answer to this question has important implications for how the problem is addressed—and who pays for it.

Currently, flood control, whether along creeks or shorelines, is the responsibility of each city, as cities have responsibility for public safety and for land use. In fact, exposure to SLR is partly the result of land use decisions by cities to develop tidal wetlands and other low-lying areas.

However, as detailed above, the impact of SLR will fall on *all* county residents. In particular, the exposure of wastewater treatment plants and the loss of countywide tax revenue are serious countywide threats.

### Public Awareness of the Threat

Developing a plan to adapt to SLR will require broad support among elected officials and other government policymakers and, most importantly, the general public. This, in turn, requires greater public awareness of the issue.

Two forums on SLR sponsored by Congresswoman Jackie Speier, Assemblyman Rich Gordon, and Supervisor Dave Pine have served to educate many local elected officials and government

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<sup>20</sup> Source: Interview.

<sup>21</sup> Tim Folger and George Steinmetz, “Rising Seas: How They Are Changing Our Coastlines,” *National Geographic*, September 2013.

<sup>22</sup> John Englander, Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise”; see also Will Travis (former Executive Director of BCDC), Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.” Travis noted that at some point higher levees may not be viable and suggested that we may need to look at the Dutch model of “living with water”; see also Larry Goldzband (Executive Director of BCDC), Conference Speech at Speier, Gordon, and Pine, “Meeting the Challenge of Sea Level Rise.” He noted the possibility of addressing SLR at the Golden Gate, rather than along the entire length of the bay shoreline.

staff.<sup>23</sup> However, as one city manager noted, continuing education is necessary as elected officials rotate off their councils.

Moreover, despite some press coverage of the two forums, it appears that the public at large is not well informed on the issue. At present, the Grand Jury is not aware of any on-going educational efforts by local governments to inform county residents about SLR, particularly as it may impact SMC.

## Preparing for SLR

### Existing Flood Protection in San Mateo County

Cities and two special local agencies are responsible for construction and maintenance of levees within their jurisdictions.<sup>24</sup> Often, they pay the entire cost of levee projects. They work closely with various regional, State, and federal permitting agencies to meet design standards, both for the structures themselves and the adjacent shoreline environment.<sup>25</sup>

Presently, there is a chain of levees along the bay. Each link in the chain is the responsibility of a different city or special agency. However, flood risk is based on topography, not political boundaries. Thus, the safety of properties in any given city often depends on levee projects undertaken by its neighboring cities. The public is protected only so long as the “weakest link” in the chain of levees is able to meet the threat. Officials interviewed by the Grand Jury identified a number of existing “weak links.”

Currently, no countywide agency has oversight of the levees as a whole. No agency provides countywide planning, coordinates cities’ construction and maintenance efforts, or assists with grant applications related to *existing* flood problems, much less preparing for SLR. Cities do not contribute money to pay for projects outside their jurisdiction, even though their own residents may benefit.

The San Mateo County Flood Control District is “countywide” on paper but its tax base is limited by the California Water Code to certain “subzones,” which were specified prior to the voters’ adoption in 1978 of Proposition 13. The District’s revenue stream is small and limited to funding flood control along the Colma, San Bruno, and San Francisquito Creeks. The District has no staff of its own, contracting with the County’s Public Works Department on an as-needed basis for necessary staffing.

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<sup>23</sup>Jackie Speier, Rich Gordon, and Dave Pine, “Meeting the Challenge of Sea Level Rise in San Mateo County,” College of San Mateo, December 9, 2013, and “Planning for Sea Level Rise in San Mateo County,” Foster City City Hall, June 27, 2014.

<sup>24</sup> The cities of East Palo Alto and Menlo Park, the San Mateo County Flood Control District, the city of Palo Alto and the Santa Clara Valley Water District have formed the San Francisquito Creek Joint Powers Authority to address flooding, enhanced ecosystems and recreation along that creek in both San Mateo and Santa Clara Counties. The San Mateo County Flood Control District also has responsibility for flood control along Colma and San Bruno Creeks.

<sup>25</sup> Other agencies may be involved in particular situations. For instance, Caltrans is responsible for protecting State highways and airport owners may be responsible for protecting certain airports. (Source: Interviews.)

## Current Efforts in San Mateo County to Plan for SLR<sup>26</sup>

The County has taken the lead in trying to jump-start the process of planning for SLR. Along with working groups of elected officials, city staff, and special district personnel, the County has commenced (a) conducting a vulnerability assessment, (b) exploring options for a countywide governance organization to address flood control and SLR, and (c) identifying sources of funding. In January 2015, the County's Office of Sustainability received a grant from the State Coastal Conservancy (SCC) to jointly manage an SLR vulnerability assessment for SMC. The study will cover the entire bayside and the coast from Half Moon Bay north.<sup>27</sup> While there is currently no guarantee, staff is confident that the Office of Sustainability will continue working on SLR beyond the period of the grant.

## Characteristics of a Possible Organization to Address SLR Planning

Almost every local official interviewed by the Grand Jury acknowledged the need for greater coordination among jurisdictions to address SLR. Each person was asked about options for "getting organized" to address SLR. Some of the characteristics identified by many of those interviewed include:

- The organization should be countywide, including upland and coastal communities.
- The cities should participate in decision-making by the organization.
- The organization should have a *focus* on SLR and have a staff with expertise in the subject.
- The organization must be sustainably funded.

Interviewees also identified a number of existing needs related to planning for SLR that should be met:

- Identify consistent SLR-related projections and flood control project standards for all jurisdictions
- Help coordinate jurisdictions regarding SLR-related flood control projects and seek a commitment by jurisdictions to implement projects in a timely fashion

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<sup>26</sup> Other important SLR-related efforts in SMC include the "SFO/San Bruno Creek/Colma Creek Resilience Study," a joint effort of the airport, affected cities, and the County to assess SLR impacts in the vicinity of San Francisco International Airport (Brendan P. Bartholomew, "Peninsula Sea-Level Study to Focus on Flood Threats Surrounding SFO," *San Francisco Examiner*, February 13, 2014). The San Francisquito Creek JPA is undertaking two SLR-related projects: the SAFER Bay project will protect property within the cities of East Palo Alto and Menlo Park from Bay 100-year tides with up to three feet of SLR and enhance and create Bay marshes; and the San Francisco Bay to Highway 101 project along San Francisquito Creek that will protect the tidally influenced areas of East Palo Alto and Palo Alto from a 100-year creek flow coincident with an extreme tide and 26 inches of SLR (<http://sfcjpa.org/projects>). In addition, the SCC is funding Local Coastal Plan updates for Half Moon Bay and Pacifica that will address adaptation to SLR (SCC, "San Mateo County Shoreline Vulnerability Assessment" RFP, February 18, 2015).

<sup>27</sup> SCC, "San Mateo County Shoreline Vulnerability Assessment," Staff Recommendation, January 29, 2015.

- Assist with grant applications (State and federal agencies prefer to provide grants to projects that demonstrate a multi-jurisdictional approach)
- Seek to broaden the revenue sources for SLR projects

However, several city managers and others questioned whether the cities are ready for a new organization to assume direct control of levees, since such an organization might impinge on city authority regarding public safety, land use, and use of eminent domain.

### Organizational Options

The Grand Jury discussed the following organizational options for SLR planning with the interviewees:

- Expanding the role of the County Flood Control District (SMCFCD) and/or the County Office of Sustainability
- Creating a new independent special district with an elected board (such as the Santa Clara Valley Water District)
- Expanding the role of the City/County Association of Governments (C/CAG)
- Creating a new joint powers authority (JPA) with an appointed board of elected officials from the cities and County (and possibly relevant special agencies)

The County option (first bullet point) offers advantages. As an existing agency, the Flood Control District would not need to be created anew (although legislative action would be required to expand its role). Its existing jurisdiction extends countywide, at least on paper. County staff already has expertise in matters relating to flood control. Although separate, the SMC Office of Sustainability is also developing staff with knowledge about SLR. The relevant functions of the Office of Sustainability and County's Public Works Department (which staffs the County Flood Control District) could easily be coordinated or merged. Both the Flood Control District and the Office of Sustainability are responsible to the County Board of Supervisors. Therefore, a way would need to be found to ensure that cities may participate in decision-making. Given its other responsibilities, some interviewees were also concerned that the County Board of Supervisors might not be able to give SLR the focus it requires.

In the case of an independent special district with its own elected board (second bullet point), neither the cities nor the County Board of Supervisors would have decision-making authority. It is not a near-term option, since it would require voter approval, hiring of staff and acquisition of office space, among other things. The Grand Jury's investigation also suggests that the creation of a new district would be an expensive choice, particularly if the district's responsibilities are limited to SLR planning. An independent special district might be a more appropriate option if responsibilities included actual levee construction and maintenance.

The Grand Jury inquired as to whether C/CAG, which already has committees on several environmental subjects, could expand its role to include planning for SLR. However, local officials felt that C/CAG is strongly focused on congestion management and does not have

expertise in SLR/flood control. C/CAG staff has not proposed to the agency's Board of Directors that the agency take on SLR.<sup>28</sup>

Creating a new JPA (fourth bullet point) would allow the cities (and County) to have a voice. A JPA for SLR could hire staff with expertise in the field and, as a single-purpose agency, could stay focused on SLR. One negative factor is the need to create a brand new governmental structure and the added expense to do so. However, it is possible that the JPA could contract for administrative services and staffing with another agency, such as the County. A second concern expressed by local officials is the need to structure the JPA so that a membership that includes the County, 20 cities, and possibly other relevant local agencies does not become unwieldy.

Based on this analysis, the Grand Jury concludes that, under current circumstances, there is no perfect choice for an organization to undertake countywide SLR planning. However, it appears that either enlarging the role of the County Flood Control District or creating a new JPA would be viable options. What is critical is that a coordinated countywide approach be agreed upon soon.

### Funding of an Organization to Plan for SLR

The costs of an organization that only focuses on *planning-type* functions such as coordinating local jurisdictions, conducting studies, developing standards and timelines, and preparing grant applications would be much less than the cost of actual construction of levees. It could be funded by member contributions, grants, and contributions from industry and wastewater treatment agencies. This would be similar to the general fund revenues that C/CAG currently collects from member contributions and grants.

### Funding of Projects to Protect against SLR

At the Grand Jury's first interview, a local official posed the following question regarding SLR: "how are we going to pay for it?" Levee construction is extremely expensive. Projects recently completed or proposed in the county, just to address existing needs, have run into the tens of millions of dollars.<sup>29</sup>

### Current Funding for Levee Protection in San Mateo County

Currently, funding for levee projects comes mainly from local general funds or capital improvement funds, plus, in some cases, an assessment on property owners who directly benefit from such projects. Where relatively few properties are involved, the assessment per parcel can be prohibitive.

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<sup>28</sup> Source: Interview.

<sup>29</sup> For example, in 2012 the City of San Mateo completed \$22.7 million in levee improvements to protect 8,000 properties and faces raising another \$22.35 million for levee improvements to protect 1,500 properties that remain in FEMA flood insurance rate maps (Larry Patterson, Conference Speech at Speier, Gordon, and Pine, "Meeting the Challenge of Sea Level Rise"). The San Francisquito Creek JPA has secured State and local funding for its \$37.5 million project for the portion of that creek between the Bay and Highway 101 (Gennady Sheyner, "San Francisquito Creek Project Sees Breakthrough after Permit Stall," *Palo Alto Online*, November 3, 2014, and interview).



The cost of flood insurance to property owners is also expensive. As a result, cities focus on projects that remove residents from FEMA flood zones (which determine the need for insurance). Savings on insurance helps offset the cost of a property assessment.

### Potential Countywide Sources of Funding for SLR Projects

City general funds and assessments on properties that directly benefit may also be used for SLR-related projects. However, since SLR has countywide impacts, spreading part of the cost countywide appears justified. Some potential sources of countywide revenue include:<sup>30</sup>

- Wastewater agencies may impose fees on customers within their service area to help pay for levee projects that protect wastewater treatment plants and pumping stations threatened by SLR.
- Officials interviewed doubt that, at present, SLR levee projects could secure the 66.7% voter approval required under Proposition 218 for a special tax (i.e., a tax imposed to raise revenue for a specific purpose). However, this could be a source of funds in the future, when the threat of SLR becomes more evident.
- The County and cities may raise funds through general taxes, such as County Measure A (2012), which require approval of a simple majority of voters, and distribute a *portion* of such revenues to protect against SLR, so long as the measure does not include a specific commitment to fund SLR projects.
- C/CAG used the simple majority voter threshold to win approval for County Measure M (2010), a vehicle registration fee used for a variety of transportation projects and for mitigation of transportation-related stormwater pollution.<sup>31</sup> Any organization, such as the County Flood Control District or a new JPA, that addresses SLR and other related issues such as groundwater management and water pollution, might be able to use a similar approach.
- State law (SB 628, 2014) allows for the formation of Enhanced Infrastructure Financing Districts within cities and counties with the authority to issue bonds, with 55% voter approval, for purposes such as “flood control levees and dams, retention basins, and drainage channels.”<sup>32</sup> In certain circumstances, such districts may be formed within SMC jurisdictions to serve as a source of funding for SLR projects.
- Contributions may be solicited from business parks or agencies responsible for facilities such as airports or highways that are within SLR flood plains. For example, the Facebook headquarters campus in Menlo Park will benefit from the San Francisquito Creek JPA’s SAFER project, and the company has contributed \$275,000 toward its design and EIR.<sup>33</sup>
- Mitigation fees may be imposed on new developments in areas subject to SLR.

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<sup>30</sup> Source: Interview.

<sup>31</sup> C/CAG, Funding-Local/Measure M. <http://ccag.ca.gov/funding/measure-m/>.

<sup>32</sup> California Legislative Information, SB-678 Enhanced Infrastructure Financing Districts.

<sup>33</sup> Renee Batti, “Stemming the Tide,” *Almanac: The Hometown Newspaper for Menlo Park, Atherton, Portola Valley and Woodside*, March 10, 2014, and interview source.

## Potential Regional, State, and Federal Sources of Funding for SLR Projects

To date, local cities have received little federal or State funding for levee projects.<sup>34</sup> Several officials advised that granting agencies typically prefer projects that show multi-jurisdictional cooperation, placing the local government entities in San Mateo County at a significant competitive disadvantage in securing such funds. However, even for a multi-jurisdictional project, grants are highly competitive. SLR-related projects face a further difficulty if the granting agency does not yet recognize the risk of SLR. Finally, since SMC is by far the county most vulnerable to SLR, it may be difficult to find other counties with similar needs with which to collaborate on a regional basis. However, there is one new source of funding:

- The State of California's Climate Resilience Account, created in 2014, is a source of grant funding directed specifically at SLR. Although only \$2.5 million has been allocated statewide in the first year, it may be enlarged in the future.

## Reducing Costs by Integrating SLR-Related Projects with Other Levee Projects

Given that the amount and rate of SLR are uncertain, local officials may be reluctant to spend large amounts of money for projects that may never be needed. Possible cost-saving options that cities and relevant special agencies may examine on a case-by-case basis include:<sup>35</sup>

- Integrating SLR-related protection with existing planned or proposed levee projects<sup>36</sup>
- Developing SLR-related projects in stages, with specific "triggers" required before undertaking each stage of construction

In order to take advantage of these cost-saving options, however, SLR planning should begin now. For instance, a FEMA representative has advised county officials that new FEMA flood hazard maps will be forthcoming in the near future. These maps will reflect a new higher calculation of bay wave action during storms. This new calculation, which is independent of any SLR effect, may trigger the need for new levee projects to keep properties in SMC from being subject to flood insurance requirements. Incorporating consideration of future SLR in these new projects may result in cost-savings later.<sup>37</sup>

## SLR Is a Land Use Issue

Levee projects are a common solution to SLR. However, they may not be feasible everywhere, due to financial, environmental, or technical reasons. If the risk of flooding due to SLR cannot be completely eliminated, the County and cities will need to examine land use measures to help mitigate the threat of SLR.<sup>38</sup> Possible land use measures include the following:

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<sup>34</sup> Notably, San Francisquito Creek JPA has received an \$8 million State Water Resources Board grant for a multi-jurisdictional project. (Source: Interview.)

<sup>35</sup> Craig Conner, U.S. Army Corps of Engineers, Conference Speech at Speier, Gordon, and Pine, "Meeting the Challenge of Sea Level Rise." These suggestions were supported by local officials interviewed by the Grand Jury.

<sup>36</sup> The San Francisquito Creek JPA's San Francisco Bay to Highway 101 flood protection project will address, in combination, a 100-year creek flow coincident with an extreme tide and 26 inches of SLR. (Source: Interview.)

<sup>37</sup> Kathleen Schaefer, FEMA, Conference Speech at Speier, Gordon, and Pine, "Meeting the Challenge of Sea Level Rise."

<sup>38</sup> Flood control levees themselves are local land uses, sometimes offering public trails, and vista points, and other recreational options.

- Jurisdictions can include adaptation to SLR in the Safety Element of their General Plans. While not required by State Guidelines,<sup>39</sup> several cities in the county do mention SLR in their Safety Elements and/or Climate Action Plans.<sup>40</sup>
- Jurisdictions may restrict new development or types of land use in areas subject to SLR.
- Jurisdictions may use building codes to mitigate SLR flood risk. For instance, they could require habitable areas and key building equipment be placed above flood level.
- Jurisdictions may identify areas suitable for environmental resource protection and habitat enhancement, in light of the threat of SLR.
- Jurisdictions may need to identify certain areas to be abandoned to SLR.
- Jurisdictions may impose SLR mitigation fees as a condition of approval on major residential or commercial projects in undeveloped areas subject to future SLR.
- Jurisdictions may use the CEQA environmental review process to ensure that exposure to SLR is considered, and mitigation measures identified, when major residential or commercial projects are proposed within a SLR flood plain.

### Actions Needed at the Regional, State, and Federal Levels

While focused on SMC, this investigation points to the need for action on SLR at other levels of government. The County, cities, and relevant local special districts, through their representation at regional agencies, memberships in state associations, lobbyists, and elected State and federal legislators, could advocate on our behalf. Some examples include:

- Federal agencies, such as the U.S. Army Corps of Engineers, do not currently recognize SLR in their flood control mapping and/or funding.<sup>41</sup>
- Federal and State funding is extremely limited for all stages of adaptation to SLR: studies, planning, and actual levee projects.

<sup>39</sup> California Governor's Office of Planning and Research, *State of California General Plan Guidelines*, 2003.

<sup>40</sup> The City of Pacifica's draft Safety Element has a particularly comprehensive discussion related to SLR. However, the City will wait for "an adequate model with sufficient local detail" to project specific impacts of SLR (see Dyett & Bhatia, *City of Pacifica Draft General Plan*, March 2014, pp. 8-11 – 8-16). The City of San Carlos approved a *Climate Action Plan* (CAP) as a component of the City's General Plan update. The CAP includes a BCDC map of the city showing SLR of 16 and 55 inches. The City's approach to SLR is to cooperate with regional agencies, such as BCDC. (See City of San Carlos, *Climate Action Plan*, October 12, 2009, pp. 2, 87-91.) The City of San Mateo commissioned a report that includes a description of the potential effects of SLR on that city and has appended the report to the City's General Plan. However, the General Plan states that "considering that there is no definitive estimate and that sea level rise will occur slowly over time, the City will continue to address FEMA's current certification standards" (see *City of San Mateo 2030 General Plan*, 2010, pp. VII-6 and Appendix V, Schaaf & Wheeler, *Climate Change Impacts for San Mateo, California*).

<sup>41</sup> This may change. "In accord with the Biggert-Water Flood Insurance Reform Act of 2012, FEMA is to establish a Technical Mapping Advisory Council that will provide recommendations to FEMA on flood hazard mapping guidelines— including . . . the impacts of sea level rise. . . . FEMA will be required to incorporate future risk assessment in accordance with the recommendations of the Council." (See FEMA, <http://www.fema.gov/coastal-frequently-asked-questions#CoastalFloodHazardMappingQuestions>, pp. 10-11.)

- With just \$2.5 million in this year’s budget for statewide use, funding of the California Climate Resilience Account, dedicated to SLR, is inadequate.
- California General Plan Guidelines (2003), prepared by the Governor’s Office of Planning and Research, do not require that SLR be addressed in the Safety Element or elsewhere in local general plans.
- Regional agencies, such as BCDC, could provide a forum for discussing SLR, including alternatives for addressing catastrophic SLR greater than 10 feet.

While these and other actions at the regional, State, and federal levels are important, it must be emphasized that San Mateo County cannot afford to wait for planning and resources to appear from outside the county. They may never come.

## FINDINGS

- F1. SMC is at severe risk for flooding due to the gradual rise in sea level, projected at up to 65 inches (167 centimeters) by the year 2100. Catastrophic SLR of nearly 15 feet is a possibility this century.
- F2. SLR is a threat *countywide*, including the upland areas. All residents depend on public infrastructure, especially wastewater treatment plants. Also, a significant portion of the countywide property tax base is within the area threatened by SLR.
- F3. Although many local officials are now familiar with and concerned about the threat of SLR, there is inadequate public awareness of SLR’s potential impacts on this county.
- F4. Levees, including their financing, are currently the responsibility of each individual city or special agency with jurisdiction along streams, bay, and coast (the County is responsible for unincorporated areas).
- F5. Flood risk is based on topography, not political boundaries. The safety of properties in one jurisdiction often depends on levee projects undertaken by another jurisdiction.
- F6. Currently, no countywide agency exists to provide planning, facilitate coordination among jurisdictions, or to assist with securing funding for *existing* flood control projects. The same is true for future SLR-related projects.
- F7. To the Grand Jury’s knowledge, no local jurisdiction has adopted SLR projections or maps for specific local land use planning purposes.<sup>42</sup> No consistent SLR projection has been adopted countywide by the County and cities.
- F8. There is a recognized need for a countywide approach to SLR planning and coordination among jurisdictions.
- F9. Several city managers and others interviewed did not support having a new countywide organization assume direct control of levee projects at this time.
- F10. The County and cities can address SLR in their General Plans and Climate Action Plans, can map the threat, and can adopt relevant policies.

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<sup>42</sup> See discussion of SLR planning in several San Mateo County cities in footnote 39.

- F11. Many actions to address SLR are within the authority of regional, State, and federal agencies.
- F12. By acting *now*, SMC may be able to reduce future costs by integrating SLR-related projects with other programmed levee projects, and by using land use planning measures to mitigate future exposure to SLR.

## RECOMMENDATIONS

### **The Grand Jury recommends increased public education about SLR:**

- R1. The County, each city in the county and relevant local special agencies<sup>43</sup> should conduct a public education effort to increase awareness of SLR and its potential effects on this county.

### **The Grand Jury recommends identifying a single organization to undertake SLR planning:**

- R2. The County, each city in the county and relevant local special agencies<sup>44</sup> should identify a single organization, such as a new joint powers authority or an expanded SMC Flood Control District, to undertake countywide SLR planning. It should be structured to ensure that:

- The organization is countywide in scope
- The organization is able to *focus* on SLR
- Both the County and cities (and possibly relevant local agencies) are able to participate in the organization's decision-making<sup>45</sup>
- The organization is sustainably funded

- R3. The organization's responsibilities should include:

- Adopt consistent SLR projections for use in levee planning countywide
- Conduct and/or evaluate vulnerability assessments<sup>46</sup>
- Provide a forum for inter-jurisdictional coordination and exchange of information related to SLR
- Undertake grant applications for SLR-related planning and projects
- Facilitate raising funds on a countywide basis for SLR-related projects, to be passed through to agencies with direct responsibility for project construction

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<sup>43</sup> San Mateo County Flood Control District and San Francisquito Creek Joint Powers Authority.

<sup>44</sup> Ibid.

<sup>45</sup> The organization could also create a technical advisory committee with representatives of departments responsible for levee construction and management, as well as representatives of public facilities at risk, such as airports and wastewater treatment plants.

<sup>46</sup> A vulnerability assessment could (a) inventory areas at risk for SLR (commercial, residential, public facilities, and infrastructure), (b) determine the adequacy of existing levee protection, and (c) identify and prioritize the projects that will be needed to adapt to SLR.

- Monitor actual SLR over time and any changes in SLR projections, based upon the latest federal, State, or regional government reports and scientific studies
  - Through the CEQA environmental review process, comment on major new developments proposed in the SLR floodplain
  - Advocate on behalf of the member jurisdictions with federal, State, and regional agencies regarding SLR issues
  - Assist the County and cities in public awareness efforts, as described in R1
- R4. The County, cities and two relevant local special agencies<sup>47</sup> should consider expanding the role of the organization beyond SLR to include planning and coordination of efforts to address *existing* flooding problems along the Bay, coast, and creeks that are subject to tidal action. It may be cost-effective to integrate SLR protection with other levee-improvement programs.
- The County and cities may also consider expanding the role of the new organization to include potentially compatible functions such as the National Pollution Discharge Elimination System (NPDES), currently managed by C/CAG, and the new (2014) State requirements for local sustainable groundwater planning.
- R5. The organization—its administration, staffing, and program expenses—should be funded on a sustainable basis by:
- Member contributions
  - Contributions solicited from parties threatened by SLR, including corporations and agencies that operate public facilities such as wastewater treatment plants
  - Grants solicited from available potential sources such as the California Climate Resilience Account
  - Reducing administrative costs by contracting for services with the County or another agency

**The Grand Jury recommends that SLR be addressed in local land use planning:**

- R6. The County and each city should amend its General Plan, as needed, to address the risk for SLR. The Safety Element<sup>48</sup> should include a map of any areas vulnerable to SLR, as determined by measurements in the countywide Vulnerability Assessment [R3]. Further, it should identify policies that apply to areas threatened by SLR.

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<sup>47</sup> San Mateo County Flood Control District and San Francisquito Creek Joint Powers Authority.

<sup>48</sup> As an alternative, the City of San Carlos has addressed SLR in its Climate Action Plan (CAP). The City states that the CAP was developed as a “component of the 2009 General Plan update . . . a legally defensible approach to ensuring that the Climate Action Plan is implemented” (see City of San Carlos, *Climate Action Plan*, 2009, p. 2).

**The Grand Jury recommends that local governments champion SLR issues before regional, State, and federal governments and agencies:**

R7. The County, cities, and relevant local special agencies, through their representatives on regional agencies, membership in state associations, lobbyists, and elected State and federal legislators, should pursue SLR-related issues with government bodies outside SMC.

## REQUEST FOR RESPONSES

Pursuant to Penal code section 933.05, the Grand Jury requests responses as follows:

From the following governing bodies:

Responses to recommendations R1, R2, R3, R4, R5, R6, and R7 are requested from:

- The County of San Mateo Board of Supervisors
- The City and Town Councils of Atherton, Belmont, Brisbane, Burlingame, Colma, Daly City, East Palo Alto, Foster City, Half Moon Bay, Hillsborough, Menlo Park, Millbrae, Pacifica, Portola Valley, Redwood City, San Bruno, San Carlos, San Mateo, South San Francisco, and Woodside

Responses to recommendations R1, R2, R3, R4, R5, and R7 are requested from:

- The Board of Directors of the San Francisquito Creek Joint Powers Authority

Response to recommendation R4 is requested from:

- The Board of Directors of the City/County Association of Governments of San Mateo County

The governing bodies indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda, and open meeting requirements of the Brown Act.

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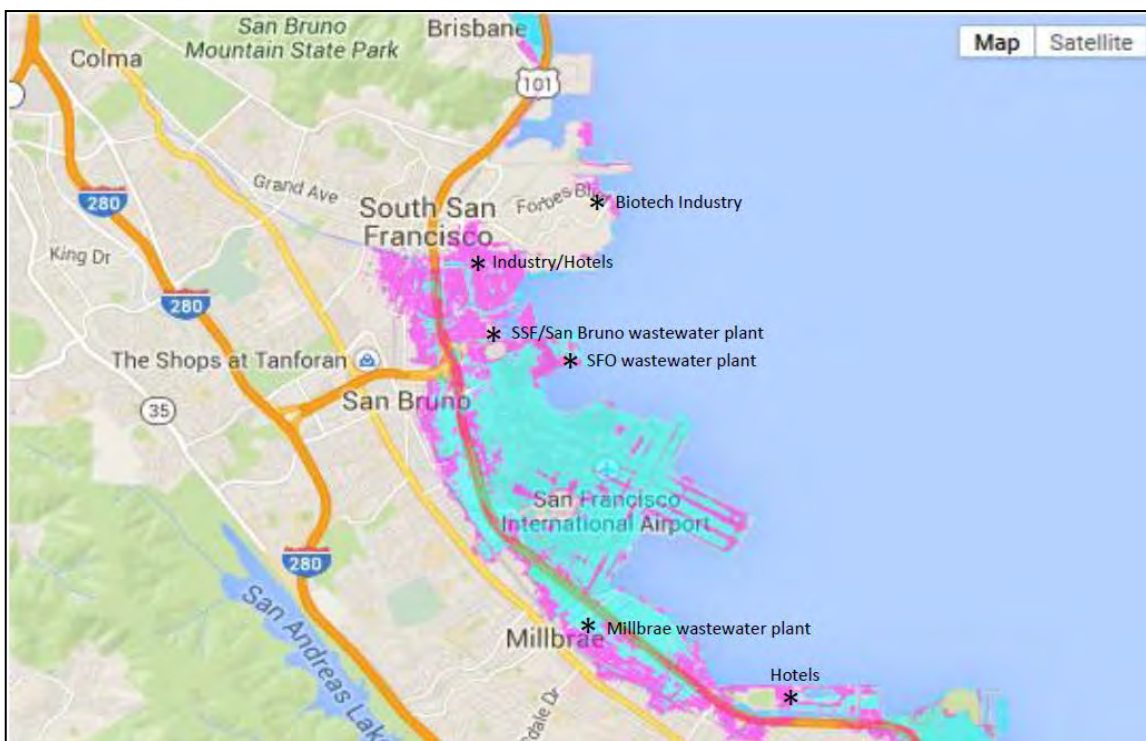
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## APPENDIX



Sea level rise inundation maps for selected areas of San Mateo County are presented below. The turquoise-colored zones represent the “current area at risk” to flooding during a 100-year storm, without consideration of existing flood protection levees. The magenta-colored zones represent the area at risk during a 100-year storm with 1.4 meters of SLR (140 centimeters or about 55 inches). The green-colored zones represent areas at risk of erosion from 1.4 meters of SLR, but are not clearly distinguishable at the scale used in this Appendix. These maps were prepared by the Pacific Institute, with specific infrastructure and major government and commercial facilities identified by the Grand Jury with an \* symbol.

### SAN FRANCISCO INTERNATIONAL AIRPORT AND VICINITY




Maps from Pacific Institute at "[http://www2.pacinst.org/reports/sea\\_level\\_rise/gmap.html](http://www2.pacinst.org/reports/sea_level_rise/gmap.html)"  
Modified by the Grand Jury to show facilities at risk

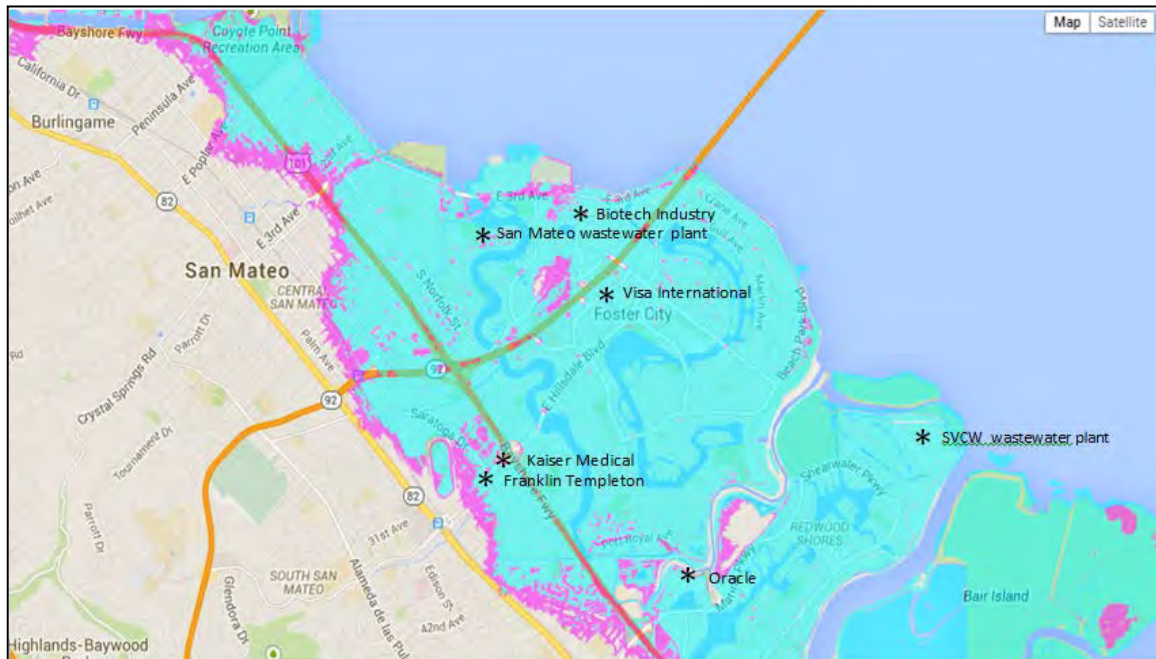
#### Area at risk from a 100-year coastal flood event

-  Current area at risk
-  Area at risk with a 1.4 meter sea-level rise

#### Erosion

-  Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

## SAN MATEO AND VICINITY



Maps from Pacific Institute at "[http://www2.pacinst.org/reports/sea\\_level\\_rise/gmap.html](http://www2.pacinst.org/reports/sea_level_rise/gmap.html)"  
Modified by the Grand Jury to show facilities at risk

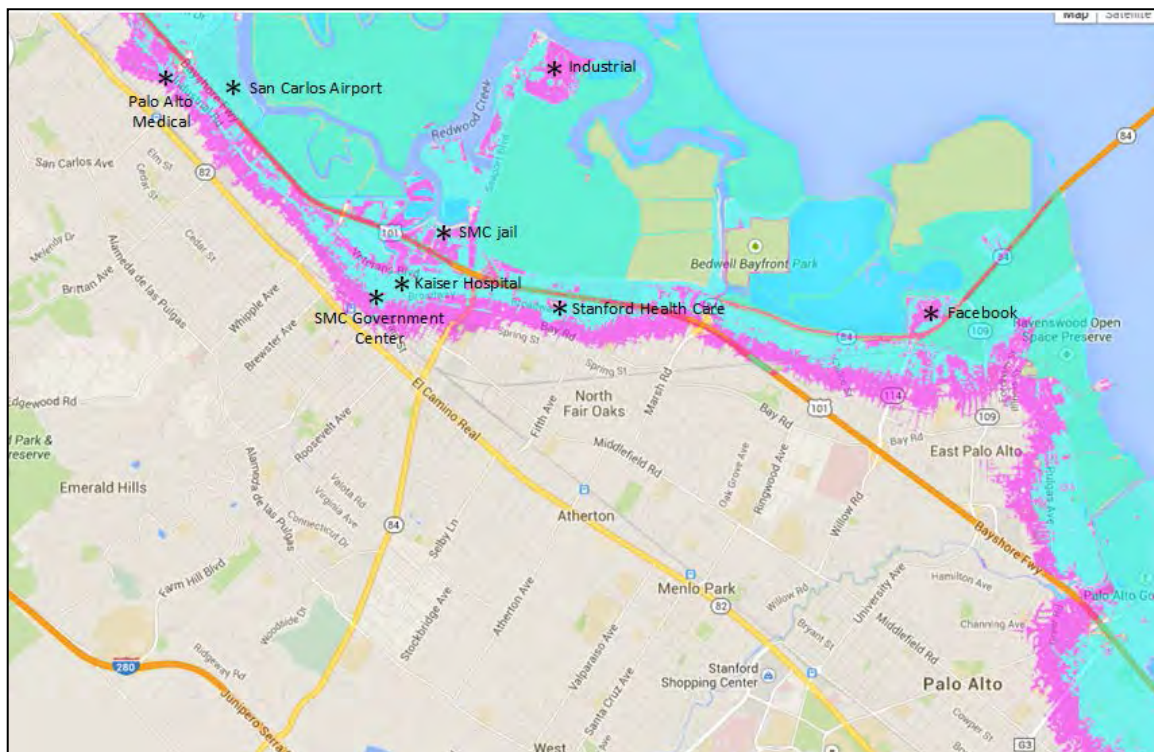
### Area at risk from a 100-year coastal flood event

- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

### Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

## REDWOOD CITY AND VICINITY



Maps from Pacific Institute at "[http://www2.pacinst.org/reports/sea\\_level\\_rise/gmap.html](http://www2.pacinst.org/reports/sea_level_rise/gmap.html)"  
Modified by the Grand Jury to show facilities at risk

### Area at risk from a 100-year coastal flood event

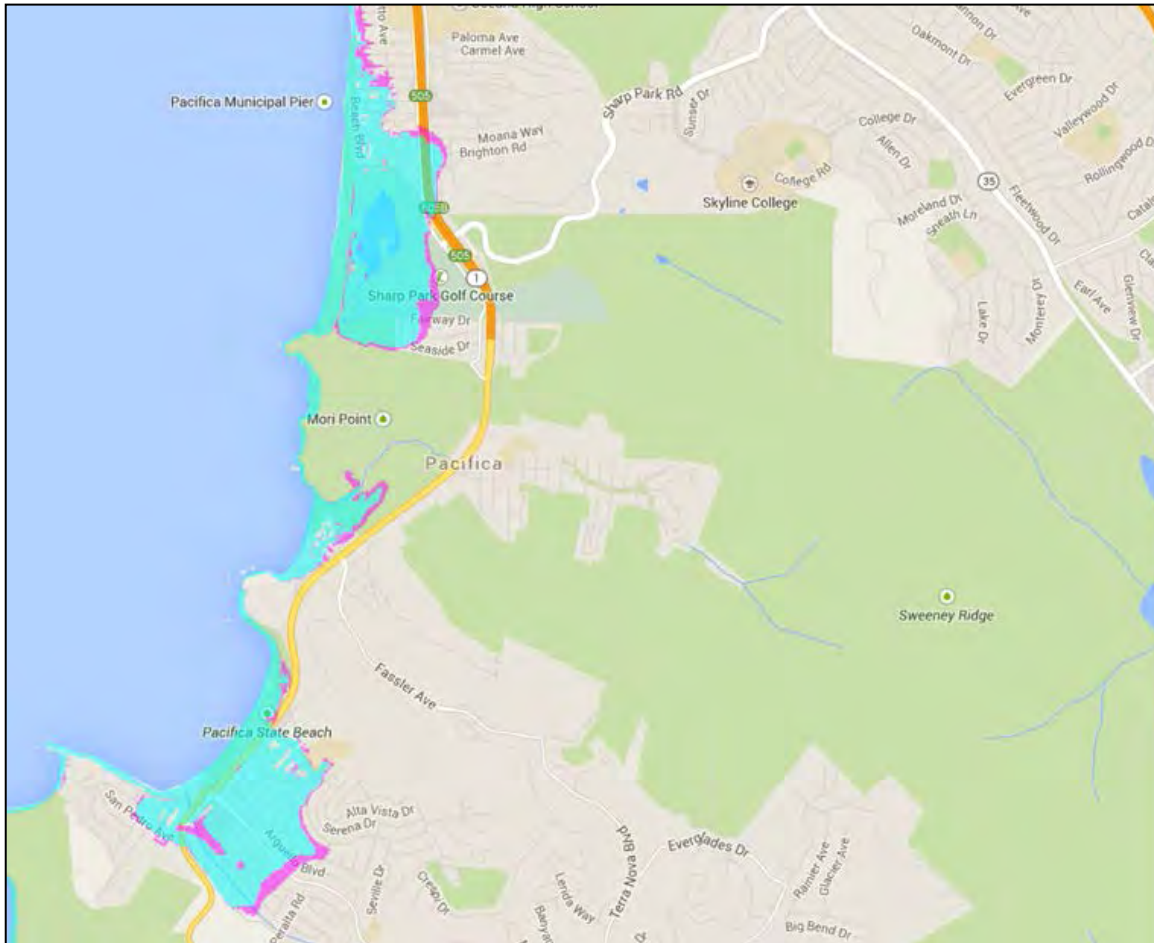
- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

### Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise



## PACIFICA



Maps from Pacific Institute at "[http://www2.pacinst.org/reports/sea\\_level\\_rise/gmap.html](http://www2.pacinst.org/reports/sea_level_rise/gmap.html)"

### Area at risk from a 100-year coastal flood event

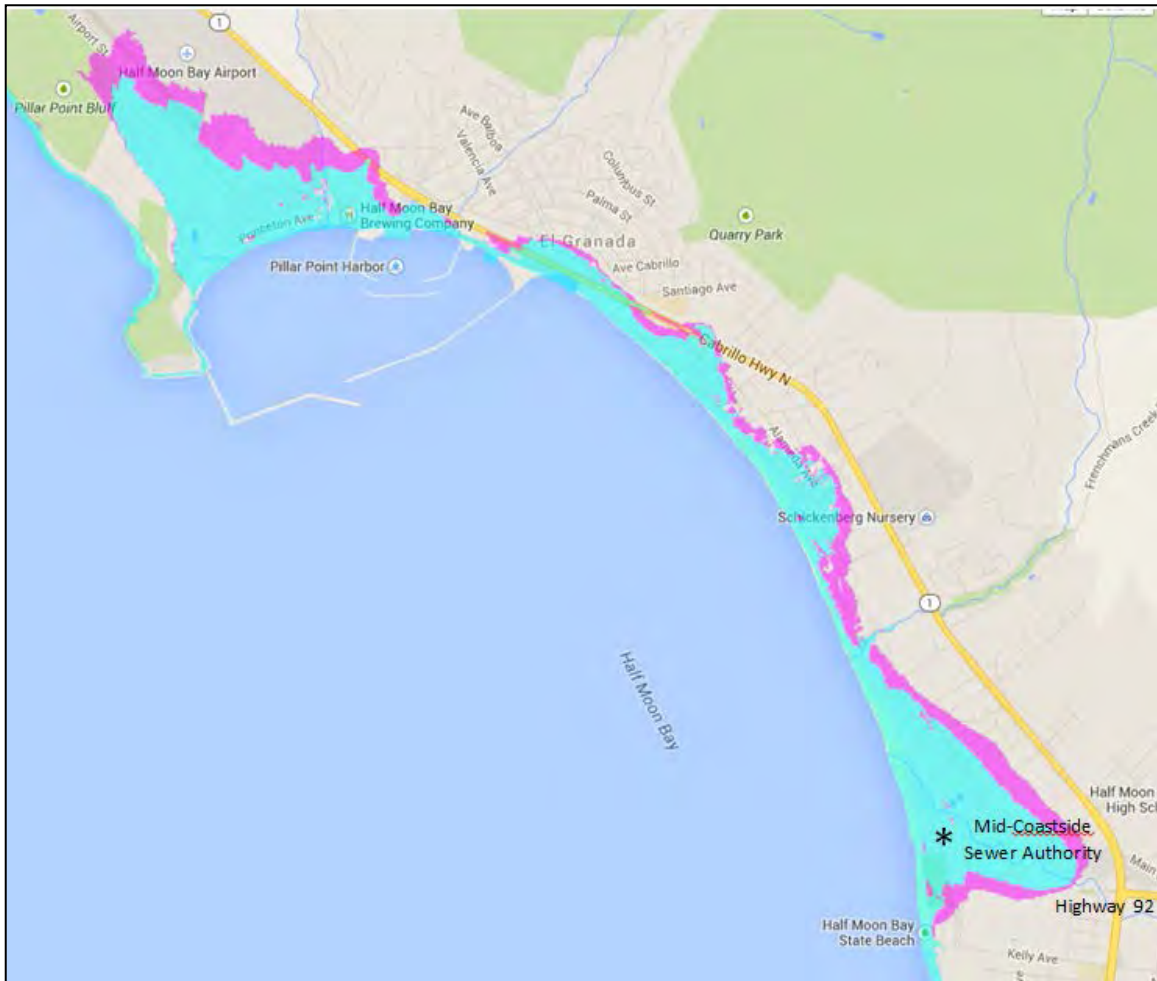
- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

### Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise



## HALF MOON BAY



Maps from Pacific Institute at "[http://www2.pacinst.org/reports/sea\\_level\\_rise/gmap.html](http://www2.pacinst.org/reports/sea_level_rise/gmap.html)"  
Modified by the Grand Jury to show facility at risk

### Area at risk from a 100-year coastal flood event

- Current area at risk
- Area at risk with a 1.4 meter sea-level rise

### Erosion

- Area at risk from erosion in 2100 with a 1.4 meter sea-level rise

Issued: June 4, 2015

June 4, 2015

A typographical error was discovered following the distribution of advance copies of the report entitled "Flooding Ahead: Planning for Sea Level Rise."

The first bullet point at the top of Page 6 should reference 6 wastewater treatment plants, not 5. Those six wastewater treatment plants are listed with greater detail on Page 7.



## TOWN OF COLMA

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July 15, 2015

## City Council

Joanne F. del Rosario  
Mayor

Diana Colvin  
Vice Mayor

Helen Fisicaro  
Council Member

Raquel "Rae" Gonzalez  
Council Member

Joseph Silva  
Council Member

## City Officials

Sean Rabé  
City Manager

Kirk Stratton  
Chief of Police

Christopher Diaz  
City Attorney

Cyrus Kianpour  
City Engineer

Brad Donohue  
Public Works Director

Michael Laughlin, AICP  
City Planner

Brian Dossey  
Director of Recreation  
Services

Lori Burns  
Human Resources Manager

The Honorable Susan I. Etezadi  
Judge of the Superior Court  
c/o Charlene Kresevich  
Hall of Justice  
400 County Center; 8<sup>th</sup> Floor  
Redwood City, CA 94063-1655

**Re: Grand Jury Report: "Flooding Ahead: Planning For Sea Level Rise"**

Dear Judge Etezadi:

The Colma City Council received the San Mateo County Civil Grand Jury report titled "Flooding Ahead: Planning For Sea Level Rise" in late June. The report contained several "findings" and "recommendations."

The Town was requested to submit comments in regards to the findings and recommendations within 90 days and no later than September 3, 2015.

For the "findings," the Town was to indicate one of the following:

1. Council agrees with the finding.
2. Council disagrees wholly or partially with the finding, in which case the response shall specify the portion of the finding that is disputed, and shall include an explanation of the reasons therefore.

Additionally, for the Grand Jury "recommendations," the Town was requested to report one of the following actions:

1. The recommendation has been implemented, with a summary regarding the implemented action.
2. The recommendation has not yet been implemented, but will be implemented in the future, with a time frame for implementation.
3. The recommendation requires further analysis, with an explanation and the scope and parameters of an analysis or study, and a time frame for the matter to be prepared for discussion by the officer or director of the agency or department being investigated or reviewed, including the governing body of the public agency when applicable. This time frame shall not exceed six months from the date of publication of the Grand Jury report.
4. The recommendation will not be implemented because it is not warranted or reasonable, with an explanation therefore.

The following response to the Grand Jury Report was approved by the Colma City Council, at its meeting on Wednesday, July 15, 2015.

### **Grand Jury Findings**

The 2014/15 Grand Jury found the following regarding Sea Level Rise in San Mateo County:

**F1. SMC is at severe risk for flooding due to the gradual rise in sea level, projected at up to 65 inches (167 centimeters) by the year 2100. Catastrophic SLR of nearly 15 feet is a possibility this century.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F2. SLR is a threat *countywide*, including the upland areas. All residents depend on public infrastructure, especially wastewater treatment plants. Also, a significant portion of the countywide property tax base is within the area threatened by SLR.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F3. Although many local officials are now familiar with and concerned about the threat of SLR, there is inadequate public awareness of SLR's potential impacts on this county.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F4. Levees, including their financing, are currently the responsibility of each individual city or special agency with jurisdiction along streams, bay, and coast (the County is responsible for unincorporated areas).**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F5. Flood risk is based on topography, not political boundaries. The safety of properties in one jurisdiction often depends on levee projects undertaken by another jurisdiction.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F6. Currently, no countywide agency exists to provide planning, facilitate coordination among jurisdictions, or to assist with securing funding for *existing* flood control projects. The same is true for future SLR-related projects.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F7. To the Grand Jury's knowledge, no local jurisdiction has adopted SLR projections or maps for specific local land use planning purposes. No consistent SLR projection has been adopted countywide by the County and cities.**

*TOWN OF COLMA RESPONSE: The Town Of Colma agrees with this finding.*

**F8. There is a recognized need for a countywide approach to SLR planning and coordination among jurisdictions.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as further study is needed to determine if a countywide approach is the best means of addressing sea level rise.*

**F9. Several city managers and others interviewed did not support having a new countywide organization assume direct control of levee projects at this time.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as neither the City Council nor the City Manager were interviewed for the Grand Jury Report.*

**F10. The County and cities can address SLR in their General Plans and Climate Action Plans, can map the threat, and can adopt relevant policies.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as further study is needed to determine the best means of addressing sea level rise, including adoption of relevant policies.*

**F11. Many actions to address SLR are within the authority of regional, State, and federal agencies.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as further study is needed to determine the best means of addressing sea level rise.*

**F12. By acting *now*, SMC may be able to reduce future costs by integrating SLR-related projects with other programmed levee projects, and by using land use planning measures to mitigate future exposure to SLR.**

*TOWN OF COLMA RESPONSE: The Town Of Colma partially disagrees with this finding as further study is needed to determine the best means of addressing sea level rise.*

### **Grand Jury Recommendations**

**The Grand Jury recommends increased public education about SLR:**

R1. The County, each city in the county and relevant local special agencies should conduct a public education effort to increase awareness of SLR and its potential effects on this county.

*TOWN OF COLMA RESPONSE: The Town Of Colma has not yet implemented this recommendation but will implement it and the Town believes the recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing sea level rise – including increasing awareness. The Town is actively participating in the Study.*

**The Grand Jury recommends identifying a single organization to undertake SLR planning:**

R2. The County, each city in the county and relevant local special agencies should identify a single organization, such as a new joint powers authority or an expanded SMC Flood Control District, to undertake countywide SLR planning. It should be structured to ensure that:

- The organization is countywide in scope
- The organization is able to *focus* on SLR
- Both the County and cities (and possibly relevant local agencies) are able to participate in the organization's decision-making
- The organization is sustainably funded

*TOWN OF COLMA RESPONSE: The Town Of Colma believes this recommendation requires further analysis of Sea Level Rise and the most efficient means of addressing it prior to the establishment of any organization focusing on SLR. The recently-formed San*

*Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will consider the type of organization best suited to addressing SLR.*

R3. The organization's responsibilities should include:

- Adopt consistent SLR projections for use in levee planning countywide
- Conduct and/or evaluate vulnerability assessments<sup>46</sup>
- Provide a forum for inter-jurisdictional coordination and exchange of information related to SLR
- Undertake grant applications for SLR-related planning and projects
- Facilitate raising funds on a countywide basis for SLR-related projects, to be passed through to agencies with direct responsibility for project construction
- Monitor actual SLR over time and any changes in SLR projections, based upon the latest federal, State, or regional government reports and scientific studies
- Through the CEQA environmental review process, comment on major new developments proposed in the SLR floodplain
- Advocate on behalf of the member jurisdictions with federal, State, and regional agencies regarding SLR issues
- Assist the County and cities in public awareness efforts, as described in R1

*TOWN OF COLMA RESPONSE: The Town Of Colma believes this recommendation requires further analysis of Sea Level Rise and the most efficient means of addressing it prior to the establishment of any organization focusing on SLR. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will consider the type of organization best suited to addressing SLR.*

R4. The County, cities and two relevant local special agencies should consider expanding the role of the organization beyond SLR to include planning and coordination of efforts to address *existing* flooding problems along the Bay, coast, and creeks that are subject to tidal action. It may be cost-effective to integrate SLR protection with other levee-improvement programs. The County and cities may also consider expanding the role of the new organization to include potentially compatible functions such as the National Pollution Discharge Elimination System (NPDES), currently managed by C/CAG, and the new (2014) State requirements for local sustainable groundwater planning.

*TOWN OF COLMA RESPONSE: This recommendation requires further analysis prior to any implementation. As noted in the above responses, the Town Of Colma believes further analysis of Sea Level Rise and the most efficient means of addressing it are important prior to the establishment of any organization focusing on SLR. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will consider the type of organization best suited to addressing SLR, and any expanded role.*

R5. The organization—its administration, staffing, and program expenses—should be funded on a sustainable basis by:

- Member contributions

- Contributions solicited from parties threatened by SLR, including corporations and agencies that operate public facilities such as wastewater treatment plants
- Grants solicited from available potential sources such as the California Climate Resilience Account
- Reducing administrative costs by contracting for services with the County or another agency

*TOWN OF COLMA RESPONSE: This recommendation requires further analysis prior to any implementation. As noted in the above responses, the Town Of Colma believes further analysis of Sea Level Rise and the most efficient means of addressing it are important prior to the establishment of any organization focusing on SLR. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will consider the type of organization best suited to addressing SLR, and the types of sustainable funding for the organization.*

**The Grand Jury recommends that SLR be addressed in local land use planning:**

R6. The County and each city should amend its General Plan, as needed, to address the risk for SLR. The Safety Element should include a map of any areas vulnerable to SLR, as determined by measurements in the countywide Vulnerability Assessment [R3]. Further, it should identify policies that apply to areas threatened by SLR.

*TOWN OF COLMA RESPONSE: This recommendation requires further analysis prior to any implementation. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will determine if its General Plan will require an amendment.*

**The Grand Jury recommends that local governments champion SLR issues before regional, State, and federal governments and agencies:**

R7. The County, cities, and relevant local special agencies, through their representatives on regional agencies, membership in state associations, lobbyists, and elected State and federal legislators, should pursue SLR-related issues with government bodies outside SMC.

*TOWN OF COLMA RESPONSE: This recommendation requires further analysis prior to any implementation. The recently-formed San Mateo County Sea Level Rise Vulnerability Assessment Study will provide the best means of addressing SLR. The Town is actively participating in the Study and once completed, the Town will determine if and when to address SLR issues before regional, State, and federal government agencies.*

On behalf of the Town of Colma, I would like to thank the Grand Jury for their work on this report.

Sincerely,

Joanne F. del Rosario  
Mayor







# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Brad Donohue, Director of Public Works  
 VIA: Sean Rabé, City Manager  
 MEETING DATE: July 15, 2015  
 SUBJECT: Public Works Mutual Aid Agreement

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## RECOMMENDATION

Staff recommends that the City Council approve the following:

### RESOLUTION APPROVING A PUBLIC WORKS MUTUAL AID AGREEMENT

## EXECUTIVE SUMMARY

The proposed resolution authorizes the approval and execution of a Public Works Mutual Aid Agreement (Exhibit "B") between the County of San Mateo and each respective city in the County. The proposed agreement establishes a legal arrangement that will allow the County and each city in the County to share public works resources in the event of an emergency type situation such as an earthquake, flood, hillside failure caused by heavy storm activity, or other unexpected emergency situation. The agreement once executed will become the vehicle that will allow cities within San Mateo County and the County to share resources in an event of a disaster.

## FISCAL IMPACT

The Agreement requires that the "Requesting Party" reimburse the "Assisting Party" for all of its costs of providing assistance within sixty days. The advantage to the "Requesting Party" is that pre-existing arrangements for the provision of services are often necessary to promptly obtain reimbursement from state (i.e., California Disaster Assistance Act) or federal (i.e., Federal Emergency Management Agency) funds.

## BACKGROUND

The heavy winter storms of late 2012/early 2013 affected several communities, with one of the most significant impacts being severe flooding in the City of East Palo Alto. During the storm, the San Mateo County Office of Emergency Services (OES, acting in its capacity as the Operational Area) encountered significant difficulties in obtaining public works mutual aid assistance from other cities in the County.

In February 2013, OES staff attended the monthly meeting of the City/County Engineers' Association of San Mateo County (CCEA), and requested their assistance in rectifying this apparent deficiency. CCEA immediately assigned two Public Works Directors to work on this issue, and a working subcommittee was established the next month.

Utilizing a current agreement from San Diego County as a template, the subcommittee met multiple times over the next 18-months. Draft portions of the document were reviewed in-depth by two City Attorneys, by OES staff, and by members of City & County Engineers Association (CCEA). The concept idea was presented to the San Mateo City/County Managers at one of their regularly scheduled International City/County Management Association (ICMA) meetings, and was presented twice to the Emergency Services Council of the San Mateo County Operational Area Emergency Services Organization.

A final draft of the proposed new agreement was routed to all Public Works Directors in late 2014, with no comments received thereon. Finally, the document was forwarded to County Counsel, who graciously accepted the assignment to act as a clearinghouse for the agreement, and who forwarded the agreement back out to all City Attorneys for their review. The Town of Colma's City Attorney's Office reviewed the proposed agreement and approved the document with minor changes.

As a historical note, there is an existing Mutual Aid Agreement from 6/14/94 that has not been used or followed in at least the last fifteen years, but whose existence was discovered late in 2014. The Public Works Mutual Aid Agreement recommended for approval herein is similar to, but expands upon the "forgotten" 1994 agreement (Exhibit "D"). One of the greatest gains of the new agreement is that it has been vetted by Public Works Directors, and written in language that is understandable to this group.

## **ANALYSIS**

There is no requirement for a majority or all of the municipal entities of San Mateo County to enter into this agreement. There is a high likelihood that the majority of the cities and the County will enter into this agreement.

The purpose of this agreement is to provide an organized means of providing voluntary mutual aid to neighboring entities during the event of a disaster. In many ways, this provision of aid is similar to what already exists amongst police and fire. The language of the Agreement and its accompanying Procedures Guide (Exhibit "C") specifically envision establishing a "zone" concept of aid that mirrors existing and developing zones in police and fire mutual aid.

In order for the Public Works Department to make use of other cities, or the County's, public works resources, a local emergency must be proclaimed either by City Council action, or by other action of the City Manager. This process is consistent with Colma Municipal Code, Subchapter 1.17.030, on proclaiming an emergency. Once a proclamation of an emergency is made, the Public Works Department can request public works resources from a neighboring city or the County. The city or County will only need to provide these resources so long as it would not compromise the ability of that respective city, or the County, to provide resources within its own boundaries. If the resources are provided, the "Requesting Party" will be responsible for ensuring the safekeeping of those resources.

## **Values**

Untimely events such as disasters are never expected, having agreements such as the Public Works Mutual Aid Agreement exhibits that the City Council's is taking a *responsible* position to be prepared in the event of an emergency and have resources available to assist the Town and neighboring cities in a time of need.

## **Alternatives**

The City Council can choose not to adopt the resolution and not approve the execution of the Public Works Mutual Aid Agreement.

Staff does not recommend this option. Having the Public Works Mutual Aid Agreement in place gives the Town's Public Works Department the ability to enlist the services of other jurisdictions to assist the Town during a disaster. One of the advantages to this arrangement is that the Town will only be paying for direct costs for labor and materials instead of any cost markup a private company may charge the Town.

## **CONCLUSION**

Staff recommends that City Council adopt a resolution approving the execution of the Public Works Mutual Aid Agreement.

## **ATTACHMENTS**

- A. Resolution No. 2015-XX "Public Works Mutual Aid Agreement"
- B. May 29, 2015 County of San Mateo - Public Works Mutual Aid Agreement
- C. Procedures Guide - Public Works Mutual Aid Agreement
- D. June 14, 1994 Public Works Mutual Aid Agreement



**RESOLUTION NO. 2015-\_\_**  
**OF THE CITY COUNCIL OF THE TOWN OF COLMA**  
**RESOLUTION APPROVING A PUBLIC WORKS**  
**MUTUAL AID AGREEMENT**

The City Council of the Town of Colma does hereby resolve:

**1. Background.**

- (a) The County of San Mateo and the cities within the County have been in discussions regarding establishing a plan to facilitate and encourage mutual aid, when necessary, between the cities and the County for public work type emergencies.
- (b) Discussions occurred at the staff level between all cities in the County, and the County, regarding a mutual aid agreement.
- (c) Pursuant to Government Code Section 8631, local agencies, such as the Town, are authorized to provide mutual aid pursuant to an established agreement.
- (d) Pursuant to Section 1.06.180 the City Council is authorized to enter into the Public Works Mutual Aid Agreement, without competitive bidding, as a contract for services to be performed by any city or county.

**2. Findings.** The City Council finds that it is in the Town's best interest to participate in a Countywide Public Works Mutual Aid Agreement.

**3. Order.**

- (a) The Public Works Mutual Aid Agreement which is on file with the City Clerk is approved by the City Council of the Town of Colma.
- (b) The Mayor is authorized to execute said contract on behalf of the Town of Colma, with such technical amendments as may be deemed appropriate by the City Manager and the City Attorney.

### Certification of Adoption

I certify that the foregoing Resolution No. 2015-## was duly adopted at a regular meeting of said City Council held on July 15 2015 by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Joanne del Rosario, Mayor					
Diana Colvin					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
Voting Tally					

Dated \_\_\_\_\_

\_\_\_\_\_  
Joanne del Rosario, Mayor

Attest: \_\_\_\_\_  
Sean Rabé, City Clerk

## County of San Mateo Public Works Mutual Aid Agreement

This Public Works Mutual Aid Agreement ("Agreement" or "Mutual Aid Agreement") is made and entered into this 29th day of May, 2015, by and between the parties signatory below (hereinafter individually referred to as "Party" or collectively referred to as the "Parties" to this Agreement).

WHEREAS, it is desirable and necessary for the protection of life, property and the environment that each of the Parties hereto voluntarily aid and assist each other by the interchange of public works services and resources in the event of an emergency; and

WHEREAS, County of San Mateo's Department of Public Works and all twenty (20) cities within the County of San Mateo ("County") have expressed an interest in the establishment of a plan to facilitate and encourage Public Works Mutual Aid Agreements throughout the County of San Mateo; and

WHEREAS, the Parties have determined that it would be in their best interests to enter into a Mutual Aid Agreement that implements a plan and sets forth procedures and responsibilities of the Parties whenever emergency personnel, equipment, and facility assistance is provided from another Party's public works department to the other; and

WHEREAS, no Party should be in a position of unreasonably depleting its own resources, facilities, or services providing such mutual aid; and

WHEREAS, such an agreement is in accord with the California Emergency Services Act ("Act") set forth in Title 2, Division 1, Chapter 7 (Section 8550 et seq.) of the Government Code and specifically with Article 14 (Section 8630 et seq.) of the Act; and

WHEREAS, all Parties must use protocols established in the Standardized Emergency Management System and the National Incident Management System to be eligible for possible state or federal reimbursement of response-related personnel and resource costs.

In consideration of the conditions and covenants contained herein, the Parties agree as follows:

1. Definitions. For this Agreement, the following terms shall be ascribed the following meanings:
  - a. "Assisting Coordinator" shall mean the Coordinator of a Party providing public works mutual aid.

- b. "Assisting Party" shall mean the Party to this Agreement providing public works mutual aid to another Party.
- c. "Coordinator" shall mean the person designated by each Party to act on behalf of that Party on all matters relative to public works mutual aid, to include but not be limited to requests, responses, and reimbursement. This term also includes the following distinct Coordinators:
  - a. Operational Area Coordinator is the individual who arranges and coordinates distribution of public works mutual aid countywide.
  - b. Zone Coordinator is the individual who coordinates distribution of public works mutual aid from resources assigned by the operational area to local jurisdictions within a geographic zone.
  - c. Local Coordinator is the individual who fulfills the functionally equivalent role of a city or town Public Works Branch Director.
- d. "Local Emergency" shall mean the actual or threatened existence of conditions of disaster or extreme peril to the safety of persons or property within the territorial limits of one of the Parties caused by human or natural conditions such as air pollution, fire, flood, storm, wind, earthquake, explosion, transportation accident, hazardous material problem, tsunami, sudden or severe energy shortage, epidemic, riot or other occurrences, other than conditions resulting from a labor controversy, which occurrences, or the immediate threat thereof, are likely to be beyond the control of the personnel, equipment, or facilities of that Party to this Agreement and which personnel, equipment or facilities of the other Party are therefore desired to combat.
- e. An "Operational Area" for the coordination of Public Works Mutual Aid will be San Mateo County and all the jurisdictions within the County that are Parties to this Agreement. Consistent with the Standardized Emergency Management System, the Operational Area is an intermediate level of the state emergency services organization, which serves as a link in the systems of communications and coordination between the political subdivisions comprising the Operational Area and the Regional or State Emergency Operations Center (s).
- f. "Requesting Coordinator" shall mean the Coordinator of a Party requesting public works mutual aid.
- g. "Requesting Party" shall mean the Party to this Agreement requesting public works mutual aid.

2. Designation of Coordinator. Coordinators shall be designated by each Party; the Title, Name, Address, and Phone Number of the Coordinator shall be provided to the



Operational Area Coordinator designated in Paragraph 20 hereinafter. If said designation changes, the Parties shall notify the Operational Area Coordinator as soon as practical after the appointment has been made.

3. Mutual Aid. When a local emergency has been proclaimed by a Party's governing body or authorized official, the Requesting Coordinator may request assistance from the Parties. In situations where extreme imminent threat to life, property, or the environment exists, the requirement for a proclamation before providing assistance may be waived under the presumption that such a proclamation will be made in accordance with all local and state regulations as promptly as reasonably possible.
4. Availability. The Parties agree that the mutual aid extended under this Agreement and the operational plans implementing this agreement are to be available and furnished in all cases of emergencies regardless of type, provided that such mutual aid does not compromise any Party's ability or capacity to respond to calls for service within its own jurisdiction. When request for assistance is received, the Assisting Coordinator will promptly advise of the extent of response, provide whatever personnel, equipment, and facilities are available without jeopardizing the safety of persons or property within their jurisdiction. No Party receiving a request for assistance shall be under any obligation to provide assistance or incur any liability for not complying with the request.
5. Return of Resources. When the Assisting Party's personnel, equipment, or facilities are no longer required, or when the Assisting Coordinator advises that the resources are required within their own jurisdiction, the Requesting Coordinator shall immediately arrange for the return of those resources.
6. Safekeeping of Resources. The Requesting Party shall be responsible for the safekeeping of the resources provided by the Assisting Party. The Requesting Coordinator shall remain in charge of the incident or occurrence and shall maintain control and direction of the resources provided by the Assisting Party. The request may include the provision of supervisory personnel to take direct charge of the resources under the general direction of the Requesting Coordinator. The Requesting Party shall make arrangements for feeding and/or assisting personnel, and for fueling, servicing, and repair of equipment unless the Assisting Coordinator agrees that these arrangements are not necessary or are to be provided by the Assisting Party.
7. Employment Status. The Assisting Party's personnel shall not be deemed employees of Requesting Party and vice versa.
8. Insurance. Each Party shall be responsible to provide, in its own discretion, at its sole expense, sufficient insurance for its personnel and entity.

9. Worker's Compensation. Each Party shall provide, at its sole expense, the required worker's compensation insurance coverage necessary for its own employees. It is recognized that at such times as one Party provides aid to another Party under the terms of this Agreement, the employees of the Assisting Party may claim to have become special employees on a temporary basis of the Requesting Party. Should any such claim result in any worker's compensation claim being asserted, it is hereby agreed that each such claim shall be the responsibility and liability of the Assisting Party as general employer to process, defend, and pay, if necessary.
10. Mutual Aid Costs. The Requesting Party agrees to pay all reasonable direct, indirect, administrative and contracted costs of the Assisting Party incurred as a result of providing assistance under this Agreement, based upon standard rates applicable to Assisting Party's internal operations. Payment shall be made within sixty (60) days after receipt of a detailed invoice. Payment may be delayed if agreed upon by both Parties. Requesting Party shall not assume any liability for the direct payment of any salary or wages to any officer or employee of the Assisting Party.
11. Defense and Indemnification.

11.1 Claims Arising from Sole Acts or Omissions of a Party. Each Party to this Agreement hereby agrees to defend and indemnify the other Parties to this Agreement, their agents, officers and employees, from any claim, action or proceeding against another Party, arising solely out of its own acts or omissions in the performance of this Agreement. At each Party's sole discretion, each Party may participate at its own expense in the defense of any claim, action or proceeding, but such participation shall not relieve any Party of any obligation imposed by this Agreement. Parties shall notify each other promptly of any claim, action or proceeding and cooperate fully in the defense.

11.2 Claims Arising from Concurrent Acts or Omissions. The Parties hereby agree to defend themselves from any claim, action, or proceeding arising out of the concurrent acts or omissions of the Parties. In such cases, Parties agree to retain their own legal counsel, bear their own defense costs, and waive their right to seek reimbursement of such costs, except as provided in paragraph 11.3 below.

11.3 Joint Defense. Notwithstanding paragraph 11.2 above, in cases where Parties agree in writing to a joint defense, Parties may appoint joint defense counsel to defend the claim, action, or proceeding arising out of the concurrent acts or omissions of Parties. Joint defense counsel shall be selected by mutual agreement of said Parties. Parties agree to share the costs of such joint defense and any agreed settlement in equal amounts, except as provided in paragraph 11.4 below. Parties further agree that no Party may bind the others to a settlement agreement without the written consent of the others.

11.4 Reimbursement and/or Reallocation. Where a trial verdict or arbitration award allocates or determines the comparative fault of the Parties, those Parties may seek reimbursement and/or reallocation of defense costs, settlement payments, judgments and awards, consistent with such comparative fault. The Parties expressly waive pro rata allocation off liability under Government Code Section 895.6.

12. No Waiver. This agreement shall in no way abrogate or waive any of the immunities available under Federal, State, and local law and regulations, including but not limited to the California Emergency Services Act, Government Code sections 8655 et seq.
13. Records. When mutual aid is provided, the Requesting and Assisting Parties will keep account records of the personnel, equipment, mileage, and materials provided as required by Federal and State law, the California Disaster Assistance Act, and FEMA guidelines to maximize the possibility of Federal and State disaster reimbursement. Each Party shall have access to another Party's records for this purpose.
14. Effective Date. This agreement shall take effect immediately upon its execution and shall remain in effect until terminated.
15. Withdrawal. Any Party may withdraw from this agreement, with or without cause, upon delivery of one-hundred twenty (120) days prior written notice to the Operational Area Coordinator designated in Paragraph 20 below.
16. Prior Agreements. To the extent that they are inconsistent with this agreement, all prior agreements for Public Works Mutual Aid between the Parties are hereby null and void. This agreement expressly supersedes the June 14, 1994 "Public Works Mutual Aid Agreement" entered into by the County of San Mateo and the cities in San Mateo County. This process does not preclude any routine or shared services for which the Parties may provide, may already have contracted, or may contract in the future.
17. Multiple Requests. Requests for public works mutual aid under this agreement when more than one city is impacted by an emergency will be channeled through the Operational Area Coordinator, whether or not that individual is activated as part of a Department Operations Center or as part of the San Mateo County Operational Area Emergency Operation Center, to ensure maximum effectiveness in allocating resources to the highest priority needs.
18. Dispute Resolution. Any controversy or claim arising out of or relating to this Agreement, or the breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association and judgment on the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

19. Tort Claims Act. This agreement in no way acts to abrogate or waive any immunity available under the Tort Claims Act.
20. Operational Area Coordinator. The County of San Mateo Department of Public Works shall act as the initial Operational Area Coordinator of this program for the purpose of:
  - a. Receipt of new members to the agreement.
  - b. Maintaining a current list of signatory Parties and Coordinators.
  - c. Establishing and maintaining a list of Local Coordinators who have volunteered to serve as a Zone Coordinator.
  - d. Circulating annually a list of all Parties and Coordinators to all signatory Parties.
  - e. Arranging for amendments to the Agreement as may be necessary.

The Party acting as Operational Area Coordinator may transfer these responsibilities to another Party with the consent of that Party and upon notification of the other Parties.

21. Execution. All Parties agree that any other qualified public agency or quasi-public agency may become a Party to this Agreement by executing a duplicate copy of this Agreement and sending same to the Operational Area Coordinator, initially the County of San Mateo Department of Public Works, addressed as follows:

Public Works Director  
County of San Mateo  
555 County Center, 5<sup>th</sup> Floor  
Redwood City, CA, 94063-1665

22. Third Party Beneficiaries. Nothing set forth in this Agreement shall create, nor is it intended to create, third party beneficiaries with rights to enforce any clause, condition or term of this Agreement, or assert a claim or cause of action for breach of this Agreement.
23. Severability. Should any term or provision of this Agreement be determined to be illegal or in conflict with any law, the validity of the remaining portions or provisions shall not be affected thereby. Each term or provision of this Agreement shall be valid and enforced as written to the fullest extent permitted by law.

IN WITNESS WHEREOF, each Party has caused this Agreement to be executed and attested by its proper officers thereunto duly authorized, as follows:

Signatories	Resolution/Action Number	Date of Adoption
Atherton		
Belmont		
Brisbane		
Burlingame		
Colma		
Daly City		
East Palo Alto		
Foster City		
Half Moon Bay		
Hillsborough		
Menlo Park		
Millbrae		
Pacifica		
Portola Valley		
Redwood City		
San Bruno		
San Carlos		
San Mateo		
South San Francisco		
Woodside		
County of San Mateo		



**County of San Mateo  
Public Works Mutual Aid Agreement  
Procedures Guide**

**I. PURPOSE**

The purpose of this Procedures Guide is to provide Parties to the Public Works Mutual Aid Agreement with a practical set of guidelines on how to effectively provide and receive public works assistance. The terms of the Agreement shall govern in the event there is any actual or apparent conflict between this procedure guide and the Agreement. The following provisions are suggested guidelines only and not binding on any agency. These provisions should be modified and expanded as necessary to meet the unique needs, emergency organizational structure, and working relationships of each operational and regional area.

**II. TENETS OF OPERATIONAL AREA PUBLIC WORKS MUTUAL AID**

1. The most effective means of providing timely assistance to a jurisdiction impacted by a disaster is to have agreements in place in advance of the disaster.
2. Assistance is voluntary.
3. Assistance provided shall be reimbursed by the requesting jurisdiction.
4. Jurisdictions should reasonably commit their own resources before requesting mutual aid.
5. A Proclamation of a Local Emergency is necessary to activate the agreement, unless waived by the Parties per paragraph 3 of the Agreement.
6. Cooperative planning and training are desirable to enhance the effectiveness of providing mutual aid when needed.

**III. PROCEDURES FOR PUBLIC WORKS MUTUAL AID**

**1. Designated Public Works Coordinator**

The Agreement specifies that the "Coordinator" shall mean the person designated by each party to act on behalf of that party on all matters relative to public works mutual aid, including but not limited to requests, responses and reimbursement.

It is suggested that the Coordinator be a person who during a disaster would be authorized to request public works resources and bind their agency for the cost of these resources. The Coordinator should also be in a position to authorize the providing agency to release personnel and equipment to the agency impacted by the disaster.

It is suggested that alternate coordinators be designated in case the primary coordinator is unavailable during the disaster.

2. WebEOC Communication

To obtain Public Works assistance, a planned method of communicating requests is essential. This includes using WebEOC as the primary means to process the request and maintain lines of communication. It is recommended that WebEOC be used to request assistance using the Resource Task (ICS-213RR). Communication via telephone, radio, microwave, etc. may be necessary in the early phases of an incident to ensure requests are being received and processed in a timely manner, and may also be used as secondary communication channels.

3. Operational Area Concept

The Agreement notes that an Operational Area, normally a County and all the jurisdictions within the County, will be the basic unit for coordinating public works mutual aid. Additionally, the coordination and assistance provided will generally mirror the zone concept of mutual aid under development by the San Mateo County Office of Emergency Services. Additionally, parties to the Agreement are expected to work cooperatively to pre-plan standardized response "packages" of resources to be provided to the varying levels of incident complexity identified in the National Incident Management System (NIMS).

4. California Office of Emergency Services (Cal OES) Role

Cal OES is expected to support public works mutual aid assistance under the agreement by offering assistance to the Regional and Operational Public Works Coordinator, and act as Statewide Coordinator for seeking mutual aid resources if required from beyond the impacted region.

5. Resource Lists and Contacts

It is strongly recommended that lists of public works resources be developed for each participating agency in the Operational Area. This list should be populated in the resources section of WebEOC and regularly reviewed and updated. Such lists are essential for the Operational Area Coordinator to quickly identify which agencies have the particular types of resources needed by the requesting impacted agency.

The designated Local Coordinator for each jurisdiction should develop a detailed list of resources for their agency by quantity, type of personnel equipment, materials, and a contact number to check on its availability when needed. It is suggested that the coordinator then provide a brief summary of that information to the operational area coordinator.

It is suggested that each party develops common standardized terminologies for resources to facilitate categorizing and compiling these inventory lists. However, the development of the standardized terminology should not impede the development of these resource lists.



6. Arrange Care for Assisting Forces

The Agreement requires that the Requesting Party be responsible for the safekeeping of the resources provided by the Assisting Party.

7. Documentation for Reimbursement

In accordance with the Agreement, each requesting and assisting party is required to keep accounting records of the personnel, equipment, and materials provided under the Mutual Aid Agreement as required by the Federal Stafford Act administered by the Federal Emergency Management Administration (FEMA) and State guidelines. This requirement is to maximize the requesting agencies reimbursement of costs expended to receive mutual aid.

Each party to the Agreement should become thoroughly familiar with those federal and state accounting requirements and pre-establish emergency management procedures and training of their personnel to carefully document all costs of labor, equipment and personnel, including administrative costs, accounted by specific damage location. These practices are not only for mutual aid reimbursement but for reimbursement of all agency costs associated with the disaster.

8. Proclamation of Emergency

The Agreement requires that a Proclamation of Local Emergency must be approved by an authorized official of the impacted jurisdiction. A State of Emergency should also be requested through the Operational Area for approval by the Governor to authorize State reimbursement and, if warranted, a request for a Presidential Proclamation of Emergency to authorize federal reimbursement. Each Agency should include in their emergency plan a provision to seek such a proclamation from the authorized official in their jurisdiction as soon as they can reasonably determine that the disaster will be beyond the scope of mutual aid assistance. Because cumulative estimates of damage across the county may be combined to establish a basis for reimbursement from the state and a gubernatorial declaration of emergency, the collection and provision of damage estimates to the Operational Area for any incident that might have countywide implication is important in obtaining external resources.

9. Agency in Charge

The Agreement provides that the Requesting Coordinator shall remain in charge of the incident and provide direction and control to the resources provided by the assisting party. The request may also include having the Assisting Party providing supervisory personnel to take direct charge of their forces under the overall direction of the Requesting Coordinator. The intent is that the Assisting Party will comply with all reasonable directions from the Requesting Coordinator. However, the Assisting Party should not be obligated to perform any work that it reasonably believes would unduly jeopardize the safety of its employees.

#### 10. Checklists for Requesting Mutual Aid

Each Party to the Agreement is encouraged to develop checklists for their Coordinator to use in assuring that all required steps are followed to properly and effectively seek and provide Public Works Mutual Aid for the benefit of the impacted area and protection of the assisting party. These checklists should establish who is to carry out each essential function both internally to the agency and externally, and contact numbers and means for reaching them.

Attachment A (San Mateo County Operational Area Public Works Checklist for Mutual Aid Assistance) is a sample checklist.

## **San Mateo County Public Works Checklist for Mutual Aid Assistance**

### **I. Pre-Event**

Develop procedures at the local operational area to carry out mutual aid including checklists of actions, resource lists, etc.

### **II. Post Event**

1. Local Agency quickly assesses estimated extent of damage and availability of local resources to respond.
2. If it is apparent that outside resources will be needed to effectively deal with the emergency, promptly authorize local official to request Proclamation of Local Emergency and, if warranted, request State of Emergency Proclamation through the Operational Area Emergency Operation Center.
3. Upon proclamation of local emergency, request mutual aid assistance from Operational Area Public Works Mutual Aid Coordinator according to pre-established procedures in WebEOC.
4. Ensure request is specific as to type and quantity of resources needed, when to report, who to report to, how long needed, type of work to be performed.

Once a providing party can be located to satisfy the resource request, the coordinator will determine how quickly these resources can be made available and notify the requesting party of that fact.

5. The requesting party will make all necessary arrangements to care for the assisting party's personnel and equipment if needed.
6. The requesting party will carefully document all costs by specific damage site according to State and Federal procedures to maximize reimbursement for costs. Carefully record the names of assisting personnel and equipment at each site, hours worked, and mileage.
7. The requesting party should return the assisting party's resources as soon as possible.



cc: Kendt Paxton  
John Hopkins  
Milt Mares  
Waier Martone

NRC \_\_\_\_\_  
GB \_\_\_\_\_  
WDC \_\_\_\_\_  
WF \_\_\_\_\_  
RNG \_\_\_\_\_  
MFJ \_\_\_\_\_  
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BEK \_\_\_\_\_  
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GEP \_\_\_\_\_  
DIV \_\_\_\_\_  
DFW \_\_\_\_\_  
RGZ \_\_\_\_\_

Resolution No. 58365

Board of Supervisors, County of San Mateo, State of California

\*\*\*\*\*

Resolution Authorizing the Execution of a Public Works Mutual Aid Agreement  
and Designating the Director of Public Works as the  
County's Coordinator for Said Agreement

RESOLVED, by the Board of Supervisors of the County of San Mateo, State of California, that

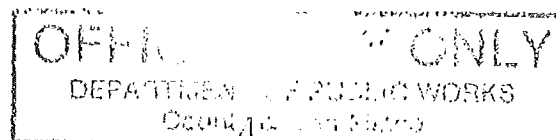
WHEREAS, the County of San Mateo and the cities in San Mateo County have expressed a mutual interest in the establishment of a plan to encourage public works mutual aid agreements; and

WHEREAS, this Board has determined that it would be in the County's best interest to participate in a Public Works Mutual Aid Plan; and

WHEREAS, Section 8630 et. seq. of the State of California Government Code allows local government agencies to enter into Mutual Aid Agreements; and

WHEREAS, there has been presented to this Board a form of agreement and this Board has considered same;

NOW, THEREFORE, IT IS HEREBY DETERMINED AND ORDERED as follows:



Regularly passed and adopted this 14th day of June, 1994.

AYES and in favor of said resolution:

Supervisors: MARY GRIFFIN  
TOM HUENING  
TED LEMPERT  
RUBEN BARRALES  
MICHAEL D. NEVIN

NOES and against said resolution:

Supervisors: NONE

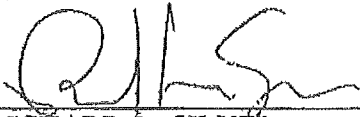
Absent Supervisors: NONE

(SEAL)

TOM HUENING  
President, Board of Supervisors  
County of San Mateo  
State of California

Certificate of Delivery  
(Government Code section 25103)

I certify that a copy of the original resolution filed in the Office of the Clerk of the Board of Supervisors of San Mateo County has been delivered to the President of the Board of Supervisors.


  
RICHARD L. SILVER  
Clerk of the Board of Supervisors

STATE OF CALIFORNIA     )  
  )  
COUNTY OF SAN MATEO    )

DALE ELLEN YOUNG, Deputy Clerk, Board of Supervisors, does hereby certify that the above and foregoing is a full, true and correct copy of Resolution No. 58365 entered in the minutes of said Board.

In Witness Whereof, I have hereunto set my hand and the seal of said Board this 14th day of June, 1994.



  
DALE ELLEN YOUNG  
Deputy Clerk, Board of Supervisors

**ORIGINAL**  
**PUBLIC WORKS MUTUAL AID AGREEMENT**  
**FOR**  
**SAN MATEO COUNTY**

THIS MUTUAL AID AGREEMENT ["Agreement"] is made and entered into as of the 14<sup>th</sup> day of June, 1994, by those parties who have adopted and signed this agreement.

WHEREAS, the California Office of Emergency Services, the League of California Cities, the County Supervisors Association of California, and the American Public Works Association have expressed a mutual interest in the establishment of a plan to facilitate and encourage public works mutual aid agreements between political subdivisions throughout California; and

WHEREAS, the parties hereto have determined that it would be in their best interests to enter into an agreement that implements that plan and sets forth procedures and responsibilities of the parties whenever emergency personnel, equipment and facility assistance is provided from one party's Public Work Department to another; and

WHEREAS, no party should be in a position of depleting unreasonably its own resources, facilities, or services providing such mutual aid; and

WHEREAS, such an agreement is in accord with the California Emergency Services Act set forth in Title 2, Division 1, Chapter 7 [Section 8550 et. seq.] of said Act.

NOW, THEREFORE, in consideration of the conditions and covenants contained herein, the parties hereto agree as follows:

1. For this agreement, the following terms shall be ascribed the following meanings:

- A. "Coordinator" shall mean the person designated by each party to act on behalf of that party on all matters relative to mutual aid, to include but not be limited to requests, responses, and

reimbursement.

B. "Local Emergency" shall mean the actual or threatened existence of conditions of disaster or extreme peril to the safety of persons or property within the territorial limits of one of the parties caused by human or natural conditions such as air pollution, fire, flood, storm, wind, earthquake, explosion, transportation accident, hazardous material problem, tsunami, sudden or severe energy shortage, epidemic, riot or other occurrences other than conditions resulting from a labor controversy, which occurrences or the immediate threat thereof are likely to be beyond the control of the personnel, equipment, or facilities of that party to this agreement and which personnel, equipment, or facilities of the other party are therefore desired to combat.

C. The Agreement Coordinator shall be the Director of Public Works of San Mateo County.

2. Coordinators designated by each party shall be designated by title, agency, address, and phone number. If said Coordinator changes, the other parties to the agreement shall be notified in writing as soon as practical after the appointment has been made. Said notification shall be made through the "Agreement Coordinator" designated in item 17 hereinafter.
3. The Coordinator may request assistance when the Coordinator has determined that there is an actual or threatened local emergency as defined herein or when a local emergency has been proclaimed by a party's governing body or authorized official.
4. When a request for assistance is received, the assisting Coordinator shall promptly advise of the extent of response, provide whatever personnel, equipment and/or facilities as can be provided without jeopardizing the safety of persons or property within their jurisdiction. No party receiving a request for assistance shall be under an obligation to provide assistance or incur any liability for



not complying with the request.

5. When the assisting Coordinator's personnel, equipment and/or facilities are no longer required or when the assisting Coordinator advises that the resources are required within their own jurisdiction, the requesting Coordinator shall immediately arrange for the return of those resources.
6. The requesting party shall be responsible for the reasonable safekeeping of the resources provided by the assisting party. The request may include providing supervisory personnel to take direct charge of the resources under the general direction of the requesting Coordinator. The requesting Coordinator shall make arrangements for housing and feeding the assisting personnel, fueling, servicing, and repair of equipment if such support is requested by the assisting Coordinator. The assisting party's personnel shall not be deemed employees of the requesting party, and vice versa.
7. The requesting party agrees to reimburse the assisting party for all materials provided on a direct cost basis. Payment shall be made within ninety [90] days after receipt of a detailed invoice. However, the requesting party shall not be required to reimburse the responding party for any direct or indirect salary costs, equipment costs, or overhead costs for the personnel, equipment, and/or facilities provided by the responding party pursuant to this agreement unless the requesting party receives federal or state disaster reimbursement covering such costs. (1) The requesting party agrees to make every reasonable effort to obtain federal and state disaster reimbursement. If the requesting party received federal or state disaster reimbursement covering the costs incurred by the responding agency, then it shall reimburse the responding agency within ninety [90] days of receipt of reimbursement.
8. The requesting party shall hold harmless, indemnify and defend the assisting party, its officers, agents and employees against all

liability, claims, losses, demands or actions for injury to or death of a person or persons or damages to property arising out of or alleged to arise out of or in consequence of this agreement, provided such liability, claims, losses, demands or actions are claimed to be due to the acts or omissions of the requesting party, its officers, agents or employees, or employees of the assisting party working under the direction and control of the requesting party when the act or omission of such assisting party occurs or is alleged to occur within the scope of employment under the direction and control of the requesting party.

9. When mutual aid is provided, the requesting and assisting agencies will keep financial accounting records of the personnel, equipment, and materials provided as required by Federal and State and FEMA guidelines to maximize the possibility of Federal and State disaster reimbursement. Each party shall have access to the other party's financial records for this purpose.
10. This agreement shall take effect immediately upon its execution and shall remain in effect until terminated.
11. Any party may withdraw from this agreement without cause and upon delivery of sixty [60] days prior notice in writing to the Agreement Coordinator designated in item 1 hereinafter and all other signature agencies.
12. To the extent that they are inconsistent with this agreement, all prior agreements for public works mutual aid between the parties hereto are hereby null and void.
13. Request for mutual aid assistance under this agreement when more than one county is impacted by a disaster shall be channeled through the appropriate regional State Office of Emergency Services to ensure maximum effectiveness in allocating resources to the highest priority needs.
14. Any controversy or claim arising out of or relating to this

agreement or the breach hereof shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and the judgement on the award rendered by the arbitrator[s] may be entered in any court having jurisdiction thereof.

15. This agreement in no way acts to abrogate or waive any immunity available under the Tort Claims Act.

16. Each party to this agreement agrees to:

A. maintain a current list of signatory parties and "Coordinators." The current list shall be disseminated annually to each party by the Agreement Coordinator.

B. advise the other parties, through the Agreement Coordinator, of any changes in its designated "Coordinator."

C. coordinate any proposed amendments to this agreement through the Agreement Coordinator.

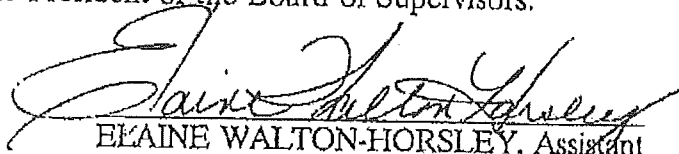
17. Other governmental agencies, utilities and special districts may become new members to this agreement upon mutual consent of all the participating parties.

IN WITNESS HEREOF, the parties hereto have executed this agreement by their duly authorized officers on the dates hereinafter indicated.

BY:

Certificate of Delivery  
(Government Code section 25103)

I certify that a copy of the original document filed in the Office of the Department of Public Works has been delivered to the President of the Board of Supervisors.

  
ELAINE WALTON-HORSLEY, Assistant  
Clerk of the Board of Supervisors





# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Michael P. Laughlin, AICP, City Planner  
 VIA: Sean Rabé, City Manager  
 MEETING DATE: July 15, 2015  
 SUBJECT: Ramirez Recycler's Permit

## RECOMMENDATION

Staff recommends that the City Council adopt the following:

RESOLUTION APPROVING A RECYCLER'S PERMIT FOR THE COLLECTION  
 OF CARDBOARD FROM COMMERCIAL BUSINESSES PURSUANT TO CEQA  
 GUIDELINE 15061(b)(3)

## EXECUTIVE SUMMARY

The applicant was observed collecting, with permission, cardboard from commercial businesses at the 280 Metro Center. He was requested to obtain approval of a Recycler's Permit so that the Town can receive a quarterly report from him on the amount of material he recycles. Granting of the permit will allow the Town to collect quarterly reports from the applicant and submit this information to the state to document diversion goals. The only conditions recommended are that the applicant submit the required quarterly reports and maintain an active business registration.

## FISCAL IMPACT

No impact.

## ANALYSIS

The Town of Colma is required to comply with the recycling and reporting requirements of the California Integrated Waste Management Act of 1989, including amendments made by AB 939, SB 1016 and AB 341. This state legislation is designed to:

- (1) increase recycling participation rates;
- (2) improve Recyclable material recovery rates;
- (3) improve reporting capabilities to CalRecycle;
- (4) comply with state recycling laws;
- (5) reduce waste to landfill; and

(6) maintain a cost effective, garbage and recycling collection program for the residents, businesses and institutions of the Town.

In May of 2012, the Town of Colma amended the Colma Municipal Code to allow for a Recycler's Permit. The two pertinent Municipal Code Sections to this application are as follows:

**3.05.170 Sale or Donation of Recyclable Materials.**

Nothing in this subchapter or subchapter 5.05 shall prohibit the generator of Recyclable materials from selling or donating such materials to a buyer or donee, provided that, if the Town has awarded an exclusive franchise for the collection and disposal of Solid Waste, a generator may not pay any other person other than a Franchisee for collecting, recycling, or disposing of Recyclable materials.

**3.05.200 Permit to Collect Recyclables.**

Upon finding that it is in the best interests of the Town to do so, the City Council may grant a permit, good for one year, to any responsible person to provide collect Recyclables only from any properties or areas in the Town, and to convey, and transport such Recyclables in, along, or over the public streets, alleys, and highways in the Town. Thereafter, the City Manager may renew the permit each year if the Permittee is not in material default of any provisions in its existing permit and renewal is in the best interests of the Town. A denial of a request to renew a Permit to Collect Recyclables may be appealed to the City Council in accordance with Colma Municipal Code section 1.02.270. The Permittee shall pay the Town an annual permit fee set forth in the Master Fee Schedule.

These code sections allow for commercial businesses to sell or donate recyclable materials, typically cardboard packaging, generated by the business.

The applicant has obtained permission from the following businesses to recycle cardboard:

- Marshalls
- Old Navy
- Jo Ann Fabrics
- Pier One
- Ulta Beauty

Mr. Ramirez does not receive compensation from these businesses. The applicant receives revenue by taking cardboard to a Recology recycling facility in San Francisco.

The applicant has acted responsibly by applying for a Recycler's Permit and Business Registration and paying the required filing fees. Staff is encouraging all non franchised haulers who collect recyclables to obtain a Recycler's Permit so that the quarterly tonnage reports for recyclable goods can be reported to the state, thus assisting in meeting our diversion goals and mandates.

## **Values**

The recommended action is consistent with the City Council value of fairness, it allows for smaller recycling operators to obtain permits from the Town.

## **Sustainability Impact**

The recommendation to grant the Recycler's Permit is consistent with the Town's goal of reducing materials into the waste stream and to encourage recycling. In addition, the quarterly reports obtained from the non franchise hauler helps the Town to stay in compliance with our requirement to report waste diversion to the state.

## **ALTERNATIVES**

The following courses of action are available to the City Council:

- (1) Approve the Recycler's Permit with modified or additional conditions of approval. This alternative may increase restrictions on the Recycler's Permit to satisfy specific City Council concerns.
- (2) Deny the Recycler's Permit. This alternative is not recommended since the applicant may continue to illegally collect cardboard and other recyclables within the Town and the Town will not be able to report the diversion tonnage to the state.

## **CONCLUSION**

Staff recommends the City Council approve the Recycler's Permit with the recommended conditions.

## **ATTACHMENTS**

- A. Resolution 2015 - XX





**RESOLUTION NO. 2015-\_\_**  
**OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION APPROVING A RECYCLER'S PERMIT FOR THE COLLECTION  
 OF CARDBOARD FROM COMMERCIAL BUSINESSES PURSUANT TO CEQA  
 GUIDELINE 15061(b)(3)**

*Applicant: Isidro Ramirez*

The City Council of the Town of Colma does hereby resolve as follows:

**1. Background**

- (a) Isidro Ramirez has submitted an application for a Recycler's Permit for the collection of cardboard from commercial businesses within Colma.
- (b) A Notice of Public Hearing was duly posted on the three official bulletin boards of the Town, and a public hearing was conducted on this matter on July 15, 2015.
- (c) The City Council has considered the application, the accompanying staff report, and all relevant evidence presented at the public meeting.

**2. Findings**

The City Council hereby finds that:

*Findings Relating to CEQA Review*

- (a) The City Council finds that adoption of this resolution is not a "project," as defined in the California Environmental Quality Act because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and concerns a permit process that creates a beneficial reporting requirement for recyclable materials. Materials collected at businesses will be recycled either by the applicant, or the Town's franchised waste hauler.

*Finding Relating to a Recycler's Permit (CMC § 3.05.200)*

- (b) Issuance of the permit would be in the best interest of the Town.

Discussion: Issuance of the permit would be in the best interest of the Town. Specifically, the granting of a Recycler's Permit allows for small non-franchised businesses to recycle materials generated by Colma's businesses where the materials are collected without a fee from the Recycler. Granting of the permit will allow the Town to collect quarterly reports from the applicant and submit this information to the state to document diversion goals.

### **3. Recycler's Permit Granted Subject to Conditions**

The City Council hereby conditionally grants a Recycler's Permit, subject to the following conditions:

- (a) The Permittee shall complete and submit quarterly reports to the Town. Failure to submit the required quarterly reports for any reporting period shall nullify this permit.
- (b) The Permittee shall maintain an active business registration with the Town for as long as the applicant is conducting recycling activities in the Town.
- (c) This permit shall be valid for one year from the date of issuance. Renewal of the permit by the City Manager is required prior to expiration. The City Manager may renew the permit if the Permittee is not in material default of any provisions in its existing permit and renewal is in the best interests of the Town.

### **4. Terms**

- (a) *Permittee.* As used in this Permit, the word "Permittee" shall mean Isidro Ramirez.
- (b) *Modification or Revocation.* The Town may modify or revoke this Recycler's Permit should it determine that the Permittee fails to comply with the conditions herein.

### **5. Effective Date**

This resolution shall take effect immediately upon adoption.

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***Certification of Adoption***

I certify that the foregoing Resolution No. 2015-\_\_ was duly adopted at a special meeting of the City Council of the Town of Colma held on July 15, 2015, by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Joanne del Rosario, Mayor					
Diana Colvin, Vice Mayor					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
<i>Voting Tally</i>					

Dated \_\_\_\_\_

Joanne del Rosario, Mayor

Attest: \_\_\_\_\_

Sean Rabe', City Clerk

## NOTICE OF RIGHT TO PROTEST

The Conditions of Project Approval set forth herein include certain fees, dedication requirements, reservation requirements, and other exactions. Pursuant to Government Code Section 66020(d)(1), these Conditions constitute written notice of a statement of the amount of such fees, and a description of the dedications, reservations, and other exactions. You are hereby further notified that the 90-day approval period in which you may protest these fees, dedications, reservations, and other exactions, pursuant to Government Code Section 66020(a), began on date of adoption of this resolution. If you fail to file a protest within this 90-day period complying with all of the requirements of Section 66020, you will be legally barred from later challenging such exactions.

## AGREEMENT

*Permittee*

The undersigned agrees to comply with each and every condition set forth in this resolution.

Dated: \_\_\_\_\_  
Isidro Ramirez



# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Sean Rabé, City Manager  
 MEETING DATE: July 15, 2015  
 SUBJECT: League of California Cities Conference Delegate

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## RECOMMENDATION

Staff recommends that the City Council adopt a

MOTION TO DESIGNATE A VOTING DELEGATE FOR THE ANNUAL LEAGUE OF  
 CALIFORNIA CITIES CONFERENCE IN SEPTEMBER

## EXECUTIVE SUMMARY

This year's League of California Cities Annual Conference will be held September 30 through October 2, in San Jose. The final day of the conference includes the annual business meeting, where League membership considers and takes action on resolutions that establish League policy. The Council should designate a voting delegate to take part in the business meeting, if someone from the Town will be in attendance.

## FISCAL IMPACT

There is no direct fiscal impact associated with this action. Attendance at various conferences is budgeted in the 2015-16 budget.

## BACKGROUND

As the Council knows, Colma has been a member of the League of California Cities for many years. In order for a representative from the Town to vote on Colma's behalf on key policy-related issues, the Council must officially designate someone as a voting delegate. I will be attending this year's annual conference in September, so if no Council Members will be attending the conference the Council can designate me as the delegate.

## Council Adopted Values

Participating in the annual business meeting furthers the Council's adopted values of Responsibility and Vision because providing input on important local, regional and state policy issues protects the Town's long term financial stability and other interests.

## Alternatives

The Council could opt to not designate a voting delegate for the business meeting. Doing so would preclude the Town from having a voice in setting the League's policy initiatives for the upcoming year.

**CONCLUSION**

Staff recommends Council designate a voting delegate for the League conference.

**ATTACHMENTS**

- A. Letter from League of California Cities (including voting delegate form)



1400 K Street, Suite 400 • Sacramento, California 95814  
 Phone: 916.658.8200 Fax: 916.658.8240  
[www.cacities.org](http://www.cacities.org)

**Council Action Advised by July 31, 2015**

May 29, 2015

**TO: Mayors, City Managers and City Clerks**

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES**  
**League of California Cities Annual Conference – September 30 – October 2, San Jose**

The League's 2015 Annual Conference is scheduled for September 30 – October 2 in San Jose. An important part of the Annual Conference is the Annual Business Meeting (*at the General Assembly*), scheduled for noon on Friday, October 2, at the San Jose Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

**Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, September 18, 2015. This will allow us time to establish voting delegate/alternate records prior to the conference.**

Please note the following procedures that are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates must be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: [www.cacities.org](http://www.cacities.org). In order to cast a vote, at least one voter must be present at the

-over-

15 JUN 9 PM 12:07

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the San Jose Convention Center, will be open at the following times: Wednesday, September 30, 8:00 a.m. – 6:00 p.m.; Thursday, October 1, 7:00 a.m. – 4:00 p.m.; and Friday, October 2, 7:30–10:00 a.m. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League office by Friday, September 18. If you have questions, please call Kayla Gibson at (916) 658-8247.

Attachments:

- 2015 Annual Conference Voting Procedures
- Voting Delegate/Alternate Form



## Annual Conference Voting Procedures 2015 Annual Conference

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.



**CITY:** \_\_\_\_\_

**2015 ANNUAL CONFERENCE  
VOTING DELEGATE/ALTERNATE FORM**

**Please complete this form and return it to the League office by Friday, September 18, 2015. Forms not sent by this deadline may be submitted to the Voting Delegate Desk located in the Annual Conference Registration Area. Your city council may designate one voting delegate and up to two alternates.**

In order to vote at the Annual Business Meeting (General Assembly), voting delegates and alternates must be designated by your city council. Please attach the council resolution as proof of designation. As an alternative, the Mayor or City Clerk may sign this form, affirming that the designation reflects the action taken by the council.

**Please note:** Voting delegates and alternates will be seated in a separate area at the Annual Business Meeting. Admission to this designated area will be limited to individuals (voting delegates and alternates) who are identified with a special sticker on their conference badge. This sticker can be obtained only at the Voting Delegate Desk.

**1. VOTING DELEGATE**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**2. VOTING DELEGATE - ALTERNATE**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**3. VOTING DELEGATE - ALTERNATE**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**PLEASE ATTACH COUNCIL RESOLUTION DESIGNATING VOTING DELEGATE AND ALTERNATES.**

**OR**

**ATTEST: I affirm that the information provided reflects action by the city council to designate the voting delegate and alternate(s).**

Name: \_\_\_\_\_ E-mail: \_\_\_\_\_

Mayor or City Clerk \_\_\_\_\_ Phone: \_\_\_\_\_  
(circle one) (signature)

Date: \_\_\_\_\_

**Please complete and return by Friday, September 18, 2015**

League of California Cities  
ATTN: **Kayla Gibson**  
1400 K Street, 4<sup>th</sup> Floor  
Sacramento, CA 95814

**FAX: (916) 658-8240**  
E-mail: [kgibson@cacities.org](mailto:kgibson@cacities.org)  
(916) 658-8247



# STAFF REPORT

TO: Mayor and Members of the City Council

FROM: Sean Rabé, City Manager  
Charles Francis, Finance Director  
NHA Advisors, Municipal Finance Advisor  
Best, Best & Krieger, Bond Counsel

MEETING DATE: July 15, 2015

SUBJECT: Discussion of Certificates of Participation to Finance Town Hall Renovation

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## STAFF RECOMMENDATION

Staff recommends that the City Council adopt the following motion:

MOTION DIRECTING THE CITY MANAGER TO PREPARE DOCUMENTS FOR THE  
EXECUTION, SALE AND DELIVERY OF CERTIFICATES OF PARTICIPATION (COPS) TO  
FINANCE THE TOWN HALL RENOVATION PROJECT

## EXECUTIVE SUMMARY

The Town is completing the design and engineering of the improvements to the Town Hall and expects to fund a portion of the Project with existing Town cash reserves as well as proceeds from a COP financing prior to bidding the Project. This plan will meet all of the financial goals for the Town, which includes retaining the largest reserve possible (as a percentage of expenditures) and maintaining a balanced budget from FY 2019/20 and beyond.

The proposed financing plan assumes \$4.75 million in COP proceeds are used to fund a portion of the Project costs. The balance will be funded from Town reserves and will be dependent on the final cost of the Project. The COP proceeds will be drawn down prior to any Town funds.

## FISCAL IMPACT

The anticipated total par amount for the COPs is anticipated to be approximately \$5,300,000, \$5,000,000 of which will be used to fund Town Hall Renovation Project. Transaction costs are estimated to total \$200,000 (\$150,000 for costs of issuance and \$50,000 for underwriter fees). In addition, approximately \$350,000 of the proceeds will be used to fund a debt service reserve fund. However, this reserve fund serves as a credit for the final COP payments in FY 2044/45.

## BACKGROUND

In collaboration with the City's Municipal Advisor, NHA Advisors, LLC, and the City Treasurer, staff analyzed several scenarios to finance the Town Hall Renovation Project improvements:

1. 100% cash funded
2. 100% debt funded
3. Optimize a combination of cash and debt to preserve General Fund structural balance

The result of this analysis was presented to the City Council on December 10, 2014. The analysis recommended financing the Town Hall Renovation Project through a combination of debt and use of cash.

The Council formally set the project budget at \$13 million at the February 11, 2015 City Council meeting, with direction to staff to bring back the required supplemental appropriation.

At the City Council's regularly scheduled meeting on April 8, 2015, the City Council approved a supplemental appropriation for fiscal year 2014-15 formally bringing the budget for the Town Hall Renovation Project #947 at \$13 million. Appropriations for capital projects are automatically carried forward in subsequent year budgets. Council further directed staff to prepare the appropriate action items for the Town to issue Certificates of Participation, as prepared by the Town's Bond Counsel, Financial Advisor, City Treasurer and City Manager.

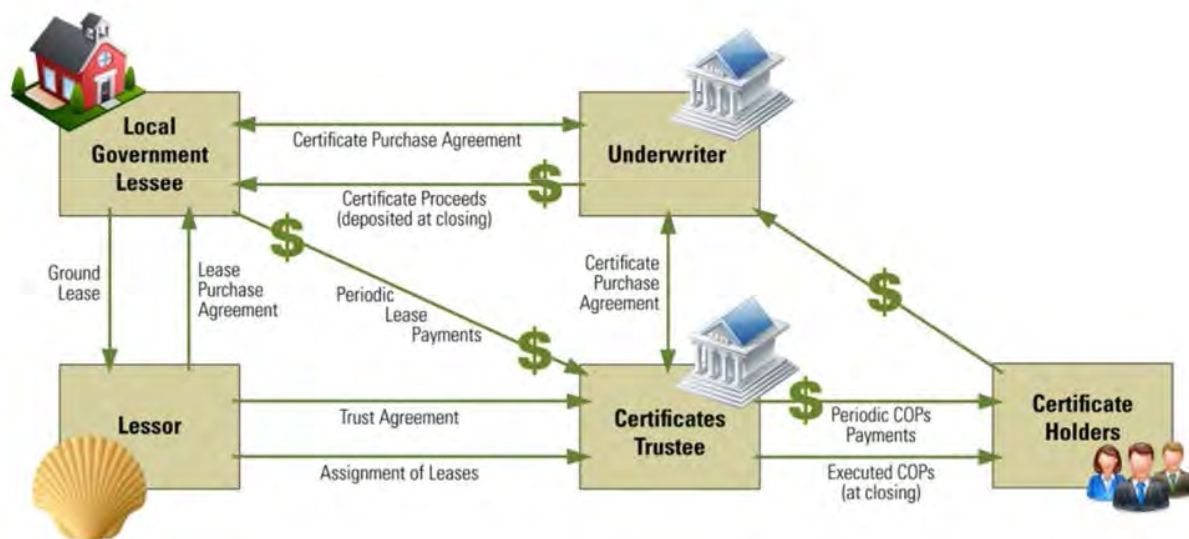
## **ANALYSIS**

By financing the Town Hall improvements by issuing \$5.3 million of COPs, and using \$8.25 million of Town reserves, the City would remain structurally balanced in continuing to provide an excellent level of service to its citizens and continuing with its capital improvement program.

### **Certificates of Participation**

When financing capital projects, cities generally can lower their borrowing costs by selling lease obligations to the capital markets with an underwriter allocating portions of the financing to multiple investors, rather than relying on a single or small group of investors as in a privately placed lease. To reach this broad investor base, agencies issue COPs as tax-exempt lease obligations. COPs pay tax-exempt interest and enjoy the liquidity of a marketable security, akin to a municipal bond. Technically, a COP is a security that evidences an undivided fractional interest in an underlying lease or installment sale agreement. In other words, a COP entitles its owner to a proportionate share of lease (or installment sale) payments made by a government agency pursuant to a lease (or an installment sale) agreement. For all intents and purposes, COPs function like municipal bonds.

The following diagram presents the flow of agreements, lease payments, proceeds of COPs issuance and use of funds:



### **Public Property Financing Corporation**

To satisfy legal requirements, COP transactions involving tax-exempt leases require both a Lessor and a lessee. Under California state law cities (Lessees) may issue tax-exempt COPs through a non-profit corporation, such as a public financing authority (Lessors). The public financing authority is the intermediary entity that is created to issue the COPs for sale to investors as marketable securities. The Town of Colma (Lessee) has previously contracted with the Public Property Financing Corporation for its 2003 Certificates of Participation. The Public Property Financing Corporation will again act as the lessor for the purpose of financing the Project.

### **Sources and Uses of Funds, Interest Costs and Debt Service Payments**

Staff is requesting City Council authorization to complete the issuance of COPs in a principal amount of not to exceed \$5,300,000 (although only the amount required to finance the Project will actually be issued), a maximum term of 30 years and a maximum true interest rate of 4.50%.

Based on the initial analysis by the Town's Municipal Advisor, the following tables present the Sources and Uses of Funds, Interest Costs and Debt Service Payments:

Financing Sources	
COP Principal	\$5,300,000
Town Cash Reserves	<u>8,250,000</u>
Total Available Funds	\$13,550,000
Uses of Funds	
Project Fund	\$13,000,000
Debt Service Reserve Fund	350,000
Financing Costs	150,000
Underwriting Fees	<u>50,000</u>
	\$13,550,000

### *Financing Team*

COP transactions require the professional assistance of the same municipal finance industry professionals who assist in conventional bond offerings: investment bankers, bond counsel, municipal advisors, rating agencies, and others. COP transactions also require a trustee to collect and disburse lease (or installment sale) payments to multiple investors.

#### **Bond Counsel:**

Best Best & Krieger LLP – (Need firm description)

#### **Municipal Advisor:**

NHA Advisors, LLC – Mr. Craig Hill has served as Municipal Advisor to the City since 2003 and throughout the recently Town Hall Renovation Project financing discussions. NHA Advisors provides municipal advisory services to over 50 public agencies throughout California with a focus on local government and special districts including many agencies in Marin County.

#### **Underwriter:**

To be determined – staff is proposing to work with NHA Advisors to seek proposals for underwriting services and negotiate the sale of COP at the appropriate time to produce the lowest true interest cost in the market on the day of the sale.

#### **Underwriter's Counsel:**

To be determined – Underwriter's counsel is customarily selected by the underwriter to represent the underwriter and its interests in a negotiated sale. Underwriter's counsel will customarily review, from the underwriter's perspective the documents prepared by bond counsel, and will negotiate matters relating to those documents on behalf of the underwriter.

#### **Trustee:**

To be determined - a trustee acts in a fiduciary relationship to both the issuer and the Certificate of Participation holders, since both are beneficiaries of the trust established by the bond indenture.

## ***Certificates of Participation Documents***

### **Site and Facility Lease**

Under this agreement, the City will lease the Town Hall to the Public Private Financing Corporation.

### **Lease Agreement**

Under this agreement, the City will lease the Town Hall from the Public Private Financing Corporation; will agree to make semi-annual lease payments; and will agree to comply with certain covenants, including maintaining Town Hall.

### **Assignment Agreement**

Under this agreement, the Public Private Financing Corporation will assign to the Trustee its right to receive lease payments from the City and the City will then make such payments directly to the Trustee.

### **Trust Agreement**

This agreement is between the Town of Colma and Trustee. The agreement includes provisions that (i) authorizes the issuance of the COPs, (ii) describes the terms of such COP, (iii) contains certain covenants, (iv) pledges revenue and (v) appoints the Trustee to serve as Trustee for the payment of the Town of Colma COP.

### **Preliminary Official Statement**

This is the offering document by which the Underwriters will market the Town of Colma's COP. It describes the financing, the use of proceeds, security and sources of repayment, the City's leases, various risk factors and other matters that a potential investor may consider relevant in its decision to purchase the COP. The Preliminary Official Statement will be in substantially final form, except for the interest rates and final amounts by maturity, which will be known only after the competitive sale.

### **Certificate Purchase Agreement**

Pursuant to this document, the Underwriter agrees to purchase the COP in specified amounts and at specified rates.

### **Continuing Disclosure Certificates**

This document sets forth the responsibility of the City to provide an annual report to the marketplace. The annual report consists of audited City financial statements and updates of certain information provided in the Official Statement. There will be two Continuing Disclosure Certificates, one for each series of the COP.

### ***Future Council Action***

Move that the City Council of the Town of Colma approve the resolution approving proceedings to finance capital improvements to the Project, approving the issuance of Certificates of Participation by the Public Property Financing Corporation for such purposes and approving related documents and official actions.

## **VALUES**

Adoption of the recommended motion is consistent with the Council's value of responsibility because it is providing for supplemental appropriations after taking into consideration the financial impacts of the project and the long-term financial stability of the Town.

## **ALTERNATIVES**

The Council could chose to not direct staff to proceed with the issuance of COP. Doing so is not recommended, however, as that action would either prevent the Town Hall Renovation Project from moving forward; or would result in 100% cash financing of the Town Hall Renovation project and that would destabilize the City's financial structural balance.

## **CONCLUSION**

It is recommended that the City Council adopt a motion directing the City Manager to prepare documents for the execution, sale and delivery of COPs to finance the town hall renovation project.

Staff is prepared to answer any questions you may have.

## **ATTACHMENTS**

2015 Town of Colma Certificate of Participation Scenario Analysis:

- A. Sources and Uses of Funds
- B. Bond Summary Statistics
- C. Bond Pricing
- D. Bond Debt Service
- E. Financing Schedule

Financing Documents:

- F. Certificate Purchase Agreements
- G. Lease Agreement
- H. Agency Agreement
- I. Trust Agreement
- J. Preliminary Official Statement



## SOURCES AND USES OF FUNDS

Town of Colma  
2015 Certificates of Participation  
(Town Hall Renovation Project)

## Sources:

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Bond Proceeds:	
Par Amount	5,300,000.00
Other Sources of Funds:	
City Contribution	8,250,000.00
	13,550,000.00

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## Uses:

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Project Fund Deposits:	
Project Fund	13,000,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	350,000.00
Delivery Date Expenses:	
Cost of Issuance	142,977.00
Underwriter's Discount	53,000.00
	195,977.00
Other Uses of Funds:	
Additional Proceeds	4,023.00
	13,550,000.00

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## BOND SUMMARY STATISTICS

Town of Colma  
2015 Certificates of Participation  
(Town Hall Renovation Project)

Dated Date	08/19/2015
Delivery Date	08/19/2015
Last Maturity	08/01/2045
Arbitrage Yield	4.277211%
True Interest Cost (TIC)	4.361160%
Net Interest Cost (NIC)	4.397994%
All-In TIC	4.594156%
Average Coupon	4.343208%
Average Life (years)	18.253
Duration of Issue (years)	12.202
Par Amount	5,300,000.00
Bond Proceeds	5,300,000.00
Total Interest	4,201,619.63
Net Interest	4,254,619.63
Total Debt Service	9,501,619.63
Maximum Annual Debt Service	319,912.50
Average Annual Debt Service	317,249.40
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	10.000000
Total Underwriter's Discount	10.000000
Bid Price	99.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	5,300,000.00	100.000	4.343%	18.253
	5,300,000.00			18.253

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,300,000.00	5,300,000.00	5,300,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-53,000.00	-53,000.00	
- Cost of Issuance Expense		-142,977.00	
- Other Amounts			
Target Value	5,247,000.00	5,104,023.00	5,300,000.00
Target Date	08/19/2015	08/19/2015	08/19/2015
Yield	4.361160%	4.594156%	4.277211%



## BOND PRICING

Town of Colma  
2015 Certificates of Participation  
(Town Hall Renovation Project)

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	08/01/2016	105,000	0.750%	0.750%	100.000
	08/01/2017	110,000	1.200%	1.200%	100.000
	08/01/2018	110,000	1.600%	1.600%	100.000
	08/01/2019	115,000	1.850%	1.850%	100.000
	08/01/2020	115,000	2.100%	2.100%	100.000
	08/01/2021	120,000	2.300%	2.300%	100.000
	08/01/2022	120,000	2.600%	2.600%	100.000
	08/01/2023	125,000	2.800%	2.800%	100.000
	08/01/2024	130,000	3.000%	3.000%	100.000
	08/01/2025	130,000	3.200%	3.200%	100.000
	08/01/2026	135,000	3.400%	3.400%	100.000
	08/01/2027	140,000	3.600%	3.600%	100.000
	08/01/2028	145,000	3.900%	3.900%	100.000
	08/01/2029	150,000	4.050%	4.050%	100.000
	08/01/2030	160,000	4.100%	4.100%	100.000
	08/01/2031	165,000	4.200%	4.200%	100.000
	08/01/2032	170,000	4.250%	4.250%	100.000
	08/01/2033	180,000	4.300%	4.300%	100.000
	08/01/2034	185,000	4.350%	4.350%	100.000
	08/01/2035	195,000	4.350%	4.350%	100.000
	08/01/2036	205,000	4.550%	4.550%	100.000
	08/01/2037	210,000	4.550%	4.550%	100.000
	08/01/2038	220,000	4.550%	4.550%	100.000
	08/01/2039	230,000	4.550%	4.550%	100.000
	08/01/2040	240,000	4.550%	4.550%	100.000
	08/01/2041	255,000	4.650%	4.650%	100.000
	08/01/2042	265,000	4.650%	4.650%	100.000
	08/01/2043	275,000	4.650%	4.650%	100.000
	08/01/2044	290,000	4.650%	4.650%	100.000
	08/01/2045	305,000	4.650%	4.650%	100.000
		5,300,000			

Dated Date	08/19/2015	
Delivery Date	08/19/2015	
First Coupon	02/01/2016	
Par Amount	5,300,000.00	
Original Issue Discount		
Production	5,300,000.00	100.000000%
Underwriter's Discount	-53,000.00	-1.000000%
Purchase Price	5,247,000.00	99.000000%
Accrued Interest		
Net Proceeds	5,247,000.00	



## BOND DEBT SERVICE

Town of Colma  
2015 Certificates of Participation  
(Town Hall Renovation Project)

Period Ending	Principal	Coupon	Interest	Debt Service
08/01/2016	105,000	0.750%	196,752.13	301,752.13
08/01/2017	110,000	1.200%	206,320.00	316,320.00
08/01/2018	110,000	1.600%	205,000.00	315,000.00
08/01/2019	115,000	1.850%	203,240.00	318,240.00
08/01/2020	115,000	2.100%	201,112.50	316,112.50
08/01/2021	120,000	2.300%	198,697.50	318,697.50
08/01/2022	120,000	2.600%	195,937.50	315,937.50
08/01/2023	125,000	2.800%	192,817.50	317,817.50
08/01/2024	130,000	3.000%	189,317.50	319,317.50
08/01/2025	130,000	3.200%	185,417.50	315,417.50
08/01/2026	135,000	3.400%	181,257.50	316,257.50
08/01/2027	140,000	3.600%	176,667.50	316,667.50
08/01/2028	145,000	3.900%	171,627.50	316,627.50
08/01/2029	150,000	4.050%	165,972.50	315,972.50
08/01/2030	160,000	4.100%	159,897.50	319,897.50
08/01/2031	165,000	4.200%	153,337.50	318,337.50
08/01/2032	170,000	4.250%	146,407.50	316,407.50
08/01/2033	180,000	4.300%	139,182.50	319,182.50
08/01/2034	185,000	4.350%	131,442.50	316,442.50
08/01/2035	195,000	4.350%	123,395.00	318,395.00
08/01/2036	205,000	4.550%	114,912.50	319,912.50
08/01/2037	210,000	4.550%	105,585.00	315,585.00
08/01/2038	220,000	4.550%	96,030.00	316,030.00
08/01/2039	230,000	4.550%	86,020.00	316,020.00
08/01/2040	240,000	4.550%	75,555.00	315,555.00
08/01/2041	255,000	4.650%	64,635.00	319,635.00
08/01/2042	265,000	4.650%	52,777.50	317,777.50
08/01/2043	275,000	4.650%	40,455.00	315,455.00
08/01/2044	290,000	4.650%	27,667.50	317,667.50
08/01/2045	305,000	4.650%	14,182.50	319,182.50
	5,300,000		4,201,619.63	9,501,619.63

## BOND DEBT SERVICE

Town of Colma  
2015 Certificates of Participation  
(Town Hall Renovation Project)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/19/2015					
02/01/2016			93,198.38	93,198.38	
08/01/2016	105,000	0.750%	103,553.75	208,553.75	301,752.13
02/01/2017			103,160.00	103,160.00	
08/01/2017	110,000	1.200%	103,160.00	213,160.00	316,320.00
02/01/2018			102,500.00	102,500.00	
08/01/2018	110,000	1.600%	102,500.00	212,500.00	315,000.00
02/01/2019			101,620.00	101,620.00	
08/01/2019	115,000	1.850%	101,620.00	216,620.00	318,240.00
02/01/2020			100,556.25	100,556.25	
08/01/2020	115,000	2.100%	100,556.25	215,556.25	316,112.50
02/01/2021			99,348.75	99,348.75	
08/01/2021	120,000	2.300%	99,348.75	219,348.75	318,697.50
02/01/2022			97,968.75	97,968.75	
08/01/2022	120,000	2.600%	97,968.75	217,968.75	315,937.50
02/01/2023			96,408.75	96,408.75	
08/01/2023	125,000	2.800%	96,408.75	221,408.75	317,817.50
02/01/2024			94,658.75	94,658.75	
08/01/2024	130,000	3.000%	94,658.75	224,658.75	319,317.50
02/01/2025			92,708.75	92,708.75	
08/01/2025	130,000	3.200%	92,708.75	222,708.75	315,417.50
02/01/2026			90,628.75	90,628.75	
08/01/2026	135,000	3.400%	90,628.75	225,628.75	316,257.50
02/01/2027			88,333.75	88,333.75	
08/01/2027	140,000	3.600%	88,333.75	228,333.75	316,667.50
02/01/2028			85,813.75	85,813.75	
08/01/2028	145,000	3.900%	85,813.75	230,813.75	316,627.50
02/01/2029			82,986.25	82,986.25	
08/01/2029	150,000	4.050%	82,986.25	232,986.25	315,972.50
02/01/2030			79,948.75	79,948.75	
08/01/2030	160,000	4.100%	79,948.75	239,948.75	319,897.50
02/01/2031			76,668.75	76,668.75	
08/01/2031	165,000	4.200%	76,668.75	241,668.75	318,337.50
02/01/2032			73,203.75	73,203.75	
08/01/2032	170,000	4.250%	73,203.75	243,203.75	316,407.50
02/01/2033			69,591.25	69,591.25	
08/01/2033	180,000	4.300%	69,591.25	249,591.25	319,182.50
02/01/2034			65,721.25	65,721.25	
08/01/2034	185,000	4.350%	65,721.25	250,721.25	316,442.50
02/01/2035			61,697.50	61,697.50	
08/01/2035	195,000	4.350%	61,697.50	256,697.50	318,395.00
02/01/2036			57,456.25	57,456.25	
08/01/2036	205,000	4.550%	57,456.25	262,456.25	319,912.50
02/01/2037			52,792.50	52,792.50	
08/01/2037	210,000	4.550%	52,792.50	262,792.50	315,585.00
02/01/2038			48,015.00	48,015.00	
08/01/2038	220,000	4.550%	48,015.00	268,015.00	316,030.00
02/01/2039			43,010.00	43,010.00	
08/01/2039	230,000	4.550%	43,010.00	273,010.00	316,020.00
02/01/2040			37,777.50	37,777.50	
08/01/2040	240,000	4.550%	37,777.50	277,777.50	315,555.00
02/01/2041			32,317.50	32,317.50	
08/01/2041	255,000	4.650%	32,317.50	287,317.50	319,635.00



## BOND DEBT SERVICE

Town of Colma  
2015 Certificates of Participation  
(Town Hall Renovation Project)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2042			26,388.75	26,388.75	
08/01/2042	265,000	4.650%	26,388.75	291,388.75	317,777.50
02/01/2043			20,227.50	20,227.50	
08/01/2043	275,000	4.650%	20,227.50	295,227.50	315,455.00
02/01/2044			13,833.75	13,833.75	
08/01/2044	290,000	4.650%	13,833.75	303,833.75	317,667.50
02/01/2045			7,091.25	7,091.25	
08/01/2045	305,000	4.650%	7,091.25	312,091.25	319,182.50
	5,300,000		4,201,619.63	9,501,619.63	9,501,619.63



**TOWN OF COLMA**  
**2015 CERTIFICATES OF PARTICIPATION**  
**(TOWN HALL RENOVATION PROJECT)**

**FINANCING SCHEDULE**  
**JULY 9, 2015**

*Issuer: Town of Colma (TOWN)*  
*Municipal Advisor: NHA Advisors (MA)*  
*Bond Counsel: Best Best & Krieger (BC)*  
*Disclosure Counsel: Best Best & Krieger (DC)*  
*Trustee: BNY Mellon (TR)*  
*Underwriter: TBD (UW)*

Date	Activity	Participants
Week of April 27 <sup>th</sup>	Kick-off Call with Financing Team	ALL
May 18 <sup>th</sup>	Circulate Draft Financing Documents (Resolutions and Base Legal Documents)	BC
May 22 <sup>nd</sup>	Comments Due on Draft Financing Documents	ALL
May 25 <sup>th</sup>	Memorial Day Holiday	ALL
May 28 <sup>th</sup>	Circulate Revised Financing Documents	BC/DC
June 1 <sup>st</sup>	Circulate Draft Preliminary Official Statement ("POS")	DC
June 10 <sup>th</sup>	Council Budget Approval	TOWN
June 22 <sup>nd</sup>	Comments Due on Revised Financing Documents and POS	ALL
July 10 <sup>th</sup>	Draft Town Council Presentation on Financing Structure and Documentation	BC/DC/MA
July 7 <sup>th</sup>	Revised Financing Documents and POS Circulated	BC/DC
July 13 <sup>th</sup>	Agenda Deadline for July 22 <sup>nd</sup> Council Meeting	BC/DC

June 2015						
Su	M	Tu	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

July 2015						
Su	M	Tu	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

August 2015						
Su	M	Tu	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Date	Activity	Participants
July 14 <sup>th</sup>	Credit Package Submitted to Rating Agency (S&P)	MA
July 15 <sup>th</sup>	Draft Rating Presentation Distributed for Comments	UW/MA
July 15 <sup>th</sup> @ 7:30	Council to Discuss Structure and Financing	TOWN/MA
July 17 <sup>th</sup>	Additional Comments Due on Financing Documents and POS	BC/DC
Week of July 20 <sup>th</sup>	Meeting/Conference Call with Rating Agency	TOWN/MA/UW
July 20 <sup>th</sup>	Comments Due on Draft Rating Presentation	ALL
July 22 <sup>nd</sup> @ 6:00	Council Approves Financing Documents	TOWN
July 29 <sup>th</sup>	Rating Due	MA
July 29 <sup>th</sup>	Final Comments Due on POS	ALL
July 30 <sup>th</sup>	Release POS to Underwriter	DC
August 5 <sup>th</sup>	Construction Project Bid	TOWN
August 10 <sup>th</sup> or 11 <sup>th</sup>	Pre-Pricing Call	TOWN/MA/UW
August 11 <sup>th</sup> or 12 <sup>th</sup>	Price COPs	TOWN/MA/UW
August 19	Award Construction Project	TOWN
August 25 <sup>th</sup>	Pre-Close Financing	ALL
August 26 <sup>th</sup>	Closing	ALL

\$ \_\_\_\_\_  
**Certificates of Participation**  
**(Town Hall Improvement Project)**  
**Evidencing Direct, Undivided Fractional Interests of the Owners thereof**  
**in Lease Payments to be Made by the**  
**TOWN OF COLMA**  
**CERTIFICATE PURCHASE AGREEMENT**

August \_\_, 2015

City Council  
Town of Colma  
1198 El Camino Real  
Colma, California 92014

Ladies and Gentlemen:

The undersigned (the “Underwriter”), offers to enter into this purchase agreement (this “Purchase Agreement”) with the Town of Colma (the “Town”) which will be binding upon the Town and the Underwriter upon the acceptance hereof by the Town. This offer is made subject to its acceptance by the Town by execution of this Purchase Agreement and its delivery to the Underwriter on or before 5:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Trust Agreement and the Lease Agreement (as those terms are hereafter defined).

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase and the Town hereby agrees to cause to be delivered to the Underwriter, all (but not less than all) of the \$\_\_\_\_\_ aggregate principal amount of the Certificates of Participation (Town Hall Improvement Project) (the “Certificates”) evidencing the direct undivided fractional interests of the Owners thereof in Lease Payments to be made by the Town to Public Property Financing Corporation of America (the “Corporation”) pursuant to a Lease Agreement, dated as of August 1, 2015 (the “Lease Agreement”), between the Town and the Corporation, at a purchase price of \$\_\_\_\_\_ (the proceeds of the Certificates less \$\_\_\_\_\_ of Underwriter’s discount and [plus/less] \$\_\_\_\_\_ of net original issue [premium/discount]).

The amount of \$\_\_\_\_\_ has been, or within two (2) business days hereof will be, wired to the Trustee (as hereinafter defined) as security for the performance by the Underwriter of its obligation to accept and pay for the Certificates at the Closing, as provided in Section 5 hereof. In the event that the Underwriter complies with such obligation, said good faith deposit in the amount thereof shall be credited toward the payment of the purchase price of the Certificates by the Underwriter at the Closing. In the event of the Town’s failure to deliver the Certificates at the Closing, or if the Town shall be unable to satisfy the conditions of the obligation of the Underwriter to purchase and accept delivery of such Certificate as set forth in this Purchase Agreement, or if the obligation of the Underwriter with respect to such Certificates

shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Town shall be under further obligation hereunder, except that the respective obligations of the Town and the Underwriter for the payment of expenses, as provided in Section 8, shall continue in full force and effect.

The Town acknowledges and agrees that (i) the purchase and sale of the Certificates pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Town and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an advisor (including, without limitation, a Municipal Advisor (as such term is defined in section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act)), agent or a fiduciary of the Town, (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Town with respect to the offering of the Certificates or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Town on other matters) or any other obligation to the Town except the obligations expressly set forth in this Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the Town and (v) the Town has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Certificates.

2. **Authorizing Instruments and Law.** The Certificates shall be executed and delivered by The Bank of New York Mellon Trust Company as trustee (the "Trustee") pursuant to a Trust Agreement, dated as of August 1, 2015 (the "Trust Agreement"), among the Town, the Corporation and the Trustee. The Corporation will assign its right to receive Lease Payments to the Trustee pursuant to the terms of the Trust Agreement. The Certificates shall be as described in the Trust Agreement and the Official Statement relating to the Certificates (as defined below).

The Town will use the proceeds of the Certificates (i) fund the renovation of the Project as more completely described in the Lease Agreement, (ii) fund a reserve fund for the Certificates, and (iii) to pay the costs of executing and delivering the Certificates.

3. **Public Offering.** The Underwriter agrees to make a bona fide public offering of all the Certificates initially at the public offering prices (or yields) set forth on Appendix A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Certificates, provided that the Underwriter shall not change the interest rates set forth on Appendix A. The Certificates may be offered and sold to certain dealers at prices lower than such initial public offering prices.

4. **Delivery of Official Statement and Continuing Disclosure.** The Town has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement or the first offering of the Certificates, whichever first occurs, copies of the preliminary official statement dated [July \_\_, 2015], relating to the Certificates (the "Preliminary Official Statement"). Such Preliminary Official Statement is the official statement deemed final by the Town for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"), except for the information specifically permitted to be omitted by paragraph (b)(1) of the Rule, and approved for distribution by resolution of the Town.

The Preliminary Official Statement and the final Official Statement (the “Final Official Statement”), including the cover pages, the appendices thereto and all information incorporated therein by reference are hereinafter referred collectively to as the “Official Statement”.

To assist the Underwriter in complying with SEC Rule 15c2-12 (b)(5), the Town will undertake, pursuant to a Continuing Disclosure Agreement relating to the Certificates dated the date of the Closing (the “Continuing Disclosure Agreement”), to provide annual reports and notices of certain events. A description of these undertakings is set forth in the Preliminary Official Statement and Certificates will also be set forth in the Final Official Statement.

The Town shall, within 7 business days of the date hereof, deliver the Final Official Statement to the Underwriter in sufficient quantity to comply with applicable SEC and Municipal Securities Rulemaking Board regulations.

5. **The Closing.** At 8:00 a.m., California time, on [August \_\_, 2015], or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Town and the Underwriter (the “Closing Date”), the Town will deliver, or cause to be delivered (i) the Certificates in definitive form to the Underwriter in such form as the Underwriter shall request, and (ii) the closing documents hereinafter mentioned at the office of Best Best & Krieger LLP, San Diego, California or another place to be mutually agreed upon by the Town and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Certificates on the Closing Date as set forth in Section 1 by wire transfer payable to the order of the Trustee on behalf of the Town. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “Closing”. The Certificates will be delivered in such authorized denominations and deposited in the account or accounts specified by the Underwriter pursuant to written notice not later than five (5) business days prior to the Closing Date.

6. **Town Representations, Warranties and Covenants.** The Town represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The Town is a municipal corporation, organized and existing under the Constitution and the laws of the State of California (the “State”), with full right, power and authority to execute, deliver and perform its obligations under this Purchase Agreement, the Trust Agreement and the Lease Agreement (collectively, the “Town Documents”) and to carry out and consummate the transactions contemplated by the Town Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action of the Town, the Town has duly authorized and approved the execution and delivery of, and the performance by the Town of the obligations contained in, the Preliminary Official Statement, the Final Official Statement and the Town Documents and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Town Documents will constitute the legally valid and binding obligations of the Town enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors’ rights generally. The Town has

complied, and will at the Closing be in compliance in all respects, with the terms of the Town Documents.

(c) Official Statement Accurate and Complete. The Preliminary Official Statement was as of its date, and the Final Official Statement is, and at all times subsequent to the date of the Final Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Final Official Statement contain and up to and including the Closing will contain no misstatement of any material fact and do not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in the light of the circumstances under which such statements were made, not misleading.

(d) Amendments and Supplements to Official Statement. If after the date of this Purchase Agreement and until twenty-five (25) days after the end of the underwriting period, any event shall occur, of which the Town has notice, as a result of which it may be necessary to supplement the Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, the Town shall forthwith notify the Underwriter of any such event of which it has knowledge and, if in the opinion of the Underwriter or the Town, such event requires an amendment or supplement to the Official Statement, the Town, at its own expense, will amend or supplement the Official Statement in a form and manner jointly approved by the Town and the Underwriter so that the statements therein as so amended or supplemented will not be misleading in the light of the circumstances existing at such time and the Town shall promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement.

(e) No Breach or Default. As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, the Town is not and will not be in breach of or in default under any applicable and material constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable and material judgment or decree or any trust agreement, lease agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Town is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Town Documents and compliance with the provisions of each of such agreements or instruments do not and will not be prohibited by or constitute a breach of or default under any applicable and material constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable and material judgment, decree, license, permit, trust agreement, lease agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Town (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Town Documents.

(f) No Litigation. As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, to the best knowledge and belief of the Town,



without having made any independent investigation, (1) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory authority, public board or body, pending or threatened against the Town (i) in any way questioning the corporate existence of the Town or the titles of the officers of the Town to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Certificates, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest with respect to the Certificates, or in any way contesting or affecting the validity of the Certificates or the Town Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest portion of the Lease Payments from taxation; or (iii) contesting the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Final Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (2) there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iii) of this sentence.

(g) Preliminary Official Statement. For purposes of the Rule, the Town has heretofore deemed final the Preliminary Official Statement prior to its use and distribution by the Underwriter, except for the information specifically permitted to be omitted by paragraph (b)(1) of the Rule.

(h) Approvals and Consents. Except as may be required under the blue sky or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the Town of its obligations under the Town Documents and the Certificates have been or will be obtained and are or will be in full force and effect.

**7. Closing Conditions.** The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Corporation and the Town of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Purchase Agreement to purchase and pay for the Certificates shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Town contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the Town Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter and (ii) there shall be in full force and effect such resolutions (the "Resolutions") as, in the opinion of Best Best & Krieger LLP, San Diego, California ("Special Counsel"), shall be necessary in connection with the transactions contemplated by the Official Statement and the Town Documents.

(c) Termination Events. The Underwriter shall have the right to terminate this Purchase Agreement, without liability therefor, by notification to the Town if at any time at or prior to the Closing:

(i) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statement in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) the marketability of the Certificates or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority materially adversely affecting the federal or State tax status of the Town, or the interest on Certificates or notes or obligations of the general character of the Certificates; or, the form of opinion to be delivered by Special Counsel with respect thereto (including as a result of the adoption of the regulations contained in Circular 230 governing the practice of attorneys and other tax advisors before the Internal Revenue Service) in a form which, in the Underwriter's reasonable judgment, materially adversely affects the market price of the Certificates; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Certificates; or

(iv) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental body having jurisdiction of the subject matter

shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Certificates, or the issuance, offering or sale of the Certificates, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Certificates, or the Certificates, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Trust Agreement needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Certificates; or

(vi) a general banking moratorium shall have been established by federal or State authorities; or

(vii) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities or a national or international calamity or crisis, or there has occurred any escalation of existing hostilities, calamity or crisis, financial or otherwise, the effect of which on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Certificates; or

(viii) any rating of the Certificates shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Certificates; or

(ix) the commencement of any action, suit or proceeding described in Section 6(f) which, in the judgment of the Underwriter, materially adversely affects the market price of the Certificates; or

(x) there shall be in force a general suspension of trading on the New York Stock Exchange.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Certificates (unless the context otherwise indicates) the following documents:

(1) *Final Opinion*. An approving opinion of Special Counsel dated the date of the Closing and substantially in the form appended to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter and the Trustee, to the effect that the foregoing opinion addressed to the Town may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to them.

(2) *Supplemental Opinion.* A supplemental opinion or opinions of Special Counsel addressed to the Town and the Underwriter, and dated the date of the Closing substantially to the following effect:

- i. The Town Documents have been duly authorized, executed and delivered by the Town and constitute the valid, legal and binding agreements of the Town enforceable in accordance with their respective terms.
- ii. The statements contained in the Official Statement (including the cover page and the Appendices thereto), insofar as such statements purport to summarize certain provisions of the Certificates, the Trust Agreement, the Lease Agreement or the tax-exempt status of the interest component of the Lease Payments, fairly and accurately summarize the information presented therein; provided that Special Counsel need not express any opinion with respect to any financial or statistical information contained therein.
- iii. The Certificates and the Town's obligations under the Trust Agreement are exempt from registration under the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) *Disclosure Counsel.* An opinion of Disclosure Counsel substantially in form and substance satisfactory to the Underwriter.

(4) *Corporation Counsel Opinion.* An opinion of counsel to the Corporation, dated the date of the Closing and addressed to the Town, the Trustee and the Underwriter, in form and substance acceptable to Special Counsel and the Underwriter, substantially to the following effect:

- i. The Corporation is a nonprofit corporation duly incorporated and validly existing under the laws of the State of California.
- ii. The resolution ("Corporation Resolution") of the Corporation approving and authorizing the execution and delivery of the Corporation Documents is in full force and effect and has not been modified, amended or rescinded.
- iii. The Corporation Documents have been duly authorized, executed and delivered by the Corporation and constitute the legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

- iv. Except as otherwise disclosed in the Official Statement and to the knowledge of such counsel, there is no litigation, action, suit, proceeding or investigation at law or in equity before or by any court, governmental board or body, pending and served or overtly threatened in writing against the Corporation, challenging the creation, organization or existence of the Corporation, or the validity of the Certificates or the documents to which the Corporation is a party, or contesting the authority of the Corporation to enter into or perform its obligations under any of the documents to which the Corporation is a party, or which questions the issuance of the Certificates.

(5) *Town Certificate.* A certificate of the Town, dated the date of the Closing, signed on behalf of the Town by the Superintendent or other duly authorized officer of the Town to the effect that:

- i. The representations, warranties and covenants of the Town contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Town has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Town at or prior to the date of the Closing.
- ii. No event affecting the Town has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(6) *Corporation Certificate.* A certificate of the Corporation, dated the date of the Closing, signed on behalf of the Corporation by the Executive Director or other duly authorized officer of the Corporation to the effect that:

- i. The representations, warranties and covenants of the Corporation contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Corporation has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Corporation at or prior to the date of Closing; and
- ii. No event affecting the Corporation has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(7) *Trustee Certificate.* A certificate of the Trustee, dated the date of Closing, addressed to the Corporation, the Town and the Underwriter to the following effect:

- i. The Trustee is duly organized and existing as a banking association in good standing under the laws of the United States, having the full power and authority to enter into and perform its duties under the Trust Agreement and the Assignment Agreement.
- ii. The Trustee is duly authorized to enter into the Trust Agreement and the Assignment Agreement and the Trust Agreement and the Assignment Agreement have been duly executed and delivered by the Trustee.
- iii. To the knowledge of the Trustee, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental body, public board or body served upon the Trustee or threatened against the Trustee which in the reasonable judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Trust Agreement and the Assignment Agreement or contesting the powers of the Trustee or its authority to enter into and perform its obligation under the Trust Agreement and the Assignment Agreement.

(8) *Documents.* An original executed copy of each of the Town Documents.

(9) *Federal Tax Law Compliance.* An arbitrage certificate executed by the Town and satisfactory in form and substance to Special Counsel and the Town.

(10) *Form 8038-G.* Evidence that the federal tax information form 8038-G has been executed by the Town.

(11) *Additional Documents.* Such additional certificates, instruments and other documents as Special Counsel, the Town or the Underwriter may reasonably deem necessary.

If the Town or the Corporation shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter, the Town, nor the Corporation shall be under further obligation hereunder, except as further set forth in Section 8.

8. **Expenses.** Whether or not the Underwriter accepts delivery of and pays for the Certificates as set forth herein, the Underwriter shall be under no obligation to pay, and the Corporation and the Town shall pay or cause to be paid the expenses incident to the performance

of the obligations of the Corporation and the Town hereunder including but not limited to: (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the Town Documents and the cost of preparing, printing, issuing and delivering the definitive Certificates; (b) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the Town; (c) the fees and disbursements of Disclosure or Special Counsel; (d) the cost of preparation and printing of the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement, including the requisite number of copies thereof for distribution by the Underwriter; and (e) charges of rating agencies for the rating of the Certificates.

Whether or not the Underwriter accepts delivery of and pays for the Certificates as set forth herein, the Underwriter shall pay, and the Town and the Corporation shall not be under an obligation to pay, CUSIP Bureau and CDIAC fees and expenses, fees and expenses to qualify the Certificates for sale under any “blue sky” laws, fees and expenses of counsel to the Underwriter, and all other expenses incurred by it in connection with the public offering and distribution of the Certificates.

9. **Notice.** Any notice or other communication to be given to the Town or the Corporation under this Purchase Agreement may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to the following:

[ ]

10. **Entire Agreement.** This Purchase Agreement, when accepted by the Town and the Corporation shall constitute the entire agreement between the Town, the Corporation and the Underwriter and is made solely for the benefit of the Town, the Corporation and the Underwriter (including the successors or assigns of any Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the Town’s representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of (a) delivery of and payment for the Certificates hereunder, and (b) any termination of this Purchase Agreement.

11. **Counterparts.** This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. **Severability.** In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

13. **State of California Law Governs.** The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State.

14. **No Assignment.** The rights and obligations created by this Purchase Agreement shall not be subject to assignment by either the Underwriter, the Town, or the Corporation without the prior written consent of the other parties hereto.

UNDERWRITER

By: \_\_\_\_\_  
Authorized Representative

By: \_\_\_\_\_  
Authorized Representative

Accepted as of the date first stated above:

TOWN OF COLMA

By: \_\_\_\_\_  
City Manager



**APPENDIX A**  
**\$\_\_\_\_\_**  
**Certificates of Participation**  
**(Town Hall Improvement Project)**  
**Evidencing Direct, Undivided Fractional Interests of the Owners thereof**  
**in Lease Payments to be Made by the**  
**TOWN OF COLMA**

**MATURITY SCHEDULE**

<u>Maturity</u> <u>(June 1)</u>	<u>Amount</u> \$	<u>Coupon</u> %	<u>Yield</u> %	<u>Price</u>
------------------------------------	---------------------	--------------------	-------------------	--------------

TOTAL	\$			
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RECORDATION REQUESTED BY  
AND RETURN TO:

Best Best & Krieger LLP  
402 West Broadway, 13th Floor  
San Diego, CA 92101  
Attention: Warren Diven

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.

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LEASE AGREEMENT

RELATING TO TOWN OF COLMA  
2015 CERTIFICATES OF PARTICIPATION  
(TOWN HALL IMPROVEMENT PROJECT)

Dated as of August 1, 2015

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by and between

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA, as Lessor

and

THE TOWN OF COLMA, as Lessee

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## LEASE AGREEMENT

**THIS LEASE AGREEMENT**, made as of August 1, 2015, is entered into by and between **PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA**, a California nonprofit public benefit corporation (the "Corporation") and the **TOWN OF COLMA**, a city and municipal corporation, duly organized and existing under its charter and laws of the State of California, as lessee (the "Town").

## WITNESSETH

**WHEREAS**, the Corporation is a non-profit public benefit corporation and is authorized to provide financing for public capital improvements of public entities including the Town and to lease and lease back such public capital improvements; and

**WHEREAS**, the Town intends to lease the property upon which the Town's police station and certain public improvements constructed thereon and owned by the Town (the "Leased Premises") to the Corporation and to lease the Leased Premises back from the Corporation and the Town is authorized pursuant to the laws of the State of California to enter into leasehold agreements for such purpose; and

**WHEREAS**, the Corporation and the Town purpose to lease and lease back the Leased Premises as provided in this Lease Agreement, such lease back to the Town being for the purpose (among others) of providing amounts, together with funds of the Town, sufficient to provide for the payment of the principal of and interest on the Certificates (as defined herein); and

**WHEREAS**, the Leased Premises constitute a public capital improvement, as that term is defined in the Bond Law; and

**WHEREAS**, for the purpose of providing amounts, together with certain additional moneys provided by the City, to fund the construction of improvement to the Town Hall (the "Project") the Town proposes to cause to be executed and delivered \$\_\_\_\_\_ aggregate principal amount 2015 Certificates of Participation (Town Hall Improvement Project) under that certain Trust Agreement dated as of August 1, 2015 (the "Trust Agreement") by and among the Town, the Corporation and the Bank of New York Mellon Trust Company, N.A., as trustee; and

**WHEREAS**, all the conditions to the execution and delivery of this Lease Agreement have been satisfied and the Corporation and the Town are duly authorized to execute and delivery this Lease Agreement; and

**NOW, THEREFORE**, in consideration of the above premises and of the mutual covenants hereinafter contained and for other good and valuable consideration, the parties hereto agree as follows:

## **ARTICLE I DEFINITIONS AND EXHIBITS**

Section 1.1 **Definitions.** Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Lease Agreement, have the meanings herein specified.

Capitalized terms not otherwise defined in this Lease Agreement shall have the meaning given to them in the Trust Agreement.

“Certificates of Participation” or “Certificates” means the \$\_\_\_\_\_ aggregate principal amount of Town of Colma 2015 Certificates of Participation (Town Hall Improvement Project) to be executed and delivered pursuant to the Trust Agreement.

“Certificate Year” means the period commencing as of the Closing Date and ending May 1, 2016, and for each year thereafter the period commencing September 2 and ending on the next succeeding May 1st.

“Closing Date” means the day when the Certificates of Participation, duly executed by the Trustee, are delivered to the original purchaser thereof.

“Corporation” means Public Property Financing Corporation of California, a California nonprofit public benefit corporation organized and existing under and by virtue of the laws of the State of California and its successors and assigns.

“Corporation Representative” means the President of the Corporation, Treasurer of the Corporation, or any person authorized to act on behalf of the Corporation under or with respect to this Lease as evidenced by a resolution conferring such authorization adopted by the Board of the Corporation.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the Town or the Corporation relating to the execution, sale and delivery of this Lease Agreement or the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee (including legal fees), financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies or credit ratings, Certificate insurance premiums, fees for execution, transportation and safekeeping of the Certificates, and charges and fees in connection with the foregoing.

“Event of Default” means one or more events of default as defined in Article IX of this Lease.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation, the Trustee or the Town.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Article VII of the Trust Agreement.

“Lease Agreement” or “Lease” means this Lease Agreement together with any duly authorized and executed amendment hereto.

“Lease Payment” means any payment required to be made by the Town pursuant to Section 4.5 of this Lease and as set forth in Exhibit A attached to this Lease.

“Lease Payment Date” means the 15<sup>th</sup> day of the month prior to each Interest Payment Date with respect to the Certificates, and specifically the dates upon which the Town is to make



the Lease Payments pursuant to Section 4.5 of this Lease and as set forth in Exhibit A attached to this Lease.

“Lease Payment Fund” means the fund by that name established and held by the Trustee pursuant to Article V of the Trust Agreement.

“Leased Premises” means the property on which the Town’s police station is located and all of the improvement thereon which is further described in Exhibit C to this Lease Agreement under the heading “Leased Premises”.

“Moody's” means Moody's Investors Service, 99 Church Street, New York, New York 10007, a corporation organized and existing under the laws of the State of Delaware.

“Net Proceeds” means any insurance proceeds or condemnation award in excess of \$50,000, paid with respect to the Leased Premises, remaining after payment therefrom of all expenses incurred in the collection thereof.

“Owner” or “Certificate Owner” or “Owner of a Certificate”, or any similar term, when used with respect to a Certificate means the person in whose name such fully registered Certificate shall be registered.

“Permitted Encumbrances” means, as of any particular time: (i) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the Town may, pursuant to provisions of Article V hereof, permit to remain unpaid; (ii) this Lease Agreement; (iii) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law and which are contested in good faith by the Town; (iv) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record as of the Closing Date and which the Town certifies in writing will not materially impair the use of the Leased Premises, and (v) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the date of recordation of this Lease and to which the Corporation and the Town consent in writing which will not impair or impede the operation of the Leased Premises.

“Permitted Investments” shall have the meaning ascribed thereto in the Trust Agreement.

“Prepayment Date” means any date on which the Town may exercise its option to prepay all or a portion of the remaining Lease Payments, as set forth in Exhibit B attached to this Lease.

“Prepayment Price” means the price to be paid by the Town to exercise its option to prepay all or a portion of the remaining Lease Payments, on any prepayment Date, as set forth in Exhibit B attached to this Lease.

“Project” means the construction of improvements to the Town Hall as further described in Exhibit C to this Lease Agreement under the heading “Project.”

“Project Fund” means the Project Fund established and held by the Trustee under Section 3.02 of the Trust Agreement.

“Reserve Fund” means the fund by that named established and held by the Trustee pursuant to Section 6.01 of the Trust Agreement.

“Reserve Requirement” means as of any date of calculation an amount equal to the least of (1) 10 percent of the proceeds of the Certificates, (2) the maximum aggregate Lease Payments required to be paid in any Certificate Year, or (3) 125 percent of the average annual Lease Payment.

“S&P” means Standard & Poor's Corporation, 25 Broadway, New York, New York 10004, a corporation organized and existing under the laws of the State of New York.

“Term of this Lease” or “Term” means the time during which this Lease is in effect, as provided for in Section 4.2 of this Lease.

“Town” means the Town of Colma, a municipal corporation duly organized and existing under the Constitution and laws of the State of California.

“Town Representative” means the City Manager, the Finance Director or a person authorized by the City Manager to act on behalf of the Town under or with respect to this Lease.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., or any successor thereto acting as Trustee pursuant to the Trust Agreement.

“Trust Agreement” means the Trust Agreement, dated as of August 1, 2015, by and among the Trustee, the Corporation and the Town, together with any duly authorized and executed amendment thereto.

Section 1.2 **Exhibits.** The following Exhibits are attached to, and by reference made a part of, this Lease:

Exhibit A: The schedule of Lease Payments to be paid by the Town hereunder, showing the date and amount of each Lease Payment.

Exhibit B: The schedule of Prepayment Dates and corresponding Prepayment Prices.

Exhibit C: The descriptions of the real property constituting the Site, the Leased Premises to be leased hereunder and the Project.

## **ARTICLE II REPRESENTATIONS, COVENANTS AND WARRANTIES**

Section 2.1 **Representations, Covenants and Warranties of the Town.** The Town represents, covenants and warrants to the Corporation as follows:

(a) Due Organization and Existence. The Town is a municipal corporation, duly organized and existing under the Constitution and laws of the State of California.

(b) Authorization. The Constitution and the laws of the State of California authorize the Town to enter into this Lease and the Trust Agreement and to enter into the transactions

contemplated by and to carry out its obligations under all of this Agreement and the Trust Agreement, and the Town has duly authorized and executed this Agreement.

(c) No Violations. Neither the execution and delivery of this Lease or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Town is now a party or by which the Town is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Town, or upon the Leased Premises, except Permitted Encumbrances.

(d) Execution and Delivery. The Town has duly authorized and executed this Lease in accordance with the Constitution and laws of the State of California.

**Section 2.2 Representations, Covenants and Warranties of the Corporation.** The Corporation represents, covenants and warrants to the Town as follows:

(a) Due Organization and Existence. The Corporation is a California nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, has power to enter into this Lease and the Trust Agreement; is possessed of full power to own and hold real and personal property, and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid Agreements.

(b) No Encumbrances. The Corporation will not pledge the Lease Payments or other amounts derived from the Leased Premises and from its other rights under this Lease, and will not mortgage or encumber the Leased Premises, except as provided under the terms of this Lease and the Trust Agreement.

(c) No Violations. Neither the execution and delivery of this Lease, or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation, or upon the Leased Premises, except Permitted Encumbrances.

(d) No Assignments. Except as provided herein, the Corporation will not assign this Lease, its right to receive Lease Payments from the Town, or its duties and obligations hereunder to any other person, firm or entity so as to impair or violate the representations, covenants and warranties contained in this Section 2.2.

### **ARTICLE III DEPOSIT OF MONEYS; ACQUISITION AND CONSTRUCTION OF THE PROJECT**

**Section 3.1 Deposit of Moneys.** On the Closing Date, the Corporation shall cause to be deposited with the Trustee the proceeds of sale of the Certificates pursuant to Section 2.07 of the Trust Agreement.

Section 3.2 **Payment of Construction Costs.** Payment of the construction costs of the Project shall be made from moneys deposited in the Project Fund, which moneys shall be disbursed for such purpose as provided in Section 3.02 of the Trust Agreement.

Section 3.3 **Payment of Delivery Costs.** Payment of all Delivery Costs shall be made from the moneys deposited with the Trustee in the Delivery Costs Fund, which moneys shall be disbursed for such purpose in accordance with Section 3.01 of the Trust Agreement.

**ARTICLE IV**  
**AGREEMENT TO LEASE; TERMINATION OF**  
**THIS LEASE; LEASE PAYMENTS; TITLE TO THE LEASED PREMISES**

Section 4.1 **Lease; No Merger.** (a) In consideration of the payment of a lease payment of \$\_\_\_\_\_ by the Corporation and in consideration of the execution of this Lease Agreement by the Town, and other good and valuable consideration, the Town hereby leases to the Corporation, and the Corporation hereby leases from the Town, the Leased Premises for the Term of this Lease Agreement, plus one week following the end of the Term of this Lease Agreement.

(b) The Corporation hereby leases the Leased Premises to the Town, and the Town hereby leases the Leased Premises from the Corporation, upon the terms and conditions set forth in this Lease Agreement.

(c) The Town hereby takes possession of the Leased Premises on the Closing Date.

(d) The leasing by the Corporation to the Town of the Leases Premises shall not effect or result in a merger of the Town's leasehold estate pursuant to this Lease and its leasehold estate as lessor under the Lease and the Corporation shall continue to have and hold a leasehold estate in the Leased Premises throughout the term thereof and the term of this Lease.

Section 4.2 **Term of Lease.** The Term of this Lease shall commence as of August \_\_, 2015 and, unless sooner terminated as hereinafter provided, shall terminate on [\_\_\_\_\_ 1, 20\_\_], unless, on [\_\_\_\_\_ 1, 20\_\_], any Certificates are Outstanding, this Lease shall continue in full force and effect until 10 days after payment in full of all of the Certificates.

Section 4.3 **Termination of Term.** The Term of this Lease shall terminate upon the earliest of any of the following events:

(a) the exercise by the Town of its option to purchase the Leased Premises and Site, on any Prepayment Date, by paying the applicable Prepayment Price as provided in Section 10.2(a) hereof;

(b) an Event of Default and the Corporation's election to terminate this Lease Agreement pursuant to Section 9.2 hereof; or

(c) the arrival of the last day of the Term of this Lease and payment of all Lease Payments and all other payments due hereunder.

Section 4.4 **Possession.** The Town agrees to take possession of the Leased Premises.

#### Section 4.5 **Lease Payments.**

(a) Obligation to Pay. Subject to the provisions of Section 4.2 and Articles VI and X hereof, the Town agrees to pay to the Corporation, its successors and assigns, as rental for the use and occupancy of the Leased Premises, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Exhibit A hereto. A portion of each Lease Payment shall be paid as, and represents payment of, interest. The interest component of each Lease Payment is set forth in Exhibit A hereto. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Article X hereof, and other amounts required for payment of past due principal or interest with respect to any Certificates not presented for payment) shall be credited towards the Lease Payment then due and payable; and no Lease Payment need be made on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be paid. All Lease Payments for the Leased Premises for the period from the Closing Date to [\_\_\_\_\_, 2015] shall be for the use of the Leased Premises for such period of time. All Lease Payments for the Leased Premises and Site due during any twelve-month period beginning on [\_\_\_\_\_] 1, 2015 shall be for the use of the Leased Premises for such twelve-month period.

(b) Effect of Prepayment. In the event that the Town prepays all remaining Lease Payments pursuant to Article X hereof, the Town's obligations under this Lease, including but not limited to the Town's obligation to pay Lease Payments under this Section but excluding the Town's obligation to pay the Trustee any Additional Payments due hereunder, shall thereupon cease and terminate. In the event the Town prepays less than all the remaining principal components of the Lease Payments pursuant to Section 10.2(b) or Section 10.3 hereof, the principal components of the remaining Lease Payments shall be reduced such that approximately equal Lease Payments prevail, corresponding to the prevailing payments of principal and interest with respect to the outstanding Certificates; and the interest component of each subsequent remaining Lease Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates redeemed as a result of such prepayment.

(c) Fair Rental Value. The Lease Payments for the Leased Premises for each rental payment period during the Term of this Lease shall constitute the total rental for the Leased Premises, if any, for such rental payment period, and shall be paid by the Town in each rental payment period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Premises during each such period for which said rental is to be paid. The parties hereto have agreed and determined that the total Lease Payments for the Leased Premises represent the fair rental value of the Leased Premises. In making such determination, consideration has been given to the cost of acquiring, improving, constructing, installing and financing the Leased Premises, other obligations of the parties under this Lease, the uses and purposes which may be served by the Leased Premises, and the benefits therefrom which will accrue to the Town and the general public.

(d) Lease Payments to Constitute Current Expense of the Town. The Town and the Corporation understand and intend that the obligation of the Town to pay Lease Payments and other payments hereunder constitutes a current expense of the Town and shall not in any way be construed to be a debt of the Town in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the Town, nor shall

anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the Town. Lease Payments due hereunder shall be payable only from current funds which are budgeted and appropriated, or otherwise legally available, for the purpose of paying Lease Payments or other payments due hereunder as consideration for use of the Leased Premises during the fiscal year of the Town for which such funds were budgeted and appropriated or otherwise made legally available for such purpose. This Lease shall not create an immediate indebtedness for any aggregate payments which may become due hereunder. The Town has not pledged the full faith and credit of the Town, the State of California or any agency or department thereof to the payment of the Lease Payments or any other payments due hereunder, the Certificates or the interest thereon.

(e) Continuation of Lease. The Town intends to continue this Lease and to pay the Lease Payments. The Town reasonably believes that legally available funds of an amount sufficient to make all Lease Payments during the Term of this Lease can be obtained. The Town covenants that it will take all procedural steps lawfully within its power to obtain and maintain funds from which all payments may be made, including provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved.

(f) Budget and Appropriation. The Town covenants to take such action as may be necessary to include all Lease Payments due hereunder in its annual budgets and to make the necessary annual appropriations for all such Lease Payments. During the Term of this Lease, the Town will furnish to the Trustee a certificate annually on or before the date which is sixty (60) days after the budget is approved by the Town Council that it has complied with the requirements of this Section. The covenants on the part of the Town 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 Town 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 Town to carry out and perform the covenants and agreements in this Lease Agreement agreed to be carried out and performed by the Town.

The Town and the Corporation understand and intend that the obligation of the Town to pay Lease Payments and other payments hereunder constitutes a current expense of the Town and shall not in any way be construed to be a debt of the Town in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the Town, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the Town. Lease Payments due hereunder shall be payable only from current funds which are budgeted and appropriated, or otherwise legally available, for the purpose of paying Lease Payments or other payments due hereunder as consideration for use of the Leased Premises during the Fiscal Year for which such funds were budgeted and appropriated or otherwise made legally available for such purpose. This Lease Agreement shall not create an immediate indebtedness for any aggregate payments which may become due hereunder. The Town has not pledged the full faith and credit of the Town, the State or any agency or department thereof to the payment of the Lease Payments or any other payments due hereunder, the Bonds or the interest thereon.

(g) Assignment. The Town understands and agrees that all Lease Payments have been assigned by the Corporation to the Trustee pursuant to the Trust Agreement and the Assignment Agreement in trust, for the benefit of the Owners of the Certificates, and the Town hereby assents to such assignment. The Corporation hereby directs the Town, and the Town hereby agrees, to pay to the Trustee at the Trustee's principal corporate trust office in Los Angeles, California, or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the Town pursuant to this Section 4.5 and all amounts payable by the Town pursuant to Article X hereof.

(h) Rate on Overdue Payments. In the event the Town should fail to make any of the payments required in this Section 4.5, the payment in default shall continue as an obligation of the Town until the amount in default shall have been fully paid, and the Town agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate per annum equal to the average interest rate on the Certificates. Such interest, if received, shall be deposited in the Payment Fund.

Section 4.6 **Quiet Enjoyment**. During the Term of this Lease, the Corporation shall provide the Town with quiet use and enjoyment of the Project, and the Town shall during such Term peaceably and quietly have and hold and enjoy the Project, without suit, trouble or hindrance from the Corporation, except as expressly set forth in this Lease. The Corporation will, at the request of the Town and at the Town's cost, join in any legal action in which the Town asserts its right to such possession and enjoyment to the extent the Corporation may lawfully do so. Notwithstanding the foregoing, the Corporation shall have the right to re-enter and re-let the Project and shall have the right to inspect the Project Site as provided in Section 7.2 hereof.

Section 4.7 **Additional Payments**. In addition to the Lease Payments, the Town shall pay when due all costs and expenses incurred by the Corporation to comply with the provisions of the Trust Agreement, including without limitation compensation and indemnification due to the Trustee, the preparation and delivery of Continuing Disclosure, and all costs and expenses of auditors, engineers and accountants, but excluding Delivery Costs (which shall be paid from moneys on the Delivery Costs Fund).

Section 4.8 **Substitution or Release of Leased Premises**. The Town shall have, and is hereby granted, the option at any time and from time to time during the Term of this Lease Agreement, to substitute other land, facilities or improvements (the "Substitute Leased Premises") for the Leased Premises and Site or any portion thereof (the "Former Leased Premises") or to release a portion of the Leased Premises and Site (the "Released Premises") from the lien of this Lease Agreement, provided that the Town shall satisfy all of the following requirements which are hereby declared to be conditions precedent to such substitution or release:

(a) The Town shall take all actions and shall execute all documents required to subject the Substitute Leased Premises to the terms and provisions of this Lease Agreement, including the filing with the Corporation, and the Trustee an amended Exhibit C which adds thereto a description of the Substitute Leased Premises and deletes therefrom the description of the Former Leased Premises or the Released Premises, as applicable;

(b) (i) In the case of a substitution, the Town shall determine and certify to the Corporation, and the Trustee that the fair rental value of the Substitute Leased Premises is at least equal to the fair rental value of the Former Leased Premises;

(ii) In the case of a release, the Town shall determine and certify to the Corporation, and the Trustee that the fair rental value of the remaining Leased Premises after removal of the Released Premises is at least equal to the then remaining Lease Payments;

(c) In the case of a substitution, the Town shall certify in writing to the Corporation, and the Trustee that the Substitute Leased Premises serve the public purposes of the Town and constitute property which the Town is permitted to lease under the laws of the State;

(d) In the case of a substitution, the Town shall certify in writing to the Corporation, and the Trustee that the estimated useful life of the Substitute Leased Premises at least extends to the date on which the final Lease Payment becomes due and payable hereunder;

(e) In the case of a substitution other than with respect to the streets portion of the Leased Premises, the Town shall obtain a CLTA policy of title insurance meeting the requirements of Section 5.6 with respect to any real property portion of the Substitute Leased Premises;

(f) In the case of a substitution, the substitution of the Substitute Leased Premises shall not cause the Town to violate any of its covenants, representations and warranties made herein; and

(g) The Town shall obtain and cause to be filed with the Trustee, and the Corporation an opinion of nationally-organized bond counsel stating that such substitution or release is permitted hereunder and does not cause the interest component of the Lease Payments to become includable in gross income for federal income tax purposes or subject to State of California personal income taxes.

From and after the date on which all of the foregoing conditions precedent to such substitution or release are satisfied, the Term of this Lease Agreement shall cease with respect to the Former Leased Premises or Released Premises, as applicable, and shall be continued with respect to the Substitute Leased Premises and the remaining Leased Premises and all references herein to the Former Leased Premises shall apply with full force and effect to the Substitute Leased Premises. The Town shall not be entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such substitution or release.

## **ARTICLE V**

### **MAINTENANCE; TAXES; INSURANCE; AND OTHER MATTERS**

**Section 5.1 Maintenance, Utilities, Taxes and Assessments.** Throughout the Term of this Lease, as part of the consideration for the rental of the Leased Premises, all improvement, repair and maintenance of the Leased Premises shall be the responsibility of the Town, and the Town shall pay for or otherwise arrange for the payment of all utility services supplied to the Leased Premises, which may include, without limitation, janitor service, security, power, gas,



telephone, light, heating, water and all other utility services, and shall pay for or otherwise arrange for the payment of the cost of the repair and replacement of the Leased Premises resulting from ordinary wear and tear or want of care on the part of the Town or any assignee or sublessee thereof. In exchange for the Lease Payments herein provided, the Corporation agrees to provide only the Leased Premises, as hereinbefore more specifically set forth. The Town waives the benefits of subsections 1 and 2 of Section 1932 of the California Civil Code, but such waiver shall not limit any of the rights of the Town under the terms of this Lease.

The Town shall also pay or cause to be paid all taxes and assessments of any type or nature charged to the Corporation or affecting the Leased Premises or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Town shall be obligated to pay only such installments as are required to be paid during the Term of this Lease as and when the same become due.

The Town or any sublessee may, at the Town's or such sublessee's expense and in its name, in good faith contest any such taxes, assessments, utility and 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 Corporation or the Trustee shall notify the Town or such sublessee that, in the opinion of Independent Counsel, by nonpayment of any such items, the interest of the Corporation in the Leased Premises will be materially endangered or the Leased Premises, or any part thereof, will be subject to loss or forfeiture, in which event the Town or such sublessee shall promptly pay such taxes, assessments or charges or provide the Corporation with full security against any loss which may result from nonpayment, in form satisfactory to the Corporation and the Trustee.

**Section 5.2 Modification of Leased Premises.** The Town and any sublessee shall, at its own expense, have the right to remodel the Leased Premises or to make additions, modifications and improvements to the Leased Premises. All such additions, modifications and improvements shall thereafter comprise part of the Leased Premises and be subject to the provisions of this Lease. Such additions, modifications and improvements shall not in any way damage the Leased Premises or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Premises, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the fair rental value of the Leased Premises immediately prior to the making of such additions, modifications and improvements. The Town will not permit any mechanic's or other lien to be established or remain against the Leased Premises for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the Town or any sublessee or assignee pursuant to this Section; provided that if any such lien is established and the Town shall first notify or cause to be notified the Corporation of the Town's or any sublessee's intention to do so, the Town or any sublessee may in good faith contest any lien filed or established against the Leased Premises, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, and shall provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the Town or such sublessee.

Section 5.3 **Public Liability and Property Damage Insurance and Workers Compensation Insurance.** The Town shall maintain or cause to be maintained, throughout the term of this Lease, a standard comprehensive general liability insurance policy or policies in protection of the Town, the Corporation and its members, officers, agents and employees, and the Trustee. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the construction or operation of the Leased Premises. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$250,000 for damage to property (subject to a deductible clause of not to exceed \$200,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Town, and may be maintained in whole or in part in the form of self-insurance by the Town. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

The Town will procure and maintain with responsible workers' compensation insurance against liability for compensation under the Workers Compensation Insurance and Safety Act of California or any act amendatory thereof or supplemental thereto, which insurance shall cover all persons employed in connection with the Leased Premises and the Site.

Section 5.4 **Fire and Extended Coverage Insurance.** The Town shall procure and maintain, or cause to be procured and maintained, throughout the Term of this Lease, insurance against loss or damage to any structures constituting any part of the Leased Premises by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to one hundred percent (100%) of the replacement cost of such structures on the Leased Premises, or the aggregate coverage of all such policies on the Leased Premises shall at least equal the principal amount of the outstanding Certificates, whichever is greater (except that such insurance may be subject to deductible clauses of not to exceed \$100,000 for any one loss). Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Town and may not be maintained in whole or in part in the form of self-insurance by the Town. The Net Proceeds of such insurance shall be applied as provided in Section 6.2(a) hereof.

Section 5.5 **Rental Interruption or Use and Occupancy Insurance.** The Town shall procure, and maintain throughout the Term of this Lease from and after the date when it takes possession of the Leased Premises rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any structures constituting any part of Leased Premises as a result of any of the hazards covered in the insurance required by Section 5.4 hereof, in an amount sufficient to pay the maximum Lease Payments with respect thereto payable in any twelve month period. The Net Proceeds of such insurance shall be paid to the Trustee and deposited in the Lease Payment Fund, and shall be credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable.

Section 5.6 **Title Insurance.** Upon the execution and delivery of the Certificates the Town will provide, at its own expense, one or more CLTA leasehold title insurance policies in the aggregate amount of not less than \$\_\_\_\_\_ with respect to the Town's leasehold interest in the Leased Premises. Said policy or policies shall insure the Town's leasehold estate in the Leased Premises, subject only to Permitted Encumbrances. All Net Proceeds received under said policy or policies shall be deposited with the Trustee in the Lease Payment Fund and shall be credited towards the prepayment of the remaining Lease Payments pursuant to Article VI hereof.

Section 5.7 **Insurance Net Proceeds; Form of Policies.** Each policy of insurance required by Sections 5.4, 5.5 and 5.6 hereof shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Certificate Owners. The Town shall pay or cause to be paid when due the premiums for all insurance policies required by this Lease, and shall promptly furnish or cause to be furnished evidence of such payments to the Trustee. All such policies shall provide that the Trustee shall be given thirty (30) days' notice of each expiration, any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee. The Town shall cause to be delivered to the Trustee annually a certificate signed by a Town Representative stating that each of the insurance policies required by Sections 5.3, 5.4, 5.5 and 5.6 of this Lease are in full force and effect. The Trustee may conclusively rely upon such certificate as evidence that the Town has complied with Sections 5.3, 5.4, 5.5 and 5.6 hereof.

Section 5.8 **Advances.** If the Town shall fail to perform any of its obligations under this Article the Corporation or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the Town shall be obligated to repay all such advances as soon as possible, with interest at the rate of twelve percent (12%) per annum from the date of the advance to the date of repayment.

Section 5.9 **Installation of Town's Equipment.** The Town and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Premises. All such items shall remain the sole property of such party, in which neither the Corporation nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Leased Premises resulting from the installation, modification or removal of any such items. Nothing in this Lease shall prevent the Town and any sublessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Leased Premises.

Section 5.10 **Liens.** The Town 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 Premises, other than the respective rights of the Corporation and the Town as herein provided and Permitted Encumbrances. Except as expressly provided in this Article V, the Town shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Town shall reimburse the Corporation for

any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

**Section 5.11 Self-Insurance.** Any insurance required by this Agreement, except insurance required under Sections 5.4, 5.5 and 5.6 hereof, may be maintained by the Town in the form of self-insurance. Such self-insurance shall be maintained on a basis which is actuarially sound as established by the Town's risk manager or an independent insurance consultant which determination shall be made annually. Any deficiency shall be corrected within 60 days of the Town becoming aware of such deficiency.

**Section 5.12 Tax Covenants.**

(a) **Private Activity Bond Limitation.** The Town and the Corporation shall assure that the proceeds of the Certificates are not so used as to cause the Certificates to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) **Federal Guarantee Prohibition.** The Town and the Corporation shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Certificates to be "federally guaranteed" within the meaning of Section 149(b) of the Tax Code.

(c) **No Arbitrage.** The Town and the Corporation shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(d) **Maintenance of Tax Exemption.** The Town and the Corporation shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

**Section 5.13 Payment of Rebatable Amounts.** The Town agrees to furnish all information to, and cooperate fully with, the Trustee and their respective officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 11.09(e) of the Trust Agreement. If the Town has provided the Trustee with the calculations of rebate pursuant to Section 11.09(e) of the Trust Agreement and the Trustee does not have on deposit an amount of available moneys (excluding moneys on deposit in the funds and accounts established for the payment of the principal of or interest or redemption premium, if any, with respect to the Certificates) to make such payment as specified in such calculations, the Trustee shall promptly notify the Town of such fact. Upon receipt of any such notice, the Town shall promptly pay the amounts to be due and payable to the United States of America under such Section 11.09(e), such payments to be made in accordance with the applicable provisions of the Tax Code.

**Section 5.14 Change in Use.** The Town covenants that in the event any portion of the Leased Premises and Site financed with proceeds of the Certificates is for any reason no longer in public use by the Town while the Certificates are Outstanding, the Town shall promptly prepay on the next date on which a prepayment can be timely made hereunder and under the

Trust Agreement, that portion of the Certificates corresponding to the portion of the proceeds of the Certificates used to finance such portion of the Leased Premises (the "Change in Use Prepayment") or confirm that the Change in Use Prepayment has previously been prepaid or otherwise take such action as the Town may determine to be necessary to preserve the exemption from gross income for federal income tax purposes of interest with respect to the Certificates.

## **ARTICLE VI DAMAGE, DESTRUCTION AND EMINENT DOMAIN; USE OF NET PROCEEDS**

**Section 6.1 Eminent Domain.** If all of the Leased Premises shall be taken permanently under the power of eminent domain, the term of this Lease shall cease as of the day possession shall be so taken. If less than all of the Leased Premises shall be taken permanently, or if all of the Leased Premises or any part thereof shall be taken temporarily, under the power of eminent domain, (1) this Lease shall continue in full force and effect and shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments hereunder, but in no event shall the resulting Lease Payments be less than the amount required for the payment of the principal and interest with respect to outstanding Certificates as the same become due and payable.

### **Section 6.2 Application of Net Proceeds.**

(a) From Insurance Award. The Net Proceeds of any insurance award resulting from any damage to or destruction of any structure on the Leased Premises by fire or other casualty shall be deposited in the Insurance and Condemnation Fund by the Trustee promptly upon receipt thereof and, if the Town determines that the replacement, repair, restoration, modification or improvement of such Leased Premises is not economically feasible or in the best interest of the Town, the Town shall so certify to the Trustee and then such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund and applied as provided in Section 10.3 hereof; provided, however, that in the event of damage or destruction of the Leased Premises in full, such Net Proceeds may be transferred to the Lease Payment Fund only if sufficient, together with other moneys available therefor, to cause the prepayment of all outstanding Certificates. All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed Leased Premises by the Town, upon receipt of a requisition signed by the Town Representative stating with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid, and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the Town.

(b) From Eminent Domain Award. The Net Proceeds of any eminent domain award resulting from any event described in Section 6.1 hereof shall be deposited in the Insurance and Condemnation Award Fund to be held and applied by the Trustee pursuant to Section 7.02 of the Trust Agreement.

**Section 6.3 Abatement of Rental in the Event of Damage or Destruction.** The amount of the Lease Payments relating to structures on the Leased Premises shall be abated during any period in which by reason of damage or destruction (other than by eminent domain which is hereinbefore provided for) there is substantial interference with the use and occupancy of the structures on the Leased Premises by the Town. The amount of such abatement shall be determined by the Town such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Leased Premises not damaged or destroyed. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Lease shall continue in full force and effect and the Town waives any right to terminate this Lease by virtue of any such damage or destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under this Section 6.3 in the event and to the extent that the Net Proceeds of rental interruption insurance are available for such purpose pursuant to Section 5.5 hereof and to the extent that amounts in the Reserve Fund are available to pay Lease Payments which would otherwise be abated under this Section 6.3.

## **ARTICLE VII DISCLAIMER OF WARRANTIES; ACCESS**

**Section 7.1 Disclaimer of Warranties.** The Corporation makes no warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for any particular purpose or fitness for the use contemplated by the Town of the Leased Premises or any item thereof, or any other representation or warranty with respect to the Leased Premises or any item thereof. In no event shall the Corporation be liable for incidental, indirect, special or consequential damages, in connection with or arising out of this Lease, or the Trust Agreement, or for the existence, furnishing or functioning of, or the Town's use of the Leased Premises.

**Section 7.2 Access to the Leased Premises.** The Town agrees that the Corporation and any Corporation Representative, and the Corporation's successors or assigns, shall have the right at all reasonable times to enter upon and to examine and inspect the Leased Premises. The Town further agrees that the Corporation, any such Representative, and the Corporation's successors or assigns shall have such rights of access to the Leased Premises as may be reasonably necessary to cause the proper maintenance of the Leased Premises in the event of failure by the Town to perform its obligations hereunder; provided, however, that the Corporation's assigns shall have no obligation to cause such proper maintenance.

**Section 7.3 Release and Indemnification Covenants.** The Town shall and hereby agrees to indemnify and save the Corporation and its assigns harmless from and against all claims, losses and damages, including legal fees and expenses, arising out of (i) the use, maintenance, condition or management of, or from any work or thing done on the Leased Premises by the Town, (ii) any breach or default on the part of the Town in the performance of any of its obligations under this Lease, (iii) any act or negligence of the Town or of any of its agents, contractors, servants, employees or licensees with respect to the Leased Premises, (iv) any act or negligence of any assignee or sublessee of the Town with respect to the Leased Premises, or (v) the acquisition, construction and installation of the Leased Premises. No indemnification is made under this Section or elsewhere in this Lease for willful misconduct, negligence, or breach of duty under this Lease by the Corporation, its officers, agents, employees, successors or assigns.

**ARTICLE VIII**  
**ASSIGNMENT, SUBLEASING; AMENDMENT; SECURITY INTEREST**

Section 8.1 **Assignment by the Corporation.** The Corporation's rights under this Lease, including the right to receive and enforce payment of the Lease Payments to be made by the Town under this Lease have been assigned to the Trustee pursuant to the Trust Agreement, to which assignment the Town hereby consents.

Section 8.2 **Assignment and Subleasing by the Town.** This Lease may not be assigned by the Town. The Leased Premises may not be subleased in whole or in part by the Town without the written consent of the Corporation. Any such sublease shall be subject to all of the following conditions:

(i) This Lease and the obligation of the Town to make Lease Payments hereunder shall remain obligations of the Town; and

(ii) The Town shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Trustee, a true and complete copy of such sublease; and

(iii) No such sublease by the Town shall cause the Leased Premises to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of California; and

(iv) The Town shall furnish the Corporation and the Trustee with a written opinion of nationally-recognized bond counsel, with respect to any such sublease, stating that such sublease shall not cause the interest component of the Lease Payments to become includable in gross income for federal income tax purposes or to become subject to State of California personal income taxes.

Section 8.3 **Amendment of this Lease.** Without the written consent of the Trustee, the Town will not alter, modify or cancel, or agree or consent to alter, modify or cancel this Lease, excepting only as such alteration or modification may be permitted by Article X of the Trust Agreement.

**ARTICLE IX**  
**EVENTS OF DEFAULT AND REMEDIES**

Section 9.1 **Events of Default Defined.** The following shall be "Events of Default" under this Lease and the terms "Event of Default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

(i) Failure by the Town to pay any Lease Payment or other payment required to be paid hereunder at the time specified herein.

(ii) Failure by the Town to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Town by the Corporation, the Trustee, or the Owners of not less than five percent (5%) in aggregate principal amount of Certificates then outstanding;



provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Town within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the Town of a voluntary petition in bankruptcy, or failure by the Town promptly to lift any execution, garnishment or attachment, or adjudication of the Town as a bankrupt, or assignment by the Town for the benefit of creditors, or the entry by the Town into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Town in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

**Section 9.2 Remedies on Default.** Whenever any Event of Default referred to in Section 9.1 hereof shall have happened and be continuing, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or granted pursuant to this Lease; provided, however, that notwithstanding anything herein or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the Town is expressly made a condition hereof and upon the breach thereof the Corporation may exercise any and all rights of entry and re-entry upon the Leased Premises, and also, at its option, with or without such entry, may terminate this Lease; provided, that no such termination shall be effected either by operation of law or acts of the parties hereto, except only in the manner herein expressly provided. In the event of such default and notwithstanding any re-entry by the Corporation, the Town shall, as herein expressly provided, continue to remain liable for the payment of the Lease Payments and/or damages for breach of this Lease and the performance of all conditions herein contained and, in any event such rent and/or damages shall be payable to the Corporation at the time and in the manner as herein provided, to wit:

(a) In the event the Corporation does not elect to terminate this Lease in the manner herein provided for in subparagraph (b) hereof, the Town agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions herein contained and shall reimburse the Corporation for any deficiency arising out of the re-letting of the Leased Premises, or, in the event the Corporation is unable to re-let the Leased Premises, then for the full amount of all Lease Payments to the end of the Term of this Lease, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as hereinbefore provided for the payment of Lease Payments hereunder, notwithstanding such entry or re-entry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such re-entry or obtaining possession of the Leased Premises or the exercise of any other remedy by the Corporation. The Town hereby irrevocably appoints the Corporation as the agent and attorney-in-fact of the Town to enter upon and re-let the Leased Premises in the event of default by the Town in the performance of any covenants herein contained to be performed by the Town and to remove all personal property whatsoever situated upon the Leased Premises and to place such property in storage or other suitable place in the County of Orange, State of California, for the account of and at the expense of the Town, and the Town hereby exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-letting the Leased Premises and the removal and storage of such property by the Corporation or its duly authorized



agents in accordance with the provisions herein contained. The Town hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of the Leased Premises as herein provided and all claims for damages that may result from the destruction of or injury to the Leased Premises and all claims for damages to or loss of any property belonging to the Town that may be in or upon the Leased Premises. The Town agrees that the terms of this Lease constitute full and sufficient notice of the right of the Corporation to re-rent the Leased Premises in the event of such re-entry without effecting a surrender of this Lease, and further agrees that no acts of the Corporation in effecting such re-renting or re-leasing shall constitute a surrender or termination of this Lease irrespective of the term for which such re-leasing or re-renting is made or the terms and conditions of such re-leasing or re-renting, or otherwise, but that, on the contrary, in the event of such default by the Town the right to terminate this Lease shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The Town further waives the right to any rental obtained by the Corporation in excess of the Lease Payments and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-leasing the Leased Premises.

(b) In an event of default by the Town hereunder, the Corporation at its option may terminate this Lease and re-rent or re-lease all or any portion of the Leased Premises. In the event of the termination of this Lease by the Corporation at its option and in the manner hereinafter provided on account of default by the Town (and notwithstanding any reentry upon the Leased Premises by the Corporation in any manner whatsoever or the re-renting or re-leasing of the Leased Premises), the Town nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring, payable at the same time and in the same manner as is herein provided in the case of payment of Lease Payments. Any surplus received by the Corporation from such re-renting or re-leasing shall be the absolute property of the Corporation and the Town shall have no right thereto, nor shall the Town be entitled to any credit in the event of a deficiency in the rentals received by the Corporation from the Leased Premises. Neither notice to pay rent or to deliver up possession of the premises given pursuant to law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate this Lease, and no termination of this Lease on account of default by the Town shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the Town of the election on the part of the Corporation to terminate this Lease. The Town covenants and agrees that no surrender of the Leased Premises for the remainder of the Term hereof or any termination of this Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

**Section 9.3 No Remedy Exclusive.** No remedy herein conferred upon or reserved to the Corporation or the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article IX it shall not be necessary to give any notice, other than such notice as may be required in this Article IX or by law. To the extent that this Lease confers upon or gives or grants to the Trustee any right remedy or claim under or by reason of this Lease Agreement, the Trustee is hereby explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred given or granted.

Section 9.4    **[Reserved]**

Section 9.5    **Agreement to Pay Attorneys' Fees and Expenses.** In the event either party to this Lease should default under any of the provisions hereof and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

Section 9.6    **No Additional Waiver Implied by One Waiver.** In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Section 9.7    **Application of Proceeds.** All Net Proceeds received from the release or other disposition of the Leased Premises or the Site, under this Article IX, and all other amounts derived by the Corporation or the Trustee as a result of an Event of Default hereunder, shall be transferred to the Trustee promptly upon receipt thereof and after payment of the fees and expenses of the Trustee, including, without limitation those of its attorneys, agents and advisors shall be deposited by the Trustee in the Project Fund to be applied as provided for in Section 13.03 of the Trust Agreement.

Section 9.8    **Trustee and Certificate Owners to Exercise Rights.** Such rights and remedies as are given to the Corporation under this Article IX have been assigned by the Corporation to the Trustee under the Trust Agreement, to which assignment the Town hereby consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Certificates as provided in the Trust Agreement.

**ARTICLE X**  
**PREPAYMENT OF LEASE PAYMENTS**

Section 10.1    **Security Deposit.** Notwithstanding any other provision of this Lease, the Town may on any date secure the payment of Lease Payments by a deposit with the Trustee of: (i) cash in an amount which, together with amounts on deposit in the Lease Payment Fund and the Reserve Fund, is sufficient to pay all unpaid Lease Payments, including the principal and interest components thereof, in accordance with the Lease Payment Schedule set forth in Exhibit A hereto, or (ii) Defeasance Obligations together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with interest to accrue thereon and, if required, all or a portion of moneys, Defeasance Obligations then on deposit in the Lease Payment Fund and Reserve Fund, be fully sufficient to pay all unpaid Lease Payments on their respective Lease Payment Dates or by prepayment thereof pursuant to Section 10.2 hereof, as the Town shall instruct at the time of said deposit. In the event of a deposit pursuant to this Section, all obligations of the Town under this Lease, and all security provided by this Lease for said obligations, shall cease and terminate, excepting only the obligation of the Town to make, or cause to be made, Lease Payments from the deposit made by the Town pursuant to this Section, and title to the Leased Premises and the Site shall vest in the Town on the date of said deposit automatically and without further action by the Town or the Corporation.

Said deposit shall be deemed to be and shall constitute a special fund for the payment of Lease Payments in accordance with the provisions of this Lease.

#### **Section 10.2 Optional Prepayment.**

(a) In Whole. The Town may exercise its option to purchase the Leased Premises, on any Prepayment Date, by paying the applicable Prepayment Price as shown in Exhibit B hereto, together with the interest component of the Lease Payment required to be paid on such Prepayment Date. Such Prepayment Price shall be deposited by the Trustee in the Lease Payment Fund to be applied to the prepayment of Certificates pursuant to Section 4.01(a) of the Trust Agreement. The Town shall give the Trustee notice of its intention to exercise its option not less than sixty (60) days in advance of the date of exercise.

(b) In Part. The Town may exercise its option to purchase a portion of the Leased Premises on any Prepayment Date by paying an amount equal to the principal components of the unpaid Lease Payments allocable to a component of the Leased Premises as set forth in Exhibit A hereto, together with the interest component of the Lease Payments required to be paid on such Prepayment Date, plus a premium equal to the premium to be paid under Section 4.01(a) of the Trust Agreement upon the prepayment of Certificates resulting from prepayment made pursuant to this paragraph (b). Such prepayment shall be deposited by the Trustee in the Lease Payment Fund to be applied to the prepayment of Certificates pursuant to Section 4.01(a) of the Trust Agreement. The Town shall give the Trustee notice of its intention to exercise its option no less than sixty (60) days in advance of the date of exercise. In the event the Town exercises its option to prepay Lease Payments in part, the Town shall provide the Trustee with an amended Exhibit A hereto reflecting the new schedule of Lease Payments.

**Section 10.3 Mandatory Prepayment From Net Proceeds of Insurance, Eminent Domain or Sale.** The Town shall be obligated to prepay the Lease Payments with respect to the Leased Premises, in whole or in part on any [\_\_\_\_\_ 1] or [\_\_\_\_\_ 1] from and to the extent of any Net Proceeds of insurance award or condemnation award or sale with respect to the Leased Premises and Site theretofore deposited in the Lease Payment Fund for such purpose pursuant to Articles V, VI, IX or X hereof or pursuant to Section 7.02 of the Trust Agreement. The Town and the Corporation hereby agree that such Net Proceeds, to the extent remaining after payment of any delinquent Lease Payments, if any, shall be credited towards the Town's obligations under this Section.

**Section 10.4 Credit for Amounts on Deposit.** In the event of prepayment of the principal components of the Lease Payments in full under this Article X, such that the Trust Agreement shall be discharged by its terms as a result of such prepayment, all amounts then on deposit in the Lease Payment Fund or the Reserve Fund shall be credited towards the amounts then required to be so prepaid.

**ARTICLE XI  
MISCELLANEOUS**

Section 11.1 **Notices.** All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed to have been received 48 hours after deposit in the United States mail in registered or certified form with postage fully prepaid:

If to the Town:           Town of Colma  
                                  1198 El Camino Real  
                                  Colma, CA 940140  
                                  Attention: City Manager

If to the Corporation: Public Property Financing Corporation of America

Attention: \_\_\_\_\_

If to the Trustee:        The Bank of New York Mellon Trust Company, N.A.

Attention:

The Corporation and the Town, by notice given hereunder, may designate different addresses for any entity listed to which subsequent notices, certificates or other communications will be sent.

Section 11.2 **Binding Effect.** This Lease shall inure to the benefit of and shall be binding upon the Corporation and the Town and their respective successors and assigns.

Section 11.3 **Severability.** In the event any provision of this Lease shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.4 **Bank Qualified.** The Town has designated the Certificates and this Lease Agreement as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986. The Town has issued no tax-exempt obligations in calendar year 2015 other than the Certificates. The Town represents that it will not issue tax-exempt obligations (including the Certificates) in an aggregate amount of more than \$10,000,000 in the current calendar year.

Section 11.5 **Net-Net-Net Lease.** This Lease shall be deemed and construed to be a “net-net-net lease” and the Town hereby agrees that the Lease Payments shall be an absolute net return to the Corporation, free and clear of any expenses, charges or setoffs whatsoever.

Section 11.6 **Further Assurances and Corrective Instruments.** The Corporation and the Town 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 reasonably be required for correcting any inadequate or incorrect description of the

Project and Site hereby leased or intended so to be or for carrying out the expressed intention of this Lease.

Section 11.7 **Execution in Counterparts.** This Lease may be executed in several counterparts, each of which shall be original and all of which shall constitute but one and the same instrument.

Section 11.8 **Applicable Law.** This Lease shall be governed by and construed in accordance with the laws of the State of California.

Section 11.9 **Corporation and Town Representatives.** Whenever under the provisions of this Lease the approval of the Corporation or the Town is required, or the Corporation or the Town is required to take some action at the request of the other, such approval or such request shall be given for the Corporation by the Corporation Representative and for the Town by the Town Representative, and any party hereto shall be authorized to rely upon any such approval or request.

Section 11.10 **Captions.** The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Section of this Lease.

IN WITNESS WHEREOF, the Corporation has caused this Lease to be executed in its corporate name by its duly authorized officer; and the Town has caused this Lease to be executed in its name by its duly authorized officers, as of the date first above written.

PUBLIC PROPERTY FINANCING  
CORPORATION OF CALIFORNIA, as Lessor

By: \_\_\_\_\_  
President

By: \_\_\_\_\_  
Secretary

TOWN OF COLMA, as Lessee

By: \_\_\_\_\_  
City Manager

EXHIBIT A  
SCHEDULE OF LEASE PAYMENTS

LEASE PAYMENTS

<u>Period</u> <u>Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual</u> <u>Debt Service</u>
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## EXHIBIT B

### SCHEDULE OF PREPAYMENT DATES AND PREPAYMENT PRICES

Optional Prepayment. Certificates maturing on or after [\_\_\_\_\_] 1], 2017, are subject to prepayment in whole or in part from prepayments made at the option of the Town pursuant to Section 10.2 of the Lease Agreement on or after [\_\_\_\_\_] 1], 2016 or any date thereafter, at a prepayment price equal to the principal amount thereof, without any premium together with interest accrued with respect thereto to the date fixed for prepayment.

Mandatory Sinking Fund Prepayment. The Certificates maturing on [\_\_\_\_\_] 1], 20\_\_ are also subject to mandatory sinking fund prepayment on [\_\_\_\_\_] 1] in each year on or after [\_\_\_\_\_] 1], 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:

Prepayment Date ([_____] 1])	Principal Amount of <u>Certificates to be Prepaid</u>
---------------------------------	--

The Certificates maturing on [\_\_\_\_\_] 1], 20\_\_ are also subject to mandatory sinking fund prepayment on [\_\_\_\_\_] 1] in each year on or after [\_\_\_\_\_] 1], 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:

Prepayment Date ([_____] 1])	Principal Amount of <u>Certificates to be Prepaid</u>
---------------------------------	--

The Certificates maturing on [\_\_\_\_\_] 1], 20\_\_ are also subject to mandatory sinking fund prepayment on [\_\_\_\_\_] 1] in each year on or after [\_\_\_\_\_] 1], 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:

Prepayment Date ([_____] 1])	Principal Amount of <u>Certificates to be Prepaid</u>
---------------------------------	--



## EXHIBIT C

### I. DESCRIPTION OF LEASED PREMISES

REAL PROPERTY IN THE TOWN OF COLMA, COUNTY OF SAN MATEO, STATE OF CALIFORNIA, DESCRIBED AS FOLLOWS:

### II. DESCRIPTION OF PROJECT

*[Insert description of improvements to be made to the Town Hall]*

*INSERT NOTARY ACKNOWLEDGMENTS*

AGENCY AGREEMENT

RELATING TO TOWN OF COLMA 2015 CERTIFICATES OF PARTICIPATION  
(TOWN HALL IMPROVEMENT PROJECT)

Dated as of August 1, 2015

by and between

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA

and

THE TOWN OF COLMA

## AGENCY AGREEMENT

THIS AGENCY AGREEMENT is made and entered into as of the 1st day of August, 2015 by and between the PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California (the "Corporation") and the TOWN OF COLMA, a municipal corporation, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the "Town").

## WITNESSETH

WHEREAS, the Corporation and the Town have entered into a Lease Agreement (the "Lease Agreement"), dated as of August 1, 2015, pursuant to which the Corporation agrees to lease the property upon which the police station is located and the improvements thereon in order to finance renovations to the Town Hall, described in Exhibit A hereto and such other capital facilities as the Town may determine (collectively, the "Project");

WHEREAS, it is in the interests of the Corporation and the Town that the Corporation appoint the Town as its agent for the purposes of the construction of the Project, and the Corporation has agreed in the Lease Agreement to appoint the Town as its agent for such purposes;

## COVENANTS

NOW, THEREFORE, in consideration of the mutual covenants herein contained and for other valuable consideration, the parties agree as follows:

Section 1. Definitions. All words and phrases defined in Article I of the Lease Agreement shall have the same meaning in this Agency Agreement.

Section 2. Appointment of Town. The Corporation hereby appoints the Town as its agent to carry out all phases of the construction of the Project and the Town, as agent of the Corporation, assumes all rights, duties, responsibilities and liabilities of the Corporation regarding the construction of the Project, except as limited herein. The appointment by the Corporation of the Town as its agent as provided in this Section and the acceptance by the Town of such appointment results in the assumption by the Town of duties, responsibilities and liabilities which are separate and apart from its duties, responsibilities and liabilities under the Lease Agreement, and such assumption does not include or transfer to the Town any of the rights or obligations of the Corporation under the Lease Agreement which have been assigned by the Corporation to the Trustee pursuant to the Indenture. It is recognized by the parties that the Corporation has appointed the Town for the purposes specified in this Agreement, rather than appoint another firm or entity for said purposes, based upon the Corporation's determination that the Town is suitable to perform the duties, responsibilities and liabilities delegated to and assumed by it pursuant to this Agreement due to the expertise, knowledge and ability of the Town's personnel with respect to similar undertakings.

Section 3. Contracts and Payments. The Town, as agent of the Corporation, may enter into any purchase order, construction management agreement, architecture or engineering contract or construction contract required for the design, construction and completion of the Project upon being assured that moneys, together with funds of the Town to be contributed to the Project, sufficient for the payment thereof are then on deposit in the Project Fund established pursuant to Section 3.04 of the Indenture. In the event that moneys on hand in the Project Fund are insufficient to complete the Project, then the Town shall use its lawfully available funds to complete the Project.

Section 4. Description of Project. The Town, as agent of the Corporation, shall have the right to make any changes in the description of the Project or of any component thereof whenever the Town deems such changes to be necessary and appropriate; provided that any such change shall not alter the essential nature of the Project or impair the ability of the Town to make additional Lease Payments, and that an increase in the Construction Costs shall not result from such change, unless the Town deposits in the Project Fund an amount sufficient to pay such increase.

Section 5. Supervision of Construction and Installation. The Town, as agent of the Corporation, shall have sole responsibility for and shall supervise construction of the Project and the purchase and installation of any personal property constituting a part of the Project. The Town shall monitor the performance by any construction manager and by the construction contractors to the extent the Town deems appropriate. The Town shall permit the Corporation, or its assignee, to inspect construction at any and all reasonable times which are deemed appropriate by the Corporation, or its assignee.

Section 6. Enforcement of Contracts. The Corporation hereby assigns to the Town all rights and powers to enforce in its own name or the name of the Corporation such purchase orders or contracts as are required for design, construction, purchase and completion of the Project, which enforcement may be at law or in equity; provided that the assignment made by the Corporation herein shall not prevent the Corporation, or its assignee, from asserting such rights and powers in its own behalf.

Section 7. Limited Obligation. The Corporation shall not be responsible for providing, nor shall it or the Trustee provide from the proceeds of the Bonds, for the payment of Project Costs in an amount greater than the amount of said proceeds and other funds to be deposited by the Trustee in the Project Fund pursuant to the Indenture.

Section 8. Inspection of Records. The Corporation shall have the right to inspect periodically the books and records of the Town relating to the design, acquisition, construction and installation of the Project, and the Town shall permit the Corporation to make such inspections thereof at all reasonable times as the Corporation shall deem appropriate.

Section 9. Time of Completion and Liquidated Damages. The construction and installation of the Project shall be completed on or prior to December 31, 2017. It is agreed that if the Town does not cause the completion of the acquisition, construction and installation of the Project by the completion date, as specified in the specifications therefor, by construction

contractors or a construction manager, whichever the Town deems appropriate, liquidated damages will be assessed against the construction contractors or construction manager for each day completion is delayed in an amount not less than the maximum amount of debt service accruing on the Bonds on a daily basis. The Town shall assure that all construction contracts or the construction management agreement, whichever the Town deems appropriate, shall contain a provision for liquidated damages in compliance with this Section.

Section 10. Plans and Specifications. The Town agrees that it will assure that the Project will be acquired, constructed and installed in accordance with final plans and specifications approved by the Town. No changes or modifications which require an amendment to a pre-existing building permit shall be made in or to the final plans and specifications unless such changes or modifications are approved in writing by the Town. Before approving any such changes to be undertaken, the Town shall assure that there has been deposited in the Project Fund moneys sufficient to pay any increased costs resulting from such changes or modifications. Upon completion of construction and installation of the Project, the Town will assure that there is filed with the Trustee a certificate of completion executed by the Town Representative and stating that such construction and installation has been completed in accordance with the plans and specifications therefor approved by the Town.

Section 11. Prevailing Wages. Each contract entered into between the Town, as the agent for the Corporation, and any contractor shall provide that such contractor shall pay not less than the general prevailing rate of wages as determined in accordance with Sections 1770 *et seq.* of the Labor Code.

Section 12. Nondiscrimination. Each contract entered into between the Town, as the agent for the Corporation, and any contractor shall provide that such contractor shall not discriminate against any other contractor or any employee or applicant for employment because of the race, religious creed, color, national origin or sex of such person, unless based upon a bona fide occupational qualification. In addition, in selecting contractors or in employing persons for the purposes of construction or construction management, the Town shall not discriminate on the basis of race, religious creed, color, national origin, or sex of such person, unless based upon a bona fide occupational qualification.

Section 13. Performance Security. Each construction contractor hired by the Town, on behalf of the Corporation, shall be required to provide payment and performance bonds in amounts equal to the maximum price under its contract.

Section 14. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Corporation, the Town and their respective successors and assigns.

Section 15. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 16. Amendments, Changes and Modifications. This Agreement may not be effectively amended, changed, modified, altered or terminated without the written agreement of both parties hereto.

Section 17. Execution in Counterparts. This 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 18. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Section 19. Headings. The captions or headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Agreement.

Section 20. Notices. Any notices or filings required to be given or made under this Agreement shall be served, given or made in writing upon the Town by personal delivery or registered mail addressed to:

Town of Colma  
1198 El Camino Real  
Colma, CA 940140  
Attention: Town Manager

and upon the Corporation by personal delivery or registered mail addressed to:

Public Property Financing Corporation of California

or at such other place as may be designated by either party in writing.

*[Signature page follows]*

IN WITNESS WHEREOF, the Town has caused this Agreement to be executed by its officers and its corporate seal affixed, and the Corporation has caused this Agreement to be executed by its officers and its corporate seal affixed, all as of the day and year first above written.

TOWN OF COLMA

By: \_\_\_\_\_  
City Manager

ATTEST:

\_\_\_\_\_  
Town Clerk

PUBLIC PROPERTY FINANCING  
CORPORATION OF CALIFORNIA

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Secretary

*-Signature Page-  
Agency Agreement*



## **APPENDIX A**

### **Town Hall Improvements**

**(See attached)**



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TRUST AGREEMENT

RELATING TO TOWN OF COLMA  
2015 CERTIFICATES OF PARTICIPATION  
(TOWN HALL IMPROVEMENT PROJECT)

Dated as of August 1, 2015

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by and among

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,  
as Trustee

PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA

and

THE TOWN OF COLMA

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## TRUST AGREEMENT

**THIS AGREEMENT**, dated as of August 1, 2015, by and among **THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.**, a national banking association duly organized and existing under the laws of the United States of America (the "Trustee"), **PUBLIC PROPERTY FINANCING CORPORATION OF CALIFORNIA**, a California nonprofit public benefit corporation duly organized and existing under the laws of the State of California (the "Corporation"), and the **TOWN OF COLMA**, municipal corporation, duly organized and existing under its charter and the Constitution and laws of said State (the "Town");

## WITNESSETH

**WHEREAS**, the Corporation is a non-profit public benefit corporation and is authorized to provide financing for public capital improvements of public entities including the Town and to lease and lease back such public capital improvements; and

**WHEREAS**, the Town intends to lease certain public improvements owned by the Town (the "Leased Premises") to the Corporation and to lease the Leased Premises back from the Corporation and the Town is authorized pursuant to the laws of the State of California to enter into leasehold agreements for such purpose; and

**WHEREAS**, the Corporation and the Town purpose to lease and lease back the Leased Premises as provided in the Lease Agreement dated as of August 1, 2015 (the "Lease Agreement"), such lease back to the Town being for the purpose (among others) of providing amounts sufficient to provide for the payment of the principal of and interest on the Certificates (as defined herein); and

**WHEREAS**, for the purpose of providing moneys to acquire the Leased Premises the Town proposes to cause to be issued \$\_\_\_\_\_ aggregate principal amount 2015 Certificates of Participation (Town Hall Improvement Project) under this Trust Agreement; and

**WHEREAS**, all the conditions to the execution and delivery of this Trust Agreement have been satisfied and the trustee, the Corporation and the Town are duly authorized to execute and delivery this Trust Agreement; and

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

## **ARTICLE I DEFINITIONS**

*Section 1.01. Definitions.* Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Trust Agreement, have the meanings herein specified.

"Certificates of Participation" or "Certificates" means the \$\_\_\_\_\_ aggregate principal amount of Town of Colma 2015 Certificates of Participation (Town Hall Improvement Project) to be executed and delivered pursuant to this Agreement.

"Closing Date" means the day when the Certificates, duly executed by the Trustee, are delivered to the Original Purchaser thereof.



“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement of the Town, named therein given in favor of the Owners of the Certificates in connection with the sale of the Certificates to the Original Purchaser.

“Corporation” means the Public Property Financing Corporation of America, a California nonprofit public benefit corporation duly organized and existing under the laws of the State of California, its successors and assigns.

“Corporation Representative” means the President of the Corporation, the Treasurer of the Corporation or any person authorized to act on behalf of the Corporation under or with respect to the Trust Agreement as evidenced by a resolution conferring such authorization adopted by the Board of the Corporation.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the Town or the Corporation relating to the execution, sale and delivery of the Lease Agreement or the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee (including legal fees), financing discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies or credit ratings, costs of municipal certificate insurance, fees for execution, transportation and safekeeping of the Certificates, and charges and fees in connection with the foregoing.

“Delivery Costs Fund” means the fund by that name established pursuant to Section 3.01 hereof.

“Defeasance Obligations” means any of the following:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation),
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
  - U.S. treasury obligations
  - All direct or fully guaranteed obligations
  - Farmers Home Administration
  - General Services Administration
  - Guaranteed Title XI financing
  - Government National Mortgage Association (GNMA)
  - State and Local Government Series

Note: Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

“Event of Default” means an event of default under the Lease Agreement, as defined in Section 9.1 thereof.

“Fiscal Year” means the twelve-month period commencing on July 1 in any year and ending on June 30 of the following year.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation, the Trustee or the Town.

“Information Services” means, in accordance with then-current guidelines of the Securities and Exchange Commission, the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board (at <http://emma.msrb.org>), or such service or services as the Town may designate in a certificate delivered to the Trustee.

“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Article VII of this Agreement.

“Interest Payment Date” means each of the dates specified in Section 2.04 hereof on which interest is due and payable with respect to the Certificates.

“Lease Agreement” means the Lease Agreement, dated as of August 1, 2015, by and between the Town and the Corporation, together with any duly authorized and executed amendment thereto.

“Lease Payment” means any payment required to be made by the Town pursuant to Section 4.5 of the Lease Agreement, as set forth in Exhibit A to the Lease Agreement.

“Lease Payment Fund” means the fund by that name established and held by the Trustee pursuant to Article V of this Agreement.

“Leased Premises” has the meaning set forth in the Lease Agreement.

“Net Proceeds” means any insurance proceeds or condemnation award in excess of \$50,000, paid with respect to the Leased Premises and Site, remaining after payment therefrom of all expenses incurred in the collection thereof.

“Original Purchaser” means [\_\_\_\_\_], as original purchaser of the Certificates.

“Outstanding,” when used as of any particular time with respect to Certificates, means (subject to the provisions of Section 10.03 hereof) all Certificates theretofore executed and delivered by the Trustee under this Agreement except:

(1) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(2) Certificates for the payment or prepayment of which funds or Federal Securities in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or prepayment date of such Certificates), provided that, if such Certificates are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided in Section 4.03 hereof or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to Section 2.09 hereof.

“Owner” or “Certificate Owner” or “Owner of a Certificate” or any similar term, when used with respect to a Certificate, means the person in whose name such Certificate shall be registered.

“Permitted Encumbrances” has the meaning set forth in the Lease Agreement.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (The Trustee entitled to rely upon the investment direction of the Town as a certification that such investment is a legal investment):

(1) Defeasance Obligations

(2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by the Bond Insurer

(4) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which may include the Trustee and its affiliates which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody's and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;

(6) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services;

(7) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice:

(A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(8) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P;

(9) Investment agreements with domestic or foreign banks, insurance companies other than a life or property casualty insurance company, or corporations the long-term debt or claims paying ability of which or, in the case of a guaranteed corporation, the long-term debt of the guarantor, or, in the case of a monoline financial guaranty insurance company, claims paying ability or financial strength, of the guarantor is rated in at least the double A category by Standard & Poor’s and Moody’s; provided that, by the terms of the investment agreement:

(A) interest payment are to be made to the Trustee at times and in amounts as necessary to pay debt service on the Certificates (if the funds invested pursuant to the investment agreement are from the Reserve Fund);

(B) the invested funds are available for withdrawal without penalty or premium, upon not more than seven (7) days’ prior notice;

(C) the investment agreement shall provide that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(D) the Town, the Corporation and the Trustee receive the opinion of domestic counsel (which opinion shall be addressed to the Town) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Town;

(E) the investment agreement shall provide that if during its term:

(i) the provider's rating by either Standard & Poor's or Moody's falls below "AA-" or "Aa3," respectively, the provider shall, at its option, within ten (10) business days after the provider's receipt of a written request from the Fiscal Agent to satisfy the foregoing, either (a) collateralize the investment agreement by delivering or transferring in accordance with the applicable state and federal laws (other than by means of entries on the provider's books) to the Town, the Trustee, or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims, the market value of which collateral is maintained at one hundred five percent (105%) of securities identified in clauses (1) and (2) of this definition; or (b) assign the investment agreement and all of its obligations thereunder to, or enter into a repurchase agreement or such other agreement with a financial institution mutually acceptable to the provider in the Town which is rated either in the first or second highest category by Standard & Poor's and Moody's; and

(ii) the provider's rating by either Standard & Poor's or Moody's is withdrawn or suspended or falls below "A-" or "A3," respectively, the provider must, at the direction of the Town or the Trustee, within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the invested funds, in either case with no penalty or premium to the Town or the Trustee; and

(F) the investment agreement shall provide and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this shall mean the Holder of the Collateral is in possession of such collateral); and

(G) the investment agreement shall provide that if during its term:

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the Direction of the Town or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be paid to the Town or the Trustee, as appropriate; and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be paid to the Town or the Trustee, as appropriate.

(10) The Local Agency Investment Fund in the State Treasury of the State of California as permitted by the State Treasurer pursuant to Section 16429.1 of the California Government Code or any similar pooled investment fund administered by the State, to the extent such investment is held in the name and to the credit of the Trustee.

The value of the above investments shall be determined as follows:

(A) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, [\_\_\_\_\_];

(B) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon; and

(C) As to any investment not specified above: the value thereof established by prior agreement among the Issuer and the Trustee.

"Prepayment" means any payment applied towards the prepayment of Lease Payments, in whole or in part, pursuant to Article X of the Lease Agreement as a prepayment of the Lease Payments.

"Principal Corporate Trust Office" means the principal corporate trust office of the Trustee at [ \_\_\_\_\_ ] except that with respect to presentation of Certificates for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

"Project" has the meaning set forth in the Lease Agreement.

"Project Costs" means all costs of payment of, or reimbursement for, acquisition, construction and financing of the Project, including but not limited to, architect and engineering fees, construction contractor payments, costs of feasibility and other reports, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, fees and charges of the Trustee, legal fees and charges, financial and other professional consultant fees in connection with the foregoing.

"Project Fund" means the fund by that name established and held by the Trustee pursuant to Section 3.02 hereof.

"Regular Record Date" means the close of business on the fifteenth day of the month preceding each Interest Payment Date, whether or not such fifteenth day is a business day.

"Reserve Fund" means the fund by that name established and held by the Trustee pursuant to Article VI hereof.

“Reserve Requirement” means as of any date of calculation an amount equal to the least of (i) 10 percent of the proceeds of the Certificates, (ii) maximum aggregate Lease Payments required to be paid in any Certificate Year, or (iii) 125 percent of the average annual Lease Payment.

“Securities Depositories” means the following registered securities depositories: The Depository Trust Company, 711 Stewart Avenue, Garden City, New York 11530, Fax - 516/227-4039 or 4190; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as the Authority may designate in a certificate of the Authority delivered to the Trustee.

“State” means the State of California.

“Tax Code” means the Internal Revenue Code of 1986, as amended.

“Tax Regulations” means temporary and permanent regulations promulgated under or with respect to Sections 103 and 141 through 150, inclusive, of the Tax Code.

“Term of the Lease Agreement” means the time during which the Lease Agreement is in effect, as provided in Section 4.2 of the Lease Agreement.

“Town” means the Town of Colma, a municipal corporation, duly organized and existing under the Constitution and laws of the State of California.

“Town Representative” means the Town Manager and the Finance Director of the Town or a person authorized by the Town Manager to act on behalf of the Town under or with respect to this Agreement.

“Trust Agreement” or “Agreement” means this Trust Agreement, together with any amendments or supplements hereto permitted to be made hereunder.

“Trustee” means the Bank of New York Mellon Trust Company, N.A., or any successor thereto acting as Trustee pursuant to this Agreement.

“Written Certificate”, “Written Request” and “Written Requisition” of the Corporation or the Town mean, respectively, a written certificate, request or requisition signed in the name of the Corporation by a Corporation Representative or the Town by a Town 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.

*Section 1.02. Authorization.* Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Agreement, and has taken all actions necessary to authorize the execution and delivery of this Agreement by the officers and persons signing and delivering it.

*Section 1.03. Assignment.* The Lease Agreement and all rights to receive Lease Payments and all other amounts payable thereunder, except the indemnification payments provided for the Corporation under Article VII of the Lease Agreement, are assigned hereunder without recourse by the Corporation to the Trustee. The Corporation by these presents does grant, bargain, sell, release, convey, assign, transfer, hypothecate and confirm unto the Trustee, its successors and assigns, and the Trustee accepts and assumes the following described property, rights, privileges and obligations, to wit:

(a) All estate, right, title and interest of the Corporation in and to and (except for the Corporation's rights set forth in Sections 5.8, 7.3 and 9.5 of the Lease Agreement) all duties and obligations of the Corporation under the Lease Agreement, including, without limitation, all Lease Payments and Additional Costs payable under such Lease Agreement and including all rights of the Corporation to exercise any election or option or to make any decision or determination or to give any notice, consent, waiver or approval under or in respect of the Lease Agreement as well as all rights, powers and remedies on the part of the Corporation, whether arising under the Lease Agreement or by statute or at law or in equity, or otherwise, arising out of any event of default (as that term is defined in the Lease Agreement);

(b) all the moneys and securities deposited or required to be deposited with the Trustee pursuant to any term of this Trust Agreement not expressly held for the benefit of the Town; and

(c) all proceeds of the foregoing.

The Corporation confirms the foregoing constitutes an immediate and present assignment to the Trustee under the terms of this Trust Agreement of (i) all rights of the Corporation to exercise any election or option or to make any decision or determination or to give any notice, consent waiver or approval under or in respect of the Lease Agreement, and (ii) all rights of the Corporation to receive the full amount of each Lease Payment and each payment of additional payments provided in Section 4.7 of the Lease Agreement excepting the indemnity provided for in Article VII payable to the Corporation under the Lease Agreement.

The Trustee hereby acknowledges and accepts assignment by the Corporation of the Lease Agreement, and acknowledges and accepts all of the rights of the Corporation under the Lease Agreement, except for the rights of the Corporation set forth in Sections 5.8, 7.3 and 9.5 of the Lease Agreement and except for the right of the Corporation to receive indemnification pursuant to Section VII of the Lease Agreement.

Concurrently with the delivery hereof, the Corporation is delivering to the Trustee the executed original counterpart of the Lease Agreement.



**ARTICLE II**  
**THE CERTIFICATES OF PARTICIPATION**

*Section 2.01. Authorization.* The Trustee is hereby authorized and directed upon written request from the Corporation to execute and deliver, to the Original Purchaser, Certificates in an aggregate principal amount of \$\_\_\_\_\_ evidencing proportionate ownership interests in the Lease Payments and the Prepayments.

*Section 2.02. Date.* Each Certificate shall be dated as of August \_\_, 2015, and interest with respect thereto shall be payable from the Interest Payment Date next preceding the date of execution thereof, unless: (i) it is executed as of an Interest Payment Date, in which event interest with respect thereto shall be payable from the date of its execution; or (ii) it is executed after a Regular Record Date and before the next following Record Date, in which event interest with respect thereto shall be payable from the Interest Payment Date immediately succeeding the date of its execution; or (iii) it is executed prior to [\_\_\_\_\_] 15, 2015 in which event interest with respect thereto shall be payable from [\_\_\_\_\_] 1, 2015], provided, however, that if, as of the date of execution of any Certificate, interest is in default with respect to any Outstanding Certificates, interest with respect to such Certificate shall be payable from the Interest Payment Date to which interest has previously been paid or made available for payment with respect to the Outstanding Certificates. Such interest amounts are payable in lawful money of the United States of America by check or draft mailed on the applicable Interest Payment Date by first class mail by the Trustee to the Registered Owner thereof at his address as it appears on the registration books of the Trustee, or by wire transfer to owners of \$1,000,000 or more in aggregate principal amount at such wire transfer address as such owner shall specify in writing requiring payment by wire transfer to the Trustee not less than twenty days prior to such Interest Payment Date.

*Section 2.03. Maturity; Interest Rates.* The Certificates shall mature on the dates and in the principal amounts, and interest with respect thereto shall be computed at the rates (based on a 360-day year comprised of twelve 30-day months) shown below:

Maturity Date ([_____] 1)	Principal Amount	Interest Rate	Maturity Date ([_____] 1)	Principal Amount	Interest Rate
------------------------------	---------------------	------------------	------------------------------	---------------------	------------------

**Section 2.04. Form of Certificates; Interest.** The Certificates shall be delivered in the form of fully registered Certificates without coupons in the denomination of \$5,000 or any integral multiple thereof, except that no fully registered Certificate may have principal maturing in more than one year. The Certificates shall be numbered in consecutive numerical order as the Trustee shall determine.

Interest with respect to the Certificates shall be payable on [\_\_\_\_\_] 1], 2007 and thereafter semiannually on [\_\_\_\_\_] 1] and [\_\_\_\_\_] 1] of each year to and including the date of maturity or prepayment, whichever is earlier. Said interest shall represent the portion of the Lease Payments designated as interest and coming due during the six-month period preceding each Interest Payment Date with respect to the Certificates. The proportionate share of the portion of Lease Payments designated as interest with respect to any Certificate shall be computed by multiplying the portion of Lease Payments designated as principal with respect to such Certificate by the rate of interest applicable to such Certificate.

**Section 2.05. Form.** The Certificates and the assignment to appear thereon shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein.

**Section 2.06. Execution.** The Certificates shall be executed by and in the name of the Trustee by the manual signature of an authorized officer of the Trustee.

**Section 2.07. Application of Proceeds and Transferred Funds.**

The proceeds received by the Trustee from the sale of the Certificates shall forthwith be set aside by the Trustee in the following respective funds and accounts and in the following order of priority:

- (1) The Trustee shall deposit in the Reserve Fund the amount of \$\_\_\_\_\_.
- (2) The Trustee shall deposit the sum of \$\_\_\_\_\_ in the Project Fund.
- (3) The Trustee shall deposit in the Delivery Costs Fund the sum of \$\_\_\_\_\_.

**Section 2.08. Transfer and Exchange.**

(a) Transfer of Certificates. Any Certificate may, in accordance with its terms, be transferred upon the books required to be kept pursuant to the provisions of Section 2.12 hereof by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Certificate for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. The Trustee shall require the payment by the Certificate Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any transfer shall be paid by the Town. Whenever any Certificate or Certificates shall be surrendered for transfer, the Trustee shall execute and deliver a new Certificate or Certificates for a like aggregate principal amount.

(b) Exchange of Certificates. Certificates may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. The Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The cost of printing Certificates and any services rendered or expenses incurred by the Trustee in connection with any exchange shall be paid by the Town. The Trustee shall not be required to register the transfer or exchange of any Certificate during the period the Trustee is selecting Certificates for prepayment or any certificate selected for prepayment.

**Section 2.09. Certificates Mutilated, Lost, Destroyed or Stolen.** If any Certificate shall become mutilated, the Trustee, at the expense of the Owner of said Certificate, shall execute and deliver a new Certificate of like tenor maturity in exchange and substitution for the Certificate so mutilated, but only upon surrender to the Trustee of the Certificate so mutilated. Every mutilated Certificate so surrendered to the Trustee shall be canceled by it. If any Certificate shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee, and, if such evidence is satisfactory to the Trustee and, if an indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Certificate Owner, shall execute and deliver a new Certificate of like tenor and maturity, as the Trustee shall determine, in lieu of and in substitution for the Certificate so lost, destroyed or stolen. The Trustee may require payment of an appropriate fee for each new Certificate delivered under this Section and of the expenses which may be incurred by the Trustee in carrying out its duties under this Section. Any Certificate executed and delivered under the provisions of this Section in lieu of any Certificate alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Agreement with all other Certificates secured by this Agreement. The Trustee shall not be required to treat both the original Certificate and any replacement Certificate as being Outstanding for the purpose of determining the principal amount of Certificates which may be executed and delivered hereunder or for the purpose of determining any percentage of Certificates Outstanding hereunder, but both the original and replacement Certificate shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Certificate in exchange for a Certificate which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Certificate.

**Section 2.10. Payment.** Payment of interest due with respect to any Certificate on any Interest Payment Date shall be made to the person appearing on the registration books of the Trustee as the Owner thereof as of the Regular Record Date immediately preceding such Interest Payment Date, such interest to be paid by check or draft mailed by first class mail to such Owner at his address as it appears on such registration books. The principal and prepayment price with respect to the Certificates shall be payable in lawful money of the United States of America upon surrender thereof at the corporate trust office of the Trustee.

**Section 2.11. Execution of Documents and Proof of Ownership.** Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Agreement to be signed or executed by Certificate Owners may be in any number of concurrent instruments of similar tenor, and may be signed or executed by such Owners in person or by their attorneys or agents appointed by an instrument in writing for that purpose, or by any bank, trust company or other depository for such Certificates. Proof of the execution of any such instrument, or of any instrument appointing any such attorney or agent, and of the ownership of Certificates shall be sufficient for any purpose of this Agreement (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his attorney or agent of any such instrument and of any instrument appointing any such attorney or agent, may be proved by a certificate, which need not be acknowledged or verified, of an officer of any bank or trust company located within the United States of America, or of any notary public, or other officer authorized to take acknowledgments of deeds to be recorded in the jurisdiction where the instrument is executed, that the person signing such instrument acknowledged before him the execution thereof. Where any such instrument is executed by an officer of a corporation or

association or a member of a partnership on behalf of such corporation, association or partnership, such certificate shall also constitute sufficient proof of his authority.

(b) The fact of the ownership of Certificates by any person and the amount, the maturity and the numbers of such Certificates and the date of his holding the same shall be proved by the registration books maintained pursuant to Section 2.12 hereof.

Nothing contained in this Article II shall be construed as limiting the Trustee to such proof, it being intended that the Trustee may accept any other evidence of the matters herein stated which the Trustee may deem sufficient. Any request or consent of the Owner of any Certificate shall bind every future Owner of the same Certificate in respect of anything done or suffered to be done by the Trustee in pursuance of such request or consent.

*Section 2.12. Certificate Register.* The Trustee will keep or cause to be kept, at its Principal Corporate Trust Office sufficient books for the registration and transfer of the Certificates which shall at all times be open during regular business hours to inspection by the Town and the Corporation; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Certificates as hereinbefore provided.

*Section 2.13. CUSIP Numbers.* "CUSIP" identification numbers shall be imprinted on the Certificates, but such numbers shall not constitute a part of the contract evidenced by the Certificates and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Certificates. In addition, failure on the part of the Trustee to use such CUSIP numbers in any notice to Owners shall not constitute an Event of Default or any violation of the Trustee's responsibilities towards such Owners and shall not impair the effectiveness of any such notice.

*Section 2.14. Book-Entry Certificates.*

(a) The Certificates shall be initially executed and delivered in the form of a single, separate fully registered Certificate (which may be typewritten) in the full aggregate principal amount for each maturity of the Certificates, and upon initial execution and delivery, the ownership of such Certificates shall be registered in the Certificate register in the name of Cede & Co., as nominee of DTC, the initial Book-Entry Depository. Except as provided in the immediately preceding sentence or in subsection (e) of this Section, all of the Certificates shall be registered in the Certificate register in the name of Cede & Co., or such other nominee of DTC or any successor Book-Entry Depository or the nominee thereof, as shall be specified pursuant to the applicable Representation Letter.

(b) With respect to Certificates registered in the Certificate register in the name of the Book-Entry Depository, or its nominee, the Town shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an interest in the Certificates. Without limiting the immediately preceding sentence, the Town shall have no responsibility or obligation with respect to the accuracy of the records of the Book-Entry Depository, the nominee of the Book-Entry Depository or any Participant with respect to any ownership interest in the Certificates, the delivery to any Participant or any other Person, other than a Holder as shown in the Certificate register, of any notice with respect to the Certificates, or the payment to any Participant or any other person, other than an Owner as shown in the

Certificate register, of any amount with respect to principal of or interest on the Certificates. The Town may treat and consider the person in whose name each Certificate is registered in the Certificate register as the Owner and absolute owner of such Certificate for the purpose of payment of principal and interest on such Certificate and for all other purposes whatsoever.

(c) The Trustee shall pay all principal of and interest with respect to the Certificates only to or upon the order of the respective Owners, as shown in the Certificate register on the applicable Record Date, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the obligations with respect to the payment of principal of and interest on the Certificates under this Trust Agreement and the Certificates to the extent of the sums so paid. Upon delivery by the Book-Entry Depository to the Town of written notice to the effect that the Book-Entry Depository has determined to substitute a new nominee in place of the incumbent nominee, and subject to the provisions herein with respect to Record Dates, the word nominee in this Trust Agreement shall refer to such new nominee of the Book-Entry Depository.

(d) In order to qualify the Certificates for the Book-Entry Depository's book-entry system, the Finance Director or the Treasurer of the Town is hereby authorized to execute and deliver on behalf of the Town to the Book-Entry Depository a Representation Letter representing such matters as shall be necessary to so qualify the Certificates. The execution and delivery of the Representation Letter shall not in any way limit the provisions of subsection (b) of this Section or in any other way impose upon the Town any obligation whatsoever with respect to persons having interests in the Certificates other than the Owners as shown in the Certificate register. In addition to the execution and delivery of the Representation Letter, the officers of the Town, and their authorized representatives, each are hereby authorized to take any other actions, not inconsistent with this Trust Agreement, to qualify the Certificates for each Book-Entry Depository's book-entry program.

(e) In the event (i) the incumbent Book-Entry Depository determines not to continue to act as Book-Entry Depository for the Certificates, or (ii) the Town determines that the incumbent Book-Entry Depository shall no longer so act, and delivers a written certificate to the incumbent Book-Entry Depository to that effect, then the Town will discontinue the book-entry system for the Certificates with the incumbent Book-Entry Depository. If the Town determines to replace the incumbent Book-Entry Depository with another qualified Book-Entry Depository, the Town shall prepare or direct the preparation of, and the Trustee shall execute and deliver, a new single, separate fully Certificate (which may be typewritten) for the aggregate outstanding principal amount for each maturity of the Certificates held by the incumbent Book-Entry Depository, registered in the name of such successor or substitute qualified Book-Entry Depository or its nominee, or make such other arrangement acceptable to the Town and the successor Book-Entry Depository as are not inconsistent with the terms of this Trust Agreement. If the Town fails to identify another qualified successor Book-Entry Depository to replace the incumbent Book-Entry Depository, then the Certificates shall no longer be restricted to being registered in the Bond register in the name of the Book-Entry Depository or its nominee, but shall be registered in whatever name or names the Book-Entry Depository or its nominee shall designate. In such event the Town shall prepare or direct the preparation of, and the Trustee shall authenticate and deliver to the Owners thereof, such Certificates as are necessary to carry out the transfers and exchanges provided in this Trust Agreement. All such Certificates shall be in fully registered form in denominations authorized hereunder.

(f) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as any Certificate is registered in the name of the Book-Entry Depository or its nominee, all notices and payments with respect to principal of and interest on such Certificate shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Book-Entry Depository.

*Section 2.15. Cancellation and Destruction of Certificates.* All Certificates surrendered to the Trustee for payment upon maturity or for prepayment shall be cancelled upon payment therefor. The Trustee shall destroy such cancelled Certificates and provide to the Town, upon request, a certificate of destruction duly executed by the Trustee.

### **ARTICLE III DELIVERY COSTS FUND; PROJECT FUND**

*Section 3.01. Delivery Costs Fund.* The Trustee shall establish a special fund designated as the “Town of Colma 2015 Certificates Delivery Costs Fund”; shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided herein. There shall be deposited in the Costs of Issuance Fund the proceeds of the sale of the Certificates required to be deposited therein pursuant to Section 2.07 hereof.

Moneys on deposit in the Delivery Costs Fund shall be applied to pay Delivery Costs to the extent that such fees and expenses are approved by the Town. Such costs shall be payable upon receipt by the Trustee of a Written Requisition signed by a Town Representative setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the person or person to whom said amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund. Each such Written Requisition of the Town shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any moneys remaining in the Delivery Costs Fund six months after the Closing Date shall be transferred to the Lease Payment Fund.

*Section 3.02. Project Fund.* The Trustee shall establish, maintain and hold in trust a separate fund to be known as the “Town of Colma 2015 Certificates Project Fund.” Except as otherwise provided herein, moneys in the Project Fund shall be used solely for the acquisition of the Project. The Trustee shall disburse moneys in the Project Fund on the Closing Date to purchase the Project at the Written Requisition of the Town. Each such Written Requisition of the Town shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Upon the payment of the purchase price for the acquisition of the Project, the Project Fund shall be closed.

Notwithstanding the foregoing provisions of this Section 3.02, upon the occurrence and continuation of an Event of Default under and as defined in Section 13.01(i), the Trustee shall immediately withdraw all amounts then on deposit in the Project Fund and apply such amounts in accordance with the provisions of Section 13.03.

**ARTICLE IV  
PREPAYMENT OF CERTIFICATES**

**Section 4.01. Prepayment.**

(a) Optional Prepayment. Certificates maturing on or after [\_\_\_\_\_] 1], 20\_\_, are subject to prepayment in whole or in part from prepayments made at the option of the Town pursuant to Section 10.2 of the Lease Agreement on or after [\_\_\_\_\_] 1], 20\_\_ or any date thereafter, at a prepayment price equal to the principal amount thereof, without any premium together with interest accrued with respect thereto to the date fixed for prepayment.

(b) Prepayment From Net Proceeds of Insurance and Condemnation. The Certificates are also subject to mandatory prepayment on any date, in whole or in part, from the Net Proceeds of insurance or condemnation or sale of the Leased Premises, which Net Proceeds are deposited in the Lease Payment Fund and credited as a Prepayment made by the Town pursuant to Section 10.3 of the Lease Agreement, at a prepayment price equal to the principal amount thereof, together with accrued interest to the date fixed for prepayment, without premium.

(c) Mandatory Sinking Fund Prepayment. The Certificates maturing on [\_\_\_\_\_] 1], 20\_\_ are also subject to mandatory sinking fund prepayment on [\_\_\_\_\_] 1] in each year on or after [\_\_\_\_\_] 1], 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:

Prepayment Date ([_____] 1])	Principal Amount of <u>Certificates to be Prepaid</u>
20__	
20__	

The Certificates maturing on [\_\_\_\_\_] 1], 20\_\_ are also subject to mandatory sinking fund prepayment on [\_\_\_\_\_] 1] in each year on or after [\_\_\_\_\_] 1], 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:

Prepayment Date ([_____] 1])	Principal Amount of <u>Certificates to be Prepaid</u>
20__	
20__	

The Certificates maturing on [\_\_\_\_\_] 1], 2036 are also subject to mandatory sinking fund prepayment on [\_\_\_\_\_] 1] in each year on or after [\_\_\_\_\_] 1], 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:



Prepayment Date

([\_\_\_\_\_] 1))

20\_\_

20\_\_

Principal Amount of  
Certificates to be Prepaid

In the event that the Trustee shall prepay Certificates in part, but not in whole, pursuant to subsections (a) or (b) of this Section 4.01, the amount of the Certificates to be prepaid in each subsequent year pursuant to this subsection (c), shall be modified to correspond to the principal components of the Lease Payments prevailing following such prepayment. The Town shall provide the Trustee with a revised schedule.

In providing for the prepayment of Certificates pursuant to this subsection (c) the Trustee may, at the written direction of the Town, utilizing funds on deposit in the Lease Payment Fund, purchase in the open market Certificates in the full principal amount of the Certificates to be redeemed on any prepayment date, or any part thereof; provided that the Town shall not direct the Trustee to purchase Certificates for such purpose after the seventy-fifth (75<sup>th</sup>) day preceding any such prepayment date, and provided further that the Town shall not provide for the purchase of Certificates, at a purchase price for any Certificate which exceeds the principal amount thereof. If the Trustee purchases Certificates in a principal amount which is less than the full principal amount of the Certificates to be redeemed on the succeeding prepayment date, the Trustee shall, at the written direction of the Town, prepay Certificates in a principal amount equal to the remainder of the principal amount of Certificates to be redeemed on such prepayment date as provided in this subsection.

**Section 4.02. Selection of Certificates for Prepayment.** Except for sinking fund redemption pursuant to Section 4.01(c), whenever provision is made in this Agreement for the prepayment of Certificates and less than all Outstanding Certificates are called for prepayment, the Trustee shall select Certificates for prepayment, from the Outstanding Certificates not previously called for prepayment, such that, as nearly as practicable, approximately equal principal, interest and mandatory sinking fund prepayment payments prevail with respect to the Certificates in each Fiscal Year following such prepayment as determined by the Town. The Trustee shall select Certificates for prepayment by lot within a maturity in any manner which the Trustee shall in its sole discretion deem appropriate and fair. The Trustee shall promptly notify the Town and the Corporation in writing of the Certificates so selected for prepayment.

**Section 4.03. Notice of Prepayment.** When prepayment is authorized or required pursuant to Section 4.01 hereof, the Trustee shall give notice of the prepayment of the Certificates. Such notice shall specify: (a) that the Certificates or a designated portion thereof are to be redeemed, (b) the date of prepayment, and (c) the place or places where the prepayment will be made. Such notice shall further state that, if money has been deposited to the appropriate fund or account under this Trust Agreement, on the specified date there shall become due and payable upon each Certificate, the principal and premium, if any, together with interest accrued to said date, and that from and after such date interest with respect thereto shall cease to accrue and be payable.

Notice of such prepayment shall be mailed by first class postage prepaid to the Securities Depositories and to one or more of the Information Services, to the managing member of such syndicate and to the respective Owners of Certificates designated for prepayment at their addresses appearing on the Certificate registration books at least thirty (30) days but not more than sixty (60) days prior to the prepayment date, which notice shall, in addition to setting forth the above information, set forth, in the case of each Certificate called only in part, the portion of the principal thereof which is to be redeemed; provided that neither failure to receive such notice nor any immaterial defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates.

**Section 4.04. Partial Prepayment of Certificate.** Upon surrender of any Certificate redeemed in part only, the Trustee shall execute and deliver to the registered Owner thereof, at the expense of the Town, a new Certificate or Certificates of authorized denominations equal in aggregate principal amount to the unrepaid portion of the Certificate surrendered and of the same interest rate and the same maturity. Such partial prepayment shall be valid upon payment of the amount thereby required to be paid to such Owner, and the Town, the Corporation and the Trustee shall be released and discharged from all liability to the extent of such payment.

**Section 4.05. Effect of Notice of Prepayment.** Notice having been given as aforesaid, and the moneys for the prepayment (including the interest to the applicable date of prepayment), having been set aside in the Lease Payment Fund, the Certificates shall become due and payable on said date of prepayment, and, upon presentation and surrender thereof at the office or offices specified in said notice, said Certificates shall be paid at the unpaid principal amount with respect thereto, plus premium, if any, and interest accrued and unpaid to said date of prepayment.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid together with interest to said date of prepayment, shall be held by the Trustee so as to be available therefor on said date of prepayment, and if notice of prepayment thereof shall have

been given as aforesaid, then, from and after said date of prepayment, interest with respect to the Certificates shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates so to be redeemed.

All Certificates paid at maturity or prepaid prior to maturity pursuant to the provisions of this Article shall be canceled upon surrender thereof and delivered to or upon the order of the Town.

## **ARTICLE V LEASE PAYMENTS; LEASE PAYMENT FUND**

*Section 5.01. Assignment of Rights in Lease Agreement.* The Corporation hereby transfers, assigns and sets over to the Trustee certain of its rights under the Lease Agreement as set forth below, including but not limited to all of the Corporation's rights to receive and collect all of the Lease Payments, the Prepayments and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease Agreement or pursuant hereto but excluding the Corporation's right to consent pursuant to Section 8.2 of the Lease Agreement. All Lease Payments, Prepayments and such other amounts to which the Corporation may at any time be entitled shall be paid directly to the Trustee, and all of the Lease Payments and Prepayments collected or received by the Corporation shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one business day after the receipt thereof, and all such Lease Payments, Prepayments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund (except as provided in Section 6.04 hereof).

*Section 5.02. Establishment of Lease Payment Fund; Deposits.* The Trustee shall establish a special fund designated as the "Town of Colma 2015 Certificates of Participation Lease Payment Fund." All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Town and the Owners of the Certificates, and shall be used and applied by the Trustee as hereinafter set forth.

There shall be deposited in the Lease Payment Fund all Lease Payments and Prepayments received by the Trustee (except as provided in Section 6.04 hereof), including any moneys received by the Trustee for deposit therein pursuant to Article VI or X of the Lease Agreement, and any other moneys required to be deposited therein pursuant to the Lease Agreement or pursuant to this Agreement.

*Section 5.03. Application of Moneys.* All amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and the interest and prepayment premiums (if any) with respect to the Certificates as the same shall become due and payable, in accordance with the provisions of Article II and Article IV hereof.

*Section 5.04. Surplus.* Any surplus remaining in the Lease Payment Fund, after prepayment and payment of all Certificates, including premiums (if any) and accrued interest, and payment of any amounts due to the Trustee, or provision for such prepayment and payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the Town.

## **ARTICLE VI RESERVE FUND**

*Section 6.01. Establishment of Reserve Fund.* The Trustee shall establish a special fund designated as the "Town of Colma 2015 Certificates of Participation Reserve Fund." All moneys at any time on deposit in the Reserve Fund shall be held by the Trustee in trust for the benefit of the Town and the Owners of the Certificates, and applied solely as provided herein.

*Section 6.02. Deposits.* There shall be deposited in the Reserve Fund the amount of \$220,185 representing the Reserve Requirement. Moneys in the Reserve Fund shall be held in trust as a reserve for the payment when due of all the Lease Payments and Prepayments to be paid pursuant to the Lease Agreement.

*Section 6.03. Transfers of Excess.* The Trustee shall, semiannually on or prior to each [\_\_\_\_\_ 1] and [\_\_\_\_\_ 1] beginning [\_\_\_\_\_ 1], 2006, (i) cause the Reserve Fund to be valued pursuant to Section 8.05 hereof, and (ii) transfer any moneys available in the Reserve Fund (as so valued) in excess of the Reserve Requirement to the Lease Payment Fund.

*Section 6.04. Application in Event of Deficiency in Lease Payment Fund.* If on any Interest Payment Date the moneys available in the Lease Payment Fund do not equal the amount of the principal and interest and prepayment premiums (if any) with respect to the Certificates then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make delinquent Lease Payments on behalf of the Town by transferring the amount necessary for such purpose to the Lease Payment Fund. If after such a transfer, a deficiency remains in the Lease Payment Fund, the Trustee shall apply the amount, if any, on deposit in the Lease Payment Fund first to the payment of interest past due with respect to all Certificates on a pro rata basis, and second to the payment of the unpaid principal balance with respect to each Certificate which is then past due on a pro rata basis.

*Section 6.05. Transfer To Make All Lease Payments.* If on any Interest Payment Date the moneys on deposit in the Reserve Fund and the Lease Payment Fund (excluding amounts required for payment of past due principal or interest with respect to Certificates not presented for payment) are sufficient to pay all Outstanding Certificates, including all principal, interest and prepayment premiums (if any), the Trustee shall, upon the written direction of the Town Representative, transfer all amounts then on deposit in the Reserve Fund to the Lease Payment Fund to be applied to the payment of the Lease Payments or Prepayments on behalf of the Town, and such moneys shall be paid to the Owners of Certificates in accordance with Article II of this Trust Agreement. Any amounts remaining in the Reserve Fund upon payment in full of all Outstanding Certificates, or upon provision for such payment as provided in Section 14.01 hereof, shall after payment of amounts due the Trustee hereunder be withdrawn by the Trustee and paid to the Town.

*Section 6.06. Reserve Fund Credit Facility.* The Reserve Requirement may be satisfied by crediting to the Reserve Fund the Reserve Fund Credit Facility which makes funds available in the Reserve Fund in an amount equal to the Reserve Requirement. The Trustee shall draw on the Reserve Fund Credit Facility in accordance with its terms when and if moneys are needed pursuant to the provisions of this Section 6.06.

**ARTICLE VII  
INSURANCE AND CONDEMNATION FUND;  
INSURANCE; EMINENT DOMAIN**

*Section 7.01. Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award.* Any Net Proceeds of insurance against accident to or destruction of any structure constituting any part of the Leased Premises collected by the Town in the event of any such accident or destruction shall be transferred to the Trustee pursuant to Section 6.2 of the Lease Agreement and deposited by the Trustee in a special fund designated as the "Insurance and Condemnation Fund" to be applied and disbursed by the Trustee as provided in Section 6.2 (a) of the Lease Agreement.

*Section 7.02. Application of Net Proceeds of Eminent Domain Award.* If all or any part of the Leased Premises shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to Section 6.2(b) of the Lease Agreement and shall be applied and disbursed by the Trustee as follows:

(a) (1) If the Town determines (i) that such eminent domain proceedings have not materially affected the operation of the Leased Premises or the ability of the Town to meet any of its obligations under the Lease Agreement, and (ii) that such proceeds are not needed for repair or rehabilitation of the Leased Premises, the Trustee upon the written direction of the Town shall transfer such proceeds to the Lease Payment Fund to be credited towards the Prepayment required to be paid pursuant to Section 10.3 of the Lease Agreement and applied to the prepayment of Certificates in the manner provided in Article IV hereof.

(2) If the Town determines (i) that such eminent domain proceedings have not materially affected the operation of the Leased Premises or the ability of the Town to meet any of its obligations under the Lease Agreement, and (ii) that such proceeds are needed for repair or rehabilitation of the Leased Premises, the Trustee upon the written direction of the Town shall pay to the Town, or to its order, from said proceeds such amounts as the Town may expend for such repair or rehabilitation, upon the filing of requisitions of the Town Representative in the form required by Section 6.2(a) of the Lease.

(b) If (1) less than all of the Leased Premises shall have been taken in such eminent domain proceedings, and if the Town determines and certifies to the Trustee that such eminent domain proceedings have materially affected the operation of the Leased Premises or the ability of the Town to meet any of its obligations under the Lease Agreement or (2) all of the Leased Premises shall have been taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited toward the Prepayment required to be paid pursuant to Section 10.3 of the Lease Agreement and applied to the prepayment of Certificates in the manner provided in Article IV hereof.

(c) In making any such determination under this Section 7.02, the Town may obtain, but shall not be required to obtain, the report of an independent engineer or other independent professional consultant. Any such determination by the Town shall be final.

*Section 7.03. Cooperation.* The Corporation and the Trustee shall cooperate fully with the Town at the expense of the Town in filing any proof of loss with respect to any insurance policy maintained pursuant to Article V of the Lease Agreement and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Premises or any part thereof.

## **ARTICLE VIII MONEYS IN FUNDS; INVESTMENT**

*Section 8.01. Held in Trust.* The moneys and investments held by the Trustee under this Agreement are irrevocably held in trust for the benefit of the Town and the Owners of the Certificates, and for the purposes herein specified, and such moneys, and any income or interest earned thereon, shall be expended only as provided in this Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee or the Town or any Owner of Certificates, or any of them.

*Section 8.02. Investments Authorized.* Moneys held by the Trustee hereunder, upon written order of the Town Representative shall be invested and reinvested by the Trustee in specific Permitted Investments. Such investments, if registrable, shall be registered in the name of the Trustee for the benefit of the Certificate Owners and held by the Trustee. The Trustee may purchase from or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made, giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. The Trustee may sell or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

The Town and the Corporation acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Town or the Corporation the rights to receive brokerage confirmations of security transactions as they occur, the Town and the Corporation will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Town and the Corporation periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder. The Trustee may make any investments hereunder through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

In the absence of investment direction from the Town, the Trustee shall invest solely in Permitted Investments specified in (6) of the definition thereof.

**Section 8.03. Accounting.** The Trustee shall furnish to the Town a monthly statement of all investments made by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with this Section.

**Section 8.04. Allocation of Earnings.** Any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds shall be deposited in the fund from which such deposit was made, except as otherwise provided herein.

**Section 8.05. Valuation of Investments.** For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at the lesser of cost or market value. For purposes of this Section 8.05, subject to the provisions set forth in the definition of Permitted Investments, the market value of any Permitted Investments shall be determined as follows:

(a) as to Permitted Investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times), the value of such Permitted Investments shall be the average of the bid and asked prices for such investments so published on or most recently prior to the time of such determination.

(b) as to Permitted Investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times, the value of such Permitted Investments shall be the average bid price at the time of such determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time of making a market in such investments;

(c) as to Permitted Investments consisting of certificates of deposit and bankers acceptances, the value of such Permitted Investments shall be the face amount thereof, plus accrued interest;

(d) as to any other Permitted Investments not specified above, the value of such Permitted Investments shall be the value thereof established by prior agreement between the Town and the Trustee; and

(e) alternatively, the value of the above investments shall be determined as of the end of each month by the manner currently employed by the Trustee or any other manner consistent with industry standard.

If more than one of the above provisions of this Section 8.05 shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

**Section 8.06. Deposit and Investment of Moneys in Funds.** The Trustee may, and upon the written request of the Town Representative shall, commingle any of the funds held by it pursuant to this Agreement into a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee hereunder shall be accounted for separately notwithstanding such commingling by the Trustee.

## **ARTICLE IX THE TRUSTEE**

**Section 9.01. Appointment of Trustee.** The Bank of New York Mellon Trust Company, N.A. is hereby appointed Trustee by the Corporation and the Town for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Agreement. The Corporation and the Town agree that they will maintain as Trustee a bank, national banking association or trust company having a principal office in Los Angeles, California, with a combined capital and surplus of at least Seventy-Five Million Dollars (\$75,000,000), and subject to supervision or examination by Federal or state authority, so long as any Certificates are outstanding. If such bank, national banking association or trust company publishes a report of condition at least annually pursuant to law or the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank, national banking association or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to prepay the Certificates when duly presented for payment at maturity, or on prepayment, or on purchase by the Trustee prior to maturity, and to cancel all Certificates upon payment thereof. The Trustee shall keep accurate records of all funds administered by it and of all Certificates paid and discharged. The Trustee shall be compensated by the Town for its services rendered pursuant to the provisions of this Agreement. The Trustee's compensation shall not be limited by any law on compensation of a Trustee of an express trust, and the Trustee shall be reimbursed upon request for all reasonable out-of-pocket expenses incurred by it; such expenses shall include, but not be limited to, the reasonable compensation and out-of-pocket expenses of the Trustee's agents and counsel. The Trustee shall be reimbursed for any advances of its own funds with interest at the maximum rate allowed by law.

The Town may, in the absence of an Event of Default, remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company meeting the requirements of this Section 9.01.

The Trustee may at any time resign by giving written notice to the Town. Upon receiving such notice of resignation, the Town shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. Upon such acceptance, the Town shall mail notice thereof to the Certificate Owners at their respective addresses set forth on the Certificate registration books maintained pursuant to Section 2.12 hereof. If the Town fails to appoint a successor Trustee within thirty (30) days after receipt of such notice of resignation, the Trustee may petition a court of competent jurisdiction for the appointment of a successor Trustee.



Every successor Trustee appointed pursuant to this shall be a trust company, a national banking association or bank in good standing located in or incorporated under the laws of the State, duly authorized to exercise trust powers and subject to examination by federal or state authority, having a reported capital and surplus of not less than \$75,000,000.

Notwithstanding any other provision of this Trust Agreement, in determining whether the rights of the Owners will be adversely affected by any action taken pursuant to the terms and provisions of this Trust Agent, the Trustee shall consider the effect on the Owners as if there were no Insurance Policy.

**Section 9.02. Liability of Trustee.** The Trustee shall have only such duties and obligations as are expressly set forth herein; no implied duties shall be read into this Agreement against the Trustee. The recitals of facts, covenants and agreements herein and in the Certificates contained shall be taken as statements, covenants and agreements of the Corporation and the Town, and the Trustee assumes no liability or responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement or of the Certificates and shall not incur any liability or responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Certificates assigned to or imposed upon the Trustee, including but not limited to the Trustee's obligations under Section 8.02 hereof.

**Section 9.03. Merger or Consolidation.** Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall be eligible under Section 9.01, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

**Section 9.04. Protection and Rights of Trustee.** The Trustee shall be protected and shall incur no liability in acting or proceeding in good faith upon any resolution, notice, telegram, facsimile request, consent, waiver, certificate, statement, affidavit, voucher, bond, requisition or other paper or document which it shall in good faith believe to be genuine and to have been passed or signed by the proper board or person or to have been prepared and furnished pursuant to any of the provisions of this Agreement, and the Trustee shall be under no duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements. The Trustee shall not be bound to recognize any person as an Owner of any Certificate or to take any action at his request unless such Certificate shall be deposited with the Trustee and satisfactory evidence of the ownership of such Certificate shall be furnished to the Trustee. The Trustee may consult with counsel, who may be counsel to the Town, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee in good faith and in accordance therewith.

Whenever in the administration of its duties under this Agreement, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) shall be deemed to be conclusively proved and established by the certificate of the

Town Representative or the Corporation Representative, and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of this Agreement in reliance thereon, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

The Trustee may (i) become the Owner of Certificates with the same rights it would have if it were not the Trustee; (ii) acquire and dispose of other bonds or evidence of indebtedness of the Town with the same rights it would have if it were not the Trustee; and (iii) act as a depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Certificates, whether or not such committee shall represent the Owners of the majority in principal amount of the Certificates then outstanding.

The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, and shall be entitled to advice of counsel concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the default or misconduct of any such attorney, agent, or receiver selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under this Agreement or for anything whatever in connection with the funds and accounts established hereunder, except only for its own willful misconduct or negligence.

No provision of this Trust Agreement or the Lease Agreement shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability in the performance of its duties hereunder.

The Trustee shall not be responsible for the sufficiency or enforceability of the Lease or the assignment under this Agreement or the Lease of its rights to receive Lease Payments.

The Trustee shall not be deemed to have knowledge of an Event of Default hereunder or under the Lease unless and until it shall have actual knowledge thereof.

The Trustee is not accountable for the use of any funds disbursed by it in accordance with the provisions of this Trust Agreement.

The Trustee shall have no responsibility for, and makes no representations with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Certificates.

Before taking any action under Article XIII hereof or this Article, the Trustee may require indemnity satisfactory to the Trustee be furnished from any expenses and to protect it against any liability it may incur hereunder.

The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of majority (or other percentage provided for herein) in aggregate principal amount of Certificates outstanding relating to the exercise of any right, power or remedy available to the Trustee.

The permissive right of the Trustee to do things enumerated in this Trust Agreement shall not be construed as a duty.

The Trustee agrees to accept and act upon facsimile transmission of written instructions and/or directions pursuant to this Trust Agreement provided, however, that: (a) subsequent to such facsimile transmission of written instructions and/or directions the Trustee shall forthwith receive the originally executed instructions and/or directions, (b) such originally executed instructions and/or directions shall be signed by a person as may be designated and authorized to sign for the party signing such instructions and/or directions, and (c) the Trustee shall have received a current incumbency certificate containing the specimen signature of such designated person.

The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay ("unavoidable delay") in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, Acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosion, mob violence, riot, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the Project, malicious mischief, condemnation, and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

## **ARTICLE X MODIFICATION OR AMENDMENT OF AGREEMENTS**

**Section 10.01. Amendments Permitted.** This Agreement and the rights and obligations of the Owners of the Certificates and the Lease Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the Owners of sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in Section 10.03 hereof have been obtained and be filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest thereon, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Certificate or (2) reduce or have the effect or reduce the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Lease Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in Section 10.02 hereof.

This Agreement and the rights and obligations of the Owners of the Certificates and the Lease Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement (1) to add to the covenants and agreements of any party other covenants to be observed, or to surrender any right or power herein or therein reserved to the Corporation or the Town, (2) to cure, correct or supplement any ambiguous or defective provision contained herein or therein, or (3) in regard to questions arising hereunder or

thereunder, as the parties hereto or thereto may deem necessary or desirable and which shall not adversely affect the interests of the Owners of the Certificates. Any such supplemental agreement shall become effective upon execution and delivery by the parties hereto or thereto, as the case may be.

Upon request, the Town shall have provided to the Trustee an opinion of counsel that the supplemental Trust Agreement or Lease conforms to the requirements of this Section 10.01.

**Section 10.02. Procedure for Amendment with Written Consent of Certificate Owners.** In the event the consent of the Owners of the Certificates is required pursuant to Section 10.01 hereof, this Agreement and the Lease Agreement may be amended by supplemental agreement only upon compliance with the provisions of this Section 10.02. A copy of the proposed supplemental agreement, together with a request to the Certificate Owners for their consent thereto, shall be mailed by the Trustee to each Owner of a Certificate at his address as set forth on the Certificate registration books maintained pursuant to Section 2.12 hereof, but failure to mail copies of any such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as in this Section provided.

Such a supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consents of the Owners of sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in Section 10.03 hereof), and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by Section 2.11 hereof. Any such consent shall be binding upon the owner of the Certificate giving such consent and on any subsequent owner thereof (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice hereinafter in this Section provided for has been given.

After the Owners of the required percentage of Certificates shall have filed their consents to such a supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner hereinbefore in this Section provided for the mailing of such supplemental agreements of the adoption thereof, stating in substance that the supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such a supplemental agreement or consents thereto). Such a supplemental agreement shall become effective upon the mailing of the notice last mentioned above, and the supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of sixty (60) days after such mailing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

**Section 10.03. Disqualified Certificates.** Certificates owned or held by or for the account of the Town or by any person directly or indirectly controlled by, or under direct or indirect common control with, the Town (except any Certificates held in any pension or retirement fund) shall not be deemed Outstanding for the purpose of any vote, consent, waiver or other action provided for in this Agreement, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Agreement.

The Town or Trustee may adopt appropriate regulations to require each Certificate Owner, before his consent provided for in this Article X shall be deemed effective, to reveal if the Certificates as to which such consent is given are disqualified as provided in this Section.

**Section 10.04. Effect of Supplemental Agreement.** From and after the time any supplemental agreement becomes effective pursuant to this Article X, this Agreement or the Lease Agreement, as the case may be, shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations of the parties hereto or thereto, as the case may be, and all Owners of Certificates Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any supplemental agreement shall be deemed to be part of the terms and conditions of this Agreement or the Lease Agreement, as the case may be, for any and all purposes.

**Section 10.05. Endorsement or Replacement of Certificates Delivered After Amendments.** The Town may determine that Certificates delivered after the effective date of any action taken as provided in this Article X shall bear a notation, by endorsement or otherwise, in form approved by the Trustee as to such action. In that case, upon demand of the Owner of any Certificate outstanding at such effective date and presentation of his Certificate at the hereinafter mentioned office of the Trustee, a suitable notation shall be made on such Certificate. The Town may determine that new Certificates, so modified as in the opinion of the Trustee is necessary to conform to action taken pursuant to this Article X, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Certificate then Outstanding, such a new Certificate shall be exchanged for the Outstanding Certificate at the corporate trust office of the Trustee, without cost to the Owner, for a Certificate of the same character then outstanding, upon surrender of such Certificate.

**Section 10.06. Amendatory Endorsement of Certificates.** The provisions of this Article X shall not prevent any Certificate Owner from accepting any amendment as to the particular Certificates held by him, provided that due notification thereof is made on such Certificates.

## ARTICLE XI COVENANTS; NOTICES

*Section 11.01. Compliance With and Enforcement of Lease Agreement.* The Town covenants and agrees with the owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement. The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement.

The Town will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease Agreement by the Corporation thereunder. The Corporation and the Town, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting their respective estates, or either of them, in the Leased Premises and the Site, which may or can in any manner affect such estate of the Town, will deliver the same, or a copy thereof, to the Trustee.

*Section 11.02. Payment of Taxes.* The Town will pay or cause to be paid all taxes, assessments and other governmental charges, if any, that may be levied, assessed or charged upon the Leased Premises and the Site, or any part thereof, promptly as and when the same shall become due and payable; and the Town will, upon request of the Trustee, from time to time keep the Trustee advised of such payments, and deliver such evidence thereof, as the Trustee may reasonably require. The Town will not suffer the Leased Premises and the Site, or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor.

*Section 11.03. Observance of Laws and Regulations.* The Town will well and truly keep, observe and perform all valid and lawful obligations or requirements now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Town, including its right to exist and carry on business as a municipal corporation, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

*Section 11.04. Prosecution and Defense of Suits.* The Town shall promptly, upon request of the Trustee, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Premises and the Site, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose, and shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

**Section 11.05. Recordation and Filing.** The Town shall record and file the Lease Agreement, the Site and Second Parking Structure Lease Agreement and all such documents as may be required by law (together with whatever else may be necessary), all in such manner, at such times and in such places as may be required by law, in order fully to preserve, protect and perfect the security of the Trustee and the Certificate Owners.

**Section 11.06. Town Budgets.** The Town shall supply to the Trustee, at least forty-five (45) days after the adoption of the budget, a certificate that the Town has made adequate provision in its proposed budget for the Fiscal Year for the payment of Lease Payments due under the Lease Agreement during the Fiscal Year. The certificate given by the Town to the Trustee shall be that the amounts so budgeted are fully adequate for the payment of all Lease Payments due under the Lease Agreement in the then ensuing Fiscal year. If the Town is unable to provide such Certificates the Town will take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the Town in the then ensuing Fiscal Year for the payment of Lease Payments due under the Lease Agreement, and will notify the Trustee of the proceedings then taken or proposed to be taken by the Town. The Town will keep the Trustee advised of all proceedings thereafter taken by the Town.

**Section 11.07. Further Assurances.** The Corporation and the Town will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the Certificates the rights and benefits provided herein.

**Section 11.08. Continuing Disclosure.** The Town hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Trust Agreement, failure of the Town to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee shall, at the written request of any participating underwriter or the Owners of at least 25% aggregate principal amount of Certificates, but only to the extent the Trustee has been indemnified from and against any loss, cost, expense, claim or liability, including, without limitation, fees and expenses of attorneys and additional fees and expenses of the Trustee or any Certificate Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Town to comply with its obligations under this Section.

**Section 11.09. Tax Covenants.**

(a) **Private Activity Bond Limitation.** The Town and the Corporation shall assure that the proceeds of the Certificates are not so used as to cause the Certificates to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) **Federal Guarantee Prohibition.** The Town and the Corporation shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.



(c) No Arbitrage. The Town and the Corporation shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) Maintenance of Tax-Exemption. The Town and the Corporation shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

(e) Rebate of Excess Investment Earnings. The Town shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Certificates which are required to be rebated to the United States of America pursuant to Section 148(f) of the Tax Code, at the times and in the manner required pursuant to the Tax Code. The Town shall pay or cause to be paid when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required pursuant to the Tax Code, such payments to be made from amounts provided by the Town for such purpose pursuant to Section 5.13 of the Lease Agreement. The Town shall keep or cause to be kept, and retain or cause to be retained for a period of six (6) years following the retirement of the Certificates, records of the determinations made pursuant to this subsection (e). The Trustee shall have no duty to monitor the compliance by the Town with any of the covenants contained in this subsection (e).

*Section 11.10.* Bank Qualified. The Town has designated the Certificates and the Lease Agreement as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986. The Town has issued no tax-exempt obligations in calendar year 2006 other than the Certificates. The Town represents that it will not issue tax-exempt obligations (including the Certificates) in an aggregate principal amount of more than \$10,000,000 during the current calendar year.

## **ARTICLE XII LIMITATION OF LIABILITY**

*Section 12.01. Limited Liability of Town.* Except for the payment of Lease Payments and Prepayments when due in accordance with the Lease Agreement and the performance of the other covenants and agreements of the Town contained in said agreement without limitation, including the payment of fees and expenses pursuant to Section 4.7 of the Lease Agreement, the Town shall have no obligation or liability to any of the other parties hereto or to the Owners of the Certificates with respect to this Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee.

*Section 12.02. No Liability for Trustee Performance.* Except for those specific instances provided for herein where the Trustee must act as specifically requested or ordered by the Town or the Corporation, neither the Town nor the Corporation shall have any obligation or liability to any of the other parties hereto or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under this Agreement.



**Section 12.03. Limited Liability of Trustee.** The Trustee shall have no obligation or responsibility for providing information to the Owners concerning the investment character of the Certificates, for the sufficiency or collection of any Lease Payments or other moneys required to be paid to it under the Lease Agreement, or for the actions or representations of any other party to this Agreement. The Trustee shall have no obligation or liability to any of the other parties or the Owners of the Certificates with respect to the failure or refusal of any other party to perform any covenant or agreement made by any of them under this Agreement or the Lease Agreement, but shall be responsible solely for the performance of the duties expressly imposed upon it hereunder. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

**Section 12.04. Indemnification.** The Corporation and the Town agree to indemnify and save the Trustee harmless from and against all claims, suits and actions brought against it, or to which it is made a party, and from all liability, losses, costs, expenses, claims and damages suffered by it as a result thereof, where and to the extent any such claim, suit or action arises out of the acceptance or performance by the Trustee of its duties hereunder or under the Lease. Such indemnification shall not extend to claims, suits and actions brought against the Trustee for its own negligence or willful misconduct. In the event the Corporation or the Town is required to indemnify the Trustee as herein provided, the Corporation or the Town (as the case may be) shall be subrogated to the rights of the Trustee to recover losses or damages from any other person or entity. The Trustee may have its own counsel with respect to such claims, suits and actions, and such counsel shall be paid for by the Town or the Corporation, whichever is appropriate, except in those instances where it is found by a court of competent jurisdiction that the Trustee acted negligently or that its misconduct was willful.

Such indemnification and right to compensation shall survive termination of this Agreement, resignation or removal of the Trustee or discharge of the Certificates.

**Section 12.05. Opinion of Counsel.** Before being required to take any action, the Trustee may require an opinion of Independent Counsel acceptable to the Trustee, which opinion shall be made available to the other parties hereto upon request, which counsel may be counsel to any of the parties hereto, or a verified certificate of any party hereto, or both, concerning the proposed action. If it does so in good faith, the Trustee shall be absolutely protected in relying on such an opinion or certificate.

**Section 12.06. Limitation of Rights to Parties and Certificate Owners.** Nothing in this Agreement or in the Certificates expressed or implied is intended or shall be construed to give any person other than the Town, the Corporation, the Trustee and the owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this Agreement or any covenant, condition or provision hereof, and all such covenants, conditions and provisions are and shall be for the sole and exclusive benefit of the Town, the Corporation, the Trustee and the Owners of the Certificates.

**ARTICLE XIII  
EVENTS OF DEFAULT AND REMEDIES  
OF CERTIFICATE OWNERS**

*Section 13.01. Events of Default Defined.* The following shall be “Events of Default” under this Trust Agreement and the Lease Agreement and the terms “Event of Default” and “default” shall mean, whenever they are used in this Trust Agreement and the Lease Agreement, any one or more of the following events:

(i) Failure by the Town to pay any Lease Payment or other payment required to be paid under the Lease Agreement at the time specified therein.

(ii) Failure by the Town to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Lease Agreement or herein, other than as referred to in clause (i) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Town by the Corporation, the Trustee, or the Owners of not less than five percent (5%) in aggregate principal amount of Certificates then outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Town within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the Town of a voluntary petition in bankruptcy, or failure by the Town promptly to lift any execution, garnishment or attachment, or adjudication of the Town as a bankrupt, or assignment by the Town for the benefit of creditors, or the entry by the Town into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Town in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

*Section 13.02. Remedies.* If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; provided, however, that notwithstanding anything herein or in the Lease Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare any Lease Payment not then in default to be immediately due and payable.

*Section 13.03. Application of Funds.* Notwithstanding anything to the contrary in Section 9.7 of the Lease Agreement, all moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article XIII or Article IX of the Lease Agreement, (and any moneys in the Project Fund in the event of an Event of Default described in Section 13.01(i) hereof), shall be applied by the Trustee in the order following upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Trustee, in declaring the Event of Default, including reasonable compensation to its agents, attorneys and counsel and then of the

Certificate Owners in declaring the Event of Default and incurred in and about the performance of its powers and duties under the Trust Agreement and Lease Agreement, including reasonable compensation to its agents, attorneys and counsel;

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installments of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

**Section 13.04. Institution of Legal Proceedings.** If one or more Events of Default shall happen and be continuing, the Trustee in its discretion may, and upon the written request of the Owners of a majority in principal amount of the Certificates then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Owners of Certificates by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties hereunder.

**Section 13.05. Non-waiver.** Nothing in this Article XIII or in any other provision of this Agreement, or in the Certificates, shall affect or impair the obligation of the Town, which is absolute and unconditional, to pay or prepay the Lease Payments as provided in the Lease Agreement, or affect or impair the right of action, which is also absolute and unconditional, of the Certificate Owners to institute suit to enforce such payment. No delay or omission of the Trustee or of any Owner of any of the Certificates to exercise any right or power arising upon the happening of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein, and every power and remedy given by this Article XIII to the Trustee or to the Owners of Certificates may be exercised from time to time and as often as shall be deemed expedient by the Trustee or the Certificate Owners.

**Section 13.06. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Certificate owners is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise.

**Section 13.07. [Reserved].**

**Section 13.08. Limitation of Certificate Owners, Right to Sue.** No Owner of any Certificate shall have the right to institute any suit, action or proceeding at law or in equity, with respect to any remedy under or upon this Agreement, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of at least a majority in aggregate principal amount of all the Certificates then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted

or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and such tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or failure are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Certificates of any remedy hereunder; it being understood and intended that no one or more Owners of Certificates shall have any right in any manner whatever by his or their action to enforce any right under this Agreement, except in the manner herein provided, and that all proceedings at law or in equity with respect to an Event of Default shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Certificates.

The right of any Owner of any Certificate to receive payment of said Owner's proportionate interest in the Lease Payments as the same become due, or to institute suit for the enforcement of such payment, shall not be impaired or affected without the consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Agreement.

**Section 13.09. Agreement to Pay Attorneys' Fees and Expenses.** In the event the Town or the Corporation should default under any of the provisions hereof and a non-defaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will, on demand therefor, pay to the non-defaulting party or parties the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting party or parties.

No waivers shall be granted under this Trust Agreement without the prior written consent of the Insurer.

## **ARTICLE XIV MISCELLANEOUS**

**Section 14.01. Defeasance.** If and when all Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and prepayment premiums (if any) with respect to all Certificates Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Lease Payment Fund and the Reserve Fund, is fully sufficient to pay all Certificates Outstanding, including all principal and interest and premium, if any;

(c) by depositing with the Trustee, in trust, Defeasance Obligations in such amount as Trustee, based upon the report of an independent certified public accountant, shall determine will, together with the interest to accrue thereon, and moneys then on deposit in the Lease Payment Fund and the Reserve Fund, together with the interest to accrue thereon, be fully

sufficient to pay and discharge all Certificates Outstanding (including all principal, interest and prepayment premiums, if any) at or before their respective maturity dates; or

(d) by depositing with the Trustee, under an escrow deposit and trust agreement, security for the payment of Lease Payments as more particularly described in Section 10.1 of the Lease Agreement, said security to be held by the Trustee as agent for the Town to be applied by the Trustee to pay the Lease Payments as the same become due and payable and make a Prepayment in full on any Prepayment Date, pursuant to Section 10.1 of the Lease Agreement; notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Corporation, the Trustee and the Town with respect to all Outstanding Certificates shall cease and terminate and this Trust Agreement shall be discharged, except only the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the Town or from funds or securities deposited pursuant to paragraphs (b) through (d) of this Section, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) through (d), the Certificates shall continue to represent direct and proportionate interests of the Owners thereof in Lease Payments under the Lease Agreement.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a) through (d) of this Section, which are not required for the payment to be made to Owners of the Certificates, shall be paid over to the Town.

**Section 14.02. Records.** The Trustee shall keep complete and accurate records of all moneys received and disbursed under this Agreement, which shall be available for inspection by the Town, the Corporation and any Owner, or the agent of any of them, at any time during regular business hours upon reasonable prior notice.

**Section 14.03. Notices.** All written notices to be given under this Agreement shall be given by mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other parties in writing from time to time. Notice shall be effective upon deposit in the United States mail, postage prepaid or, in the case of personal delivery, upon delivery to the address set forth below:

If to the Town:           Town of Colma  
                                  1198 El Camino Real  
                                  Colma, CA 940140  
                                  Attention: Town Manager

If to the Corporation: Public Property Financing Corporation of America

If to the Trustee:       The Bank of New York Mellon Trust Company, N.A.

Attention:

**Section 14.04. Governing Law.** This Agreement shall be construed and governed in accordance with the laws of the State.

**Section 14.05. Binding Effect; Successors.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns. Whenever in this Agreement either the Corporation, the Town or the Trustee 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 Agreement contained by or on behalf of the Corporation, the Town or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 14.06. Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same agreement.

**Section 14.07. Headings.** 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 Agreement. Unless otherwise specifically indicated, all references herein to "Articles," "Sections," and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

**Section 14.08. Limitation of Rights to Parties and Certificates Owners.** Nothing in this Agreement or in the Certificates expressed or implied is intended or shall be construed to give to any person other than the Corporation, the Town, the Trustee and the owners of the Certificates, any legal or equitable right, remedy or claim under or in respect of this 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 Corporation, the Town, the Trustee and the Owners of the Certificates.

**Section 14.09. Waiver of Notice.** Whenever in this Agreement the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

**Section 14.10. Separability of Invalid Provisions.** In case any one or more of the provisions contained in this Agreement or in the Certificates shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, and this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The parties hereto hereby declare that they would have entered into this Agreement and each and every other section, paragraph, sentence, clause or phrase hereof and authorized the delivery of the Certificates pursuant hereto irrespective of the fact that any one or more sections, paragraphs, sentences, clauses or phrases of this Agreement may be held illegal, invalid or unenforceable.

**Section 14.11. Parties Interested Herein.** Nothing in this Trust Agreement expressed or implied is intended or shall be construed to confer upon, or to give or grant to, any person or entity, other than the Town, the Trustee, the Corporation, and the registered owners of the Certificates, any right, remedy or claim under or by reason of this Trust Agreement or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Trust Agreement contained by and on behalf of the Town shall be for the sole and exclusive benefit of the Town, the Trustee, the Corporation and the registered owners of the Obligations.

**Section 14.12. Unclaimed Funds.** Notwithstanding any provisions of this Trust Agreement and subject to applicable provisions of State law, any moneys held by the Trustee in trust for the payment of the principal of, or interest with respect to, any Certificates and remaining unclaimed for two (2) years after of such Certificate has become due and payable (whether at maturity or upon call for redemption or otherwise as provided in this Trust Agreement), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when such Certificates became due and payable, shall be repaid to the Town free from the trusts created by this Trust Agreement and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before repayment of such moneys to the Town as aforesaid, the Trustee may (at the cost of the Town first mail to the Owners of Certificates which have not yet been paid, at the addresses shown on the registration books maintained by the Trustee, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Certificates so payable and not presented and with respect to the provisions relating to the repayment to the Town of the moneys held for the payment thereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date and year first above written.

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

PUBLIC PROPERTY FINANCING  
CORPORATION OF AMERICA

By: \_\_\_\_\_  
President

TOWN OF COLMA

By: \_\_\_\_\_  
Mayor



EXHIBIT A

FORM OF CERTIFICATE

TOWN OF COLMA  
2015 CERTIFICATE OF PARTICIPATION  
(TOWN HALL IMPROVEMENT PROJECT)

Evidencing a Proportionate Interest of the  
Owner Hereof in Lease Payments to be Made by

THE TOWN OF COLMA, CALIFORNIA

As the Rental for Certain Property  
Pursuant to a Lease Agreement with

PUBLIC PROPERTY FINANCING CORPORATION OF AMERICA

No. \_\_\_\_\_ \$ \_\_\_\_\_

RATE OF INTEREST: \_\_\_\_\_ %

MATURITY DATE:

DATED DATE: August \_\_\_\_, 2015

CUSIP: 544195\_\_\_\_

REGISTERED OWNER:

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

THIS IS TO CERTIFY THAT the Registered Owner identified above, or registered assigns, as the registered owner of this Certificate of Participation ("this Certificate"), is the owner of an undivided proportionate interest in the right to receive certain Lease Payments and prepayments thereof under and as defined in that certain Lease Agreement (the "Lease Agreement") dated as of August 1, 2015, by and between the Public Property Financing Corporation of America, a California nonprofit public benefit corporation organized and existing under the laws of the State of California (the "Corporation"), and the Town of Colma, California, a city and municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of California (the "Town"), which Lease Payments and prepayments and certain other rights and interests under the Lease Agreement have been assigned to the Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), having principal corporate trust offices at which it conducts its trust business in Los Angeles, California.

The Registered Owner of this Certificate is entitled to receive, subject to the terms of the Lease Agreement, on the Maturity Date specified above, the Principal Amount specified above, representing a portion of the Lease Payments designated as principal coming due during the preceding twelve months, and to receive on [\_\_\_\_\_] 1], 20\_\_, and semiannually thereafter on [\_\_\_\_\_] 1] and [\_\_\_\_\_] 1] of each year (the "Interest Payment Dates"), until payment in

full of said Principal Amount, the Registered Owner's proportionate share of the Lease Payments designated as interest coming due during the six months immediately preceding each of the Interest Payment Dates; provided that interest with respect hereto shall be payable from the Interest Payment Date next preceding the date of execution of this Certificate (i) unless this Certificate is executed on an Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (ii) unless this Certificate is executed after the close of business on the fifteenth day of the month prior to an Interest Payment Date and prior to such Interest Payment Date, in which event interest shall be payable from such Interest Payment Date, or (iii) unless this Certificate is executed prior to [\_\_\_\_\_] 15], 20\_\_, in which event interest shall be payable from the Dated Date specified above. Said proportionate share of the portion of the Lease Payments designated as interest is the result of the multiplication of the aforesaid portion of the Lease Payments designated as principal by the per annum Rate of Interest specified above. Such interest amounts are payable in lawful money of the United States of America by check or draft mailed by first class mail by the Trustee to the Registered Owner hereof at his address as it appears on the registration books of the Trustee, or by wire transfer to owners of \$1,000,000 or more in aggregate principal amount at such wire transfer address as such owner shall specify in writing requesting payment by wire transfer to the Trustee not less than twenty days prior to such Interest Payment Date.

This Certificate has been executed and delivered by the Trustee pursuant to the terms of a Trust Agreement by and among the Trustee, the Corporation and the Town, dated as of August 1, 2015 (the "Trust Agreement"). The Town is authorized to enter into the Lease Agreement and the Trust Agreement under the Constitution and laws of the State of California. Reference is hereby made to the Lease Agreement and the Trust Agreement (copies of which are on file at the principal corporate trust office of the Trustee) for a description of the terms on which the Certificates are delivered, the rights thereunder of the Registered Owners of the Certificates, the rights, duties and immunities of the Trustee and the rights and obligations of the Town under the Lease Agreement, to all of the provisions of which Lease Agreement and Trust Agreement the Registered Owner of this Certificate, by acceptance hereof, assents and agrees.

The Town is obligated under the Lease Agreement to pay Lease Payments from any source of legally available funds (subject to certain exceptions) and the Town has covenanted in the Lease Agreement to make the necessary annual appropriations therefor. The obligation of the Town to pay the Lease Payments does not constitute an obligation of the Town for which the Town is obligated to levy or pledge any form of taxation or for which the Town has levied or pledged any form of taxation. The obligation of the Town to pay Lease Payments does not constitute a debt of the Town, the State of California or any of its political subdivisions, and does not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

To the extent and in the manner permitted by the terms of the Trust Agreement, the provisions of the Trust Agreement may be amended by the parties thereto with the written consent of the owners of at least sixty percent (60%) in aggregate principal amount of the Certificates then outstanding, and may be amended without such consent under certain circumstances, but in no event such that the interests of the Registered Owners of the Certificates are adversely affected as provided in the Trust Agreement. No such amendment may impair the right of any Registered Owner to receive in any case the Registered Owner's proportionate share of any Lease Payment or prepayment thereof, in accordance with the Registered Owner's Certificate, without the Registered Owner's express consent.

This Certificate is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the principal corporate trust office of the Trustee in Los Angeles, California, but only in the manner, subject to the limitations and upon payment of the charges provided in the Trust Agreement, and upon surrender and cancellation of this Certificate. Upon such transfer a new Certificate or Certificates, of authorized denomination or denominations, for the same aggregate principal amount will be delivered to the transferee in exchange for this Certificate. The Town, the Corporation and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, whether or not this Certificate shall be overdue, and the Town, the Corporation and the Trustee shall not be affected by any notice to the contrary. The recitals of facts, covenants and agreements in this Certificate shall be taken as statements, covenants and agreements of the Town and the Trustee assumes no responsibility for the correctness thereof.

The Trustee has no obligation or liability to the Registered Owners of Certificates for the obligation of the Town to make Lease Payments. The Trustee's sole obligation is to administer for the benefit of the Registered Owners of the Certificates and the Town the various funds and accounts established under the Trust Agreement. The Trustee shall not be required to register the transfer or exchange of any Certificate during the period in which the Trustee is selecting Certificates for prepayment or as to any Certificate selected for prepayment.

The Certificates maturing after [\_\_\_\_\_] 1], 20\_\_ are subject to prepayment in whole or in part among maturities such that approximately equal annual Lease Payments prevail following such prepayment, and by lot within a maturity from prepayments of Lease Payments made at the option of the Town pursuant to the Lease Agreement, on [\_\_\_\_\_] 1], 20\_\_ or any date thereafter, at a prepayment price equal to the principal amount thereof, without any premium, together with accrued interest to the date fixed for prepayment.

The Certificates are also subject to mandatory prepayment on any Interest Payment Date, in whole, or in part among maturities such that approximately equal annual Lease Payments prevail following such prepayment and by lot within a maturity, from the net proceeds of insurance or condemnation or sale of Project and sites credited towards the prepayment of the Lease Payments by the Town pursuant to Section 10.3 of the Lease Agreement, at a prepayment price equal to the principal amount thereof together with accrued interest to the date fixed for prepayment, without premium.

The Certificates maturing on [\_\_\_\_\_] 1], 20\_\_ are also subject to mandatory sinking fund prepayment on [\_\_\_\_\_] 1] in each year on or after [\_\_\_\_\_] 1], 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:

Prepayment Date	Principal Amount of
([_____] 1])	<u>Certificates to be Prepaid</u>
20__	
20__	

The Certificates maturing on [\_\_\_\_\_] 1], 20\_\_ are also subject to mandatory sinking fund prepayment on [\_\_\_\_\_] 1] in each year on or after [\_\_\_\_\_] 1], 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:

Prepayment Date ([_____] 1])	Principal Amount of <u>Certificates to be Prepaid</u>
20__	
20__	

The Certificates maturing on [\_\_\_\_\_] 1], 20\_\_ are also subject to mandatory sinking fund prepayment on [\_\_\_\_\_] 1] in each year on or after [\_\_\_\_\_] 1], 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:

Prepayment Date ([_____] 1])	Principal Amount of <u>Certificates to be Prepaid</u>
20__	
20__	

If the Certificates maturing on [\_\_\_\_\_] 1], 20\_\_, [\_\_\_\_\_] 1], 20\_\_ and [\_\_\_\_\_] 1], 20\_\_ are prepaid in part, other than pursuant to the mandatory sinking fund prepayment provisions of the Trust Agreement, the principal amount of the Certificates to be prepaid on each of the mandatory sinking fund prepayment dates set forth above shall be modified to correspond to the principal components of the Lease Payments prevailing following such partial prepayment.

As provided in the Trust Agreement, notice of prepayment shall be mailed, not less than thirty (30) nor more than sixty (60) days before the prepayment date, to the Registered Owner of this Certificate, but neither failure to mail such notice nor any defect in the notice so mailed shall affect the sufficiency of the proceedings for prepayment.

If this Certificate is called for prepayment and payment is duly provided therefor as specified in the Trust Agreement, interest shall cease to accrue with respect hereto from and after the date fixed for prepayment.

The Trustee has executed this Certificate solely in its capacity as Trustee under the Trust Agreement and not in its individual or personal capacity. The Trustee is not liable for the obligations evidenced by the Certificates except from amounts held by it in its capacity as Trustee under the Trust Agreement.

IN WITNESS WHEREOF, this Certificate has been executed and delivered by the Bank of New York Mellon Trust Company, N.A., as Trustee acting pursuant to the Trust Agreement, as of the date set forth below.

Dated:

THE BANK OF NEW YORK MELLON TRUST  
COMPANY, N.A., as Trustee

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

[FORM OF ASSIGNMENT]

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto \_\_\_\_\_ the within-mentioned Certificate and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_ attorney, to transfer the same on the Certificate register of the Trustee with full power of substitution in the premises.

Dated:

SIGNATURE GUARANTEED:

\_\_\_\_\_  
Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable by the Trustee.

\_\_\_\_\_  
Note: The signature(s) to this Assignment must correspond with the name(s) as written on the face of the within Certificate in every particular, without alteration or enlargement or any change whatsoever.

## PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2015

In the opinion of Best Best & Krieger LLP, San Diego, California, Special Counsel, under existing law, interest with respect to the Certificates is exempt from personal income taxes of the State of California, and, assuming continuing compliance after the date of initial delivery of the Certificates with certain covenants contained in the legal documents authorizing the delivery of the Certificates, and subject to the matters set forth under the caption "CONCLUDING INFORMATION — Tax Matters" herein, interest with respect to the Certificates for federal income tax purposes under existing statutes, regulations, published rulings and court decisions will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Certificates, and will not be included in computing the alternative minimum taxable income of individuals, or, except as described herein, corporations. See "CONCLUDING INFORMATION — Tax Matters" herein.

NEW ISSUE — BOOK-ENTRY ONLY

RATINGS:

\_\_\_\_\_: "\_\_\_\_"  
(See "CONCLUDING INFORMATION — Ratings" herein.)

\$ \_\_\_\_\_\*

**TOWN OF COLMA**  
**2015 CERTIFICATES OF PARTICIPATION**  
**(TOWN HALL)**

Dated: Date of Delivery

Due: \_\_\_\_\_ 1, as set forth herein

The Certificates will be executed and delivered as fully registered certificates in book-entry form only, initially registered in the name of Cede & Co., New York, New York, as nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Certificates will be in principal amounts of \$5,000 or in any integral multiples of \$5,000. Interest payable with respect to the Certificates will be payable on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_\_\_, and principal payable on the Certificates will be paid on September 1 in the years set forth on the maturity schedule on the inside cover of this Official Statement. Payments of principal of and interest with respect to the Certificates will be paid by The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the "Trustee"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Certificates.

The Certificates are being sold, executed and delivered to: (i) provide funds to the Town of Colma (the "Town") to finance the construction of improvements to the Town Hall as described herein; (ii) fund, in whole or in part, a reserve fund for the Certificates; and (iii) pay certain costs of issuing the Certificates.

The Certificates are subject to optional, extraordinary and mandatory sinking fund prepayment prior to maturity as described herein. See "THE CERTIFICATES" herein.

The Certificates evidence and represent undivided proportionate interests in the right to receive certain Lease Payments (which include principal and interest components) to be made by the Town for the right to the use of certain real property and improvements (the "Leased Premises") pursuant to that certain Lease Agreement, dated as of August 1, 2015 (the "Lease Agreement"), by and between the Town, as lessee, and the Public Property Financing Corporation of California (the "Corporation"), as lessor. The Town has covenanted in the Lease Agreement to make the Lease Payments for the Leased Premises, to include all such Lease Payments in each of its budgets and to make the necessary annual appropriations for all such Lease Payments. The Lease Payments are subject to abatement, however. See "SECURITY FOR THE CERTIFICATES" and "RISK FACTORS" herein.

THE TOWN'S OBLIGATION TO MAKE LEASE PAYMENTS IS AN OBLIGATION PAYABLE FROM THE TOWN'S GENERAL FUND OR ANY OTHER SOURCE OF FUNDS LEGALLY AVAILABLE TO THE TOWN TO MAKE LEASE PAYMENTS. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE TOWN TO MAKE LEASE PAYMENTS CONSTITUTE A DEBT OF THE TOWN OF COLMA OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION OR ANY OBLIGATION FOR WHICH THE TOWN OR THE STATE OF CALIFORNIA IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE TOWN OR THE STATE OF CALIFORNIA HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

**THIS COVER PAGE CONTAINS INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE SECTION ENTITLED "RISK FACTORS," FOR A DISCUSSION OF SPECIAL FACTORS WHICH SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN CONSIDERING THE INVESTMENT QUALITY OF THE CERTIFICATES. CAPITALIZED TERMS USED ON THIS COVER PAGE AND NOT OTHERWISE DEFINED SHALL HAVE THE MEANINGS SET FORTH HEREIN.**

**MATURITY SCHEDULE**

(See inside cover page)

*The Certificates are offered when, as and if sold, executed and delivered, subject to the approval as to their legality by Best Best & Krieger LLP, San Diego, California, Special Counsel and Disclosure Counsel. Certain legal matters will be passed upon for the Town by the City Attorney, Best Best & Krieger LLP, Walnut Creek, California. It is anticipated that the Certificates in book-entry form, will be available for delivery to DTC in New York, New York, on or about \_\_\_\_\_, 2015.*

\* Preliminary, subject to change.

\$ \_\_\_\_\_ \*

**TOWN OF COLMA**  
**2015 CERTIFICATES OF PARTICIPATION**  
**(TOWN HALL)**

**MATURITY SCHEDULE\***  
**(Base CUSIP:† \_\_\_\_\_)**

<b>Maturity Date</b> <b>(____1)</b>	<b>Principal</b> <b><u>Amount</u></b>	<b>Interest</b> <b><u>Rate</u></b>	<b><u>Yield</u></b>	<b><u>Price</u></b>	<b><u>CUSIP†</u></b>
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\$ \_\_\_\_\_ % Series Certificates due September 1, \_\_\_\_\_, Price: \_\_\_\_% CUSIP:† \_\_\_\_\_  
\$ \_\_\_\_\_ % Series Certificates due September 1, \_\_\_\_\_, Price: \_\_\_\_% CUSIP:† \_\_\_\_\_

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\* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Service (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2015 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the Town nor the Underwriter takes responsibility for the accuracy of such numbers.



## **TOWN OF COLMA, CALIFORNIA**

### **CITY COUNCIL**

Joanne F. del Rosario, Mayor  
Diana Colvin, Vice Mayor  
Helen Fisicaro, Council Member  
Raquel Gonzalez, Council Member  
Joseph Silva, Council Member

### **TOWN STAFF**

Sean Rabé, City Manager/City Clerk  
Charles D. Francis, Finance Director  
Best Best & Krieger LLP, City Attorney

### **SPECIAL SERVICES**

#### **Special Counsel and Disclosure Counsel**

Best Best & Krieger LLP  
San Diego, California

#### **Trustee**

The Bank of New York Mellon Trust Company, N.A.  
Los Angeles, California

#### **Municipal Advisor**

NHA Advisors  
San Rafael, California

## GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

***No Offering May Be Made Except by this Official Statement.*** No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Certificates other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

***No Unlawful Offers or Solicitations.*** This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

***Effective Date.*** This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Certificates will, under any circumstances, create any implication that there has been no change in the affairs of the Town or any other parties described in this Official Statement.

***Use of this Official Statement.*** This Official Statement is submitted in connection with the sale of the Certificates referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Certificates.

***Preparation of this Official Statement.*** The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

***Document References and Summaries.*** All references to and summaries of the Trust Agreement, the Lease Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

***Certificates are Exempt from Securities Laws Registration.*** The issuance and sale of the Certificates have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

***Stabilization of Prices.*** In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the Certificates at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Certificates to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

***Estimates and Projections.*** Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “estimate,” “budget” or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE TOWN DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

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**[Insert Regional Map]**

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**TOWN OF COLMA**  
**2015 CERTIFICATES OF PARTICIPATION**  
**(TOWN HALL)**

**INTRODUCTION**

*This introduction contains only a brief summary of certain of the terms of the Certificates being offered, and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement.*

**General**

The purpose of this Official Statement (which includes the cover page and the Appendices attached hereto) is to provide information concerning the execution and delivery of the Town of Colma (the “Town”) 2015 Certificates of Participation (Town Hall) (the “Certificates”).

**The Town**

Incorporated in 1924, the Town is located approximately 10 miles south of the City of San Francisco. The Town operates under a council-manager form of government, and is governed by a five-member City Council elected at large with four-year staggered terms. The Mayor is elected by the City Council from among its members every year. The positions of City Clerk, City Manager and City Attorney are filled by appointment of the City Council.

The Town encompasses approximately 2.0 square miles in San Mateo County (the “County”). The current population of the Town is approximately 1,480. For other selected information concerning the Town, see “APPENDIX A — TOWN OF COLMA GENERAL ECONOMIC AND FINANCIAL INFORMATION” hereto.

**Authority for the Certificates**

The Certificates are being executed and delivered pursuant to the provisions of a Trust Agreement, dated as of August 1, 2015 (the “Trust Agreement”), among the Town, the Public Property Financing Corporation of California (the “Corporation”) and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”).

**Purpose**

The proceeds of the sale of the Certificates will be used, together with other available moneys, to: (i) provide funds to the Town to finance improvements to the Town Hall (the “Project”); (ii) fund, in whole or in part, a reserve fund for the Certificates; and (iii) pay certain costs of issuance of the Certificates. See “THE PROJECT AND THE LEASED PREMISES” and “ESTIMATED SOURCES AND USES OF FUNDS” herein.

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\* Preliminary, subject to change.

## **Security for the Certificates**

The Certificates evidence and represent undivided proportionate interest in the right to receive certain Lease Payments and prepayments thereof. Lease Payments (as defined herein) will be made by the Town to the Corporation for the right to the use and occupancy of certain real property and improvements thereon (the “Leased Premises”) (see “THE PROJECT AND THE LEASED PREMISES — The Leased Premises” below). The Leased Premises will be leased by the Town from the Corporation pursuant to a Lease Agreement, dated as of August 1, 2015 (the “Lease Agreement”), between the Town, as lessee, and the Corporation, as lessor.

In accordance with the Lease Agreement, the Town is required to pay to the Trustee specified Lease Payments for the Leased Premises which are designed to be sufficient to pay the principal and interest with respect to the Certificates. See “APPENDIX B — SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” herein.

The Town has covenanted in the Lease Agreement to take all such actions as may be necessary to include all Lease Payments in each of its annual budgets for the General Fund during the term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments and Additional Payments. The covenants of the Town constitute duties imposed by law. In addition, the Town has covenanted to maintain, or cause to be maintained, insurance on the Leased Premises. See “SECURITY FOR THE CERTIFICATES — Insurance” herein. However, the Lease Payments are subject to abatement in certain circumstances. See “— Abatement” below.

Pursuant to the Trust Agreement, the Corporation has assigned to the Trustee for the benefit of the Owners of the Certificates (i) its right to receive Lease Payments from the Town under the Lease Agreement; (ii) all estate, right, title and interest of the Corporation in and to and all duties and obligations of the Corporation under the Lease Agreement; and (iii) all the moneys and securities deposited or required to be deposited with the Trustee pursuant to the Trust Agreement not expressly held for the benefit of the Town.

## **Abatement**

The amount of Lease Payments due under the Lease Agreement and, correspondingly, the amount available to pay the principal and interest with respect to the Certificates, will be subject to complete or partial abatement during any period in which, by reason of damage or destruction or eminent domain, there is substantial interference with the use and possession by the Town of the Leased Premises. The amount of the abatement will be determined by the Town so that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Leased Premises not damaged or destroyed. See “RISK FACTORS — Abatement” herein.

Amounts on deposit in the Lease Payment Fund and the Reserve Fund, and proceeds from any insurance or eminent domain award, constitute a special fund for payment of Lease Payments, and will be available for to pay Lease Payments in the event there is substantial interference with the use and possession of the Leased Premises.

## **Prepayment**

The Certificates are subject to optional, extraordinary and mandatory prepayment as described herein.

## **Limited Obligations**

THE OBLIGATION OF THE TOWN TO MAKE LEASE PAYMENTS IS AN OBLIGATION PAYABLE EACH YEAR FROM THE TOWN'S GENERAL FUND OR ANY SOURCE OF FUNDS LEGALLY AVAILABLE FOR THE PAYMENT OF LEASE PAYMENTS, BUT DOES NOT CONSTITUTE A DEBT OF THE TOWN OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL DEBT LIMITATION OR RESTRICTION, OR AN OBLIGATION FOR WHICH THE TOWN OR THE STATE OF CALIFORNIA IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE TOWN OR THE STATE OF CALIFORNIA HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

## **Summaries Not Definitive**

The summaries and references of documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each document, statute, report, or instrument. The capitalization of any word not conventionally capitalized, or otherwise defined herein, indicates that such word is defined in a particular agreement or other document and, as used herein, has the meaning given it in such agreement or document. See "APPENDIX B — SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" for summaries of certain of such definitions.

Copies of the documents described herein will be available at the City Manager's office, Town of Colma, 1198 El Camino Real, Colma, CA 94014.

## **CONTINUING DISCLOSURE**

The Town has covenanted in a Continuing Disclosure Agreement for the benefit of owners of the Certificates to annually provide certain financial information and operating data relating to the Town by not later than nine months after the end of the Town's Fiscal Year (presently June 30) in each year commencing with its report for Fiscal Year 2014-15 to be delivered not later than April 1, 2016 (the "Annual Report") and to provide notices of the occurrence of certain enumerated events. The Town has agreed in the Continuing Disclosure Agreement to file, or cause to be filed, to the Electronic Municipal Market Access System ("EMMA") of the Municipal Securities Rulemaking Board, which can be found at [www.emma.msrb.org](http://www.emma.msrb.org), an annual report and notices of certain material events. These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c-12(b)(5). The specific nature of the information to be contained in the Annual Report or the notices of material events by the Town is contained in "APPENDIX E — FORM OF CONTINUING DISCLOSURE AGREEMENT."

Failure of the Town to provide the required information at the required time may have a negative impact on the value of the Certificates in the secondary market.

The Town previously issued its 2003 Certificates of Participation (Town of Colma Capital Improvement Projects) (the "2003 Certificates"). Pursuant to the Continuing Disclosure Certificate for the 2003 Certificates, the Town was required to file an annual report containing certain financial information and operating data relating to the Town by not later than nine months after the end of the Town's Fiscal Year (April 1) in each year commencing April 1, 2004 with its report for Fiscal Year 2002-03. As described below, on several occasions during the past five years, the Town did not fully comply with its respective prior continuing disclosure undertakings under the Rule with respect to the 2003 Certificates.

A review of the previous continuing disclosure filings by the Town for the 2003 Certificates shows that the Town filed its annual report and audited financial statement approximately 5 months late in 2011. Additionally, in 2011, 2012, and 2013, the Town did not file the following information with its then annual report: (i) sales tax information, including the most currently available level of taxable transactions; (ii) assessed valuation of property in the Town for the most recent Fiscal Year; (iii) tax revenues by source; and (iv) the general fund budget for the applicable Fiscal Year. The town also did not file notices of rating downgrades of the municipal bond insurer that insured the 2003 Certificates, as required by the then-existing continuing disclosure obligations. The 2003 Certificates matured on May 1, 2014. The Town has subsequently filed notices of the late filing; sales tax information, including the most currently available level of taxable transactions; assessed valuation of property in the Town for the most recent Fiscal Year; tax revenues by source; the general fund budget for the applicable Fiscal year; and notices of the rating changes. The subsequent filings, notices, and event notices town were filed with EMMA.

Except as disclosed in the prior paragraphs, the Town has not in the last five years failed to comply with any previous continuing disclosure undertaking in any material respect.

### **THE PROJECT AND THE LEASED PREMISES**

The construction of Town Hall Campus Renovation project (the “Project”) is being financed partially with proceeds of the Certificates and partially with a Town contribution in the amount of \$\_\_\_\_\_ million.

The Project consists of design work and construction for the remodeling of the Town’s Town Hall with the goal of making the building compliant with the Americans with Disabilities Act, energy efficient, and state-of-the art, while respecting the historical elements currently in place. The construction and installation of the Project shall be completed on or prior to December 31, 2017.

The Town intends to lease the property upon which the Town’s police station and certain public improvements constructed thereon and owned by the Town (the “Leased Premises”) to the Corporation and to lease the Leased Premises back from the Corporation. The Town is authorized pursuant to the laws of the State of California to enter into leasehold agreements for such purpose.

### **Release of Property; Substitution**

Under the Lease Agreement, the Town has the option to substitute other land, facilities or improvements for the Leased Premises or any portion thereof or to release a portion of the Leased Premises from the lien of the Lease Agreement, provided that the Town satisfies all of the requirements set forth in the Lease Agreement.

The Town is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such substitution or release.

See “APPENDIX B — SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — The Lease Agreement — Release and Substitution.”

### **ESTIMATED SOURCES AND USES OF FUNDS**

The proceeds to be received from the sale of the Certificates are anticipated to be applied as follows:



**SOURCES:**

Town Contribution \$  
Principal Amount of Certificates  
[Plus Net Original Issue Premium]

*Total Sources*

**USES:**

Acquisition Fund <sup>(1)</sup>  
Reserve Fund  
Delivery Costs Fund <sup>(2)</sup>

*Total Uses:*

- 
- (1) To be used to finance a portion of the Project (see "THE PROJECT AND THE LEASED PREMISES" above).  
(2) Includes Underwriter's discount, premium for the Insurance Policy and other costs of issuing the Certificates.

## **THE CERTIFICATES**

### **General**

The Certificates shall be delivered in the form of fully registered Certificates, without coupons, in denominations of \$5,000 or any integral multiple thereof, and shall be dated the date of delivery to the original purchaser thereof. The Certificates will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement.

The Certificates, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). So long as DTC, or Cede & Co. as its nominee, is the registered owner of all Certificates, all payments on the Certificates will be made directly to DTC, and disbursement of such payments to the DTC "Participants" (as defined in Appendix F) will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (as defined in Appendix F) will be the responsibility of the Participants, as more fully described in "Book-Entry Only System" below.

Interest with respect to the Certificates is payable on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_\_\_, and continuing to and including the date of maturity or prepayment, whichever is earlier.

Principal represented by the Certificates is payable on \_\_\_\_\_ 1 in each of the years and in the amounts set forth on the inside front cover of this Official Statement.

Any Certificate may be transferred upon the registration books kept by the Trustee by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Certificate for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed.

Certificates may be exchanged at the corporate trust office of the Trustee for a like aggregate principal amount of Certificates of other authorized denominations of the same maturity. The Trustee may require the payment by the Certificate Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange. The Trustee is not required to register the transfer or exchange of any Certificate during the period the Trustee is selecting Certificates for prepayment or any certificate selected for prepayment.

### **Prepayment of the Certificates\***

**Optional Prepayment.** Certificates maturing on or after \_\_\_\_\_ 1, 20\_\_,\* are subject to prepayment in whole or in part from prepayments made at the option of the Town pursuant to the Lease Agreement on or after \_\_\_\_\_ 1, 20\_\_\* or any date thereafter, at a prepayment price equal to the principal amount thereof plus a premium (as set forth in the following schedule) together with interest accrued with respect thereto to the date fixed for prepayment.

**Mandatory Sinking Fund Prepayment.** The Certificates maturing on \_\_\_\_\_ 1, 20\_\_ are also subject to mandatory sinking fund prepayment on September 1 in each year on or after \_\_\_\_\_ 1, 20\_\_, by lot, at a prepayment price equal to the principal amount thereof, without premium, together with accrued interest to the date of prepayment, from the principal component of the Lease Payment to be paid by the Town pursuant to the Lease Agreement with respect to each such prepayment date as follows:

Prepayment Date  
(\_\_\_\_\_ 1)

Principal Amount of Certificates  
to be Prepaid

In the event that the Trustee prepays Certificates in part, but not in whole, pursuant to subsections an optional prepayment or a prepayment from Net Proceeds of insurance or condemnation, the amount of the Certificates to be prepaid in each subsequent year pursuant to a mandatory sinking fund prepayment will be modified to correspond to the principal components of the Lease Payments prevailing following such prepayment.

In providing for the mandatory sinking fund prepayment of Certificates, the Trustee may, at the written direction of the Town, utilizing funds on deposit in the Lease Payment Fund, purchase in the open market Certificates in the full principal amount of the Certificates to be prepaid on any prepayment date, or any part thereof; provided that the Town will not direct the Trustee to purchase Certificates for such purpose after the 75<sup>th</sup> day preceding any such prepayment date, and provided further that the Town shall not provide for the purchase of Certificates, at a purchase price for any Certificate which exceeds the principal amount thereof. If the Trustee purchases Certificates in a principal amount which is less than the full principal amount of the Certificates to be prepaid on the succeeding prepayment date, the Trustee shall, at the written direction of the Town, prepay Certificates in a principal amount equal to the remainder of the principal amount of Certificates to be prepaid on such prepayment date.

**Extraordinary Prepayment.** The Certificates are also subject to mandatory prepayment on any \_\_\_\_\_ 1 or \_\_\_\_\_ 1, in whole or in part, from the Net Proceeds of insurance or condemnation or sale of the Leased Premises and Site, which Net Proceeds are deposited in the Lease Payment Fund and credited as a Prepayment made by the Town pursuant to the Lease Agreement, at a prepayment price equal to the principal amount, together with accrued interest to the date fixed for prepayment, without premium.

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\* Preliminary, subject to change.

***Selection of Certificates for Prepayment.*** Except with respect to mandatory sinking fund prepayment, whenever less than all Outstanding Certificates are called for prepayment, the Trustee will select Certificates for prepayment, from the Outstanding Certificates not previously called for prepayment, such that, as nearly as practicable, approximately equal principal, interest and mandatory sinking fund prepayment payments prevail with respect to the Certificates in each Fiscal Year following the prepayment as determined by the Town. The Trustee will select Certificates for prepayment by lot within a maturity in any manner which the Trustee in its sole discretion deems appropriate and fair.

***Notice of Prepayment.*** The Trustee will give notice of the prepayment specifying: (a) that the Certificates or a designated portion thereof are to be redeemed, (b) the date of prepayment, (c) the place or places where the prepayment will be made and (d) if money has been deposited to the appropriate fund or account under the Trust Agreement, that on the specified date there will become due and payable upon each Certificate, the principal and premium, if any, together with interest accrued to said date, and that from and after such date interest with respect thereto will cease to accrue and be payable.

Notice of prepayment shall be mailed by first class postage prepaid to the Securities Depositories and to one or more of the Information Services, to the managing member of such syndicate and to the respective Owners of Certificates designated for prepayment at their addresses appearing on the Certificate registration books at least 30 days but not more than 60 days prior to the prepayment date, which notice will, in addition to setting forth the above information, set forth, in the case of each Certificate called only in part, the portion of the principal thereof which is to be redeemed.

The Trust Agreement provides that neither failure to receive a redemption notice nor any immaterial defect in any notice will affect the sufficiency of the proceedings for the prepayment of Certificates.

### **Book-Entry System**

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered certificates registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX F – BOOK-ENTRY PROVISIONS" herein.

The Town and the Trustee cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium, if any, with respect to the Certificates paid to DTC or its nominee as the registered owner, or will distribute any prepayment notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The Town and the Trustee are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Certificates or an error or delay relating thereto.

### **Schedule of Lease Payments**

The table below shows the annual Lease Payments owed by the Town. The Lease Payments are due fifteen days prior to each Interest Payment Date.

<u>September 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Total</u>
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Total			
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## **SECURITY FOR THE CERTIFICATES**

### **General**

*Lease Payments.* In the Lease Agreement, the Town agrees to pay the Lease Payments to the Corporation as rental for the use and occupancy of the Leased Premises. The Lease Payments are denominated into components of principal and interest that correspond to the components of principal and interest with respect to the Certificates.

The Town covenants in the Lease Agreement to take such action as may be necessary to include all Lease Payments in its annual budgets and to make the necessary annual appropriations for all such Lease Payments. However, the obligation of the Town to make Lease Payments (other than to the extent that funds to make Lease Payments are available in the Lease Payment Fund or Reserve Fund, or otherwise available from an insurance or eminent domain award) may be abated in whole or in part if the Town does not have use and possession of all or part of the Leased Premises.

*Assignment of Rights to the Trustee.* The Corporation, pursuant to the Trust Agreement, has assigned its rights, including its right to receive Lease Payments and its remedies under the Lease Agreement, to the Trustee for the benefit of the Owners of the Certificates.

*Certificates.* Each Certificate evidences and represents an undivided interest in the Lease Payments due under the Lease Agreement on the payment date or prepayment date of such Certificate.

### **Lease Payments**

Lease Payments are required to be made by the Town under the Lease Agreement 15 Business Days prior to each Interest Payment Date (individually, a "Lease Payment Date"), for use and possession of the Leased Premises to the next occurring Lease Payment Date.

Lease Payments are required to be deposited in the Lease Payment Fund maintained by the Trustee. Pursuant to the Trust Agreement, on each Lease Payment Date the Trustee will withdraw from the Lease Payment Fund the amount of the Lease Payment then due and will apply such amounts to make principal and interest payments due with respect to the Certificates.

### **Appropriation; Use of Leased Premises**

The Town covenants in the Lease Agreement to take such action as may be necessary to include all Lease Payments in its annual budgets and to make the necessary annual appropriations for all such Lease Payments. The Lease Agreement provides that this covenant shall be deemed to be and shall be construed to be a duty imposed by law, and it shall be the duty of each and every public official of the Town 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 Town to carry out and perform the budget and appropriation covenant.

*The Lease Agreement provides that the obligation of the Town to pay Lease Payments constitutes a current expense of the Town and shall not in any way be construed to be a debt of the Town in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the Town, and that nothing in the Lease Agreement constitutes a pledge of the general tax revenues, funds or moneys of the Town. Lease Payments are payable only from current funds which are budgeted and appropriated, or otherwise legally available, for the purpose of paying Lease Payments as consideration for use of the Leased Premises during the Fiscal Year of the Town for which such funds were budgeted and appropriated or otherwise made legally available for such purpose. The*

*Lease Agreement does not create an immediate indebtedness for any aggregate payments which may become due thereunder. The Town has not pledged the full faith and credit of the Town, the State of California or any agency or department thereof to the payment of the Lease Payments, the Certificates or the interest thereon.*

## **Reserve Fund**

A Reserve Fund, established under the Trust Agreement, will initially be funded from proceeds of the Certificates (see “ESTIMATED SOURCES AND USES OF FUNDS” hereof), and must be maintained in an amount (the “Reserve Requirement”) equal to the least of (i) 10% of the proceeds of the Certificates, (ii) maximum aggregate Lease Payments required to be paid in any Certificate Year, or (iii) 125% of the average annual Lease Payment.

Amounts in the Reserve Fund are to be used only for the payment of Lease Payments to the extent amounts in the Lease Payment Fund are insufficient therefor or in the event of a full or partial defeasance of the Certificates.

At the option of the Town, amounts to be held in the Reserve Fund may be replaced, in whole or in part, by a Reserve Fund Credit Facility deposited with the Trustee.

See “APPENDIX B — SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” for more information about the Reserve Fund.

## **Assignment; Recourse on Default**

Pursuant to the Trust Agreement, the Corporation assigns to the Trustee for the benefit of the Owners of the Certificates its rights and remedies under the Lease Agreement, including its rights to receive amounts payable by the Town under the Lease Agreement.

If the Town defaults on its obligations under the Lease Agreement, the Trustee, as assignee of the Corporation, may exercise any and all remedies authorized by law or granted to the Corporation pursuant to the Lease Agreement. The Lease Agreement expressly authorizes the Trustee, as assignee of the Corporation, to re-enter the Leased Premises for the purpose of removing persons and personal property and of re-letting the Leased Premises and, at its option, to terminate the Lease Agreement. In the event the Trustee, as assignee of the Corporation, does not elect to terminate the Lease Agreement, it may enforce the Lease Agreement and hold the Town liable for all Lease Payments and the performance of all conditions under the Lease Agreement. Any reentry and re-letting will not affect a surrender of the Lease Agreement. The Town, in the event of default, waives all rights to any rentals received by the Trustee through re-letting of the Lease Agreement. The Town agrees to pay any and all costs, loss or damage, howsoever occurring, as a result of any reentry or reletting. See “RISK FACTORS — Bankruptcy;” “— Limitation as Enforcement of Remedies” and “— No Acceleration” herein for a discussion of factors potentially limiting the available remedies in the event of a default.

The Town may not mortgage, pledge, assign or transfer its interest in the Lease Agreement except as specifically provided in the Lease Agreement. The Lease Agreement authorizes the Town to sublease a portion of the Leased Premises in the circumstances described in “APPENDIX B — SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

## **Insurance**

The Lease Agreement requires the Town to maintain certain insurance with respect to the Leased Premises (see “APPENDIX B — SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — Lease Agreement”), including the policies described in the following paragraphs.

**General Liability.** The Lease Agreement requires the Town to maintain a standard comprehensive general liability insurance policy or policies in protection of the Town, the Corporation and its members, officers, agents and employees, and the Trustee, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$250,000 for damage to property (subject to a deductible clause of not to exceed \$200,000) resulting from a single accident or event. In the alternative, the public liability and property damage insurance may be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks.

The liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Town, and may be maintained in whole or in part in the form of self-insurance by the Town.

**Workers’ Compensation.** The Lease Agreement requires the Town to maintain workers’ compensation insurance against liability for compensation under the Workers Compensation Insurance and Safety Act of California or any similar law.

**Fire and Extended Coverage.** The Lease Agreement requires the Town to maintain Town insurance against loss or damage to any structures constituting any part of the Leased Premises by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. The extended coverage insurance must, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance.

This insurance must be in an amount equal to the greater of (a) 100% of the replacement cost of such structures on the Leased Premises or (b) the principal amount of the outstanding Certificates. The fire and extended coverage insurance may be subject to deductible clauses of not to exceed \$100,000 for any one loss, may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Town, and may not be maintained in whole or in part in the form of self-insurance by the Town.

**Rental Interruption or Use and Occupancy Insurance.** The Lease Agreement requires the Town to maintain rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any structures constituting any part of the Leased Premises as a result of any of the hazards covered in the fire and extended coverage policy, in an amount sufficient to pay the maximum Lease Payments with respect thereto payable in any 12-month period.

The Net Proceeds of an rental interruption or use and occupancy insurance will be paid to the Trustee and deposited in the Lease Payment Fund, and will be credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable.

**Title Insurance.** Upon the execution and delivery of the Certificates the Town will provide one or more CLTA leasehold title insurance policies in the aggregate amount of not less than the initial principal amount of the Certificates with respect to the Town’s leasehold interest in the Site. All Net Proceeds received under the title insurance policy will be deposited with the Trustee in the Lease

Payment Fund and shall be credited towards the prepayment of the remaining Lease Payments. Because of the nature of the Streets, the Town will not acquire title insurance covering the Streets.

*No assurance can be given that insurance proceeds will be adequate to avoid an interruption of Lease Payments. Under such a situation, an abatement of Lease Payments is likely to occur. See “RISK FACTORS – Abatement” below.*

### **Additional Payments**

The Town is responsible for all improvement, repair and maintenance of the Leased Premises, for the payment of all utility services supplied to the Leased Premises, and for the cost of the repair and replacement of the Leased Premises resulting from ordinary wear and tear or want of care on the part of the Town or any assignee or lessee thereof.

The Town will also pay all taxes and assessments of any type or nature payable during the Term of the Lease Agreement.

### **RISK FACTORS**

The following factors, along with other information in this Official Statement, should be considered by potential investors in evaluating the risks in the purchase of the Certificates. However, the following does not purport to be an exhaustive listing of risk factors and other considerations which may be relevant to an investment in the Certificates. Additionally, there can be no assurance that other risk factors will not become evident at any future time.

### **No Tax Pledge**

The obligation of the Town to pay the Lease Payments does not constitute an obligation of the Town or the State for which the Town or the State has levied or pledged any form of taxation. The obligation of the Town to pay Lease Payments does not constitute a debt or indebtedness of the Town, the State of California or any of its political subdivisions, within the meaning of any constitutional or statutory debt limitation or restriction.

### **Appropriation**

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the Town, the Town is obligated under the Lease Agreement, so long as the Leased Premises are available for its use and possession, to pay Lease Payments from any source of legally available funds (subject to certain exceptions) and has covenanted in the Lease Agreement that, for so long as the Leased Premises are available for its use, it will make the necessary annual appropriations within its budget for all Lease Payments.

However, the Town may incur obligations payable from general revenues which may have a priority over the Lease Payments, and the Lease Agreement does not prohibit the Town from incurring additional obligations payable from general revenues on a parity with the Lease Payments. See “APPENDIX A — TOWN OF COLMA GENERAL DEMOGRAPHIC AND FINANCIAL INFORMATION” herein and the financial statements included in APPENDIX C hereto.



In the event the Town's revenue sources are less than its total obligations, the Town could choose to fund other municipal services before making Lease Payments and other payments due under the Lease Agreement, except from amounts on deposit in the Lease Payment Fund. The Town's ability to collect, budget and appropriate various revenues is subject to current and future State laws and constitutional provisions, and it is possible that the interpretation and application of these provisions could result in an inability of the Town to pay Lease Payments when due (see "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" below).

### **No Limit on Additional Debt**

The Town has the ability to enter into other obligations which may constitute additional charges against its general revenues, and has previously issued certificates of participation similarly payable from its general fund. To the extent that such additional obligations are incurred by the Town, the funds available to make Lease Payments may be decreased.

### **Abatement**

***Abatement As a Result of Damage or Destruction.*** The amount of the Lease Payments relating to structures on the Leased Premises will be abated during any period in which by reason of damage or destruction there is substantial interference with the use and occupancy of the structures on the Leased Premises by the Town.

The amount of the abatement will be determined by the Town so that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Leased Premises not damaged or destroyed. The failure to make such payments of principal and interest would not under such circumstances constitute a default under the Trust Agreement, the Lease Agreement or the Certificates.

The abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of damage or destruction, the Lease Agreement will continue in full force and effect and, in the Lease Agreement, the Town waives any right to terminate the Lease Agreement by virtue of any such damage or destruction.

There will be no abatement of Lease Payments as a result of damage or destruction in the event and to the extent that the net proceeds of rental interruption insurance are available to pay lease payments (see "– Insurance" below) and to the extent that amounts in the Reserve Fund are available.

***Eminent Domain.*** If all of the Leased Premises are taken permanently under the power of eminent domain, the term of the Lease Agreement will cease as of the day possession is taken. If less than all of the Leased Premises are taken permanently, or if all of the Leased Premises or any part thereof is taken temporarily, under the power of eminent domain, (1) the Lease Agreement will continue in full force and effect, and (2) there will be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments, but in no event will the resulting Lease Payments be less than the amount required for the payment of the principal and interest with respect to outstanding Certificates as the same become due and payable.

### **Limitation on Enforcement of Remedies; No Acceleration**

The enforcement of any remedies provided in the Lease Agreement and Trust Agreement could prove both expensive and time consuming. Although the Lease Agreement provides that the Trustee may take possession of the Leased Premises and lease it if there is a default by the Town, and the Lease Agreement provides that the Trustee may have such rights of access to the Leased Premises as may be necessary to exercise any remedies, portions of such Leased Premises may not be easily recoverable and could be of little value to others. Furthermore, depending upon whether the Leased Premises are considered to serve an essential governmental function (as is likely to be the case with respect to Town Hall), it is not certain whether a court would permit the exercise of the remedies of repossession and leasing with respect thereto. See “THE PROJECT AND THE LEASED PREMISES” herein.

IN THE EVENT OF A DEFAULT UNDER THE LEASE AGREEMENT, THERE IS NO AVAILABLE REMEDY OF ACCELERATION OF THE TOTAL LEASE PAYMENTS DUE OVER THE TERM OF THE LEASE AGREEMENT. THE TOWN WILL ONLY BE LIABLE FOR LEASE PAYMENTS ON AN ANNUAL BASIS AS THEY COME DUE, AND THE TRUSTEE WOULD BE REQUIRED TO SEEK SEPARATE JUDGMENTS FOR THE LEASE PAYMENTS AS THEY COME DUE. IN ADDITION, ANY SUCH SUIT FOR MONEY DAMAGES COULD BE SUBJECT TO LIMITATIONS ON LEGAL REMEDIES AGAINST PUBLIC AGENCIES IN CALIFORNIA, INCLUDING A LIMITATION ON ENFORCEMENT OF JUDGMENTS AGAINST FUNDS NEEDED TO SERVE THE PUBLIC WELFARE AND INTEREST AND A LIMITATION ON ENFORCEMENT OF JUDGMENTS AGAINST FUNDS OF A FISCAL YEAR OTHER THAN THE FISCAL YEAR IN WHICH THE LEASE PAYMENTS WERE DUE.

### **Geologic, Topographic and Climatic Conditions**

The value of the Leased Premises, and the financial stability of the Town, can be adversely affected by a variety of factors, particularly those which may affect infrastructure and other public improvements and private improvements and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions (such as earthquakes), topographic conditions (such as earth movements and floods), climatic conditions (such as droughts) and fires.

The area encompassed by the Town, like that in much of California, is subject to unpredictable seismic activity. According to the Safety Element of the town’s General Plan, the Town is not within an Alquist-Priolo Special Safety Zone and no active faults are known to occur directly under the Town. In addition, there are known fault splays beneath the Project site. However, the Town could be at risk from strong ground motion from a number of nearby seismic faults. The Town is not obligated under the Lease Agreement and does not intend to procure and maintain, or cause to be procured or maintained, earthquake insurance on the Leased Premises. If any portion of the Leased Premises is destroyed by an earthquake, abatement could occur and result in the Trustee having inadequate funds to pay the principal and interest represented by the Certificates.

### **Hazardous Substances**

Discovery of hazardous substances on parcels within the Town could impact the Town’s ability to pay debt service with respect to the Certificates.

In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance.

The effect, therefore, should the Leased Premises or any substantial amount of property within the Town be affected by a hazardous substance, would be to reduce the marketability and value of the property by the costs of, and any liability incurred by, remedying the condition, since the purchaser, upon becoming an owner, will become obligated to remedy the condition just as is the seller. Such reduction in the value of the Leased Premises could adversely impact the fair rental value of the Leased Premises and potentially result in abatement of the Lease Payments. In addition, reduction in the value of property in the Town as a whole could reduce property tax revenues received by the Town and deposited in the general fund, which could significantly and adversely affect the ability of the Town to make Lease Payments.

### **Impact of State Budget**

The State has experienced significant financial stress in recent years, with budget shortfalls in the several billions of dollars. There can be no assurance that, as a result of such State financial stress, the State will not significantly reduce revenues to local governments (including the Town) or shift financial responsibility for programs to local governments as part of its efforts to address the State financial difficulties. Although the State is not a significant source of Town revenues, no prediction can be made by the Town as to what measures the State will adopt to respond to the current or potential future financial difficulties. There can be no assurance that State actions to respond to State financial difficulties will not adversely affect the financial condition of the Town.

On January 9, 2015, the State Governor released his proposed budget for State fiscal year 2015-16 (the “Proposed Budget”). Although the Governor’s Budget Summary for the Proposed Budget (the “2015-16 Proposed Budget Summary”) proposes a balanced budget, the 2015-16 Proposed Budget Summary cautions that, since 2000, the State’s short periods of balanced budgets have been followed by massive budget shortfalls. The following information is taken from the LAO’s overview of the Proposed Budget, dated January 13, 2015.

The Proposed Budget assumes, for State fiscal year 2014-15, total general fund revenues and transfers of approximately \$108 billion and authorizes total expenditures of approximately \$111.7 billion. The State is projected to end the 2014-15 fiscal year with a general fund surplus of approximately \$2.1 billion, composed of a balance of approximately \$452 million in the State’s traditional budget reserve and balance of approximately \$1.6 billion in the Budget Stabilization Account (the “BSA”), the State basic reserve fund. For State fiscal year 2015-16, the Proposed Budget assumes total general fund revenues of approximately \$113.4 billion and authorizes expenditures of approximately \$113.3 billion. The State is projected to end State fiscal year 2015-16 fiscal year with general fund surplus of approximately \$3.4 billion, composed of a balance of approximately \$534 million in the budget reserve and an approximately \$2.8 billion in the BSA. The balance in the BSA includes a deposit of approximately \$1.2 billion mandated by the provisions of the State Constitution. However, the 2015-16 Proposed Budget Summary also notes that commitments made by the State in the past two years are already straining the State’s finances. Under a projection of current policies, the 2015-16 Proposed Budget Summary anticipates that the State would begin to spend more than it receives in annual revenues by State fiscal year 2018-19, by

an amount of approximately \$1 billion. The City cannot predict whether the State will take steps, in response to a future budget shortfall, which would reduce the amount of tax revenue available to the City.

As a result of projected increases to State general fund revenues, as well as certain revisions to student attendance, the Proposed Budget includes revised estimates of the minimum funding guarantees for schools for State fiscal years 2013-14 and 2014-15. The Proposed Budget revises the State fiscal year 2013-14 minimum funding guarantee upward to approximately \$58.7 billion (an increase of approximately \$371 million from the estimate included in the State fiscal year 2014-15 budget) and revises the State fiscal year 2014-15 minimum funding guarantee upward to approximately \$63.2 billion (approximately \$2.3 billion higher than that included in the State fiscal year 2014-15 budget).

For State fiscal year 2015-16, the Proposed Budget sets the minimum funding guarantee at approximately \$65.7 billion, including approximately \$47 billion from the State general fund, and reflects an increase of approximately \$2.6 billion (or 4%) from the revised level for State fiscal year 2014-15. Despite the increase in the minimum guarantee, the State general fund share is only approximately \$371 million. A projected growth in available local property tax collections accounts for the balance, and results primarily from the Governor's assumption that the "Triple Flip" legislation, which diverts local property tax revenues from school districts and community colleges to local governments, will sunset. See the caption "Sales Taxes."

Significant proposals or adjustments set forth in the Proposed Budget affecting public agencies in the State include the following:

- Law Enforcement. The Proposed Budget proposes to continue a \$40 million general fund allocation to "front line" law enforcement activities. The Board of State and Community Corrections allocates funds to individual cities acting as the fiduciary agent within each county receiving the funds.
- Transportation. The Proposed Budget includes total funding of approximately \$15.8 billion (approximately \$84 million from the general fund and \$15.7 billion from other funds) for all programs administered within the State Transportation Agency. In addition, the shared revenues budget allocates over \$1.4 billion in fuel excise tax to cities and counties for local streets and roads.
- Elimination of Redevelopment Agencies. The Proposed 2014-15 Budget anticipates that in State fiscal years 2014-15 and 2015-16 combined, cities will receive approximately \$580 million, approximately \$660 million, and special districts approximately \$200 million.
- Property Taxes. The Proposed Budget anticipates ongoing property tax revenues of more than \$900 million annually to be distributed to cities, counties, and special districts that can be used by local governments to fund police, fire, and other critical public services.
- State Mandate Reimbursements. The Proposed Budget continues the suspension of most mandates not related to law enforcement or property taxes. After satisfying the State Constitutional funding guarantee, additional revenues of up to \$800 million are proposed to pay down the remainder of the State's pre-2004 mandate debt. The Proposed Budget estimates that a trigger mechanism will result in a \$533 million payment toward this mandate debt. These funds will provide counties, cities, and special districts with general purpose revenue.
- Deferred Maintenance. The Proposed Budget includes approximately \$478 million (approximately \$125 million from the general fund) for critical deferred maintenance at universities, community colleges and in State parks, prisons, State hospitals and other State facilities.

- Education. The Proposed Budget provides over \$1.2 billion in funding to support a coordinated framework for adult education, career technical education, workforce investment, and apprenticeships intended to provide training and education to workers in California.

**May Revision.** On May 14, 2015, the State Governor released the May revision (the “May Revision”) to the Proposed Budget. is expected to release a revision to the Proposed Budget in or about mid-May 2015. The following information is drawn from the California Department of Finance’s (“DOF”) summary of the Proposed Budget, as revised by the May Revision.

The May Revision continues to project the expansion of the State and national economies, as well as an overall increase of \$6.7 billion to State general fund revenues attributable primarily to higher capital gains tax collections. The May Revision allocates only a small portion of these additional revenues to new spending areas, and instead allocates the bulk towards education funding, an additional deposit to the BSA of approximately \$633 million and additional payments towards outstanding State special fund loans.

After accounting for transfers to the BSA, the May Revision projects year-end general fund revenues for State fiscal year 2014-15 to be approximately \$111.3 billion, approximately \$3.3 billion higher than projected in the Proposed Budget. State general fund expenditures are also expected to increase by approximately \$2.8 billion, for a year-end total of approximately \$114.5 billion. The May Revision projects that the State will end fiscal year 2014-15 with a surplus of approximately \$3 billion, composed of a \$1.4 billion balance in the general fund reserve and a \$1.6 billion balance in the BSA. For State fiscal 2015-16, the May Revision projects State general fund revenues of approximately \$115 billion, approximately \$1.7 billion higher than previously projected. The May Revision would authorize State general fund expenditures of approximately \$115.3 billion, an increase of approximately \$2 billion from the expenditures set forth in the Proposed Budget. The State is projected to end fiscal year 2015-16 with a general fund surplus of approximately \$4.6 billion, composed of a \$1.1 billion balance in the general fund reserve and \$3.5 billion in the BSA.

The May Revision includes revised estimates of the minimum funding guarantees for schools for State fiscal year 2014-15. The State fiscal year 2014-2015 minimum funding guarantee is set at approximately \$66.3 billion, an increase of approximately \$3.1 billion from the revised level in the Proposed Budget. For State fiscal 2015-2016, the May Revision revises the minimum funding guarantee at approximately \$68.4 billion, an increase of approximately \$2.7 billion from the level included in the Proposed Budget.

The May Revision estimates that the trigger mechanism calculation will result in \$765 million payment toward pre-2004 mandate debt (an increase of approximately \$232 million from the Proposed Budget) owned by the State to cities, counties and special districts.]

The Town cannot predict whether the State Legislature will enact legislation impacting future revenues available to the Town for payment of Lease Payments. Given the level of the State’s budget deficit problems, it is possible that revenues available for payment of the Lease Payments may be reduced in the future by actions of the State Legislature. See “APPENDIX A – Town of Colma General Demographic and Financial Information.”

Information about the State budget and State spending is available at various State-maintained websites. Text of the budget may be found at the website of the Department of Finance, [www.dof.ca.gov](http://www.dof.ca.gov), under the heading “California Budget.” An impartial analysis of the budget is posted by the Office of the Legislative Analyst at [www.lao.ca.gov](http://www.lao.ca.gov). In addition, various State of California official statements for its various debt obligations, many of which contain a summary of the current and past State budgets, may be

found at the website of the State Treasurer, [www.treasurer.ca.gov](http://www.treasurer.ca.gov). All of such websites are provided for general informational purposes only and the material on such sites is in no way incorporated into this Official Statement.

### **Impact of Sales and Use Tax Redirection**

The sales tax is an excise tax imposed on retailers for the privilege of selling or leasing tangible personal property. The use tax is an excise tax imposed for the storage, use, or other consumption of tangible personal property purchased from any retailer. The total sales tax rate within the Town is currently 9.00%. The proceeds of sales and uses taxes imposed within the Town are distributed by the State to various agencies, with the Town receiving 1.0% of the amount collected less 0.25% shifted to the State pursuant to a mechanism commonly known as “Triple Flip.” The 0.25% reduction in local sales tax is used to pay State economic recovery bonds, but cities and counties are then provided with ad valorem property tax revenues in lieu of these revenues. It is expected that the swap of sales taxes for property taxes will terminate shortly after the economic recovery bonds are repaid, which is currently expected to occur in the first quarter of Fiscal Year 2016.

The California State Board of Equalization administers collection of the sales and use tax. Under its procedures, the State Board of Equalization projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the Town on a monthly basis. The amount of each monthly advance is based upon the State Board of Equalization’s quarterly projection. During the last month of each quarter, the State Board of Equalization adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter. The Board of Equalization receives an administrative fee based on the cost of services provided by the Board to the Town in administering the Town’s sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the Town.

It should be noted that certain features and consequences of this “Triple Flip” could impact the availability of revenues to pay Lease Payments. First, there may be a timing issue associated with the “backfill” of redirected sales and use taxes with property tax revenue: while sales and uses taxes are distributed by the State Board of Equalization on a monthly basis, the County would only backfill with property taxes on a semi-annual basis. This timing issue would not only impact the Town’s cash flow, but would cause the Town to lose investment earnings on the sales and uses taxes it otherwise would have received on a monthly basis.

Second, it is possible that the fees charged by the County for property tax administration, which are subtracted from property tax revenue collected by the County before it is allocated to the Town, could increase as a result of the various tasks required of the County by the redirection. In addition, the State Board of Equalization administration fee is likely to increase as a percentage of local sales and use tax received by the Town unless the State Board of Equalization reduces its fee, which it is unlikely to do because the cost of collecting the sales and use taxes on a per-transaction basis will not go down.

Third, the redirection of sale and use taxes by the State reflects the vulnerability of local government to the State budget process. If, in the future, the State elects to further reallocate sales and use taxes or property tax revenue, or any other source of revenue used by the Town to make Lease Payments, the Town may not know the exact amount of revenue available to pay Lease Payments.

## **Limitations on Remedies Available; Bankruptcy**

The enforceability of the rights and remedies of the Owners and the obligations of the Town may become subject to the following: the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equitable principles which may limit the specific enforcement under state law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of servicing a significant and legitimate public purpose.

The opinions of counsel, including Special Counsel, delivered in connection with the execution and delivery of the Certificates will be so qualified. Bankruptcy proceedings, or the exercising of powers by the federal or state government, if initiated, could subject the Owners to judicial discretion and interpretation of their rights in bankruptcy or otherwise and consequently may entail risks of delay, limitation, or modification of their rights.

In addition, failure by large property owners to pay property taxes when due may have an adverse impact on revenues available to pay Lease Payments.

## **State Law Limitations on Appropriations**

Article XIII B of the California Constitution limits the amount that local governments can appropriate annually. The ability of the Town to make Lease Payments may be affected if the Town should exceed its appropriations limit. The State may increase the appropriation limit of cities in the State by decreasing the State's own appropriation limit. The Town does not anticipate exceeding its appropriations limit. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS — Article XIII B of the State Constitution" below.

## **Change in Law**

No assurance can be given that the State or the Town electorate will not at some future time adopt initiatives, or that the State Legislature will not enact legislation that will amend the laws of the State, or that the City Council (with voter approval) will not enact amendments to the Town's Charter, in a manner that could result in a reduction of the Town's revenues and therefore a reduction of the funds legally available to the Town to make Lease Payments. See, for example, "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS — Article XIII C and Article XIII D of the State Constitution."

## **Loss of Tax Exemption**

As discussed under "CONCLUDING INFORMATION — Tax Matters" herein, the interest represented by the Certificates could become includable in gross income for purposes of federal income taxation retroactive to the date such Certificates were issued, as a result of future acts or omissions of the Town in violation of its covenants in the Trust Agreement and the Lease Agreement. Should such an event of taxability occur, the Certificates are not subject to early prepayment and will remain outstanding until maturity or until prepaid under one of the prepayment provisions contained in the Trust Agreement.

## **CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS**

### **Article XIII A of the State Constitution**

Article XIII A of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIII A limits the maximum ad valorem tax on real property to one percent of “full cash value,” and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIII A provides that the one-percent limitation does not apply to ad valorem taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition.

Section 2 of Article XIII A defines “full cash value” to mean the county assessor’s valuation of real property as shown on the fiscal year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed two percent per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. Legislation enacted by the State Legislature to implement Article XIII A provides that, notwithstanding any other law, local agencies may not levy any ad valorem property tax except the 1% base tax levied by each County and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIII A has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of the City.

Both the State Supreme Court and the United States Supreme Court have upheld the validity of Article XIII A.

### **Article XIII A Litigation**

In a Minute Order issued on November 2, 2001, in *County of Orange v. Orange County Assessment Appeals Board No. 3*, Case No. 00CC03385, the Orange County Superior Court held that where a home’s taxable value did not increase for two years, due to a flat real estate market, the Orange County assessor violated the two percent inflation adjustment provision of Article XIII A when the assessor tried to “recapture” the tax value of the property by increasing its assessed value by 4% in a single year. The assessors in most California counties use a similar methodology in raising the taxable values of property beyond 2% in a single year.



On December 27, 2001, the Orange County Superior Court issued an order declaring the practice of “recapturing” to be unconstitutional. Following further actions on other related issues in the case (including the certification of class action status for this case), the court entered a Final Judgment on April 18, 2003, and the case is now released from the local court.

In 2002 two local courts (Los Angeles and San Diego) ruled differently on the “recapture” issue. When local courts differ, the subject matter is often subject to a uniformity review by higher courts to address statewide issues of uniformity and equal protection.

Orange County, the Orange County Tax Collector and the Orange County Assessor appealed the Superior Court ruling to California Court of Appeal for the Fourth Appellate District. The appellate court issued its ruling on March 26, 2004, overturning the trial court in the case (now captioned *County of Orange, et al., v. Bezaire*, Case No. G032412). The appellate court held that the trial court erred in ruling that assessments are always limited to no more than 2% of the previous year’s assessment, and that the base on which the 2% inflation factor is figured remains that of the original purchase price (or assessment at the time of new construction), not any reduced based resulting from a reassessment in the wake of a decline in property values.

On May 6, 2004, the case was appealed to the California Supreme Court as Case No. S124682. On July 21, 2004, the California Supreme Court denied the petition for review.

### **Article XIII B of the State Constitution**

In addition to the limits Article XIII A imposes on property taxes that may be collected by local governments, certain other revenues of the State and local governments are subject to an annual “appropriations limit” or “Gann Limit” imposed by Article XIII B of the State Constitution, which effectively limits the amount of such revenues that government entities are permitted to spend. Article XIII B, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to “proceeds of taxes,” which consist of tax revenues, state subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed “the cost reasonably borne by such entity in providing the regulation, product or service.” “Proceeds of taxes” exclude tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds that are not “proceeds of taxes,” such as reasonable user charges or fees, and certain other non-tax funds.

Article XIII B also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in cases of emergency; however, the appropriations limit for the three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services.

Proposition 111 requires that each agency's actual appropriations be tested against its limit every two years. If the aggregate "proceeds of taxes" for the preceding two-year period exceed the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years. If the State's aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, 50% of the excess is transferred to fund the State's contribution to school and college districts.

For Fiscal Year 2014-15 the Town's appropriations limit was \$40,551,319.22, and its actual appropriations in Fiscal Year 2014-15 were approximately \$13,767,350.00. The Town's appropriations limit for Fiscal Year 2015-16 is approximately \$40,553,427.81, AND THE Town's revenues subject to the appropriation limit are \$15,006,080.00. The Town is subject to and is operating in conformity with Article XIIB.

### **Article XIIC and XIID of the State Constitution**

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIC and XIID to the California Constitution and contains a number of interrelated provisions affecting the ability of the Town to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act." Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIII A and XIIC of the State Constitution. The amendments to Article XIII A limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIIC define "taxes" that are subject to voter approval as "any levy, charge, or exaction of any kind imposed by a local government," with certain exceptions.

Taxes. Article XIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the Town ("general taxes") require a majority vote; taxes for specific purposes ("special taxes"), even if deposited in the Town's General Fund, require a two-thirds vote. The voter approval requirements of Proposition 218 reduce the flexibility of the Town to raise revenues for the General Fund, and no assurance can be given that the Town will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Property-Related Fees, Charges and Assessments. Article XIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a "special benefit," as defined in Article XIID, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Reduction or Repeal of Taxes, Fees and Charges. Article XIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the Town will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the Town's General Fund. If such repeal or reduction occurs, the Town's ability to pay debt service on the Bonds could be adversely affected.

Burden of Proof. Article XIIC provides that local government "bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity." Similarly, Article XIID provides that in "any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance" with Article XIID.

Impact on Town's General Fund. The approval requirements of Articles XIIC and XIID reduce the flexibility of the Town to raise revenues for the General Fund, and no assurance can be given that the Town will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

The Town does not believe that any material source of General Fund revenue is subject to challenge under Articles XIIC or XIID, or that Proposition 26 will adversely affect its General Fund revenues.

Judicial Interpretation. The interpretation and application of Articles XIIC and XIID will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

## **Voter Initiatives**

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Articles XIII A, XIII B, XIIC and XIID and Propositions 218, 111, 62, 1A 22 and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the City or the City's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the Town.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash-flow problems in the payment of outstanding obligations such as the Lease Payments.

**Proposition 62.** On November 4, 1986, California voters adopted Proposition 62, which requires that (i) any local tax for general governmental purposes (a "general tax") must be approved by a majority vote of the electorate; (ii) any local tax for specific purposes (a "special tax") must be approved by a two-thirds vote of the electorate; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency's property tax allocation.

Most of the provisions of Proposition 62, which was a statutory initiative, were affirmed by the 1995 California Supreme Court decision in *Santa Clara County Local Transportation Authority v. Guardino*, which invalidated a special sales tax for transportation purposes because less than two-thirds of the voters voting on the measure had approved the tax. Claims for taxpayer relief where a local entity may have violated Proposition 62 are subject to a three-year statute of limitations, created by statute. In the case *Howard Jarvis Taxpayers Association v. City of La Habra* (2001), the California Supreme Court determined that this statute of limitations begins to run anew every time the city collects the challenged tax.

**Proposition 1A of 2004.** Proposition 1A of 2004, proposed by the Legislature in connection with the State's Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A of 2004 generally prohibited the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county had to be approved by two-thirds of both houses of the Legislature.

Proposition 1A of 2004 provided, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaimed that the shift is needed due to a severe state financial hardship, the shift was approved by two-thirds of both houses and certain other conditions were met. The State could also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Pending certain State actions, a Prop 1A shift could occur in State fiscal year in future fiscal years.

See APPENDIX A — TOWN FINANCIAL ECONOMIC AND DEMOGRAPHIC INFORMATION — State Budget and its Impact on the Town” for information about the State's budgets and shifts of local property revenues under Proposition 1A of 2004 (which must be repaid within three years).

**Proposition 22.** Proposition 22, entitled “The Local Taxpayer, Public Safety and Transportation Protection Act,” was approved by the voters of the State in November 2010.

Proposition 22 eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

## **Unitary Property**

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization (“Unitary Property “), commencing with the 1988-89 Fiscal Year, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to

all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

### **Future Initiatives**

Article XIII A, Article XIII B, Article XIII C, Article XIII D, and Propositions 1A of 2004, 22, 26 and 62 were each adopted as measures that qualified for the ballot through California's initiative process. From time to time, other initiative measures could be adopted, further affecting the Town or its revenues or the ability of the Town to expend revenues.

## **CONCLUDING INFORMATION**

### **Underwriting**

\_\_\_\_\_ (the "Underwriter") is offering the Certificates at the prices set forth on the inside cover page hereof. The initial offering process may be changed from time to time and concessions from the offering prices may be allowed to dealers, banks and others. The Underwriter has purchased the Certificates at a price equal to \$\_\_\_\_\_, which amount represents the principal amount of the Certificates (\$\_\_\_\_\_), less a net original issue discount of \$\_\_\_\_\_, and less an Underwriter's discount of \$\_\_\_\_\_. The Underwriter will pay certain of its expenses relating to the offering.

### **Legal Opinion**

Best Best & Krieger LLP, San Diego, California, Special Counsel, will render an opinion substantially in the form of APPENDIX D hereto with respect to the validity and enforceability of the Town's obligations under the Lease Agreement and the validity of the Certificates. Special Counsel undertakes no responsibility for the accuracy, completeness or fairness of the Official Statement.

Certain matters will be passed upon for the Town and the Corporation by the City Attorney, and for Best Best & Krieger LLP.

Fees payable to Special Counsel are contingent upon execution and delivery of the Certificates.

### **Tax Matters**

The delivery of the Certificates is subject to delivery of the opinion of Best Best & Krieger LLP, San Diego, California, Special Counsel to the District ("Special Counsel"), to the effect that interest with respect to the Certificates for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income, as defined in Section 61 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Certificates (the "Code"), of the owners thereof pursuant to Section 103 of the Code, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. The delivery of the Certificates is also subject to the delivery of the opinion of Special Counsel, based upon existing provisions of the laws of the State of California that interest with respect to the Certificates is exempt from personal income taxes of the State of California. A form of

Special Counsel's anticipated opinion is included as APPENDIX D. The statutes, regulations, rulings, and court decisions on which such opinions will be based are subject to change.

Interest on all tax-exempt obligations, including the Certificates, owned by a corporation will be included in such corporation's adjusted current earnings for purposes of calculating the alternative minimum taxable income of such corporation, other than an S corporation, a qualified mutual fund, a financial asset securitization investment trust, a real estate investment trust ("REIT"), or a real estate mortgage investment conduit ("REMIC"). A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by Section 55 of the Code.

In rendering the foregoing opinions, Special Counsel will rely upon the representations and certifications of the Town made in a certificate of even date with the initial delivery of the Certificates pertaining to the use, expenditure, and investment of the proceeds of the Certificates and will assume continuing compliance with the provisions of the Lease Agreement by the Town subsequent to the issuance of the Certificates. The Lease Agreement contains covenants by the Town with respect to, among other matters, the use of the proceeds of the Certificates and the facilities and equipment financed or refinanced therewith by persons other than state or local governmental units, the manner in which the proceeds of the Certificates are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest with respect to the Certificates to be includable in the gross income of the owners thereof from the date of the delivery of the Certificates.

Except as described above, Special Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Special Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the Town described above. No ruling has been sought from the Internal Revenue Service (the "IRS") or the State of California with respect to the matters addressed in the opinion of Special Counsel, and Special Counsel's opinion is not binding on the IRS or the State of California. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Certificates is commenced, under current procedures, the IRS is likely to treat the Town as the "taxpayer," and the owners of the Certificates would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest with respect to the Certificates, the Town may have different or conflicting interests from the owners of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates during the pendency of the audit, regardless of its ultimate outcome.

A copy of the proposed opinion of Special Counsel is set forth in APPENDIX D hereto.

## **Litigation**

The Town is not aware of any pending or threatened litigation concerning the validity of the Certificates or the Lease Agreement or challenging any action taken by the Town or the Corporation with respect to the Certificates or the Lease Agreement. Furthermore, the Town is not aware of any pending or threatened litigation to restrain, enjoin, question or otherwise affect the Lease Agreement or the Trust Agreement or in any way contesting or affecting the validity or enforceability of any of the foregoing or any proceedings of the Town taken with respect to any of the foregoing. There currently are no lawsuits and/or claims that have been filed against or threatened against the Town.

## **Ratings**

\_\_\_\_\_, has assigned the Certificates a rating of “\_\_.”

Ratings reflect only the views of the rating agency referred to in the previous paragraph. Explanations of the significance of such ratings must be obtained from the rating agencies. There is no assurance that such ratings will continue for any given period of time or will not be revised downward or withdrawn entirely by such rating agency, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Certificates.

## **Miscellaneous**

All of the descriptions of applicable law, the Lease Agreement, the Trust Agreement, the Leased Premises, the Town, the Corporation, agreements and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Town for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Certificates. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will realize.

The execution and delivery of this Official Statement has been duly authorized by the City Council of the Town.

TOWN OF COLMA, CALIFORNIA

By: \_\_\_\_\_  
Joanne F. del Rosario, Mayor

## **APPENDIX A**

### **TOWN OF COLMA GENERAL DEMOGRAPHIC AND FINANCIAL INFORMATION**

*The following information regarding the Town and the surrounding area of San Mateo County is presented as general background data. The Certificates are payable solely from the sources described herein (see “SECURITY FOR THE CERTIFICATES”). None of the taxing power of the Town of Colma, the County of San Mateo, the State of California or any political subdivision thereof is pledged to the payment of the Certificates*

#### **Profile of the Town of Colma**

Located on near the northern end of the San Francisco peninsula, the Town of Colma (“the “Town”) encompasses approximately 2.0 square miles in San Mateo County (the “County”), and is approximately 10 miles south of the City and County of San Francisco. The current population of the Town is approximately 1,480.

The Town was incorporated in 1924. The Town operates under a council-manager form of government, and is governed by a five-member City Council elected at large with four-year staggered terms. The Mayor is elected by the City Council from among its members every year. The positions of City Clerk, City Manager and City Attorney are filled by appointment of the City Council.

The Town is best known for its 16 cemeteries which comprise approximately 76% of the Town’s land area.

The annual budget serves as the foundation for the Town’s financial planning and control. The City Council holds public hearings and adopts an annual budget resolution by July 1 of each Fiscal Year for all funds and account groups. The City Council may modify appropriations with majority approval. The budgets are adopted and presented on a basis consistent with generally accepted accounting principles.

Changes in budget appropriations at the fund level during the year must be approved by the City Council. The legal level of expenditures is controlled at the fund level, and appropriations lapse at the end of each Fiscal Year unless encumbered for re-appropriations by the City Council in the following Fiscal Year. Department heads may, without Council approval, amend individual line items within any fund in the maintenance and operations portions of the budget without increasing total appropriations for that division. The City Manager may, without divisions and programs, in the personnel costs, maintenance and operations, capital outlay and capital projects portions of the budget without increasing total appropriations for that fund.

#### **City Council**

*Joanne F. del Rosario, Mayor.* Mayor Del Rosario was first elected to office as a member of the City Council in December 2006 and last served as Mayor in 2009. Presently, she is an Executive Assistant to the President/CEO of a biotech company in Emeryville. Her previous business experience includes Office Manager/Executive Assistant, Legal Secretary, and Human Resources Administrator for some of the top law firms in the Bay Area, Xerox Corporation and investment and venture capital firms.



Mayor del Rosario is a past President of the Filipino America Association of Colma and past Director of the Filipino American Coalition. She is a member of the Seton Medical Center Community Advisory Council and a member and past President in 2010 of ALLICE (Alliance for Community Empowerment) “Kumares and Kumpares” whose purpose is to educate and bring awareness to the community on issues regarding all forms of domestic violence. In 2009 she was named one of the “100 Most Influential Filipinas in the United States,” by the Filipinas Women’s Network.

*Diana Colvin, Vice Mayor.* As a businesswoman, Ms. Colvin has been in the event booking and management industry, serving the corporate and private sector for a number of years. She is currently the Rentals and Operations Officer of the Cow Palace Arena, a State of California owned concert arena and event facility.

Vice Mayor Colvin has been actively involved in a number of community and volunteer activities and organizations since 1998, including the Colma Historical Association, where she has been Membership Chair since 2003 and an annual volunteer in support of the organization’s annual fundraising activities, a past board member of the North Peninsula Emergency Food Pantry and Dining Center of Daly City and a volunteer of Rebuilding Together (Mid Peninsula Chapter) for ten years.

She was appointed to the City Council in 2008 for a term of seven months to fill a vacancy. She was elected to the Town Council in November 2008 and selected to serve as Mayor in 2010.

*Helen Fisicaro, Councilmember.* After almost 40 years of service, Councilmember Fisicaro retired from Pacific Gas and Electric Company in March, 2010. She continues to keep busy as a Business-Energy Consultant and an active community volunteer.

An ardent community supporter, Councilmember Fiscaro has served on the City Council since 1994 and has the honor of being elected Mayor six times. Her service has been recognized as an inductee into the San Mateo County Women’s Wall of Fame, two time recipient of the prestigious Pacific Gas and Electric Company’s Mielke Award for Outstanding Community Service, the Mercy High School Catherine’s Legacy Award, the Sitike Community Kindness Award, and the Colma-Daly City Chamber of Commerce Cypress Leadership Award, Lifetime Achievement Award, and Leadership Panelist Award.

*Raquel Gonzalez, Councilmember.* Councilmember Gonzalez’s work in public service began in 1989 when she was hired by the Town as the Public Information Officer in the administrative offices of the City Manager. In 2001 she was elected City Treasurer. She ran for City Council and was elected in December 2009.

*Joseph Silva, Councilmember.* Councilmember Silva was first elected to office as a member of the City Council in November 1996 and previously served as Vice Mayor in 2009.

## **Administrative Personnel**

*Sean Rabé, City Manager/City Clerk.* Sean Rabé was appointed as the Town’s City Manager by the City Council in December 2013. As City Manager, he provides the City Council with policy recommendation, implements Council direction and oversees the day-to-day operations of the City.

During his short time in Colma he has overseen the payoff of the Town’s debt (saving more than \$7 million in interest payments), implemented several technological updates to improve the organization’s efficiency, implemented a new online financial transparency tool to put detailed financial information at the fingertips of Town residents, and has managed the planning portion of the Town Hall remodeling project as well as several other significant capital improvement projects.

Prior to his appointment as City Manager, Mr. Rabé served as the City Manager of Sutter Creek for three years. He also served as Sutter Creek's Community Development Director, Public Works Director. He has also served as a Transportation Planner for the Amador County Transportation Commission.

Prior to his career as a public servant he served as the Editor and General Manager of the Amador Ledger Dispatch newspaper, where he received multiple awards for reporting and writing.

Mr. Rabé holds a Master's Degree (with honors) in Public Policy from California State University, Northridge and a Bachelor's Degree in Government from California State University, Sacramento.

*Charles D. Francis, Finance Director.* Charles D. Francis is the City's Treasurer and Consulting Finance Manager. He has over forty years of local government management experience, including twenty plus years as a government Chief Financial Officer, and twenty years' experience as a corporate officer, director, chief of party, team leader, senior manager, or senior consultant on international and national public consulting engagements.

## Population

As of January 1, 2015 the population of the Town was approximately 1,480, an increase of approximately 1.8% percent over the census population of the Town in 2010. The following table presents population estimates as of January 1 for both the Town and County.

**TABLE 1  
POPULATION**

<u>Year</u>	<u>Town of Colma</u>	<u>San Mateo County</u>
1970 <sup>(1)</sup>	537	557,361
1980 <sup>(2)</sup>	395	587,329
1990 <sup>(3)</sup>	1,103	649,623
2000 <sup>(4)</sup>	1,187	707,163
2010 <sup>(5)</sup>	1,454	718,451
2011	1,458	722,372
2012	1,447	729,630
2013	1,465	739,804
2014	1,471	745,635
2015	1,480	753,123

<sup>(1)</sup> As of April 1, 1970

<sup>(2)</sup> As of April 1, 1980

<sup>(3)</sup> As of April 1, 1990

<sup>(4)</sup> As of April 1, 2000

<sup>(5)</sup> As of April 1, 2010

Sources: California Department of Finance, Demographic Research Unit.

## City Finances

The following selected financial information provides a brief overview of the Town's finances. This financial information has been extracted from the Town's audited financial statements for the Fiscal Year ended June 30, 2014 (the "Financial Statements"), from audited financial statements for prior Fiscal Years and, in some cases, from unaudited information provided by the Town. The Financial Statements,

together with an unqualified opinion of R.J. Ricciardi, Inc., San Rafael, California (the “Auditor”) are contained in APPENDIX C. The Auditor has not performed any post-audit analysis of the financial condition of the City.

Accompanying the Financial Statements in Appendix C is the Town Management Discussion and Analysis, which is not audited, but is supplementary information required by the Government Accounting Standards Board (“GASB”). The Management Discussion and Analysis presents a summary and overview of the Town’s financial condition. The Management Discussion and Analysis should be reviewed in conjunction with the information presented below to obtain an understanding of the Town’s financial condition.

## **Accounting Policies and Financial Reporting**

The Town maintains its accounting records in accordance with standards established by GASB, the Governmental Finance Officer Association of the United States and Canada (“GFOA”) and other rule-making bodies. The City Council employs an independent certified public accountant (currently, the Auditor) who examines at least annually the financial statements of the Town in accordance with auditing standards generally accepted in the United States of America, including tests of the accounting records and other auditing procedures as such accountant considers necessary. As soon as practicable, after the end of the Fiscal Year, a final audit and report is submitted by the independent accountant to the City Council.

The accounts of the City are organized on the basis of funds and account groups, which is the basic fiscal and accounting entity in governmental accounting. The three broad fund categories include governmental, proprietary and fiduciary funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenses. The basis of accounting for all funds is more fully explained in the notes to the Financial Statements.

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The information set forth below includes certain historical and current Fiscal Year budget information for the General Fund. Information on the remaining governmental funds of the City as of June 30, 2014 is set forth in APPENDIX C.

## **General Fund Balance**

The City Council’s approved Reserve Policy complies with GASB Statement 54 which established five categories of reserve. The City Council also has adopted criteria for allocating its General Fund reserves among these categories.

As of June 30, 2014, the Town’s total Fund Balance in the General Fund was \$27,467,979. Fund Balance is comprised of three components in accordance with the Town’s reserve policy highlighted above: a Committed portion of \$20,100,000; an Assigned portion of \$950,000; and an Unassigned portion (available for spending at the government’s discretion) of \$6,417,919. The Town’s total fund balance amounts to 222% of total general fund expenditures.

## **Future Challenges**

*GASB Statement 45.* GASB Statement 45, which outlines the new requirements for governments to disclose the cost of providing other post-employment benefits (“OPEB”) in their annual audit documents, presents a unique challenge for the Town. Other postemployment benefits include health insurance coverage and other items paid by the Town on behalf of the retiring employee, excluding

pensions. While GASB 45 does not require the Town to set money aside (or pre-fund these costs), sound fiscal policy requires that the City Council develop a plan to pay for these obligations as well as all other obligations of the Town. Currently the Town accounts for these expenses on a pay-as-you-go basis, so the immediate costs are identified in the budget but the long-range financial obligation is not. The long-term cost of medical and dental benefits provided to retired employees, elected officials and their respective spouses and dependents has been determined to range from \$8.6 million to \$14.7 million depending on how the Council chooses to fund those costs. The FY 2014-15 Adopted Budget assumes the pay-as-you-go practice continues for another Fiscal Year. The long-range cost of the Town's cumulative five-year OPEB liability is approximately \$8.2 million. Under the pay-as-you-go method, an \$8.2 million liability will be recorded on the Town's balance sheet at the end of five years.

The cost of medical benefits continues to be a challenge for the Town. As expected, there was a significant increase in the estimated long-range cost between the first actuarial valuation prepared in 2008 and the updated report completed in 2011. The long range cost increased from \$5 million to \$8.2 million. Therefore, staff is closely assessing the feasibility of placing money in an irrevocable trust and intends to bring a recommendation to the Council during Fiscal Year 2014-15.

*Pension Costs.* In March 2013, the California Public Employees' Retirement System ("CalPERS") Board decided to reduce its rate of return on investments from 7.75% to 7.5%. On April 17, 2014, the CalPERS Board approved new actuarial policies that are designed to "return the system to fully-funded status within 30 years." CalPERS is between 65 and 80 percent funded.

These new policies include: (i) a change in the rate-smoothing methodology with a 30-year fixed amortization period for gains and losses and (ii) a five-year ramp-up at the start and a five-year ramp-down and the end of the 30 year time period.

As a result of this decision, public agencies can expect their pension rates to increase by 50% during the five-year ramp up period which starts in Fiscal Year 2015-16. Staff is analyzing the impact of this increase on the Town's financial position and will be sharing the results with the Council later this Fiscal Year.

## **Town Financial Data**

The following tables provide a five-year history of the Town's Comparative Balance Sheet, General Fund revenues, expenditures, transfers, and ending fund balances. See also "Town Budget" below for budgeted revenues and expenses for Fiscal Years 2013-14 through 2014-15.

**TABLE 2**  
**TOWN OF COLMA**  
**GENERAL FUND BALANCE SHEET**  
**(As of June 30)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>ASSETS</u></b>					
Cash and investments	\$30,074,879	\$31,418,851	\$32,822,331	\$34,254,464	\$26,061,235
Restricted cash and investments	-	-	-	-	-
Taxes receivable	852,253	1,044,616	1,023,355	1,126,153	1,063,300
Accounts receivable	625,267	621,615	652,236	974,001	931,229
Due from other funds	266,867	-	-	-	-
Accrued interest receivable	58	2,153	40,709	27,892	23,269
Prepaid items	89,148	88,822	103,788	98,956	
Total Assets	\$31,908,472	\$33,176,057	\$34,642,419	\$36,481,466	\$28,079,033
<b><u>LIABILITIES</u></b>					
Accounts payable	\$454,716	\$434,011	\$456,744	\$364,891	\$366,175
Accrued expenditures	101,322	120,876	1,262	3,099	70,163
Compensated absences	80,697	110,798	106,269	138,911	78,013
Deposits	112,773	108,883	47,197	52,900	96,703
Due to other funds	-	-	-	-	
Total Liabilities	749,508	774,568	611,472	559,801	611,054
<b><u>FUND BALANCES</u></b>					
Reserved for Prepaids	89,148				
Unreserved, designated	6,464,640				
Nonspendable		88,822	103,788	98,956	
Restricted		-	-	-	
Committed		-	-	24,552,790	20,100,000
Unassigned	24,605,176	25,848,027	27,462,519	10,319,919	6,417,979
Assigned		6,464,640	6,464,640	950,000	950,000
Total Fund Balances	<u>31,158,964</u>	<u>32,401,489</u>	<u>34,030,947</u>	<u>35,921,665</u>	<u>27,467,979</u>
Total Liabilities and Fund Balances	\$31,908,472	\$33,176,057	\$34,642,419	\$36,481,466	\$28,079,033

Source: Town of Colma; Comprehensive Annual Financial Reports (Fiscal Year 2009-10 – 2013-14).

**TABLE 3**  
**TOWN OF COLMA**  
**STATEMENT OF GENERAL FUND**  
**REVENUES, EXPENDITURES AND BALANCES**  
**(Fiscal Year Ending June 30)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b><u>REVENUES</u></b>					
Property taxes	\$366,266	\$334,320	\$354,574	\$617,618	\$472,157
Sales taxes	4,901,120	5,045,150	5,517,652	6,232,713	6,843
Cardroom taxes	4,938,532	5,091,032	4,957,234	4,703,462	4,140,070
Other taxes	50,024	56,455	74,736	105,257	2,454,113
Licenses and permits	189,550	108,763	83,862	114,546	100,113
Fines and forfeits	70,604	98,673	83,732	67,536	66,611
Intergovernmental	1,114,766	2,060,775	1,818,095	2,118,133	274,724
Use of money and property	513,254	476,595	496,197	503,140	615,754
Other revenues	287,291	63,213	70,307	41,408	122,329
Charges for services	<u>556,743</u>	<u>667,620</u>	<u>749,962</u>	<u>810,404</u>	<u>837,191</u>
<b>Total Revenues</b>	\$12,988,150	\$14,002,596	\$14,206,351	\$15,314,217	\$15,926,985
<b><u>EXPENDITURES</u></b>					
Current:					
General government	2,509,572	2,620,539	2,936,363	2,921,076	2,967,299
Public safety	4,708,368	4,824,811	4,731,826	5,336,942	5,283,652
Public works	2,898,917	2,937,365	2,814,131	2,868,023	2,787,697
Recreation	859,300	888,871	883,961	880,931	908,687
Planning	351,375	407,336	287,288	395,809	417,626
Debt Service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
<b>Total expenditures</b>	<u>\$11,327,532</u>	<u>\$11,678,922</u>	<u>\$11,653,569</u>	<u>\$12,402,781</u>	<u>\$12,364,961</u>
Excess (deficiency) of revenues over expenditures	<u>1,660,618</u>	<u>2,323,674</u>	<u>2,552,782</u>	<u>2,911,436</u>	<u>3,562,024</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>					
Transfers in	88,768	96,803	108,684	104,866	115,486
Transfers out	<u>(1,426,752)</u>	<u>(1,177,952)</u>	<u>(1,032,008)</u>	<u>(1,125,584)</u>	<u>(12,131,196)</u>
<b>Total other financing sources (uses)</b>	<u>(\$1,337,984)</u>	<u>(\$1,081,140)</u>	<u>(\$923,324)</u>	<u>(\$1,020,718)</u>	<u>(\$12,015,710)</u>
Net change in fund balances	322,634	1,242,525	1,629,458	1,890,718	(8,453,686)
Fund balances, beginning of period	<u>30,836,330</u>	<u>31,158,964</u>	<u>32,401,489</u>	<u>34,030,947</u>	<u>35,921,665</u>
<b>Fund balances, end of period</b>	<u>\$31,158,964</u>	<u>\$32,401,489</u>	<u>\$34,030,947</u>	<u>\$35,921,665</u>	<u>\$27,467,979</u>

Source: Town of Colma; Comprehensive Annual Financial Reports (Fiscal Year 2009-10 – 2013-14).

### Budget Process

The City Council is required to adopt a final budget by no later than the close of the Fiscal Year. The annual budget serves as the foundation for the Town's financial planning and control. The budget is prepared by fund, and by department (e.g., police).

The Town's Fiscal Year starts on July 1 and ends on June 30. The Town uses the modified accrual basis of accounting for budgetary purposes, which is the same method used in preparing the financial statements.

During the year, the Finance Department works with Department Directors to address funding issues and monitor expenditures. Department Directors may transfer available resources within their department as they see fit. The City Manager may transfer funds between departments as long as the transfers for any department do not increase or decrease a department's budget by more than \$50,000 in the Fiscal Year. Council approval is required for transfers of more than \$50,000 in a Fiscal Year.

In January and February, the City Council meets with the City Manager to review and update the Strategic Plan. Staff prepares a Mid-Year Budget Review and presents it to the Council and the public at the regular City Council Meeting.

Budget instructions are prepared and issued to departments. The instructions outline the general assumptions in the budget and provide direction to the directors in terms of financial goals to be met.

During March, the City Manager meets with Department Directors to review their proposals and make changes as needed. Staff presents the Proposed Budget to the City Council for review and discussion at their April and May meetings. The budget is available for public review several days prior to these meetings. Changes are made and the document is presented again to the Council for additions discussion during a public hearing held at the June meeting. At the conclusion of the public hearing, the Council takes action on the budget.

The following table summarizes the Town's adopted General Fund Budget for Fiscal Year 2015-16, the estimated actual results for Fiscal Year 2014-15, and the audited actual results for Fiscal Years 2012-13 and 2013-14.

**TABLE 4**  
**TOWN OF COLMA**  
**GENERAL FUND BUDGETS, AUDITED, ESTIMATED, AND ADOPTED**  
**(Fiscal Years 2012-13 through 2015-16)**

<b><u>REVENUES</u></b>	<b><u>FY 2012-13</u></b> <b><u>Audited Actuals</u></b>	<b><u>FY 2013-14</u></b> <b><u>Audited Actuals</u></b>	<b><u>FY 2014-15</u></b> <b><u>Estimated</u></b>	<b><u>FY 2015-16</u></b> <b><u>Adopted</u></b>
<b>GENERAL FUND REVENUES</b>				
Sales, Cardroom, Property & Other Taxes	\$13,556,769	\$13,916,743	\$14,401,190	\$14,893,400
Licenses & Permits	107,972	93,633	201,700	304,300
Fines & Forfeitures	67,536	66,611	60,250	60,250
Use of Money & Property	503,139	615,754	437,702	437,700
Revenue from Other Agencies	226,996	274,724	196,270	196,270
Charges for Current Services	810,404	837,191	717,160	822,000
Other Revenues	<u>41,408</u>	<u>122,327</u>	<u>45,300</u>	<u>89,300</u>
<b>Total General Fund Revenues</b>	<b>\$15,314,224</b>	<b>\$15,926,982</b>	<b>\$16,059,572</b>	<b>\$16,803,220</b>
Net Transfers	(1,020,718)	(11,967,705)	(11,190,190)	(1,977,320)
<b>TOTAL GENERAL FUND REVENUES (NET)</b>	<b>14,293,506</b>	<b>3,959,277</b>	<b>4,869,382</b>	<b>14,825,900</b>
<b>POLICE GRANTS FUND</b>				
TOTAL POLICE GRANTS FUND	91,305	90,966	100,000	100,000
<b>CAPITAL IMPROVEMENT FUND</b>				
TOTAL CAPITAL IMPROVEMENT FUND	167,700	364,031	16,046,890	1,762,000
<b>COPS DEBT SERVICE FUND</b>				
TOTAL COPS DEBT SERVICE FUND	<u>937,884</u> <sup>(1)</sup>	<u>11,719,159</u> <sup>(1)</sup>	<u>-</u>	<u>308,990</u> <sup>(2)</sup>
<b>TOTAL REVENUES OF ALL FUNDS</b>	<b>\$15,510,396</b>	<b>\$16,132,049</b>	<b>\$21,016,272</b>	<b>\$16,996,890</b>
<b>GENERAL FUND EXPENDITURES</b>				
Salaries	\$4,024,595	\$4,087,370	\$4,368,268	\$4,559,080
Benefits	2,736,494	2,569,910	2,631,510	2,707,510
Supplies & Services	1,345,455	1,333,960	1,540,950	1,624,380
Contracts	4,200,236	4,235,662	4,636,960	4,614,590
Capital Outlay	<u>96,002</u>	<u>137,356</u>	<u>81,400</u>	<u>121,500</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<b>\$12,402,784</b>	<b>\$12,364,257</b>	<b>\$13,259,088</b>	<b>\$13,627,060</b>
<b>POLICE GRANTS FUND</b>				
Salaries	74,515	78,317	77,700	77,700
Benefits	29,576	31,616	33,040	34,510
Supplies & Services	<u>4,514</u>	<u>4,176</u>	<u>4,900</u>	<u>4,600</u>
<b>TOTAL POLICE GRANTS FUND</b>	<b>\$108,605</b>	<b>\$114,109</b>	<b>\$115,640</b>	<b>\$116,810</b>
<b>CAPITAL IMPROVEMENT FUND</b>				
Contracts	66,899	512,052	16,046,890	1,762,000
<b>Total Capital Improvement Fund Expenditures</b>	<b>66,899</b>	<b>512,052</b>	<b>16,046,890</b>	<b>1,762,000</b>
<b>COPs Debt Service Fund</b>				
Contracts	959,584	12,677,209	-	308,990
<b>TOTAL COPS DEBT SERVICE FUND</b>	<b><u>959,584</u></b>	<b><u>12,677,209</u></b>	<b><u>-</u></b>	<b><u>308,990</u></b>
<b>EXPENDITURES</b>				
<b>TOTAL EXPENDITURES OF ALL FUNDS</b>	<b>\$13,537,872</b>	<b>\$25,667,626</b>	<b>\$29,421,618</b>	<b>\$15,814,860</b>
Net Revenues - Expenditures	1,972,524	(9,535,577)	(8,405,346)	1,182,030
Total Amount in Reserve – Beginning Balance	35,110,981	37,083,505	27,547,928	19,142,582
<b>TOTAL AMOUNT IN RESERVE – ENDING BALANCE</b>	<b>37,083,505</b>	<b>27,547,928</b>	<b>19,142,582</b>	<b>20,324,612</b>
<b>BALANCE</b>				
Required Reserve	20,445,702	20,394,461	15,909,088	16,277,060
Unassigned Reserve	\$16,637,803	\$7,153,467	\$3,233,494	\$4,047,552

(1) Represents the 2003 COPs Debt Service Fund.

(2) Represents the estimated Debt Service Fund for the COPs.

Source: Town of Colma; Comprehensive Annual Financial Report (Fiscal Year 2013-14): Adopted Budgets (Fiscal Years 2014-15 and 2015-16).



## Taxes and Other Revenues

The Town receives the following local taxes and revenues. Sales and use taxes represent 88% of the Town's general fund tax revenues and is the largest source of general fund tax revenue to the Town. The following table summarizes the tax revenues received by the Town in Fiscal Years 2009-10 through 2013-14.

**TABLE 5**  
**TOWN OF COLMA**  
**TAX REVENUES BY SOURCE**  
**(Fiscal Years 2009-10 through 2013-14)**

<b>Source</b>	<b>FY 2009-10 Actual</b>	<b>FY 2010-11 Actual</b>	<b>FY 2011-12 Actual</b>	<b>FY 2012-13 Actual</b>	<b>FY 2013-14 Actual</b>
Property taxes	\$366,266	\$ 334,320	\$ 354,574	\$ 617,618	\$ 472,157
Sales taxes	4,901,120	5,045,150	5,517,652	6,232,713	6,843,923
Cardroom taxes	4,938,532	5,091,032	4,957,234	4,703,462	4,140,070
Other taxes	50,024	56,455	74,736	105,257	2,454,113
Licenses and permits	189,550	108,763	83,862	114,546	100,113
Fines and forfeits	70,604	98,673	83,732	67,536	66,611
Intergovernmental	1,793,072	2,252,336	2,037,958	2,314,303	479,793
Use of money and other property	513,254	476,595	496,197	503,140	615,754
Other revenue	287,291	63,213	70,307	41,408	122,329
Charges for services	<u>556,743</u>	<u>667,620</u>	<u>749,962</u>	<u>810,404</u>	<u>837,191</u>
Total	\$13,666,456	\$14,194,157	\$14,426,214	\$15,510,387	\$16,132,054

Source: Town of Colma; Comprehensive Annual Financial Report (FY 2013-14).

## Sales Taxes

This section describes the current system for levying, collecting and distributing sales and use tax revenues in the State. However, the State budget situation has resulted in a temporary redirection of sales tax revenues from the Town to the State (see “ – Impact of State Budget” above).

*Sales Tax Rates.* The Town's sales tax revenue represents the Town's one percent share of the sales and use tax imposed on taxable transactions occurring within the Town's boundaries. The sales tax is governed by the Bradley-Burns Uniform Local Sales and Use Tax (the “Sales Tax Law”).

A sales tax is imposed on retail sales or consumption of personal property. The tax rate is established by the State Legislature. Effective January 1, 2013, the aggregate tax rate in the State is 7.50%. An additional 1.50% is collected in San Mateo County for retail transactions and transportation purposes.

Currently, taxable transactions in the Town are subject to the following sales and use tax, of which the Town's share is only a portion. The State collects and administers the tax, and makes distributions on taxes collected within the Town, as follows:

**TABLE 6**  
**TOWN OF COLMA**  
**SALES TAX RATES**  
**(Fiscal Year 2014-15)**

State-wide Tax	7.50%
San Mateo County Retail Transactions and Use Tax	0.50%
San Mateo County Transportation Authority	0.50%
San Mateo County Transit District	<u>0.50%</u>
<b>Total</b>	<b>9.00%</b>

Source: California State Board of Equalization.

The State's actual administrative costs with respect to the portion of sales taxes allocable to the Town are deducted before distribution and are determined on a quarterly basis.

Sales and use taxes are complementary taxes; when one applies, the other does not. In general, the statewide sales tax applies to gross receipts of retailers from the sale of tangible personal property in the State. The use tax is imposed on the purchase, for storage, use or other consumption in the State of tangible personal property from any retailer. The use tax generally applies to purchases of personal property from a retailer outside the State where the use will occur within the State. The Sales Tax is imposed upon the same transactions and items as the statewide sales tax and the statewide use tax.

Certain transactions are exempt from the State sales tax, including sales of the following products:

- Food products for human consumption;
- Prescription medicine;
- Newspapers and periodicals;
- Edible livestock and their feed;
- Seed and fertilizer used in raising food for human consumption; and
- Gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found in the State Board of Equalization's July 2014 publication entitled "Sales and Use Taxes: Exemptions and Exclusions," which can be found on the State Board of Equalization's website at <http://www.boe.ca.gov/>. See also "RISK FACTORS – Sales Taxes."

*Sales Tax Collection Procedures.* Collection of the sales and use tax is administered by the California State Board of Equalization. According to the State Board of Equalization, it distributes quarterly tax revenues to cities, counties and special districts using the following method:

Using the prior year's like quarterly tax allocation as a starting point, the Board first eliminates nonrecurring transactions such as fund transfers, audit payments and refunds, and then adjusts for growth, in order to establish the estimated base amount. The State Board of Equalization disburses 90% to each local jurisdiction in three monthly installments (advances) prior to the final computation of the quarter's actual receipts. Ten percent is withheld as a reserve against unexpected occurrences that can affect tax collections (such as earthquakes, fire or other natural disaster) or distributions of revenue such as unusually large refunds or negative fund transfers. The first and second advances each represent 30% of the 90% distribution, while the third advance represents 40%. One advance payment is made each month, and the quarterly reconciliation payment (clean-up) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, prior advances and the current advance are provided with each quarterly clean-up payment.

Under the Sales and Use Tax Law, all sales and use taxes collected by the State Board of Equalization under a contract with any Town, Town and county, redevelopment agency, or county are required to be transmitted by the Board of Equalization to such Town, Town and county, redevelopment agency, or county periodically as promptly as feasible. These transmittals are required to be made at least twice in each calendar quarter.

Under its procedures, the State Board of Equalization projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the Town on a monthly basis. The amount of each monthly advance is based upon the State Board of Equalization's quarterly projection. During the last month of each quarter, the State Board of Equalization adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

The Board of Equalization receives an administrative fee based on the cost of services provided by the Board to the Town in administering the Town's sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the Town.

*History of Taxable Transactions.* Total taxable transactions reported in the Town during calendar year 2013 amounted to \$834,543,000, a 10.5% increase over the total taxable transactions of \$751,921,000 that were reported during calendar year 2012.

A summary of taxable sales within the Town during calendar years 2009 through 2013 is shown in the following table.

**TABLE 7**  
**TOWN OF COLMA**  
**TAXABLE TRANSACTIONS**  
**FOR CALENDAR YEARS 2009 THROUGH 2013**  
**(Taxable Transactions in Thousands of Dollars)**

	<u>Retail and Food Services</u>		<u>Total Outlets</u>	
<u>Year</u>	<u>Permits</u>	<u>Taxable Transactions</u>	<u>Permits</u>	<u>Taxable Transactions</u>
2009	100	\$560,912	157	\$605,919
2010	95	570,890	156	616,231
2011	101	616,241	163	662,071
2012	102	705,303	161	751,921
2013	106	784,146	164	834,543

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

### **Ad Valorem Property Taxes**

This section describes property tax levy and collection procedures and certain information regarding historical assessed values and major property tax payers in the Town.

*General.* In California, property which is subject to ad valorem taxes is classified as "secured" or "unsecured." Secured and unsecured property are entered on separate parts of the assessment roll maintained by the county assessor. The secured classification includes property on which any property tax levied by the County becomes a lien on that property sufficient, in the opinion of the County assessor, to secure payment of the taxes. Every tax which becomes a lien on secured property has priority over other liens (except certain federal claims) on the secured property, regardless of the time of the creation of

other liens. A tax levied on unsecured property does not become a lien against the taxes on unsecured property, but may become a lien on certain other property owned by the taxpayer.

Property taxes on the secured roll are due in two installments, on November 1 and February 1. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. If such taxes remain unpaid as of June 30 of the Fiscal Year in which the taxes are levied, the property securing the taxes may only be redeemed by a payment of the delinquent taxes and the delinquency penalty, plus costs and a redemption penalty of 1-1/2% per month from the original June 30th date to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted properties are thereafter subject to sale by the county tax collector as provided by law.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if unpaid by August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. The taxing authority has four methods of collecting unsecured personal property taxes: (1) filing a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and securing the sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

*Tax Levies and Delinquencies.* Beginning in 1978-79, Article XIII A and its implementing legislation shifted the function of property taxation primarily to the counties, except for levies to support prior-voted debt, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each County.

*Alternative Method of Tax Apportionment.* The Board of Supervisors of the County has approved the implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in section 4701 *et seq.* of the California Revenue and Taxation Code. The Teeter Plan guarantees distribution of 100% of the general taxes levied to the taxing entities within the County, with the County retaining all penalties and interest penalties affixed upon delinquent properties and redemptions of subsequent collections. Under the Teeter Plan, the County apportions secured property taxes on a cash basis to local political subdivisions, including the Town, for which the County acts as the tax-levying or tax-collecting agency. At the conclusion of each Fiscal Year, the County distributes 100% of any taxes delinquent as of June 30th to the respective taxing entities.

The Teeter Plan is applicable to secured property tax levies. As adopted by the County, the Teeter Plan excludes Mello-Roos Community Facilities Districts, special assessment districts, and benefit assessment districts. The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any Fiscal Year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent Fiscal Year. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the City) for which the County acts as the tax-levying or tax-collecting agency, but penalties and interest would be credited to the political subdivisions.

The Town is not aware of any petitions for the discontinuance of the Teeter Plan in the County.

The Town is a Tax Equity Allocation (TEA) No And Low City. In 1987 the first Tax Equity Allocation (TEA) legislation (Revenue and Taxation Code section 97.35) required 17 counties to shift property tax revenue to 49 cities. The legislation intended to shift 10 percent of the taxes generated within the city boundaries to the cities over a ten-year period of time. In 1988 Assembly Bill 1197 amended Revenue and Taxation Code sections 97, 97.5, 98 and 98.6 providing that qualifying cities receive 7 percent of the property tax revenues generated within their boundaries phased in over a seven year period.

*Taxable Property and Assessed Valuation.* Set forth in the table below is the assessed valuation for secured and unsecured property within the Town for the five most recent Fiscal Years. The Town has not formed a redevelopment agency under the California Redevelopment Law.

**TABLE 9**  
**TOWN OF COLMA**  
**ASSESSED VALUE OF TAXABLE PROPERTY**  
**(Fiscal Years 2010-11 through 2014-15)**

<b>Fiscal Year</b>	<b>Local</b>			<b>Total Assessed</b>
<b><u>Ending</u></b>	<b><u>Secured</u></b>	<b><u>Utility</u></b>	<b><u>Unsecured</u></b>	<b><u>Valuation</u></b>
2011	\$493,189,593	\$723,100	\$35,162,186	\$529,074,879
2012	497,097,100	542,325	34,175,946	531,815,371
2013	520,782,477	542,325	36,007,528	557,332,330
2014	534,119,184	542,325	36,578,906	571,240,415
2015	577,284,551	542,325	36,807,516	614,634,392

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Source: California Municipal Statistics, Inc.

*Largest Taxpayers.* The 10 largest secured property taxpayers for Fiscal Year 2014-15 are as follows:

**TABLE 10  
TOWN OF COLMA  
LARGEST SECURED TAXPAYERS FOR FISCAL YEAR 2014-15**

<u>Property Owner</u>	<u>Land Use</u>	<u>2014-15 Assessed Valuation</u>	<u>% of Total<sup>(1)</sup></u>
1. 280 Metro LP	Shopping Center	\$99,213,134	17.19%
2. Cole HD Colma CA LP	Commercial	38,616,287	6.69
3. Estate of George R. Karadanis	Cardroom	30,656,624	5.31
4. Gregory Gordon Price	Auto Sales	27,632,320	4.79
5. Extra Space Properties Forty LLC	Public Storage	23,820,175	4.13
6. Kohl's Department Stores, Lessee	Commercial	22,036,841	3.82
7. Thomas A. Price, Lessee	Auto Sales	20,109,358	3.48
8. Best Buy Stores LP	Commercial	17,697,699	3.07
9. BWVT Motors Inc.	Auto Sales	17,500,000	3.03
10. Dayton-Hudson Corp	Commercial	15,564,982	2.70
11. HD Development of Maryland Inc.	Commercial	14,000,825	2.43
12. Cypress Lawn Cemetery Association	Cemetery	11,519,181 <sup>(2)</sup>	2.00
13. Serra Center Associates No. Two	Shopping Center	8,959,215	1.55
14. Mathew Zaheri	Auto Sales	8,160,694	1.41
15. Thomas A. and G.L. Price, Trustees	Auto Sales	7,979,249	1.38
16. Paul A. and C.A. Montalbano, Trustees	Auto Sales	7,284,849	1.26
17. Public Storage Inc.	Public Storage	6,382,342	1.11
18. Tru 2005 RE I LLC	Commercial	5,498,233	0.95
19. Vicgold Investments	Commercial	5,359,246	0.93
20. Claude D. Perasso Jr., Trust	Commercial	<u>4,297,275</u>	<u>0.74</u>
		\$392,288,529	67.95%

<sup>(1)</sup> Fiscal Year 2014-15 Local Secured Assessed Valuation: \$577,284,551.

<sup>(2)</sup> Net taxable value

Source: California Municipal Statistics, Inc.

## Other Taxes

*Franchise Taxes.* The Town levies a franchise tax on its cable television, trash collection, and utility franchises.

*Business Registration Taxes.* The Town levies a business registration tax based principally on gross receipts and on number of employees.

*Transient Occupancy Taxes.* The Town levies a 8% transient occupancy tax of \$25 per year, except for Christmas tree lots that pay \$10 per year, and gambling establishments that pay Cardroom Taxes, as described below.

*Cardroom Taxes.* The Town levies a general tax on gambling establishment operations in the Town based on a graduated percentage of a sliding scale of monthly gross revenues.

*Property Transfer Taxes.* A documentary stamp tax is assessed for recordation of real property transfers.

## Short-Term Obligations

The Town currently has no outstanding short-term obligations.

## Long-Term Obligations

The Town currently has no long-term obligations, other than the Certificates.

## Direct and Overlapping Bonded Debt

The ability of land owners within the Town to pay property tax installments as they come due could be affected by the existence of other taxes and assessments imposed upon the land.

The statement of direct and overlapping debt (the "Debt Report") set forth below was prepared by California Municipal Statistics, Inc., as of June 1, 2015. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc., by the issuers of the debt described therein and by others. The Debt Report is included for general information purposes only. The Town takes no responsibility for its completeness or accuracy.

**TABLE 12**  
**DIRECT AND OVERLAPPING BONDED DEBT**  
**(As of June 1, 2015)**

**2014—15 Assessed Valuation:** \$614,634,392

<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>	<b><u>% Applicable</u></b>	<b><u>Debt 6/1/15</u></b>
San Mateo Community College District	0.371%	1,995,461
South San Francisco Unified School District	0.322	599,320
Jefferson Union High School District	3.427	6,713,207
Jefferson School District	6.628	<u>5,047,222</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>		<b>\$14,35,120</b>
<b><u>OVERLAPPING GENERAL FUND DEBT:</u></b>		
San Mateo County General Fund Obligations	0.371%	\$1,706,840
San Mateo County Board of Education Certificates of Participation	0.371	38,695
San Mateo County Flood Control District Certificates of Participation	3.974	851,827
South San Francisco Unified School District Certificates of Participation	0.322	2,264
Colma Unified School District Certificates of Participation	23.195	3,854,762
<b>City of Colma Certificates of Participation</b>	<b>100.000%</b>	<b>0<sup>(1)</sup></b>
<b>TOTAL NET OVERLAPPING GENERAL FUND DEBT</b>		<b>\$9,001,362</b>
<b>GROSS COMBINED TOTAL DEBT</b>		<b>\$2,599,626</b>
<b>NET COMBINED TOTAL DEBT</b>		<b>\$16,954,746<sup>(2)</sup></b>

### Ratios to Assessed Valuation

<b>Combined Direct Debt.....</b>	<b>%</b>
Total Overlapping Tax and Assessment Debt.....	0.65%
Gross Combined Total Debt.....	2.34%
Net Combined Total Debt.....	2.76%

<sup>(1)</sup> Excludes certificates of participation to be sold.

<sup>(2)</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

## Retirement Programs

*Plan Description.* The Town contributes to the California Public Employee's Retirement System ("CalPERS"), an agent multiple-employer public employee defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of CalPERS annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, California 95814.

*Funding Policy and Annual Pension Cost.* The contribution requirements of plan members and the Town are established by and may be amended by CalPERS. The Town's annual pension costs for the most recent year and related information for each plan is set forth in the following table.

<b>ANNUAL PENSION COST AND RELATED INFORMATION</b>		
	<b>Regular Employees</b>	<b>Safety Employees</b>
Contribution Rates:		
City and Plan Members	18.4%	34.59%
Annual pension cost	\$238,042	\$693,084
Contributions made	\$238,042	\$693,084
Actuarial valuation date	June 30, 2012	June 30, 2012
Actuarial cost method	Entry Age	Entry Age
Amortization method	Level percentage pay, closed	Level percentage pay, closed
Remaining amortizing period	19 years	19 years
Asset valuation method	15-yr smoothed market	15-yr smoothed market
Actuarial assumptions:		
Investment rate of return	7.5%	7.5%
Projected Salary increases	3.30%-14.20%	3.30%-14.20%
Inflation	2.75%	2.75%

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Source: Town of Colma; Comprehensive Annual Financial Report (Fiscal Year 2013-14).



Tables 13 and 14 below set forth the five-year cost and contribution trend for miscellaneous and safety employees and four-year CalPERS funding progress schedule.

**TABLE 13  
TOWN OF COLMA  
TREND INFORMATION  
FOR THE MISCELLANEOUS AND SAFETY PLANS  
(Fiscal Years 2009-10 through 2013-14)**

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage APC Contributed</u>	<u>Net Pension Obligation</u>
<b>Regular Employees</b>			
2009-10	\$222,193	100%	\$—
2010-11	\$217,156	100%	\$—
2011-12	\$217,156	100%	\$—
2012-13	\$265,384	100%	\$—
2013-14	\$238,041	100%	\$—
<b>Safety Employees</b>			
2009-10	\$533,205	100%	\$—
2010-11	\$559,110	100%	\$—
2011-12	\$559,110	100%	\$—
2012-13	\$641,424	100%	\$—
2013-14	\$693,084	100%	\$—

Source: Town of Colma; Comprehensive Annual Financial Reports (Fiscal Year 2009-10 – 2013-14).

**TABLE 14**  
**TOWN OF COLMA**  
**FOUR-YEAR SCHEDULE OF FUNDING PROGRESS FOR CALPERS**  
**(Most Recent Available Fiscal Years 2008-09 to 2011-12)**

<b>Actuarial Valuation Date</b>	<b>Entry Age Normal Accrued Liability</b>	<b>Actuarial Value of Assets</b>	<b>Unfunded Liability (Excess Assets)</b>	<b>Funded Status</b>	<b>Annual Covered Payroll</b>	<b>UAAL as a % of Payroll</b>
6/30/09:						
Misc.	\$1,834,424,640	\$1,493,430,831	\$340,993,809	81.4%	\$355,150,151	96.0%
Safety	<u>9,721,675,347</u>	<u>8,027,158,724</u>	<u>1,694,516,623</u>	<u>82.6%</u>	<u>973,814,168</u>	<u>174.0%</u>
Total	\$11,556,099,987	\$9,520,589,555	\$2,035,510,432	92%	\$1,328,964,319	135%
6/30/10:						
Misc.	\$1,972,910,641	\$1,603,482,152	\$369,428,489	81.3%	\$352,637,380	104.8%
Safety	<u>10,175,475,166</u>	<u>8,470,235,152</u>	<u>1,705,240,014</u>	<u>83.3%</u>	<u>955,980,815</u>	<u>178.4%</u>
Total	\$12,148,385,807	\$10,073,717,304	\$2,074,668,503	82.3%	\$1,308,618,195	141.6%
6/30/11:						
Misc.	\$2,135,350,204	\$1,724,200,585	\$411,149,619	80.7%	\$354,190,017	116.1%
Safety	<u>10,951,745,049</u>	<u>9,135,654,246</u>	<u>1,816,090,803</u>	<u>83.41%</u>	<u>958,104,927</u>	<u>189.6%</u>
Total	\$13,087,095,253	\$10,859,854	\$2,227,248,422	82.06%	\$1,312,294,944	152.8%
6/30/12:						
Misc.	\$2,254,622,362	\$1,837,489,422	\$417,132,940	81.5%	\$339,228,272	123.0%
Safety	<u>11,724,021,480</u>	<u>9,854,787,710</u>	<u>1,869,233,770</u>	<u>84.1%</u>	<u>947,734,809</u>	<u>197.2%</u>
Total	\$13,978,643,842	\$11,692,277,038	\$2,286,366,710	82.8%	\$1,286,963,081	160.1%

Source: Town of Colma; Comprehensive Annual Financial Report (FY 2009-10 – 2013-14).

### **Risk Management**

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries, and natural disasters for which the Town obtains insurance coverage.

The Town is a member of the ABAG Plan Corporation (the “Plan”), which provides a pooled risk sharing insurance program. The Plan provides the Town with insurance coverage of \$5 million per loss for liability claims. The Town has a \$50,000 self-insurance retention limit similar to a deductible. The Plan provides excess insurance coverage for \$25 million beyond the \$5 million Plan coverage. The Plan also provides the Town with \$1 million pooled employee dishonesty coverage. Property coverage is also provided with the Town having a \$5,000 deductible and the Plan being responsible for all losses up to \$100,000. The Plan obtains excess property insurance above its \$100,000 self-insured retention with a per occurrence coverage for all members combined up to \$1 billion. The Town purchases separate earthquake and flood insurance coverage of \$10 million with a general deductible of \$100,000.

Workers’ compensation insurance is provided to the Town by Entity Insurance Authority (“EIA”) at statutory coverage limits.

As of June 30, 2014, the Town did not have any claims payable or open below its deductible for general liability claims.

The ultimate amount of losses incurred through June 30, 2015 is dependent on future developments. Based upon information from the City Attorney, the Town's claims administrators and others involved with the administration of the insurance programs. Town management believes the accrual is adequate to cover such losses.

### **Post-Employment Health Care Benefits**

*Plan Description.* The Town defined benefit post-employment healthcare plan provides medical benefits to eligible Town employees and elected officials who retire from the Town at age 50 or older and are eligible for a CalPERS pension. The Town provides retiree healthcare benefits to employees retiring directly from the Town under CalPERS. Medical coverage is provide through PEMHCA. Medical and dental benefits are continued to a surviving spouse and eligible dependents, if any, upon the retiree's death.

*Funding Policy.* There is not a statutory requirement for the Town to prefund its post-employment benefits other than pensions ("OPEB") obligation. The Town currently pays for retiree healthcare benefits on a pay-as-you-go basis. There are no employee contributions. For the Fiscal Year ending June 30, 2014, the Town paid approximately \$362,795 for retiree healthcare and dental plan benefits. As of July 1, 2014, the plan membership consisted of 38 active participants and 27 retirees and beneficiaries currently receiving benefits.

In June 2004, GASB issued GASB Statement 45 ("GASB 45"). GASB 45 addresses accounting and financial reporting for OPEB, and requires the Town to report OPEB costs on an actuarial basis to account for the future costs of promised benefits. The Town's annual OPEB cost is calculated based on the Annual Required Contribution ("ARC") of the employer, an amount actuarially determined in accordance with GASB 45. GASB requires the ARC to be developed each year based on the plan's assets and liabilities. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Although GASB does not actually require prefunding, the portion of the ARC that is not funded each year would accumulate as a liability on the Town's financial statements. The Town has not established an irrevocable OPEB trust, though it is considering the possibility of doing so.

The following table shows the components of the Town's annual OPEB cost for the Fiscal Year ended June 30, 2012 and June 30, 2013, the amount actually contributed to the plan (including implicit subsidy, if any), and changes in the Town's net OPEB obligation (asset).

<b><u>Item</u></b>	<b><u>June 30, 2014</u></b>	<b><u>June 30, 2013</u></b>
Annual Required Contribution	\$1,480,377	\$1,376,543
Interest on Net OPEB Obligation (Asset)	190,371	149,172
Adjustment to Annual Required Contributions	<u>(215,655)</u>	<u>(163,058)</u>
Annual OPEB Cost (expense)	1,455,093	1,362,657
Retiree Premium cost	(362,795)	(332,686)
Increase in net OPEB Obligation	<u>1,092,298</u>	<u>1,029,971</u>
Net OPEB Obligation - beginning of year	4,759,281	3,729,310
Net OPEB Obligation - end of year	<u>\$5,851,579</u>	<u>\$4,759,281</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows, based on the Town's actuarial valuation as of July 1, 2008, July 1, 2011, and July 1, 2014:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Asset (NOA)</u>
June 30, 2011	\$ 1,210,202	\$ 235,945	19.5%	\$ 2,753,205
June 30, 2012	\$ 1,274,489	\$ 298,384	23.4%	\$ 3,729,310
June 30, 2013	\$ 1,362,657	\$ 332,686	24.4%	\$ 4,759,282
June 30, 2014	\$ 1,455,093	\$ 362,795	24.9%	\$ 5,851,579
June 30, 2015	\$ 1,240,058	\$ 465,447	37.5%	\$ 6,626,190
June 30, 2016	\$ 1,302,238	\$ 521,270	40.0%	\$ 7,407,158
June 30, 2017	\$ 1,367,185	\$ 544,260	39.8%	\$ 8,230,083

*Funded Status and Funding Progress.* The funded status of the plan as of June 30, 2014 and June 30, 2013, was as follows:

	<u>2014</u>	<u>2013</u>
Actuarial accrued liability (AAL)	\$ 16,638,509	\$ 15,659,548
Actuarial value on plan assets (6/30/11)	-	-
Unfunded actuarial accrued liability (UAAL)	16,638,509	15,659,548
Funded Ratio (actuarial value of plan assets/AAL)	0%	0%
Covered payroll (active plan members)	\$ 4,374,210	\$ 4,365,743
UAAL as a percentage of covered payroll	380%	359%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

*Actuarial Methods and Assumptions.* Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2014, actuarial valuation, the entry age normal cost method with normal cost determined on a level percent of pay basis. The Town approved calculations on a pay-as-you-go basis using a 4.0% discount rate. Assumptions include a healthcare cost trend rate of 5.50% in 2015, reduced to 5.00% in 2016, 4.50% in 2017 and 2018, and to an ultimate rate of 4.64% in 2019 and 2020. The UAAL is being amortized over a fixed 30-year period as a level percentage of projected payroll beginning with the year ended June 30, 2009.

	(A)	(B)	(C)	(D)	(E)	(F)
Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Liability (Excess Assets) [(A)/(B)]	Funded Status [(A)/(B)]	Annual Covered Payroll	UAAL as a % of Payroll $\{[(B)-(A)]/(E)\}$
7/01/08	\$-0-	\$9,680,563	\$9,680,563	0%	\$4,198,207	231.6%
7/01/11	\$-0-	\$14,716,283	\$14,716,283	0%	\$4,365,743	337.1%
7/01/14	\$-0-	\$9,476,398	\$9,476,398	0%	\$3,610,247	262.5%

## **Town Investment Policy and Portfolio**

State law limits investments in various securities to certain levels of risk ratings issued by nationally recognized statistical rating organizations. It is the Town's policy to comply with those requirements. The Town does not enter into reverse repurchase agreements. Trustees under bond indentures may invest in guaranteed investment contracts.

The Town is a voluntary participant in the Local Agency Investment Fund ("LAIF") that is regulated by the Government Code under the oversight of the State Treasurer. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations.

The Town maintains specific cash deposits with the County and voluntarily participates in the external investment pool of the County. The County has a written investment policy, approved by the Board of Supervisors, that is more restrictive than State code as to terms of maturity and type of investment. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements and the State Treasurer's investment pool.

In accordance with the Government Code, the Town requires certain collateralization for public deposits in banks and savings and loans, and has long-established safekeeping and custody procedures.

## **Employment**

The following table presents the annual average distribution of persons in various wage and salary employment categories for San Mateo County for 2009 through 2013.

**TABLE 16**  
**SAN MATEO COUNTY**  
**ANNUAL AVERAGE EMPLOYMENT COMPARISON**

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Civilian Labor Force	374,200	392,600	399,600	412,600	420,200
Employment	343,500	359,700	369,400	386,100	398,200
Unemployment	30,700	32,800	30,100	26,500	22,000
Unemployment Rate	8.2%	8.4%	7.5%	6.4%	5.2%
<u>Wage and Salary Employment:</u>					
Total Farm	1,700	1,700	1,600	1,600	1,600
Natural Resources, Mining and Construction	13,800	12,900	14,200	15,200	16,700
Manufacturing	26,700	26,300	25,500	24,400	25,700
Wholesale Trade	11,300	11,200	11,100	11,500	11,200
Retail Trade	33,300	32,800	33,200	33,200	34,100
Transportation, Warehousing and Utilities	25,300	24,400	24,100	25,500	27,100
Information	18,100	17,500	17,900	20,900	23,600
Finance and Insurance	13,500	13,200	13,500	13,800	13,900
Real Estate and Rental and Leasing	5,600	5,400	5,900	6,200	6,300
Professional and Business Services	60,900	60,000	64,000	69,500	71,000
Educational and Health Services	36,700	35,300	36,400	37,400	39,700
Leisure and Hospitality	33,500	33,800	35,400	36,800	39,500
Other Services	11,500	11,200	12,200	12,900	13,300
Government	31,300	31,300	30,600	30,300	30,400
Federal Government	3,500	4,000	3,800	3,700	3,600
State Government	600	600	600	600	600
Local Government	<u>27,300</u>	<u>26,700</u>	<u>26,200</u>	<u>26,000</u>	<u>26,200</u>
Total All Industries	<u>323,000</u>	<u>317,000</u>	<u>325,500</u>	<u>339,100</u>	<u>354,100</u>

Source: State of California Employment Development Department.

## Transportation

Colma (Bart Station) serves the Town as part of the Bay Area Rapid Transit (“BART”) system. The station is served by the Pittsburg/Bay Point-SFO/Millbrae and Richmond-Millbrae lines, and served as a terminal from 1996 to 2003, prior to the SFO/Millbrae extension. Since the extension, the next station to the south has been South San Francisco Station, located 0.1 miles from Colma’s southern city limits.

Bus service is provided by San Mateo County Transit District (“SamTrans”).

Scheduled air transportation is available from the San Francisco International Airport, approximately 10 miles to the south.

## APPENDIX B

### SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

*The following is a summary of certain provisions of the Trust Agreement and the Lease Agreement which are not described elsewhere. This summary does not purport to be comprehensive and reference should be made to the respective agreement for a full and complete statement of the provisions thereof.*

### DEFINITIONS

Unless the context otherwise requires, the terms defined below shall for all purposes of this summary and of any report or other document mentioned below having the meanings defined below, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined. All capitalized terms used below and not defined below shall have the meanings ascribed thereto in the Trust Agreement

“Acquisition Fund” means the fund by that name established and held by the Trustee pursuant to the Trust Agreement.

“Certificates of Participation” or “Certificates” means the \$\_\_\_\_\_ aggregate principal amount of Town of Colma 2015 Certificates of Participation (Town Hall) to be executed and delivered pursuant to the Agreement.

“Town” means the Town of Colma, a Town and municipal corporation, duly organized and existing under the Constitution and laws of the State of California.

“Town Representative” means the City Manager and the Finance Director of the Town or a person authorized by the City Council to act on behalf of the Town under or with respect to the Agreement.

“Closing Date” means the day when the Certificates, duly executed by the Trustee, are delivered to the Original Purchaser thereof.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement of the Town, named therein given in favor of the Owners of the Certificates in connection with the sale of the Certificates to the Original Purchaser.

“Corporation” means the Public Property Financing Corporation of California, a California nonprofit public benefit corporation duly organized and existing under the laws of the State of California, its successors and assigns.

“Corporation Representative” means the President of the Corporation, the Treasurer of the Corporation or any person authorized to act on behalf of the Corporation under or with respect to the Trust Agreement as evidenced by a resolution conferring such authorization adopted by the Board of the Corporation.

“Delivery Costs” means all items of expense directly or indirectly payable by or reimbursable to the Town or the Corporation relating to the execution, sale and delivery of the Lease Agreement or the Certificates, including but not limited to filing and recording costs, settlement costs, printing costs, reproduction and binding costs, initial fees and charges of the Trustee (including legal fees), financing

discounts, legal fees and charges, insurance fees and charges, financial and other professional consultant fees, costs of rating agencies or credit ratings, costs of municipal certificate insurance, fees for execution, transportation and safekeeping of the Certificates, and charges and fees in connection with the foregoing.

“Delivery Costs Fund” means the fund by that name established pursuant to the Trust Agreement.

“Defeasance Obligations” means any of the following:

- (1) Cash (insured at all times by the Federal Deposit Insurance Corporation),
- (2) Obligations of, or obligations guaranteed as to principal and interest by, the U.S. or any agency or instrumentality thereof, when such obligations are backed by the full faith and credit of the U.S. including:
  - U.S. treasury obligations
  - All direct or fully guaranteed obligations
  - Farmers Home Administration
  - General Services Administration
  - Guaranteed Title XI financing
  - Government National Mortgage Association (GNMA)
  - State and Local Government Series

Note: Any security used for defeasance must provide for the timely payment of principal and interest and cannot be callable or prepayable prior to maturity or earlier redemption of the rated debt (excluding securities that do not have a fixed par value and/or whose terms do not promise a fixed dollar amount at maturity or call date).

“Event of Default” means an event of default under the Lease Agreement, as defined in Section 9.1 thereof.

“Fiscal Year” means the twelve-month period commencing on July 1 in any year and ending on June 30 of the following year.

“Independent Counsel” means an attorney duly admitted to the practice of law before the highest court of the state in which such attorney maintains an office and who is not an employee of the Corporation, the Trustee or the Town.

“Information Services” means Financial Information, Inc.’s “Daily Called Bond Service”, 30 Montgomery Street, 10th Floor, Jersey Town, New Jersey 07302, Attention: Editor; Kenny Information Services’ “Called Bond Service,” 65 Broadway, 16th Floor, New York, New York 10004; Mergent “Municipal and Government,” 5250 77 Center Drive, Suite 150, Charlotte, North Carolina 28217, Attention: Called Bonds Dept.; Standard & Poor’s Corporation “Called Bond Record,” 65 Broadway, 16th Floor, New York, New York 10004; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other information services providing information with respect to called bonds as the Town may designate in a Written Certificate of the Town delivered to the Trustee.



“Insurance and Condemnation Fund” means the fund by that name established and held by the Trustee pursuant to Article VII of the Agreement.

“Interest Payment Date” means each of the dates specified in the Trust Agreement on which interest is due and payable with respect to the Certificates.

“Lease Agreement” means the Lease Agreement, dated as of August 1, 2015, by and between the Town and the Corporation, together with any duly authorized and executed amendment thereto.

“Lease Payment” or “Lease” means any payment required to be made by the Town pursuant to Section 4.5 of the Lease Agreement, as set forth in Exhibit A to the Lease Agreement.

“Lease Payment Fund” means the fund by that name established and held by the Trustee pursuant to Article V of the Agreement.

“Leased Premises” has the meaning set forth in the Lease Agreement.

“Net Proceeds” means any insurance proceeds or condemnation award in excess of \$50,000, paid with respect to the Leased Premises and Site, remaining after payment therefrom of all expenses incurred in the collection thereof.

“Original Purchaser” means \_\_\_\_\_, as original purchaser of the Certificates.

“Outstanding,” when used as of any particular time with respect to Certificates, means (subject to the provisions of the Agreement) all Certificates theretofore executed and delivered by the Trustee under the Agreement except:

(1) Certificates theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;

(2) Certificates for the payment or prepayment of which funds or Federal Securities in the necessary amount shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or prepayment date of such Certificates), provided that, if such Certificates are to be prepaid prior to maturity, notice of such prepayment shall have been given as provided in the Agreement or provision satisfactory to the Trustee shall have been made for the giving of such notice; and

(3) Certificates in lieu of or in exchange for which other Certificates shall have been executed and delivered by the Trustee pursuant to the Agreement.

“Owner” or “Certificate Owner” or “Owner of a Certificate” or any similar term, when used with respect to a Certificate, means the person in whose name such Certificate shall be registered.

“Permitted Encumbrances” has the meaning set forth in the Lease Agreement.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (The Trustee entitled to reply upon the investment direction of the Town as a certification that such investment is a legal investment):

(1) Defeasance Obligations

(2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC).
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System
- Senior debt obligations of other Government Sponsored Agencies approved by the Bond Insurer

(4) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which may include the Trustee and its affiliates which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P and which matures not more than 270 calendar days after the date of purchase;

(6) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services;

(7) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice:

(A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph A(2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is

sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

(8) Municipal Obligations rated “Aaa/AAA” or general obligations of States with a rating of “A2/A” or higher by both Moody’s and S&P;

(9) Investment agreements with domestic or foreign banks, insurance companies other than a life or property casualty insurance company, or corporations the long-term debt or claims paying ability of which or, in the case of a guaranteed corporation, the long-term debt of the guarantor, or, in the case of a monoline financial guaranty insurance company, claims paying ability or financial strength, of the guarantor is rated in at least the double A category by Standard & Poor’s and Moody’s; provided that, by the terms of the investment agreement:

(a) interest payment are to be made to the Trustee at times and in amounts as necessary to pay debt service on the Certificates (if the funds invested pursuant to the investment agreement are from the Reserve Fund);

(b) the invested funds are available for withdrawal without penalty or premium, upon not more than seven (7) days’ prior notice;

(c) the investment agreement shall provide that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;

(d) the Town, the Corporation and the Trustee receive the opinion of domestic counsel (which opinion shall be addressed to the Town) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Town;

(e) the investment agreement shall provide that if during its term:

(1) the provider’s rating by either Standard & Poor’s or Moody’s falls below “AA-” or “Aa3,” respectively, the provider shall, at its option, within ten (10) business days after the provider’s receipt of a written request from the Fiscal Agent to satisfy the foregoing, either (i) collateralize the investment agreement by delivering or transferring in accordance with the applicable state and federal laws (other than by means of entries on the provider’s books) to the Town, the Trustee, or a third party acting solely as agent therefor (the “Holder of the Collateral”) collateral free and clear of any third-party liens or claims, the market value of which collateral is maintained at one hundred five percent (105%) of securities identified in clauses (i) and (ii) of this definition; or (ii) assign the investment agreement and all of its obligations thereunder to, or enter into a repurchase agreement or such other agreement with a financial institution mutually acceptable to the provider in the Town which is rated either in the first or second highest category by Standard & Poor’s and Moody’s; and

(2) the provider’s rating by either Standard & Poor’s or Moody’s is withdrawn or suspended or falls below “A-” or “A3,” respectively, the provider must, at the direction of the Town or the Trustee, within ten (10) days of receipt of such direction, repay the principal of and accrued but unpaid interest on the invested funds, in either case with no penalty or premium to the Town or the Trustee; and

(f) the investment agreement shall provide and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement at the time such collateral is delivered, that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this shall mean the Holder of the Collateral is in possession of such collateral); and

(g) the investment agreement shall provide that if during its term:

(1) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the Direction of the Town or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be paid to the Town or the Trustee, as appropriate; and

(2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be paid to the Town or the Trustee, as appropriate.

(10) The Local Agency Investment Fund in the State Treasury of the State of California as permitted by the State Treasurer pursuant to Section 16429.1 of the California Government Code or any similar pooled investment fund administered by the State, to the extent such investment is held in the name and to the credit of the Trustee.

The value of the above investments shall be determined as follows:

(a) For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch, Salomon Smith Barney, Bear Stearns, or Lehman Brothers;

(b) As to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon; and

(c) As to any investment not specified above: the value thereof established by prior agreement among the Issuer and the Trustee.

"Prepayment" means any payment applied towards the prepayment of Lease Payments, in whole or in part, pursuant to Article X of the Lease Agreement as a prepayment of the Lease Payments.

"Principal Corporate Trust Office" means the principal corporate trust office of the Trustee \_\_\_\_\_, Los Angeles, California \_\_\_\_\_ except that with respect to presentation of Certificates for payment or for registration of transfer and exchange such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

"Project" has the meaning set forth in the Lease Agreement.

“Project Costs” means all costs of payment of, or reimbursement for, acquisition, construction and financing of the Project, including but not limited to, architect and engineering fees, construction contractor payments, costs of feasibility and other reports, inspection costs, permit fees, filing and recording costs, printing costs, reproduction and binding costs, fees and charges of the Trustee, legal fees and charges, financial and other professional consultant fees in connection with the foregoing.

“Regular Record Date” means the close of business on the fifteenth day of the month preceding each Interest Payment Date, whether or not such fifteenth day is a business day.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Article VI of the Trust Agreement.

“Reserve Requirement” means as of any date of calculation an amount equal to the least of (i) 10 percent of the proceeds of the Certificates, (ii) maximum aggregate Lease Payments required to be paid in any Certificate Year, or (iii) 125 percent of the average annual Lease Payment.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50<sup>th</sup> Floor, New York, N.Y. 10041-0099, Attn. Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Corporation may designate in a Written Certificate of the Corporation delivered to the Trustee.

“State” means the State of California.

“Tax Code” means the Internal Revenue Code of 1986, as amended.

“Tax Regulations” means temporary and permanent regulations promulgated under or with respect to Sections 103 and 141 through 150, inclusive, of the Tax Code.

“Term of the Lease Agreement” means the time during which the Lease Agreement is in effect, as provided in Section 4.2 of the Lease Agreement.

“Trust Agreement” or “Agreement” means the Trust Agreement, together with any amendments or supplements hereto permitted to be made in the Trust Agreement.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., or any successor thereto acting as Trustee pursuant to the Agreement.

“Written Certificate”, “Written Request” and “Written Requisition” of the Corporation or the Town mean, respectively, a written certificate, request or requisition signed in the name of the Corporation by a Corporation Representative or the Town by a Town 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.

## **TRUST AGREEMENT**

### **Delivery Costs Fund**

Under the Agreement, the Trustee shall establish a special fund designated as the “Town of Colma 2015 Certificates Delivery Costs Fund”; shall keep such fund separate and apart from all other funds and moneys held by it; and shall administer such fund as provided in the Agreement. There shall be deposited in the Costs of Issuance Fund the proceeds of the sale of the Certificates required to be deposited therein pursuant to the Agreement.

Moneys on deposit in the Delivery Costs Fund shall be applied to pay Delivery Costs to the extent that such fees and expenses are approved by the Town. Such costs shall be payable upon receipt by the Trustee of a Written Requisition signed by a Town Representative setting forth the amounts to be disbursed for payment or reimbursement of Delivery Costs and the person or person to whom said amounts are to be disbursed, stating that the amounts to be disbursed are for Delivery Costs properly chargeable to the Delivery Costs Fund. Each such Written Requisition of the Town shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Any moneys remaining in the Delivery Costs Fund six months after the Closing Date shall be transferred to the Lease Payment Fund.

### **Acquisition Fund**

Under the Agreement, the Trustee shall establish, maintain and hold in trust a separate fund to be known as the “Town of Colma 2015 Certificates Acquisition Fund.” Except as otherwise provided in the Agreement, moneys in the Acquisition Fund shall be used solely for the acquisition of the Project. The Trustee shall disburse moneys in the Acquisition Fund on the Closing Date to purchase the Project at the Written Requisition of the Town. Each such Written Requisition of the Town shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Upon the payment of the purchase price for the acquisition of the Project, the Acquisition Fund shall be closed.

### **Assignment of Rights in Lease Agreement**

The Corporation has in the Agreement transferred, assigned and set over to the Trustee certain of its rights under the Lease Agreement as set forth below, including but not limited to all of the Corporation’s rights to receive and collect all of the Lease Payments, the Prepayments and all other amounts required to be deposited in the Lease Payment Fund pursuant to the Lease Agreement or pursuant hereto but excluding the Corporation’s right to consent pursuant to the Lease Agreement. All Lease Payments, Prepayments and such other amounts to which the Corporation may at any time be entitled shall be paid directly to the Trustee, and all of the Lease Payments and Prepayments collected or received by the Corporation shall be deemed to be held and to have been collected or received by the Corporation as the agent of the Trustee, and if received by the Corporation at any time shall be deposited by the Corporation with the Trustee within one business day after the receipt thereof, and all such Lease Payments, Prepayments and such other amounts shall be forthwith deposited by the Trustee upon the receipt thereof in the Lease Payment Fund (except as provided in the Agreement).

### **Establishment of Lease Payment Fund; Deposits**

Under the Agreement, the Trustee shall establish a special fund designated as the “Town of Colma 2015 Certificates of Participation Lease Payment Fund.” All moneys at any time deposited by the Trustee in the Lease Payment Fund shall be held by the Trustee in trust for the benefit of the Town and the Owners of the Certificates, and shall be used and applied by the Trustee as set forth in the Agreement.

There shall be deposited in the Lease Payment Fund all Lease Payments and Prepayments received by the Trustee (except as provided in the Agreement), including any moneys received by the Trustee for deposit therein pursuant to Article VI or X of the Lease Agreement, and any other moneys required to be deposited therein pursuant to the Lease Agreement or pursuant to the Agreement.

All amounts in the Lease Payment Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and the interest and prepayment premiums (if any) with respect to the Certificates as the same shall become due and payable, in accordance with the provisions of Article II and Article of the Agreement.

Any surplus remaining in the Lease Payment Fund, after prepayment and payment of all Certificates, including premiums (if any) and accrued interest, and payment of any amounts due to the Trustee, or provision for such prepayment and payment having been made to the satisfaction of the Trustee, shall be withdrawn by the Trustee and remitted to the Town.

### **Establishment of Reserve Fund**

Under the Agreement, the Trustee shall establish a special fund designated as the “Town of Colma 2015 Certificates of Participation Reserve Fund.” All moneys at any time on deposit in the Reserve Fund shall be held by the Trustee in trust for the benefit of the Town and the Owners of the Certificates, and applied solely as provided in the Agreement.

Under the Agreement, the Trustee shall, semiannually on or prior to each March 1 and September 1 beginning September 1, 2015, (i) cause the Reserve Fund to be valued pursuant to Section 8.05 hereof, and (ii) transfer any moneys available in the Reserve Fund (as so valued) in excess of the Reserve Requirement to the Lease Payment Fund.

If on any Interest Payment Date the moneys available in the Lease Payment Fund do not equal the amount of the principal and interest and prepayment premiums (if any) with respect to the Certificates then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make delinquent Lease Payments on behalf of the Town by transferring the amount necessary for such purpose to the Lease Payment Fund. If after such a transfer, a deficiency remains in the Lease Payment Fund, the Trustee shall apply the amount, if any, on deposit in the Lease Payment Fund first to the payment of interest past due with respect to all Certificates on a pro rata basis, and second to the payment of the unpaid principal balance with respect to each Certificate which is then past due on a pro rata basis.

If on any Interest Payment Date the moneys on deposit in the Reserve Fund and the Lease Payment Fund (excluding amounts required for payment of past due principal or interest with respect to Certificates not presented for payment) are sufficient to pay all Outstanding Certificates, including all principal, interest and prepayment premiums (if any), the Trustee shall, upon the written direction of the Town Representative, transfer all amounts then on deposit in the Reserve Fund to the Lease Payment Fund to be applied to the payment of the Lease Payments or Prepayments on behalf of the Town, and such moneys shall be paid to the Owners of Certificates in accordance with Article II of the Trust Agreement. Any amounts remaining in the Reserve Fund upon payment in full of all Outstanding

Certificates, or upon provision for such payment as provided in the Agreement, shall after payment of amounts due the Trustee under the Agreement be withdrawn by the Trustee and paid to the Town.

The Reserve Requirement may be satisfied by crediting to the Reserve Fund the Reserve Fund Credit Facility which makes funds available in the Reserve Fund in an amount equal to the Reserve Requirement. The Trustee shall draw on the Reserve Fund Credit Facility in accordance with its terms when and if moneys are needed pursuant to the provisions of the Agreement.

#### **Establishment of Insurance and Condemnation Fund; Application of Net Proceeds of Insurance Award**

Any Net Proceeds of insurance against accident to or destruction of any structure constituting any part of the Leased Premises collected by the Town in the event of any such accident or destruction shall be transferred to the Trustee pursuant to the Lease Agreement and deposited by the Trustee in a special fund designated as the "Insurance and Condemnation Fund" to be applied and disbursed by the Trustee as provided in the Lease Agreement.

#### **Application of Net Proceeds of Eminent Domain Award**

If all or any part of the Leased Premises shall be taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund pursuant to the Lease Agreement and shall be applied and disbursed by the Trustee as follows:

(a) (1) If the Town determines (i) that such eminent domain proceedings have not materially affected the operation of the Leased Premises or the ability of the Town to meet any of its obligations under the Lease Agreement, and (ii) that such proceeds are not needed for repair or rehabilitation of the Leased Premises, the Trustee upon the written direction of the Town shall transfer such proceeds to the Lease Payment Fund to be credited towards the Prepayment required to be paid pursuant to the Lease Agreement and applied to the prepayment of Certificates in the manner provided in Article IV of the Agreement.

(2) If the Town determines (i) that such eminent domain proceedings have not materially affected the operation of the Leased Premises or the ability of the Town to meet any of its obligations under the Lease Agreement, and (ii) that such proceeds are needed for repair or rehabilitation of the Leased Premises, the Trustee upon the written direction of the Town shall pay to the Town, or to its order, from said proceeds such amounts as the Town may expend for such repair or rehabilitation, upon the filing of requisitions of the Town Representative in the form required by the Lease.

(b) If (1) less than all of the Leased Premises shall have been taken in such eminent domain proceedings, and if the Town determines and certifies to the Trustee that such eminent domain proceedings have materially affected the operation of the Leased Premises or the ability of the Town to meet any of its obligations under the Lease Agreement or (2) all of the Leased Premises shall have been taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited toward the Prepayment required to be paid pursuant to the Lease Agreement and applied to the prepayment of Certificates in the manner provided in Article IV hereof.

(c) In making any such determination under the Agreement, the Town may obtain, but shall not be required to obtain, the report of an independent engineer or other independent professional consultant. Any such determination by the Town shall be final.



The moneys and investments held by the Trustee under the Agreement are irrevocably held in trust for the benefit of the Town and the Owners of the Certificates, and for the purposes specified in the Agreement, and such moneys, and any income or interest earned thereon, shall be expended only as provided in the Agreement, and shall not be subject to levy or attachment or lien by or for the benefit of any creditor of the Corporation, the Trustee or the Town or any Owner of Certificates, or any of them.

Moneys held by the Trustee under the Agreement, upon written order of the Town Representative shall be invested and reinvested by the Trustee in specific Permitted Investments. Such investments, if registrable, shall be registered in the name of the Trustee for the benefit of the Certificate Owners and held by the Trustee. The Trustee may purchase from or sell to itself or any affiliate, as principal or agent, investments authorized by this Section. Such investments and reinvestments shall be made, giving full consideration to the time at which funds are required to be available. The Trustee may act as purchaser or agent in the making or disposing of any investment. The Trustee may sell or present for prepayment, any Permitted Investment so purchased by the Trustee whenever it shall be necessary in order to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee shall not be liable or responsible for any loss resulting from such investment.

The Town and the Corporation acknowledge that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Town or the Corporation the rights to receive brokerage confirmations of security transactions as they occur, the Town and the Corporation will not receive such confirmations to the extent permitted by law. The Trustee will furnish the Town and the Corporation periodic cash transaction statements which include detail for all investment transactions made by the Trustee under the Agreement. The Trustee may make any investments under the Trust Agreement through its own bond or investment department or trust investment department, or those of its parent or any affiliate. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Agreement.

In the absence of investment direction from the Town, the Trustee shall invest solely in Permitted Investments specified in (6) of the definition thereof.

The Trustee shall furnish to the Town a monthly statement of all investments made by the Trustee. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the Agreement.

Any income, profit or loss on such investments shall be deposited in or charged to the respective funds from which such investments were made, and any interest on any deposit of funds shall be deposited in the fund from which such deposit was made, except as otherwise provided in the Agreement.

For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued at the lesser of cost or market value. For purposes of the Agreement, subject to the provisions set forth in the definition of Permitted Investments, the market value of any Permitted Investments shall be determined as follows:

(a) as to Permitted Investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times), the value of such Permitted Investments shall be the average of the bid and asked prices for such investments so published on or most recently prior to the time of such determination.

(b) as to Permitted Investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times, the value of such Permitted Investments shall be the average bid price at the time of such determination for such investments by any two nationally recognized government securities dealers (selected by the Trustee in its absolute discretion) at the time of making a market in such investments;

(c) as to Permitted Investments consisting of certificates of deposit and bankers acceptances, the value of such Permitted Investments shall be the face amount thereof, plus accrued interest;

(d) as to any other Permitted Investments not specified above, the value of such Permitted Investments shall be the value thereof established by prior agreement between the Town and the Trustee; and

(e) alternatively, the value of the above investments shall be determined as of the end of each month by the manner currently employed by the Trustee or any other manner consistent with industry standard.

If more than one of the above provisions of the Agreement shall apply at any time to any particular investment, the value thereof at such time shall be determined in accordance with the provision establishing the lowest value for such investment.

The Trustee may, and upon the written request of the Town Representative shall, commingle any of the funds held by it pursuant to the Agreement into a separate fund or funds for investment purposes only; provided, however, that all funds or accounts held by the Trustee under the Agreement shall be accounted for separately notwithstanding such commingling by the Trustee.

### **Amendments Permitted**

The Agreement and the rights and obligations of the Owners of the Certificates and the Lease Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement which shall become effective when the written consents of the Owners of sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding, exclusive of Certificates disqualified as provided in the Agreement have been obtained and be filed with the Trustee. No such modification or amendment shall (1) extend or have the effect of extending the fixed maturity of any Certificate or reducing the interest rate with respect thereto or extending the time of payment of interest thereon, or reducing the amount of principal thereof or reducing any premium payable upon the prepayment thereof, without the express consent of the Owner of such Certificate or (2) reduce or have the effect or reducing the percentage of Certificates required for the affirmative vote or written consent to an amendment or modification of the Lease Agreement, or (3) modify any of the rights or obligations of the Trustee without its written assent thereto. Any such supplemental agreement shall become effective as provided in the Agreement.

The Agreement and the rights and obligations of the Owners of the Certificates and the Lease Agreement and the rights and obligations of the parties thereto, may be modified or amended at any time by a supplemental agreement (1) to add to the covenants and agreements of any party other covenants to be observed, or to surrender any right or power in the Lease Agreement or Trust Agreement reserved to the Corporation or the Town, (2) to cure, correct or supplement any ambiguous or defective provision contained in the Lease Agreement or Trust Agreement, or (3) in regard to questions arising under the Trust Agreement or Lease Agreement, as the parties hereto or thereto may deem necessary or desirable and which shall not adversely affect the interests of the Owners of the Certificates. Any such

supplemental agreement shall become effective upon execution and delivery by the parties in the Lease Agreement or Trust Agreement, as the case may be.

Upon request, the Town shall have provided to the Trustee an opinion of counsel that the supplemental Trust Agreement or Lease conforms to the requirements of the Agreement.

In the event the consent of the Owners of the Certificates is required pursuant to the Agreement, the Agreement and the Lease Agreement may be amended by supplemental agreement only upon compliance with the provisions of the Agreement. A copy of the proposed supplemental agreement, together with a request to the Certificate Owners for their consent thereto, shall be mailed by the Trustee to each Owner of a Certificate at his address as set forth on the Certificate registration books maintained pursuant to the Agreement, but failure to mail copies of any such supplemental agreement and request shall not affect the validity of the supplemental agreement when assented to as provided in the Agreement.

Such a supplemental agreement shall not become effective unless there shall be filed with the Trustee the written consents of the Owners of sixty percent (60%) in aggregate principal amount of the Certificates then Outstanding (exclusive of Certificates disqualified as provided in the Agreement), and a notice shall have been mailed as provided for in the Agreement. Each such consent shall be effective only if accompanied by proof of ownership of the Certificates for which such consent is given, which proof shall be such as is permitted by the Agreement. Any such consent shall be binding upon the owner of the Certificate giving such consent and on any subsequent owner thereof (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Trustee prior to the date when the notice provided for in the Agreement has been given.

After the Owners of the required percentage of Certificates shall have filed their consents to such a supplemental agreement, the Trustee shall mail a notice to the Owners of the Certificates in the manner set forth in the Agreement for the mailing of such supplemental agreements of the adoption thereof, stating in substance that the supplemental agreement has been consented to by the Owners of the required percentage of Certificates and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of such a supplemental agreement or consents thereto). Such a supplemental agreement shall become effective upon the mailing of the notice last mentioned above, and the supplemental agreement shall be deemed conclusively binding upon the parties hereto and the Owners of all Certificates at the expiration of sixty (60) days after such mailing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period.

### **Compliance With and Enforcement of Lease Agreement**

The Town covenants and agrees with the owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement. The Corporation covenants and agrees with the Owners of the Certificates to perform all obligations and duties imposed on it under the Lease Agreement.

The Town will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for cancellation or termination of the Lease Agreement by the Corporation thereunder. The Corporation and the Town, immediately upon receiving or giving any notice, communication or other document in any way relating to or affecting their respective estates, or either of them, in the Leased Premises and the Site, which may or can in any manner affect such estate of the Town, will deliver the same, or a copy thereof, to the Trustee.

### **Payment of Taxes**

The Town will pay or cause to be paid all taxes, assessments and other governmental charges, if any, that may be levied, assessed or charged upon the Leased Premises and the Site, or any part thereof, promptly as and when the same shall become due and payable; and the Town will, upon request of the Trustee, from time to time keep the Trustee advised of such payments, and deliver such evidence thereof, as the Trustee may reasonably require. The Town will not suffer the Leased Premises and the Site, or any part thereof, to be sold for any taxes, assessments or other charges whatsoever, or to be forfeited therefor.

### **Observance of Laws and Regulations**

The Town will well and truly keep, observe and perform all valid and lawful obligations or requirements now or hereafter imposed on it by contract, or prescribed by any law of the United States, or of the State of California, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Town, including its right to exist and carry on business as a municipal corporation, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired.

### **Prosecution and Defense of Suits**

The Town shall promptly, upon request of the Trustee, from time to time take such action as may be necessary or proper to remedy or cure any defect in or cloud upon the title to the Leased Premises and the Site, whether now existing or hereafter developing and shall prosecute all such suits, actions and other proceedings as may be appropriate for such purpose, and shall indemnify and save the Trustee and every Certificate Owner harmless from all loss, cost, damage and expense, including attorneys' fees, which they or any of them may incur by reason of any such defect, cloud, suit, action or proceeding.

### **Recordation and Filing**

The Town shall record and file the Lease Agreement, the Site and Second Parking Structure Lease Agreement and all such documents as may be required by law (together with whatever else may be necessary), all in such manner, at such times and in such places as may be required by law, in order fully to preserve, protect and perfect the security of the Trustee and the Certificate Owners.

### **Town Budgets**

The Town shall supply to the Trustee, at least forty-five (45) days after the adoption of the budget, a certificate that the Town has made adequate provision in its proposed budget for the Fiscal Year for the payment of Lease Payments due under the Lease Agreement during the Fiscal Year. The certificate given by the Town to the Trustee shall be that the amounts so budgeted are fully adequate for the payment of all Lease Payments due under the Lease Agreement in the then ensuing Fiscal year. If the Town is unable to provide such Certificates the Town will take such action as may be necessary to cause such annual budget to be amended, corrected or augmented so as to include therein the amounts required to be raised by the Town in the then ensuing Fiscal Year for the payment of Lease Payments due under the Lease Agreement, and will notify the Trustee of the proceedings then taken or proposed to be taken by the Town. The Town will keep the Trustee advised of all proceedings thereafter taken by the Town.

### **Further Assurances**

The Corporation and the Town will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Agreement, and for the better assuring and confirming unto the Owners of the Certificates the rights and benefits provided in the Agreement.

### **Continuing Disclosure**

The Town hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Trust Agreement, failure of the Town to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee shall, at the written request of any participating underwriter or the Owners of at least 25% aggregate principal amount of Certificates, but only to the extent the Trustee has been indemnified from and against any loss, cost, expense, claim or liability, including, without limitation, fees and expenses of attorneys and additional fees and expenses of the Trustee or any Certificate Owner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Town to comply with its obligations under this Section.

### **Tax Covenants**

The Town and the Corporation shall assure that the proceeds of the Certificates are not so used as to cause the Certificates to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

The Town and the Corporation shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

The Town and the Corporation shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

The Town and the Corporation shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

The Town shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Certificates which are required to be rebated to the United States of America pursuant to Section 148(f) of the Tax Code, at the times and in the manner required pursuant to the Tax Code. The Town shall pay or cause to be paid when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required pursuant to the Tax Code, such payments to be made from amounts provided by the Town for such purpose pursuant to the Lease Agreement. The Town shall keep or cause to be kept, and retain or cause to be retained for a period of six (6) years following the retirement of the Certificates, records of the determinations made

pursuant to this subsection (e). The Trustee shall have no duty to monitor the compliance by the Town with any of the covenants contained in this subsection (e).

### **Limited Liability of Town**

Except for the payment of Lease Payments and Prepayments when due in accordance with the Lease Agreement and the performance of the other covenants and agreements of the Town contained in said agreement without limitation, including the payment of fees and expenses pursuant to the Lease Agreement, the Town shall have no obligation or liability to any of the other parties hereto or to the Owners of the Certificates with respect to the Agreement or the terms, execution, delivery or transfer of the Certificates, or the distribution of Lease Payments to the Owners by the Trustee.

### **No Liability for Trustee Performance**

Except for those specific instances provided for in the Agreement where the Trustee must act as specifically requested or ordered by the Town or the Corporation, neither the Town nor the Corporation shall have any obligation or liability to any of the other parties hereto or to the Owners of the Certificates with respect to the performance by the Trustee of any duty imposed upon it under the Agreement.

### **Limited Liability of Trustee**

The Trustee shall have no obligation or responsibility for providing information to the Owners concerning the investment character of the Certificates, for the sufficiency or collection of any Lease Payments or other moneys required to be paid to it under the Lease Agreement, or for the actions or representations of any other party to the Agreement. The Trustee shall have no obligation or liability to any of the other parties or the Owners of the Certificates with respect to the failure or refusal of any other party to perform any covenant or agreement made by any of them under the Agreement or the Lease Agreement, but shall be responsible solely for the performance of the duties expressly imposed upon it under the Agreement. The Trustee shall not be liable in connection with the performance of its duties under the Agreement, except for its own negligence or willful misconduct.

### **Events of Default Defined**

The following shall be “Events of Default” under the Trust Agreement and the Lease Agreement and the terms “Event of Default” and “default” shall mean, whenever they are used in the Trust Agreement and the Lease Agreement, any one or more of the following events:

(i) Failure by the Town to pay any Lease Payment or other payment required to be paid under the Lease Agreement at the time specified therein.

(ii) Failure by the Town to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Lease Agreement or under the Agreement, other than as referred to in clause (i) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Town by the Corporation, the Trustee, or the Owners of not less than five percent (5%) in aggregate principal amount of Certificates then outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Town within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the Town of a voluntary petition in bankruptcy, or failure by the Town promptly to lift any execution, garnishment or attachment, or adjudication of the Town as a bankrupt, or assignment by the Town for the benefit of creditors, or the entry by the Town into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Town in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

## **Remedies**

If an Event of Default shall happen, then and in each and every such case during the continuance of such Event of Default, the Trustee may exercise any and all remedies available pursuant to law or granted pursuant to the Lease Agreement; provided, however, that notwithstanding anything in the Agreement or the Lease Agreement to the contrary, there shall be no right under any circumstances to accelerate the maturities of the Certificates or otherwise to declare any Lease Payment not then in default to be immediately due and payable.

## **Application of Funds**

Notwithstanding anything to the contrary in Section 9.7 of the Lease Agreement, all moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Agreement or Article IX of the Lease Agreement, (and any moneys in the Acquisition Fund in the event of an Event of Default described in the Agreement), shall be applied by the Trustee in the order following upon presentation of the several Certificates, and the stamping thereon of the payment if only partially paid, or upon the surrender thereof if fully paid:

First, to the payment of the costs and expenses of the Trustee, in declaring the Event of Default, including reasonable compensation to its agents, attorneys and counsel and then of the Certificate Owners in declaring the Event of Default and incurred in and about the performance of its powers and duties under the Trust Agreement and Lease Agreement, including reasonable compensation to its agents, attorneys and counsel;

Second, to the payment of the whole amount then owing and unpaid with respect to the Certificates for principal and interest, with interest on the overdue principal and installments of interest at the rate of twelve percent (12%) per annum (but such interest on overdue installments of interest shall be paid only to the extent funds are available therefor following payment of principal and interest and interest on overdue principal, as aforesaid), and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid with respect to the Certificates, then to the payment of such principal and interest, without preference or priority of principal over interest, or of interest over principal, or of any installments of interest over any other installment of interest, ratably to the aggregate of such principal and interest.

## **Defeasance**

If and when all Outstanding Certificates shall be paid and discharged in any one or more of the following ways:

(a) by well and truly paying or causing to be paid the principal of and interest and prepayment premiums (if any) with respect to all Certificates Outstanding, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Lease Payment Fund and the Reserve Fund, is fully sufficient to pay all Certificates Outstanding, including all principal and interest and premium, if any;

(c) by depositing with the Trustee, in trust, Defeasance Obligations in such amount as Trustee, based upon the report of an independent certified public accountant, shall determine will, together with the interest to accrue thereon, and moneys then on deposit in the Lease Payment Fund and the Reserve Fund, together with the interest to accrue thereon, be fully sufficient to pay and discharge all Certificates Outstanding (including all principal, interest and prepayment premiums, if any) at or before their respective maturity dates; or

(d) by depositing with the Trustee, under an escrow deposit and trust agreement, security for the payment of Lease Payments as more particularly described in Section 10.1 of the Lease Agreement, said security to be held by the Trustee as agent for the Town to be applied by the Trustee to pay the Lease Payments as the same become due and payable and make a Prepayment in full on any Prepayment Date, pursuant to Section 10.1 of the Lease Agreement; notwithstanding that any Certificates shall not have been surrendered for payment, all obligations of the Corporation, the Trustee and the Town with respect to all Outstanding Certificates shall cease and terminate and this Trust Agreement shall be discharged, except only the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the Town or from funds or securities deposited pursuant to paragraphs (b) through (d) of this Section, to the Owners of the Certificates not so surrendered and paid all sums due with respect thereto, and in the event of deposits pursuant to paragraphs (b) through (d), the Certificates shall continue to represent direct and proportionate interests of the Owners thereof in Lease Payments under the Lease Agreement.

Any funds held by the Trustee, at the time of one of the events described in paragraphs (a) through (d) above, which are not required for the payment to be made to Owners of the Certificates, shall be paid over to the Town.

## **LEASE AGREEMENT**

### **Representations, Covenants and Warranties of the Corporation**

(a) Due Organization and Existence. The Corporation is a California nonprofit public benefit corporation duly organized and existing under and by virtue of the laws of the State of California, has power to enter into the Lease and the Trust Agreement; is possessed of full power to own and hold real and personal property, and to lease and sell the same; and has duly authorized the execution and delivery of all of the aforesaid Agreements.

(b) No Encumbrances. The Corporation will not pledge the Lease Payments or other amounts derived from the Leased Premises and from its other rights under the Lease, and will not mortgage or encumber the Leased Premises, except as provided under the terms of the Lease and the Trust Agreement.



(c) No Violations. Neither the execution and delivery of the Lease, or the Trust Agreement, nor the fulfillment of or compliance with the terms and conditions hereof or thereof, nor the consummation of the transactions contemplated in the Lease Agreement, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Corporation is now a party or by which the Corporation is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Corporation, or upon the Leased Premises, except Permitted Encumbrances.

(d) No Assignments. Except as provided in the Lease Agreement, the Corporation will not assign the Lease, its right to receive Lease Payments from the Town, or its duties and obligations hereunder to any other person, firm or entity so as to impair or violate the representations, covenants and warranties contained in the Lease.

On the Closing Date, the Corporation shall cause to be deposited with the Trustee the proceeds of sale of the Certificates pursuant to the Trust Agreement.

Payment of the acquisition costs of the Project shall be made from moneys deposited in the Acquisition Fund, which moneys shall be disbursed for such purpose as provided in the Trust Agreement.

Payment of all Delivery Costs shall be made from the moneys deposited with the Trustee in the Delivery Costs Fund, which moneys shall be disbursed for such purpose in accordance with the Trust Agreement.

#### **Lease; No Merger**

(a) In consideration of the payment of a lease payment of \$\_\_\_\_\_ by the Corporation and in consideration of the execution of the Lease Agreement by the Town, and other good and valuable consideration, the Town leases to the Corporation pursuant to the Lease Agreement, and the Corporation hereby leases from the Town, the Leased Premises for the Term of the Lease Agreement, plus one week following the end of the Term of the Lease Agreement.

(b) The Corporation leases the Leased Premises to the Town, and the Town hereby leases the Leased Premises from the Corporation, upon the terms and conditions set forth in the Lease Agreement.

(c) The Town shall take possession of the Leased Premises on the Closing Date as provided for in the Lease Agreement.

(d) The leasing by the Corporation to the Town of the Leases Premises shall not effect or result in a merger of the Town's leasehold estate pursuant to the Lease and its leasehold estate as lessor under the Lease and the Corporation shall continue to have and hold a leasehold estate in the Leased Premises throughout the term thereof and the term of the Lease.

#### **Term of Lease**

The Term of the Lease shall commence as of August 1, 2015 and, unless sooner terminated as provided for in the Lease, shall terminate on September 1, 2035, unless, on September 1, 2035, any Certificates are Outstanding, the Lease shall continue in full force and effect until 10 days after payment in full of all of the Certificates.

## **Termination of Term**

The Term of the Lease shall terminate upon the earliest of any of the following events:

- (a) the exercise by the Town of its option to purchase the Leased Premises and Site, on any Prepayment Date, by paying the applicable Prepayment Price as provided in Section 10.2(a) hereof;
- (b) an Event of Default and the Corporation's election to terminate the Lease Agreement pursuant to the Lease; or
- (c) the arrival of the last day of the Term of the Lease and payment of all Lease Payments and all other payments due under the Lease.

## **Possession**

The Town agrees to take possession of the Leased Premises.

## **Lease Payments**

Subject to the provisions of the Lease, the Town agrees to pay to the Corporation, its successors and assigns, as rental for the use and occupancy of the Leased Premises, the Lease Payments (denominated into components of principal and interest) in the respective amounts specified in Exhibit A of the Lease. A portion of each Lease Payment shall be paid as, and represents payment of, interest. The interest component of each Lease Payment is set forth in Exhibit A of the Lease. Any amount held in the Lease Payment Fund on any Lease Payment Date (other than amounts resulting from the prepayment of the Lease Payments in part but not in whole pursuant to Article X of the Lease, and other amounts required for payment of past due principal or interest with respect to any Certificates not presented for payment) shall be credited towards the Lease Payment then due and payable; and no Lease Payment need be made on any Lease Payment Date if the amounts then held in the Lease Payment Fund are at least equal to the Lease Payment then required to be paid. All Lease Payments for the Leased Premises for the period from the Closing Date to August 31, 20\_\_ shall be for the use of the Leased Premises for such period of time. All Lease Payments for the Leased Premises and Site due during any twelve-month period beginning on September 1, 20\_\_ shall be for the use of the Leased Premises for such twelve-month period.

In the event that the Town prepays all remaining Lease Payments pursuant to Article X of the Lease, the Town's obligations under the Lease, including but not limited to the Town's obligation to pay Lease Payments under this Section but excluding the Town's obligation to pay the Trustee any Additional Payments due under the Lease, shall thereupon cease and terminate. In the event the Town prepays less than all the remaining principal components of the Lease Payments pursuant to the Lease, the principal components of the remaining Lease Payments shall be reduced such that approximately equal Lease Payments prevail, corresponding to the prevailing payments of principal and interest with respect to the outstanding Certificates; and the interest component of each subsequent remaining Lease Payment shall be reduced by the aggregate corresponding amount of interest which would otherwise be payable with respect to the Certificates redeemed as a result of such prepayment.

The Lease Payments for the Leased Premises for each rental payment period during the Term of the Lease shall constitute the total rental for the Leased Premises, if any, for such rental payment period, and shall be paid by the Town in each rental payment period for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Premises during each such period for which said rental is to be paid. The parties to the Lease have agreed and determined that

the total Lease Payments for the Leased Premises represent the fair rental value of the Leased Premises. In making such determination, consideration has been given to the cost of acquiring, improving, constructing, installing and financing the Leased Premises, other obligations of the parties under the Lease, the uses and purposes which may be served by the Leased Premises, and the benefits therefrom which will accrue to the Town and the general public.

The Town and the Corporation understand and intend that the obligation of the Town to pay Lease Payments and other payments hereunder constitutes a current expense of the Town and shall not in any way be construed to be a debt of the Town in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the Town, nor shall anything contained in the Lease constitute a pledge of the general tax revenues, funds or moneys of the Town. Lease Payments due under the Lease shall be payable only from current funds which are budgeted and appropriated, or otherwise legally available, for the purpose of paying Lease Payments or other payments due under the Lease as consideration for use of the Leased Premises during the Fiscal Year of the Town for which such funds were budgeted and appropriated or otherwise made legally available for such purpose. The Lease shall not create an immediate indebtedness for any aggregate payments which may become due under the Lease. The Town has not pledged the full faith and credit of the Town, the State of California or any agency or department thereof to the payment of the Lease Payments or any other payments due under the Lease, the Certificates or the interest thereon.

The Town intends to continue the Lease and to pay the Lease Payments. The Town reasonably believes that legally available funds of an amount sufficient to make all Lease Payments during the Term of the Lease can be obtained. The Town covenants that it will take all procedural steps lawfully within its power to obtain and maintain funds from which all payments may be made, including provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals in the event such portion of the budget is not approved.

The Town covenants to take such action as may be necessary to include all Lease Payments due under the Lease in its annual budgets and to make the necessary annual appropriations for all such Lease Payments. During the Term of the Lease, the Town will furnish to the Trustee a certificate annually on or before the date which is sixty (60) days after the budget is approved by the City Council that it has complied with the requirements of the Lease. The covenants on the part of the Town contained in the Lease 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 Town 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 Town to carry out and perform the covenants and agreements in the Lease Agreement agreed to be carried out and performed by the Town.

The Town and the Corporation understand and intend that the obligation of the Town to pay Lease Payments and other payments under the Lease constitutes a current expense of the Town and shall not in any way be construed to be a debt of the Town in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the Town, nor shall anything contained in the Lease constitute a pledge of the general tax revenues, funds or moneys of the Town. Lease Payments due under the Lease shall be payable only from current funds which are budgeted and appropriated, or otherwise legally available, for the purpose of paying Lease Payments or other payments due under the Lease as consideration for use of the Leased Premises during the Fiscal Year for which such funds were budgeted and appropriated or otherwise made legally available for such purpose. The Lease Agreement shall not create an immediate indebtedness for any aggregate payments which may become due under the Lease. The Town has not pledged the full faith and credit of the Town, the State or any agency or department thereof to the payment of the Lease Payments or any other payments due under the Lease, the Bonds or the interest thereon.

The Town understands and agrees that all Lease Payments have been assigned by the Corporation to the Trustee pursuant to the Trust Agreement and the Assignment Agreement in trust, for the benefit of the Owners of the Certificates, and the Town hereby assents to such assignment. The Corporation directs the Town, and the Town agrees, to pay to the Trustee at the Trustee's principal corporate trust office in Los Angeles, California, or to the Trustee at such other place as the Trustee shall direct in writing, all payments payable by the Town pursuant to the Lease Agreement and all amounts payable by the Town pursuant to the Lease Agreement.

In the event the Town should fail to make any of the payments required in the Lease Agreement, the payment in default shall continue as an obligation of the Town until the amount in default shall have been fully paid, and the Town agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate per annum equal to the average interest rate on the Certificates. Such interest, if received, shall be deposited in the Payment Fund.

### **Modification of Leased Premises**

The Town and any sublessee shall, at its own expense, have the right to remodel the Leased Premises or to make additions, modifications and improvements to the Leased Premises. All such additions, modifications and improvements shall thereafter comprise part of the Leased Premises and be subject to the provisions of the Lease. Such additions, modifications and improvements shall not in any way damage the Leased Premises or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Leased Premises, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the fair rental value of the Leased Premises immediately prior to the making of such additions, modifications and improvements. The Town will not permit any mechanic's or other lien to be established or remain against the Leased Premises for labor or materials furnished in connection with any remodeling, additions, modifications, improvements, repairs, renewals or replacements made by the Town or any sublessee or assignee pursuant to the Lease; provided that if any such lien is established and the Town shall first notify or cause to be notified the Corporation of the Town's or any sublessee's intention to do so, the Town or any sublessee may in good faith contest any lien filed or established against the Leased Premises, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom, and shall provide the Corporation with full security against any loss or forfeiture which might arise from the nonpayment of any such item, in form satisfactory to the Corporation. The Corporation will cooperate fully in any such contest, upon the request and at the expense of the Town or such sublessee.

### **Public Liability and Property Damage Insurance and Workers Compensation Insurance**

The Town shall maintain or cause to be maintained, throughout the term of the Lease, a standard comprehensive general liability insurance policy or policies in protection of the Town, the Corporation and its members, officers, agents and employees, and the Trustee. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the construction or operation of the Leased Premises. Said policy or policies shall provide coverage in the minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of \$250,000 for damage to property (subject to a deductible clause of not to exceed \$200,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the Town, and may be maintained in whole or in part in the form of self-insurance by the Town. The Net

Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid.

The Town will procure and maintain with responsible workers' compensation insurance against liability for compensation under the Workers Compensation Insurance and Safety Act of California or any act amendatory thereof or supplemental thereto, which insurance shall cover all persons employed in connection with the Leased Premises and the Site.

### **Fire and Extended Coverage Insurance**

The Town shall procure and maintain, or cause to be procured and maintained, throughout the Term of the Lease, insurance against loss or damage to any structures constituting any part of the Leased Premises by fire and lightning, with extended coverage and vandalism and malicious mischief insurance. Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to one hundred percent (100%) of the replacement cost of such structures on the Leased Premises, or the aggregate coverage of all such policies on the Leased Premises shall at least equal the principal amount of the outstanding Certificates, whichever is greater (except that such insurance may be subject to deductible clauses of not to exceed \$100,000 for any one loss). Such insurance may be maintained as part of or in conjunction with any other fire and extended coverage insurance carried or required to be carried by the Town and may not be maintained in whole or in part in the form of self-insurance by the Town. The Net Proceeds of such insurance shall be applied as provided in Section 6.2(a) hereof.

### **Rental Interruption or Use and Occupancy Insurance**

The Town shall procure, and maintain throughout the Term of the Lease from and after the date when it takes possession of the Leased Premises rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of any structures constituting any part of Leased Premises as a result of any of the hazards covered in the insurance required by Section 5.4 hereof, in an amount sufficient to pay the maximum Lease Payments with respect thereto payable in any twelve month period. The Net Proceeds of such insurance shall be paid to the Trustee and deposited in the Lease Payment Fund, and shall be credited towards the payment of the Lease Payments in the order in which such Lease Payments come due and payable.

### **Title Insurance**

Upon the execution and delivery of the Certificates the Town will provide, at its own expense, one or more CLTA leasehold title insurance policies with respect to the Town's leasehold interest in the Leased Premises. Said policy or policies shall insure the Town's leasehold estate in the Leased Premises, subject only to Permitted Encumbrances. All Net Proceeds received under said policy or policies shall be deposited with the Trustee in the Lease Payment Fund and shall be credited towards the prepayment of the remaining Lease Payments pursuant to Article VI hereof.

### **Insurance Net Proceeds; Form of Policies**

Each policy of insurance required by Sections 5.4, 5.5 and 5.6 of the Lease shall provide that all proceeds thereunder shall be payable to the Trustee for the benefit of the Certificate Owners. The Town shall pay or cause to be paid when due the premiums for all insurance policies required by the Lease, and shall promptly furnish or cause to be furnished evidence of such payments to the Trustee. All such policies shall provide that the Trustee shall be given thirty (30) days' notice of each expiration, any

intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance required in the Lease and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee. The Town shall cause to be delivered to the Trustee annually a certificate signed by a Town Representative stating that each of the insurance policies required by Sections 5.3, 5.4, 5.5 and 5.6 of the Lease are in full force and effect. The Trustee may conclusively rely upon such certificate as evidence that the Town has complied with Sections 5.3, 5.4, 5.5 and 5.6 of the Lease.

### **Advances**

If the Town shall fail to perform any of its obligations under this Article the Corporation or the Trustee may, but shall not be obligated to, take such action as may be necessary to cure such failure, including the advancement of money, and the Town shall be obligated to repay all such advances as soon as possible, with interest at the rate of twelve percent (12%) per annum from the date of the advance to the date of repayment.

### **Installation of Town's Equipment**

The Town and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Leased Premises. All such items shall remain the sole property of such party, in which neither the Corporation nor the Trustee shall have any interest, and may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Leased Premises resulting from the installation, modification or removal of any such items. Nothing in the Lease shall prevent the Town and any sublessee from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement, as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Leased Premises.

### **Liens**

The Town 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 Premises, other than the respective rights of the Corporation and the Town as provided in the Lease and Permitted Encumbrances. Except as expressly provided in this Article V, the Town shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim, for which it is responsible, if the same shall arise at any time. The Town shall reimburse the Corporation for any expense incurred by it in order to discharge or remove any such mortgage, pledge, lien, charge, encumbrance or claim.

### **Self-Insurance**

Any insurance required by the Lease Agreement, except insurance required under Sections 5.4, 5.5 and 5.6 of the Lease, may be maintained by the Town in the form of self-insurance. Such self-insurance shall be maintained on a basis which is actuarially sound as established by the Town's risk manager or an independent insurance consultant which determination shall be made annually. Any deficiency shall be corrected within 60 days of the Town becoming aware of such deficiency.

## **Tax Covenants**

(a) **Private Activity Bond Limitation.** The Town and the Corporation shall assure that the proceeds of the Certificates are not so used as to cause the Certificates to satisfy the private business tests of Section 141(b) of the Tax Code or the private loan financing test of Section 141(c) of the Tax Code.

(b) **Federal Guarantee Prohibition.** The Town and the Corporation shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Certificates to be “federally guaranteed” within the meaning of Section 149(b) of the Tax Code.

(c) **No Arbitrage.** The Town and the Corporation shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the Certificates which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date would have caused the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Tax Code.

(d) **Maintenance of Tax Exemption.** The Town and the Corporation shall take all actions necessary to assure the exclusion of interest with respect to the Certificates from the gross income of the Owners of the Certificates to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the Closing Date.

## **Payment of Rebatable Amounts**

The Town agrees to furnish all information to, and cooperate fully with, the Trustee and their respective officers, employees, agents and attorneys, in order to assure compliance with the provisions of Section 11.09(e) of the Trust Agreement. If the Town has provided the Trustee with the calculations of rebate pursuant to the Trust Agreement and the Trustee does not have on deposit an amount of available moneys (excluding moneys on deposit in the funds and accounts established for the payment of the principal of or interest or redemption premium, if any, with respect to the Certificates) to make such payment as specified in such calculations, the Trustee shall promptly notify the Town of such fact. Upon receipt of any such notice, the Town shall promptly pay the amounts to be due and payable to the United States of America under the Lease, such payments to be made in accordance with the applicable provisions of the Tax Code.

## **Change in Use**

The Town covenants that in the event any portion of the Leased Premises and Site financed with proceeds of the Certificates is for any reason no longer in public use by the Town while the Certificates are Outstanding, the Town shall promptly prepay on the next date on which a prepayment can be timely made under the Lease and the Trust Agreement, that portion of the Certificates corresponding to the portion of the proceeds of the Certificates used to finance such portion of the Leased Premises (the “Change in Use Prepayment”) or confirm that the Change in Use Prepayment has previously been prepaid or otherwise take such action as the Town may determine to be necessary to preserve the exemption from gross income for federal income tax purposes of interest with respect to the Certificates.

## **Eminent Domain**

If all of the Leased Premises shall be taken permanently under the power of eminent domain, the term of the Lease shall cease as of the day possession shall be so taken. If less than all of the Leased Premises shall be taken permanently, or if all of the Leased Premises or any part thereof shall be taken temporarily, under the power of eminent domain, (1) the Lease shall continue in full force and effect and

shall not be terminated by virtue of such taking and the parties waive the benefit of any law to the contrary, and (2) there shall be a partial abatement of Lease Payments as a result of the application of the Net Proceeds of any eminent domain award to the prepayment of the Lease Payments under the Lease, but in no event shall the resulting Lease Payments be less than the amount required for the payment of the principal and interest with respect to outstanding Certificates as the same become due and payable.

### **Application of Net Proceeds**

(a) From Insurance Award. The Net Proceeds of any insurance award resulting from any damage to or destruction of any structure on the Leased Premises by fire or other casualty shall be deposited in the Insurance and Condemnation Fund by the Trustee promptly upon receipt thereof and, if the Town determines that the replacement, repair, restoration, modification or improvement of such Leased Premises is not economically feasible or in the best interest of the Town, the Town shall so certify to the Trustee and then such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund and applied as provided in Section 10.3 hereof; provided, however, that in the event of damage or destruction of the Leased Premises in full, such Net Proceeds may be transferred to the Lease Payment Fund only if sufficient, together with other moneys available therefor, to cause the prepayment of all outstanding Certificates. All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed Leased Premises by the Town, upon receipt of a requisition signed by the Town Representative stating with respect to each payment to be made (i) the requisition number, (ii) the name and address of the person, firm or corporation to whom payment is due, (iii) the amount to be paid, and (iv) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation. Any balance of the Net Proceeds remaining after such work has been completed shall be paid to the Town.

(b) From Eminent Domain Award. The Net Proceeds of any eminent domain award resulting from any event described in Section 6.1 hereof shall be deposited in the Insurance and Condemnation Award Fund to be held and applied by the Trustee pursuant to the Trust Agreement.

### **Abatement of Rental in the Event of Damage or Destruction**

The amount of the Lease Payments relating to structures on the Leased Premises shall be abated during any period in which by reason of damage or destruction (other than by eminent domain which is provided for in the Lease) there is substantial interference with the use and occupancy of the structures on the Leased Premises by the Town. The amount of such abatement shall be determined by the Town such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Leased Premises not damaged or destroyed. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Lease shall continue in full force and effect and the Town waives any right to terminate the Lease by virtue of any such damage or destruction. Notwithstanding the foregoing, there shall be no abatement of Lease Payments under the Lease in the event and to the extent that the Net Proceeds of rental interruption insurance are available for such purpose pursuant to the Lease and to the extent that amounts in the Reserve Fund are available to pay Lease Payments which would otherwise be abated under the Lease.



### **Assignment by the Corporation**

The Corporation's rights under the Lease, including the right to receive and enforce payment of the Lease Payments to be made by the Town under the Lease have been assigned to the Trustee pursuant to the Trust Agreement, to which assignment the Town hereby consents.

### **Assignment and Subleasing by the Town**

The Lease may not be assigned by the Town. The Leased Premises may not be subleased in whole or in part by the Town without the written consent of the Corporation. Any such sublease shall be subject to all of the following conditions:

(i) The Lease and the obligation of the Town to make Lease Payments under the Lease shall remain obligations of the Town; and

(ii) The Town shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Corporation and the Trustee, a true and complete copy of such sublease; and

(iii) No such sublease by the Town shall cause the Leased Premises to be used for a purpose other than a governmental or proprietary function authorized under the provisions of the Constitution and laws of the State of California; and

(iv) The Town shall furnish the Corporation and the Trustee with a written opinion of nationally-recognized bond counsel, with respect to any such sublease, stating that such sublease shall not cause the interest component of the Lease Payments to become includable in gross income for federal income tax purposes or to become subject to State of California personal income taxes.

### **Amendment of the Lease**

Without the written consent of the Trustee, the Town will not alter, modify or cancel, or agree or consent to alter, modify or cancel the Lease, excepting only as such alteration or modification may be permitted by Article X of the Trust Agreement.

### **Events of Default and Remedies**

The following shall be "Events of Default" under the Lease and the terms "Event of Default" and "default" shall mean, whenever they are used in the Lease, any one or more of the following events:

(i) Failure by the Town to pay any Lease Payment or other payment required to be paid under the Lease at the time specified in the Lease.

(ii) Failure by the Town to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in clause (i) with the Lease, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the Town by the Corporation, the Trustee, or the Owners of not less than five percent (5%) in aggregate principal amount of Certificates then outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Corporation, the Trustee and such Owners shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the Town within the applicable period and diligently pursued until the default is corrected.

(iii) The filing by the Town of a voluntary petition in bankruptcy, or failure by the Town promptly to lift any execution, garnishment or attachment, or adjudication of the Town as a bankrupt, or assignment by the Town for the benefit of creditors, or the entry by the Town into an agreement of composition with creditors, or the approval by a court of competent jurisdiction of a petition applicable to the Town in any proceedings instituted under the provisions of the Federal Bankruptcy Statute, as amended, or under any similar acts which may hereafter be enacted.

### **Remedies on Default**

Whenever any Event of Default referred to in the Lease shall have happened and be continuing, it shall be lawful for the Corporation to exercise any and all remedies available pursuant to law or granted pursuant to the Lease; provided, however, that notwithstanding anything in the Lease or in the Trust Agreement to the contrary, there shall be no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then in default to be immediately due and payable. Each and every covenant hereof to be kept and performed by the Town is expressly made a condition hereof and upon the breach thereof the Corporation may exercise any and all rights of entry and reentry upon the Leased Premises, and also, at its option, with or without such entry, may terminate the Lease; provided, that no such termination shall be effected either by operation of law or acts of the parties to the Lease, except only in the manner expressly provided. In the event of such default and notwithstanding any reentry by the Corporation, the Town shall, as herein expressly provided, continue to remain liable for the payment of the Lease Payments and/or damages for breach of the Lease and the performance of all conditions contained in the Lease and, in any event such rent and/or damages shall be payable to the Corporation at the time and in the manner as provided for in the Lease, to wit:

(a) In the event the Corporation does not elect to terminate the Lease in the manner provided for in subparagraph (b) below, the Town agrees to and shall remain liable for the payment of all Lease Payments and the performance of all conditions in the Lease contained and shall reimburse the Corporation for any deficiency arising out of the re-letting of the Leased Premises, or, in the event the Corporation is unable to re-let the Leased Premises, then for the full amount of all Lease Payments to the end of the Term of the Lease, but said Lease Payments and/or deficiency shall be payable only at the same time and in the same manner as provided in the lease for the payment of Lease Payments under the Lease, notwithstanding such entry or reentry by the Corporation or any suit in unlawful detainer, or otherwise, brought by the Corporation for the purpose of effecting such reentry or obtaining possession of the Leased Premises or the exercise of any other remedy by the Corporation. The Town irrevocably appoints the Corporation as the agent and attorney-in-fact of the Town to enter upon and re-let the Leased Premises in the event of default by the Town in the performance of any covenants contained in the Lease to be performed by the Town and to remove all personal property whatsoever situated upon the Leased Premises and to place such property in storage or other suitable place in the County of Orange, State of California, for the account of and at the expense of the Town, and the Town exempts and agrees to save harmless the Corporation from any costs, loss or damage whatsoever arising or occasioned by any such entry upon and re-letting the Leased Premises and the removal and storage of such property by the Corporation or its duly authorized agents in accordance with the provisions contained in the Lease. The Town hereby waives any and all claims for damages caused or which may be caused by the Corporation in re-entering and taking possession of the Leased Premises as provided for in the Lease and all claims for damages that may result from the destruction of or injury to the Leased Premises and all claims for damages to or loss of any property belonging to the Town that may be in or upon the Leased Premises. The Town agrees that the terms of the Lease constitute full and sufficient notice of the right of the Corporation to re-rent the Leased Premises in the event of such reentry without effecting a surrender of the Lease, and further agrees that no acts of the Corporation in effecting such re-renting or re-leasing shall constitute a surrender or termination of the Lease irrespective of the term for which such re-leasing or re-renting is made or the terms and conditions of such re-leasing or re-renting, or otherwise, but that, on the

contrary, in the event of such default by the Town the right to terminate the Lease shall vest in the Corporation to be effected in the sole and exclusive manner hereinafter provided for in subparagraph (b) hereof. The Town further waives the right to any rental obtained by the Corporation in excess of the Lease Payments and hereby conveys and releases such excess to the Corporation as compensation to the Corporation for its services in re-leasing the Leased Premises.

(b) In an event of default by the Town under the Lease, the Corporation at its option may terminate the Lease and re-rent or re-lease all or any portion of the Leased Premises. In the event of the termination of the Lease by the Corporation at its option and in the manner set forth in the Lease provided on account of default by the Town (and notwithstanding any reentry upon the Leased Premises by the Corporation in any manner whatsoever or the re-renting or re-leasing of the Leased Premises), the Town nevertheless agrees to pay to the Corporation all costs, loss or damages howsoever arising or occurring, payable at the same time and in the same manner as is provided in the Lease in the case of payment of Lease Payments. Any surplus received by the Corporation from such re-renting or re-leasing shall be the absolute property of the Corporation and the Town shall have no right thereto, nor shall the Town be entitled to any credit in the event of a deficiency in the rentals received by the Corporation from the Leased Premises. Neither notice to pay rent or to deliver up possession of the premises given pursuant to law nor any proceeding in unlawful detainer taken by the Corporation shall of itself operate to terminate the Lease, and no termination of the Lease on account of default by the Town shall be or become effective by operation of law, or otherwise, unless and until the Corporation shall have given written notice to the Town of the election on the part of the Corporation to terminate the Lease. The Town covenants and agrees that no surrender of the Leased Premises for the remainder of the Term hereof or any termination of the Lease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Corporation by such written notice.

### **No Remedy Exclusive**

No remedy conferred under the Lease upon or reserved to the Corporation or the Trustee is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Lease or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Corporation to exercise any remedy reserved to it in this Article IX it shall not be necessary to give any notice, other than such notice as may be required in this Article IX or by law. To the extent that the Lease confers upon or gives or grants to the Trustee any right remedy or claim under or by reason of the Lease Agreement, the Trustee is hereby explicitly recognized as being a third party beneficiary under the Lease and may enforce any such right, remedy or claim conferred given or granted.

### **Agreement to Pay Attorneys' Fees and Expenses**

In the event either party to the Lease should default under any of the provisions of the Lease and the nondefaulting party should employ attorneys or incur other expenses for the collection of moneys or the enforcement or performance or observance of any obligation or agreement on the part of the defaulting party contained in the Lease, the defaulting party agrees that it will on demand therefor pay to the nondefaulting party the reasonable fees of such attorneys and such other expenses so incurred by the nondefaulting party.

### **No Additional Waiver Implied by One Waiver**

In the event any agreement contained in the Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach under the Lease.

### **Application of Proceeds**

All Net Proceeds received from the release or other disposition of the Leased Premises or the Site, under this Article IX, and all other amounts derived by the Corporation or the Trustee as a result of an Event of Default under the Lease, shall be transferred to the Trustee promptly upon receipt thereof and after payment of the fees and expenses of the Trustee, including, without limitation those of its attorneys, agents and advisors shall be deposited by the Trustee in the Acquisition Fund to be applied as provided for in Section 13.03 of the Trust Agreement.

### **Trustee and Certificate Owners to Exercise Rights**

Such rights and remedies as are given to the Corporation under Article IX of the Lease been assigned by the Corporation to the Trustee under the Trust Agreement, to which assignment the Town consents. Such rights and remedies shall be exercised by the Trustee and the Owners of the Certificates as provided in the Trust Agreement.

**APPENDIX C**

**AUDITED FINANCIAL STATEMENTS OF THE TOWN FOR FISCAL YEAR 2013—14**

## **APPENDIX D**

### **PROPOSED FORM OF FINAL OPINION**

\_\_\_\_\_, 2015

Town of Colma  
1198 El Camino Real  
Colma, CA 94014

Re:     \$\_\_\_\_\_ Town of Colma 2015 Certificates of Participation  
(Town Hall)

Ladies and Gentlemen:

We have reviewed the Constitution and the laws of the State of California and certain proceedings taken by the Town of Colma (the “Town”) in connection with the authorization, execution and delivery by the Town of the Lease Agreement dated as of August 1, 2015 (the “Lease Agreement”) by and between the Public Property Financing Corporation of California (the “Corporation”) and the Town. We have also reviewed the executed Lease Agreement; the executed Trust Agreement, dated as of August 1, 2015 (the “Trust Agreement”), by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the Corporation and the Town; and such other information and documents as we consider necessary to render this opinion.

Pursuant to the Trust Agreement, the Trustee has agreed to execute and deliver the above-captioned certificates of participation (the “Certificates of Participation”) evidencing proportionate undivided interests in lease payments to be made by the Town pursuant to the Lease Agreement.

Based on the foregoing, we are of the opinion that the obligation of the Town to pay lease payments under the Lease Agreement is a valid and binding obligation payable from any source of available revenues and certain amounts held in the funds and accounts created by the Trust Agreement for the benefit of the Owners of the Certificates of Participation.

We are further of the opinion that the Lease Agreement and the Trust Agreement have been duly authorized, executed and delivered by the Town and constitute valid and legally binding agreements of the Town enforceable in accordance with their terms, except as the same may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and exercise of judicial discretion in appropriate cases. The Certificates of Participation have been duly executed and delivered by the Trustee and are entitled to the benefits of the Trust Agreement.

The Internal Revenue Code of 1986, as amended (the “Code”), sets forth certain investment, rebated requirements which must be met subsequent to the issuance and delivery of the Certificates of Participation for the portion of each lease payment due under the Lease Agreement designated as and comprising interest and received by the owners of the Certificates of Participation (the “Interest Component”) to be and remain excluded from gross income for purposes of federal taxation. Noncompliance with such requirements could cause the Interest Component to be included in federal

gross income retroactive to the date of delivery of the Certificates of Participation Pursuant to the Trust Agreement, the Town has covenanted to comply with the requirements of the Code.

We are of the opinion that, under existing statutes, regulations, rulings and court decisions, assuming compliance with the aforementioned covenant, the Interest Components is excluded from gross income for purposes of federal income taxation. We are further of the opinion that the Interest Component is not a specified preference item for purposes of the alternative minimum tax provisions of the Code. However, the Interest Component, or any portion thereof, received by corporations will be included in corporate adjusted current earnings, a portion of which may increase the alternative minimum taxable income of such corporations. Although the Interest Component is excluded from gross income for purposes of federal income taxation, the accrual or receipt of the Interest Component may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend on the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

We are further of the opinion that the Interest Component is exempt from personal income taxation imposed by the State of California.

Very truly yours,

## APPENDIX E

### FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “Disclosure Agreement”) is executed and delivered by and between THE TOWN OF COLMA (the “Issuer”) and [REDACTED], a national banking association (the “Dissemination Agent”) in connection with the issuance of the \$\_\_\_\_\_ Town of Colma 2015 Certificates of Participation (Town Hall) (the “Certificates”). The Certificates are being issued pursuant to a Trust Agreement dated as of August 1, 2015 (the “Trust Agreement”) between the Issuer and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as trustee (the “Trustee”). The Issuer and the Dissemination Agent covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the Issuer for the benefit of the Owners of the Certificates and in order to assist the Participating Underwriter (as defined herein) in complying with S.E.C. Rule 15c-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Reports provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Disclosure Representative” shall mean the Director of Finance and City Manager or his or her designee, or such other officer or employee as the Issuer shall designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean [REDACTED], acting in its capacity as Dissemination Agent, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“Fiscal Year” shall mean the twelve-month period beginning on July 1 of each year and ending on June 30 of the following year.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“National Repository” shall mean any Nationally Recognized Municipal Securities Information Repository for purposes of the Rule. Information on the National Repositories as of a particular date is available on the Securities and Exchange Commission’s internet site at [www.sec.gov](http://www.sec.gov).

“Official Statement” means the Official Statement regarding the Certificates dated \_\_\_\_\_, 2015.

“Participating Underwriter” shall mean the original underwriter of the Certificates required to comply with the Rule in connection with the offering of the Certificates. The Participating Underwriter is \_\_\_\_\_.

“Repository” shall mean each National Repository and each State Repository.

“Reserve Facility” shall mean any surety bond, insurance policy, letter of credit or other similar facility guaranteeing payment of principal and interest with respect to the Certificates which the Issuer may provide for all or part of the Reserve Fund.



“Rule” shall mean Rule 15c-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State Repository” shall mean any public or private repository or entity designated by the State of California as a state repository for the purpose of the Rule. As of the date of this Disclosure Agreement, there is no State Repository.

“Tax-exempt” shall mean that interest on the Certificates is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating any other tax liability, including any alternative minimum tax or environmental tax.

### Section 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than April 1 of each year, commencing April 1, 2016, provide to each Repository, and the Participating Underwriter an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent. In each case, the Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement. The information contained or incorporated in each Annual Report shall be for the Fiscal Year which ended on the preceding June 30. The Issuer shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certifications of the Issuer and shall have no duty or obligation to review any such Annual Report.

(b) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the Repositories by the date specified in subsection (a), the Dissemination Agent shall send a notice to each Repository and the Bond Insurer, or, in the alternative, the Municipal Securities Rulemaking Board and the Bond Insurer, in substantially the form attached as Attachment A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any; and

(ii) to the extent it can confirm such filing of the Annual Report, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

Section 4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

1. The principal amount of the Certificates outstanding.
2. The balance on deposit in the Reserve Fund or the face amount of any Reserve Facility.
3. Any failure of the Issuer or the Trustee to pay principal or interest with respect to the Certificates on any scheduled payment date since the date of the last Annual Report.

4. The amount of any funds withdrawn from the Reserve Fund or draw on any Reserve Facility to pay principal or interest with respect to the Certificates since the date of the last Annual Report.
5. The most recent audited financial statements of the Issuer.
6. Information regarding the filing and contents of any notice of any Listed Event which has been filed pursuant to Section 5 of this Disclosure Agreement since the date of the last Annual Report.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which have been submitted to each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The Issuer shall clearly identify each such other document so incorporated by reference.

#### Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give or cause to be given, notice of the occurrence of any of the following event:

1. Delinquency in payment when due of any principal or interest with respect to the Certificates.
2. Occurrence of any default under the Trust Agreement (other than as described in clause (1) above).
3. Amendment to or modification of the Trust Agreement or this Disclosure Agreement modifying the rights of the Owners of the Certificates.
4. Giving of a notice of optional or unscheduled redemption of any of the Certificates.
5. Defeasance of the Certificates or any portion thereof.
6. Any change in any rating on the Certificates.
7. Adverse tax opinions or events affecting the Tax-exempt status of the Certificates.
8. Any unscheduled draw on the Reserve Fund or any Reserve Facility reflecting financial difficulties.
9. Unscheduled draws on credit enhancements reflecting financial difficulties.
10. Substitution of credit or liquidity providers, or their failure to perform.
11. The release, substitution or sale of property securing repayment of the Certificates (including property leased, mortgaged or pledged as such security).

(b) The Dissemination Agent shall, within one (1) business day of obtaining actual knowledge of the occurrence of any of the Listed Events (except events listed in clauses (a)(1), (4) or (5)), with no obligation to determine the materiality thereof, contact the Disclosure Representative, inform such person of the event, and request that the Issuer promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (f). For the purpose of this Disclosure Agreement “actual knowledge” means actual knowledge at the corporate trust office of the Dissemination Agent by an officer of the Dissemination Agent with responsibility for matters related to the administration of the Trust Agreement.

(c) Whenever the Issuer obtains knowledge of the occurrence of a Listed Event, whether because of a notice from the Dissemination Agent pursuant to subsection (b) or otherwise, the Issuer shall as soon as possible determine if such event would constitute material information for Owners of the Certificates under applicable Federal securities law, provided that any event under subsection (a) (6) will always be deemed to be material.

(d) If the Issuer has determined that knowledge of the occurrence of a Listed Event would be material under applicable Federal securities law, the Issuer shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If in response to a request under subsection (b), the Issuer determines that the Listed Event would not be material, the Issuer shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the Issuer to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the Municipal Securities Rulemaking Board, the Bond Insurer and each State Repository. Notwithstanding the foregoing:

(i) Notice of the occurrence of a Listed Event described in subsections (a)(1), (4) or (5) shall be given by the Dissemination Agent unless the Issuer gives the Dissemination Agent affirmative instructions not to disclose such occurrence; and

(ii) Notice of Listed Events described in subsections (a)(4) and (5) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of the affected Certificates pursuant to the Trust Agreement.

Section 6. Termination of Reporting Obligation. The Issuer’s obligations under this Disclosure Agreement shall terminate upon the defeasance, prior prepayment or payment in full of all of the Certificates.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be [REDACTED]. The Dissemination Agent may resign by providing thirty (30) days written notice to the Issuer and the Trustee. If at any time there is no designated Dissemination Agent appointed by the Issuer, or if the Dissemination Agent so appointed is unwilling or unable to perform the duties of the Dissemination Agent hereunder, the Issuer shall be the Dissemination Agent and undertake or assume its obligations hereunder.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Issuer may amend this Disclosure Agreement (and the Dissemination Agent shall agree to any amendment requested by the Issuer, provided the Dissemination Agent shall not be obligated to enter into any amendment increasing or affecting its duties or obligations), and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities law, acceptable to the Issuer and the Dissemination Agent, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the Issuer shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Dissemination Agent may, and, at the request of the Participating Underwriter or the Owners of at least 25% of the aggregate principal amount of the outstanding Certificates, shall (but only to the extent funds in any amount satisfactory to the Dissemination Agent have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges whatsoever related thereto, including without limitation, fees and expenses of its attorneys), or any Owner of the Certificates may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Trust Agreement and the sole remedy under this Disclosure Agreement in the event of any failure of the Issuer or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of the Dissemination Agent. The Trust Agreement is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Trust Agreement. The Dissemination Agent shall be entitled to the protections and limitations afforded to the Trustee under the Trust Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall be paid compensation by the Issuer for its services provided hereunder in accordance with its schedule of fees as amended from time to time and shall be reimbursed by the Issuer all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. Neither the Dissemination Agent nor the Trustee shall have any duty or obligation to review any information provided to it hereunder or shall be deemed to be acting in any fiduciary capacity for the Issuer, the Owners of the Certificates or any other party. The obligations of the Issuer under this section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates. Any company succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor to the Dissemination Agent hereunder without the execution or filing of any document or any further act.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter and the Owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated: \_\_\_\_, 2015

TOWN OF COLMA, CALIFORNIA

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

[\_\_\_\_\_]

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

**ATTACHMENT A**  
**NOTICE TO REPOSITORIES**  
**OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: TOWN OF COLMA

Name of Bond Issue: TOWN OF COLMA 2015 CERTIFICATES OF PARTICIPATION (TOWN HALL)

Date of Issuance: \_\_\_\_\_, 2015

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-referenced Certificates as required by the Trust Agreement dated as of August 1, 2015 between the Issuer and The Bank of New York Mellon Trust Company, N.A., as Trustee. The Issuer anticipates that \_\_\_\_\_ the \_\_\_\_\_ Annual Report will be filed by [\_\_\_\_\_].

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

[\_\_\_\_\_], as Dissemination Agent on Behalf of  
the Issuer

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

## APPENDIX F

### BOOK ENTRY PROVISIONS

Information concerning The Depository Trust Company (“DTC”) and the Book-entrySystem has been obtained from DTC and is not guaranteed as to accuracy or completeness by, and is not to be construed as a representation by, the Corporation, the Town, the Underwriter or the Trustee.

#### **Bonds in Book-entryForm**

When the Certificates are issued, beneficial ownership interests will be available to the actual purchasers of the Certificates (the “**Beneficial Owners**”) only by or through Participants via a book-entrysystem (the “Book-entry System”) maintained by DTC. If the Certificates are taken out of the Book-entrySystem and delivered to owners in physical form, as contemplated hereinafter under “Discontinuance of DTC Services,” the following discussion will not apply.

#### **DTC and its Participants**

The Depository Trust Company, New York, New York (“DTC”), will act as securities depository for the Certificates. The Certificates will be issued as fully-registered Bonds registered in the name of Cede & Co. (DTC’s partnership nominee). One fully-registered certificate will be issued for each maturity of the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds securities that its participants (“Direct Participants”) deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Direct Participants’ accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Direct Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks, and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants” and collectively with Direct Participants, “Participants”). The rules applicable to DTC and its Participants are on file with the Securities and Exchange Commission.

Purchases of the Certificates under the DTC system must be made by or through Direct Participants which will receive a credit for the Certificates on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct or Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Certificates is discontinued.

So long as Cede & Co., as nominee of DTC (or any other nominee of DTC), is the registered owner of the Certificates, all references herein to the owners of the Certificates or registered owners of the Certificates shall mean Cede & Co., as such nominee, and shall not mean the Beneficial Owners of the Certificates. To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of the Certificates with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates. DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to Cede & Co. If less than all of the Certificates are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to the Certificates. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium and interest payments on the Certificates will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the payable date in accordance with their respective holdings as shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Bond Trustee, the Corporation or the County subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium and interest to DTC is the responsibility of the Bond Trustee, disbursements of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Certificates purchased or tendered through its Participant, to the Tender Agent, and shall effect delivery of such Certificates by causing the Direct Participant to transfer the Participant's interest in the Certificates on DTC's records, to the Remarketing Agent. The requirement for physical delivery of the Certificates in connection with a demand for purchase or mandatory purchase will be deemed satisfied when the ownership rights of the Certificates are transferred by Direct Participants on DTC's records.

Neither the Corporation, the Town nor the Trustee shall have any responsibility or obligation to any DTC Participant or any Beneficial Owner with respect to: (1) the accuracy of any records maintained by DTC or any Participant; (2) the payment by DTC or any Participant of any amount due to any Beneficial Owner in respect of the principal of, premium, if any, or interest on the Certificates; (3) the delivery by DTC or any Participant to any Beneficial Owner of any notice (including a notice of redemption) or other communication which is required or permitted to be given to owners of the



Certificates under the Trust Agreement for the Certificates; (4) the selection of the Beneficial Owners to receive payment in the event of a partial redemption of the Certificates; or (5) any consent given or other action taken by DTC as Certificate holder.

#### **Discontinuance of DTC Services**

DTC may discontinue providing its services as securities depository with respect to the Certificates at any time by giving reasonable notice to the Corporation or to the Trustee. The Trustee may remove DTC or any successor at any time and will do so upon the written direction of the Corporation. Under such circumstances, in the event that a successor securities depository is not selected as provided in the Trust Agreement, certificates for the Certificates are required to be printed and delivered.





# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Michael P. Laughlin, AICP, City Planner  
 VIA: Sean Rabe', City Manager  
 MEETING DATE: July 15, 2015  
 SUBJECT: 1198 El Camino Real – Town Hall Remodel

## RECOMMENDATION

Staff recommends that the City Council adopt the following:

RESOLUTION APPROVING DESIGN REVIEW FOR THE COLMA TOWN HALL RENOVATION AND EXPANSION PROJECT LOCATED AT 1198 EL CAMINO REAL PURSUANT TO CEQA GUIDELINES 15303,15331 AND 15332

## EXECUTIVE SUMMARY

The Town of Colma is proposing to renovate the existing Town Hall building as follows:

- Remodel and update the original Town Hall building;
- Demolish the existing 1985 Town Hall addition and Town Hall annex building;
- Import up to 3,000 cubic yards of earth material to fill under the new building;
- Add a 9,412 square foot addition onto the existing building with 20 parking spaces behind the building along the creek; and
- Construct a 30 space parking lot north of the existing building on the site of the annex building.

The project requires Design Review approval prior to obtaining a building permit. The plans are consistent with the Spanish Mediterranean design requirements of the Design Review (DR) overlay zone. In addition, the remodel is sensitive to the historic features of the original building, retaining its eligibility for the National Register.

## FISCAL IMPACT

The Town will fund the Town Hall renovation project from existing Town funds and Certificates of Participation (COP's). The total estimated project cost is \$13,000,000.00

## **BACKGROUND**

The project site is primarily zoned P/DR (Public/Design Review), with a portion of the site where the annex building is located zoned E(Executive Office/Design Review). The entire project site is located on the northwest corner of Serramonte Boulevard and El Camino Real. Public buildings and uses are permitted in the Public (P) zone and offices are conditionally permitted in the Executive/Administrative (E) zone. No development is proposed within the portion of the property that is zoned Executive/Administrative (E), only surface parking. The parcel's topography is sloped in a downward direction from east to west toward the creek, except for a portion of the site which is depressed behind Town Hall.

Project plans were reviewed by Town Departments and agencies, and conditions of approval are included in the attached resolution.

## **ANALYSIS**

### **CEQA Compliance**

This application was reviewed pursuant to the requirements of the California Environmental Quality Act (CEQA), and staff determined that the project is considered Categorically Exempt from further environmental review under Section 15303, Class 3(c), because the proposed project is in an urbanized area<sup>1</sup> does not involve construction in excess of 10,000 square feet, and does not involve significant amounts of hazardous substances. In addition, all public services and facilities are available and the surrounding area is not environmentally sensitive. The project is also Categorically Exempt under Section 15331, Class 31 Historical Resource Restoration and Rehabilitation.

The project is considered Categorically Exempt from further environmental review under Section 15303, Class 3(c), because the proposed project is in an urbanized area does not involve construction in excess of 10,000 square feet, and does not involve significant amounts of hazardous substances. The new construction proposed is 9,412 square feet, which is less than 10,000 square feet. The site does not contain any known hazardous materials. During upgrades to the existing Town Hall building, the construction may require minor remediation of asbestos or lead paint, which is normal for work on older buildings. These will be remediated based on protocols established by the Bay Area Air Quality Management District (BAAQMD). Since the final use is an office, there will not be any use of significant amounts of hazardous materials.

The project is also Categorically Exempt from further environmental review under Section 15332, Class 32, because the proposed project is categorized as in-fill development. The project meets the following in-fill development requirements:

- The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.

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<sup>1</sup> Colma is part of the San Francisco-Oakland urbanized area as determined by the U.S. Census Bureau.

The project site has a general plan designation as “public” and is designated for public use as the Town’s primary administrative facility (Town hall). The site where construction will occur is also zoned “P” for public use.

- The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses.

The proposed development is within Town limits on a site of less than five acres and is surrounded by urban uses (retail commercial establishments, offices, and car dealerships).

- The project site has no value as habitat for endangered, rare or threatened species.

There are no endangered, rare or threatened species in Colma or on the subject site. Colma Creek is channelized through the site and does not provide habitat for endangered species. The creek area will not be disturbed or altered as part of the project.

- Approval of the project would not result in any significant effects relating to traffic, noise, air quality or water quality.

The project will not create any significant effects relating to traffic, noise, air quality or water quality. The following additional discussion is included by topic to substantiate this finding:

**Traffic and Parking:** The project will house existing Town staff and consultants, and there is no proposed increase in staff or use after the construction. The project site will be used as it has historically been used except that existing employees will be in one building instead of two. Ample parking is provided for employees and visitors. The project will provide 49 parking spaces which is code required parking for office (1 parking space for each 300 net square feet of office area)

During construction, project traffic will include the use heavy equipment for site improvements. Construction will require grading, concrete pouring and materials delivery. The project will import fill material, and up to 300 vehicle trips will be required for soil deliveries (fewer is trucks are larger than 10 yard type). Construction activities will be carried out according to a construction staging plan and are short term in nature.

**Noise:** The project will not increase operational noise. The existing buildings are used for office and meeting space, and the new facilities will be used in the same manner. There will be a temporary increase in noise due to construction. However, this noise will be managed though Town requirements specified in Section 5.04.120 of the Municipal Code which prohibit any construction noise exceeding 85 decibels from occurring between eight p.m. and seven a.m. if within 500 feet from a residential use.

**Air Quality:** The Bay Area Air Quality Management District (BAAQMD) has established thresholds of significance and screening level criteria for potential operational and construction air quality impacts. This screening criteria can be found in the BAAQMD CEQA Guidelines, May 2011, Table 3-1 on page 3-2. If a project exceeds the building square footage in the table, then an air quality analysis is recommended to determine if the project will have impacts. The project is a low intensity government (civic center) use. The

building also functions largely as a general office. An office use has a lower screening threshold due to the nature of the use, and would be the most conservative comparison. The following limits are noted:

Project Square Footage: 9,412

- Office Operational Criteria, Pollutant Screening Size: 346,000 square feet (for NOX, oxides of nitrogen)
- Office Operational Greenhouse Gas (GHG) Screening Size: 53,000 square feet
- Office Construction Criteria: 277,000 square feet (for ROG, reactive organic gases)
- Government (Civic Center) Operational Criteria, Pollutant Screening Size: 149,000 square feet (for NOX, oxides of nitrogen)
- Government (Civic Center) Operational Greenhouse Gas (GHG) Screening Size: 27,000 square feet
- Government (Civic Center) Construction Criteria: 277,000 square feet (for ROG, reactive organic gases)

Since the project falls well below the screening thresholds for both an office and Government (Civic Center), the project will not have an air quality impact and an air quality analysis is not warranted (new square footage is below the 27,000 square foot screening size for operational GHG emissions).

**Water Quality:** The proposed improvements will improve on-site water quality through engineered drainage improvements. Current site drainage consists of storm drain outlets that collect water and convey it directly to the creek. New improvements will allow for infiltration of storm water into the ground. In addition, storm water will be cleansed using bio-filtration methods which may include pervious paving materials and the use of "rain gardens" where water is collected and allowed to infiltrate into the ground or be cleansed through sand and gravel and filter fabric before entering the creek or other existing storm drain improvements. The project will comply with current Regional Water Quality Control Board permit requirements.

- The site can be adequately served by all required utilities and public services.

The site is currently served by Colma sewer, Cal Water, PG&E, Comcast, Allied Waste and the Colma Fire Protection District. The same utility and service providers will provide utilities and services to the site and no additional construction or extension of such services is required.

In addition, none of the circumstances contained at CEQA Guideline 15300.2 apply which would require additional environmental review.

It is important to note that the project would not cause a substantial adverse change in the significance of a historical resource, and involves the rehabilitation of a historic resource. This aspect of the project is Categorical Exempt under Section 15331, Class 31 Historical Resource Restoration and Rehabilitation. Town Hall is not listed in the California Register of Historical Resources, and is not officially designated as historically significant in a local register of

historical resources. However, as noted in the 1999 Historic Resources section of the General Plan the building is eligible for national, state and local historic designation. To assure that project would not impact this resource (or prevent later designation), the project architect has retained a California registered architectural historian to evaluate the project. Based on the evaluation that can be found in the attached memo, it was determined that none of the proposed changes or modifications have the potential to cause a substantial adverse change in the significance of a historical resource.

Specifically, the project architectural historian has determined that the modifications and improvements to the original Town hall structure will not alter the character defining features of the building, and improvements will serve to improve and maintain the building. It should be noted that the building has been significantly altered over the years. The following describes some of the changes that the project will make:

- **Building Exterior:** The original building exterior will be improved and highlighted by removing the 1985 addition. The flat roof attachment to the new structure is a more acceptable connection to the existing building so that the original building can be distinguished from the new addition. The exterior has been modified over the years. The front stairs, door into the council chambers from El Camino Real, and windows in conference room facing El Camino Real (which use to be doors) are not original.
- **Building Interior, upstairs:** The character defining features and materials of the building include the entry foyer and hall, original tile, vault and Council chambers. None of these will be altered. The restrooms are not original and there are no character defining features in the conference room (which will become the new restrooms).
- **Building Interior, downstairs:** The downstairs of Town hall has been extensively modified and does not contain any character defining features that require preservation.

## **Design Review**

The proposed building plans comply with the design criteria set out in Colma Municipal Code section 5.03.300 (b), which requires a Spanish/Mediterranean style. Elevations show building architecture for the proposed project includes Spanish-Mediterranean elements, including inset openings, low-pitched tile roofs, stucco details, an entry trellis structure and other details which help to minimize flat walls. The exterior treatment of the building is primarily hand troweled stucco. Landscaping is proposed which will include new tree planting and planter areas on the new plaza.

The architectural, site, and landscape design of the proposed project is similar to that of additional sites along El Camino Real containing buildings and landscapes which incorporate Spanish/Mediterranean elements. Together, these sites achieve a consistent site, landscape, and building design theme for the Town of Colma.

The Design Review portion of the attached resolution includes numerous conditions consistent with local and state requirements to ensure that the project will be constructed and maintained in a safe and attractive manner. For example, standard parking spaces shall be no smaller than 9' wide and 18' long. Disabled parking spaces shall meet ADA width and overhead clearance

requirements. All parking spaces shall be served by an access aisle no smaller than 24' wide. Adequate space for storage of standard containers for depositing trash and recyclable items awaiting pickup shall be provided in the trash enclosure area.

There are no height, setback, or buffering restrictions for a public building in the "P" (Public) Zone.

#### Findings Related to Design Review:

1. The architectural, site, and landscape design of the proposed project incorporates design elements adopted for the DR Zone.

The standards adopted for the DR Zone generally address the use of Spanish/Mediterranean design elements for the construction of new buildings and structures, and for comprehensive site and landscape design. Building architecture for the proposed project includes Spanish-Mediterranean elements, including inset openings, stylized columns, tile roofs, a tower element, stucco details, and decorative trim to minimize flat walls. The exterior treatment of the building is stucco. Trees, shrubs, and ground coverings throughout the site, and contained within planters on the plaza, complement the building architecture.

2. The architectural, site, and landscape design of the proposed project substantially reflects the intent of the DR zone to achieve a consistent site, landscape, and building design theme for the Town of Colma.

The architectural, site, and landscape design of the proposed project is similar to that of additional sites along El Camino Real and Serramonte Boulevard containing buildings and landscapes which incorporate Spanish/Mediterranean elements. Together, these sites achieve a consistent site, landscape, and building design theme for the Town of Colma.

#### Tree Removal

The removal of trees is proposed to allow for the construction of the project. These trees are located in the existing planting area between the existing annex and Town hall buildings, in some of the planting islands and along the creek. Trees will be preserved to the extent feasible.

Section 5.06.060 (b) exempts the Town of Colma from the requirement of obtaining a Tree Removal Permit since the removal is required as part of a Town sponsored project. New landscaping and trees will be provided to offset the tree removal.

#### VALUES

The recommendation is consistent with the Council value of *responsibility* because the City Council is considering the long term needs of the Town by expanding Town Hall. In addition, the project has been carefully reviewed and conditioned so that it will be consistent with adopted development policies and regulations, and compatible within its setting.



## **SUSTAINABILITY IMPACT**

The project will be consistent with the recently adopted Climate Action Plan. During the construction design phase of the project, plans and specifications will be submitted to PG&E to participate in their energy program to reduce energy waste. This program is called "Energy by Design", a program established to assist developers, municipalities and designers to identify ways to achieve maximum energy efficiencies for new and remodeled structures. The building design will meet or exceed current building and energy code requirements. Also, the stormwater management strategy for the site will include a bio-retention basin located at the eastern end of the site, which will meet the Municipal Regional Stormwater NPDES Permit (MRP) requirements and standards and improve water quality leaving the site, reduce the amount of water running off of the site, and allow for water infiltration to recharge ground water. Some specific feature of the building and construction that further increase sustainability include:

- Compliance with latest energy and green building codes;
- Addition of an Electric Vehicle (EV) charging station in the parking lot;
- Inclusion of on-demand water filtration and purification that will eliminate the need for bottled water;
- Bicycle racks;
- Low-flow water fixtures; and
- Showers on the lower level for use by individuals who bike to work.

## **ALTERNATIVES**

The following courses of action are available to the City Council:

- (1) Approve the Design Review with Modifications. The City Council can suggest modifications to the architectural plans to address any specific aesthetic or functional concerns. The City Council can also modify or add conditions of approval.
- (2) Deny the Design Review. This decision is not recommended since it would not allow for the Town Hall renovation project to move forward.

## **CONCLUSION**

Staff recommends that the City Council adopt the Resolution approving the project design.

## **ATTACHMENTS**

- A. Resolution 2015-\_\_\_\_\_, Approving project design for the Colma Town Hall project
- B. Project Plan Set (11"x17" set)
- C. Memo from Architectural Historian Arnie Lerner



**RESOLUTION NO. 2015-\_\_**  
**OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION APPROVING DESIGN REVIEW FOR THE COLMA TOWN HALL  
 RENOVATION AND EXPANSION PROJECT LOCATED AT 1198 EL CAMINO REAL  
 PURSUANT TO CEQA GUIDELINES 15303, 15331 AND 15332**

*Property Owner:* Town of Colma  
*Location:* 1198 El Camino Real  
*Assessor's Parcel Numbers:* 008-392-070, 170, 270, 280

The City Council of the Town of Colma does hereby resolve as follows:

**1. Background**

- (a) The Town of Colma is proposing construction of an addition to the existing Town Hall building, and Design Review is required by the Colma Municipal Code;
- (b) A Notice of Public Hearing was duly posted on the three official bulletin boards of the Town and was duly mailed to the property owners within 300' of the property or who requested notice, as required by law, and a public hearing was conducted on this matter on July 15, 2015.
- (c) The City Council has considered the staff report, and evidence presented at the public hearing.

**2. Findings.**

The City Council finds that:

*Finding Related to CEQA*

- (a) This application was reviewed pursuant to the requirements of the California Environmental Quality Act (CEQA), and staff determined that the project is considered Categorically Exempt from further environmental review under Section 15303, Class 3(c), because the proposed project does not involve construction in excess of 10,000 square feet and does not involve significant amounts of hazardous substances. In addition, all public services and facilities are available and the surrounding area is not environmentally sensitive.
- (b) This application was reviewed pursuant to the requirements of the California Environmental Quality Act (CEQA), and staff determined that the project is also considered Categorically Exempt from further environmental review under Section 15332, Class 32, because the proposed project is categorized as in-fill development. Colma is part of the San Francisco-Oakland urbanized area. The project meets the in-fill development requirements of CEQA as provided for in the staff report.
- (c) This application was reviewed pursuant to the requirements of the California Environmental Quality Act (CEQA), and staff determined that the project is additionally considered Categorically Exempt from further environmental review under

CEQA Guideline 15300.2 because the proposed project would not cause a substantial adverse change in the significance of a historical resource and would maintain and reconstruct a historical resource eligible for national, state and local historic designation.

*Findings Related to Design Review for Town Hall*

- (c) The architectural, site, and landscape design of the proposed project incorporates design elements adopted for the DR Zone.

The standards adopted for the DR Zone generally address the use of Spanish/Mediterranean design elements for the construction of new buildings and structures, and for comprehensive site and landscape design. Building architecture for the proposed project includes Spanish-Mediterranean elements, including inset openings, stylized columns, tile roofs, a tower element, stucco details, and decorative trim to minimize flat walls. The exterior treatment of the building is stucco. Trees, shrubs, and ground coverings throughout the site, and contained within planters on the plaza, complement the building architecture.

- (d) The architectural, site, and landscape design of the proposed project substantially reflects the intent of the DR zone to achieve a consistent site, landscape, and building design theme for the Town of Colma.

The architectural, site, and landscape design of the proposed project is similar to that of additional sites along El Camino Real and Serramonte Boulevard containing buildings and landscapes which incorporate Spanish/Mediterranean elements. Together, these sites achieve a consistent site, landscape, and building design theme for the Town of Colma.

### **3. Design Approved**

Design Review Approval for an addition onto the existing Town Hall, located at 1198 El Camino Real (APN:xx), is hereby approved, subject to the general terms and conditions set forth in this Resolution and the following project-specific conditions:

*Design Review*

- (a) This approval is for the project presented in the Project Plans entitled "XXX," date stamped May xx, 2015 prepared by Ratcliff, and on file in the office of the City Planner. All plans submitted for required permits and subsequent development, construction, operation and use on the site shall be in substantial compliance with these documents, subject to the changes and conditions set out herein.

- (b) The project shall obtain all necessary building permits.

- (c) Minor changes to the approved plans may be approved administratively by the City Planner or designee. Major changes to the approved plans shall be reviewed by the City Planner or designee to determine whether such changes require submittal and approval of a revision of the project approvals, or whether the changes require new or additional permits.

(d) Standard parking spaces shall be no smaller than 9' wide and 18' long. Disabled parking spaces shall meet ADA width and overhead clearance requirements. All perpendicular parking spaces shall be served by an access aisle no smaller than 24' wide.

(e) Exterior colors and materials for the building must be consistent with plans submitted to and approved by the City Planner. Exterior colors and materials require approval by the City Planner and City Council prior to the issuance of a building permit.

(f) The building shall be provided with an address that is clearly visible from the roadway.

(g) Landscaping shall be primarily as shown in the Project Plans entitled "xxx," date stamped May xx, 2015, prepared by Ratcliff, and on file in the office of the City Planner.

#### *Public Works*

(h) *Will-Serve Letters.* "Will-serve" letters from all utility companies that will provide service to the project shall be obtained during the Building and Grading Permit process.

(i) *Grading Permit.* A Grading Permit shall be obtained prior to performing any clearing, grubbing, earth work or site work.

(j) *Encroachment Permit.* An Encroachment Permit shall be secured prior to performing any work in the public right-of-way (ROW), including work on any utilities located within the public ROW. A Caltrans encroachment permit shall be obtained for any changes to existing improvements within the El Camino Real/Caltrans ROW.

(k) *Geotechnical Report.* The plans submitted for permits shall incorporate all recommendations from the approved Soils and Geotechnical Report and all construction shall comply with its recommendations.

(l) *Geotechnical Verification.* A letter from the Geotechnical Engineer shall be obtained verifying that the plans submitted are in conformance with the Geotechnical report submitted for the project.

(m) *Hydrology Study.* A hydrology study prepared by a California-registered qualified engineer shall be submitted for the City Engineer's review and approval. The hydrology study shall include hydraulic calculations for pipe sizing of all drainage, sanitary sewer and water facilities and shall identify the type of pipe to be used. The plans submitted for permits shall incorporate all recommendations from the approved Hydrology Study and all construction shall comply with its recommendations.

(n) *Construction and Demolition Recycling.* A Demolition Permit from the Colma Building Department shall be obtained, and any other related permit(s) prior to starting any demolition work.

(o) *Hazardous Materials and Contaminated Soil.* Prior to commencing any work on the project, hazardous materials shall be remediated to the satisfaction of the Air District for building demolition which may include asbestos or lead paint. Best Management Practices (BMP's) shall be installed to prevent any hazardous materials from entering into the storm drain system.

(p) *Sanitary Sewer Facility Standards.* All sanitary sewer facilities shall be designed in accordance with the Uniform Plumbing Code and the standards of the City of South San Francisco.

(q) *Traffic Control Plan.* A Traffic Control Plan shall be approved by the City Engineer prior to commencing any work in the public right-of-way. The Plan shall include at least the following: the route(s) that construction trucks shall use to access the property, identification of the access point(s) to the site, any proposed staging area for trucks waiting to enter the site, traffic management for any work within the improved portion of a public right-of-way, and any proposed traffic controls, such as the use of flaggers to ensure the safe entry and exit of trucks accessing the project site. Throughout the construction period for the project, the contractor must faithfully implement the approved Traffic Control Plan.

(r) *Utility Undergrounding.* All utility lines serving the project site shall be installed through underground service connections only.

(s) *Design of Public Improvements.* All public improvements including grading/ drainage/ driveways/ curbs/ gutters/ sidewalks/ lighting/ planting/ street resurfacing, etc shall be designed in accordance with the Town of Colma standard details and specifications, and installed to the satisfaction of the City Engineer.

(t) *Stormwater Treatment/ Low Impact Development LID.* This Project shall comply with all requirements of Provisions C.3 and C.6 of the Municipal Regional Stormwater NPDES Permit (MRP), specifically:

- This project is subject to compliance with C-3 requirements of the MRP for Regulated Projects (Projects that create and/or replace 10,000 square feet or more of impervious surface). Design and install appropriate Site Design, Source Control, Low Impact Development (LID), Stormwater Treatment and Construction Best Management Practices (BMP's) as identified in the C.3 and C.6 Development Review Checklist.
- Adequate space for storage of standard containers for depositing trash, green waste and recyclable items awaiting pickup shall be provided in the trash enclosure (as shown in the project plans).
- The project design and construction shall provide for fire sprinkler test water to be discharged into landscaped areas or the sanitary sewer system.
- Condensate from air conditioning units shall be directed to landscape areas and/or connected to the sanitary sewer system. Any anti-algal or descaling agents must be properly disposed of.

- Storm drain inlets shall be clearly marked with the words "No Dumping! Flows to Bay," or equivalent, using methods approved by the Town.
- A site specific erosion and sediment control plan (ESC) and Construction Best Management Practices (BMP) plan sheet shall be included in the construction plan set to be submitted for review and approval for a grading permit. Erosion & Sediment Control Measures and Best Management Practices shall be implemented and maintained throughout the duration of construction.

(u) *Water Efficient landscaping requirements.* Drought and pest resistant landscaping shall be installed in compliance with the Town's Ordinance and Water Efficient Landscape Requirements of State AB 1881. Water usage and efficiency calculations shall be submitted to the City Planner for approval.

(v) *Accessibility and Frontage Improvements.* All proposed walkways/pathways shall comply with ADA and California Title 24 requirements for accessibility.

(w) *Approved Haul Route.* All contractors and suppliers shall be advised to use the approved haul route in moving materials and equipment to and from the project site.

(x) *Storage of Materials in Public Roadway.* No materials or equipment shall be stored on the improved portion of any public roadway at any time.

(y) *Litter Control.* Prior to the end of each work day during construction, the contractor or contractors shall pick up and properly dispose of all litter resulting from or related to the project, whether located on the property, within the public rights-of-way, or properties of adjacent or nearby neighbors.

(z) A Final Certification from the Civil Engineer shall be submitted certifying that all grading operations complied with the approved Grading Plan.

(aa) USA North shall be contacted to ensure that there are no utilities that conflict with the proposed improvements (USA North: 811/1-800-227-2600).

#### *Building Code Compliance*

(bb) The following shall be incorporated into the plans submitted for the Building Permit:

- Occupancy Group: (as defined in the CA Building Code)
- Construction Type (as defined in the CA Building Code)

(cc) Construction shall comply with the following codes:

- 2013 California Building Code
- 2013 California Electrical Code
- 2013 California Mechanical Code

- 2013 California Plumbing Code
- 2013 California Energy Code
- 2013 California Fire Code – as amended by the Colma Fire Protection District
- 2013 California Green Building Standards Code

#### *Fire Access*

(dd) The building shall comply with the requirements of the 2013 California Fire Code and the Amendments of the Colma Fire Protection District.

(ee) The building shall be provided with an Automatic Fire Extinguishing System designed in accordance with NFPA 13, 2013 Edition. A separate application and permit are required for the installation of Fire Sprinklers, Underground Fire Service, Fire Hydrant, and Fire Alarm System.

(ff) The building shall be provided with an address, located where clearly visible from the street and in numerals a minimum of 6 inches in height 1 inch stroke and of contrasting color to their background.

(gg) A Knox Key-Lock Box shall be provided at one or more locations, per the request of the Colma Fire District. Please contact Captain Pardini at 650-740-2073 to determine locations and to obtain an application for the key-lock box.

(hh) All Inspections shall be scheduled a minimum of 48 hours in advance, please call Captain Bill Pardini to schedule. Captain Pardini can be reached at 650-740-2073.

(ii) Location of the FDC, DDCV/OS&Y, Fire Sprinkler Riser, Fire Alarm Panel, Remote Annunciator (inside main entry) Fire Sprinkler Drain (Shall discharge to landscaping) Knox Key-Lock Box and Building Address shall be identified on plans submitted for Building Permits.

(jj) The building shall have Exit Signs as well as Emergency Egress Illumination – including at the exterior side of all egress doors in accordance with CBC 1006.3 item # 5.

#### *Conditions Applicable to Construction Activities*

(kk) *Posting of Construction Information and Construction Hours.* Prior to commencing any work on the project, including demolition or grading work, the project site shall be posted with a sign indicating the hours of construction (to be decided by Building Official at time of Building Permit issuance) and phone numbers of the Town and contractor.

(ll) *Staking of Property Boundaries and Building Corners.* Property boundaries shall be staked by a California-licensed land surveyor or a California-registered qualified engineer. For new buildings, the written verification that the placement of the retaining walls and building comply with the approved site plan, prepared by a California-licensed surveyor or civil engineer licensed to practice



surveying, shall be submitted and found acceptable by the Building Official prior to pouring of any foundation.

(mm) *Permitted Grading Season.* Grading work shall be limited to the period between April 30 and October 1 unless an alternative schedule is approved in writing by the City Engineer in conjunction with the approval of an Erosion and Sediment Control Plan.

#### 4. Terms

(a) *Amendments.*

(i) The City Planner may, through the administrative process, grant an extension of time to comply with any condition of approval or a Minor Amendment to the Design Approval or the conditions of the Use Permit. Any other amendment may be granted only by the City Council.

(ii) A Minor Amendment means any approval that would qualify for a categorical exemption under CEQA Guidelines.

#### Certification of Adoption

I certify that the foregoing Resolution No. 2015-## was duly adopted at a special meeting of said City Council held on July 15, 2015 by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Joanne del Rosario, Mayor					
Diana Colvin					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
Voting Tally					

Dated \_\_\_\_\_

\_\_\_\_\_  
Joanne del Rosario, Mayor

Attest: \_\_\_\_\_  
Sean Rabé, City Clerk





5856 Doyle Street  
Emeryville, CA 94608  
Tel 510 899 6400  
[www.raiciffarch.com](http://www.raiciffarch.com)

TOWN OF COLMA

1198 EL CAMINO REAL  
COLMA, CA 94014

COLMA TOWN HALL  
RENOVATION AND  
ADDITION

SHEET TITLE:

# TITLE SHEET

SCALE: NTS

PROJECT NUMBER: 34003.00

SHEET NUMBER

AP-000

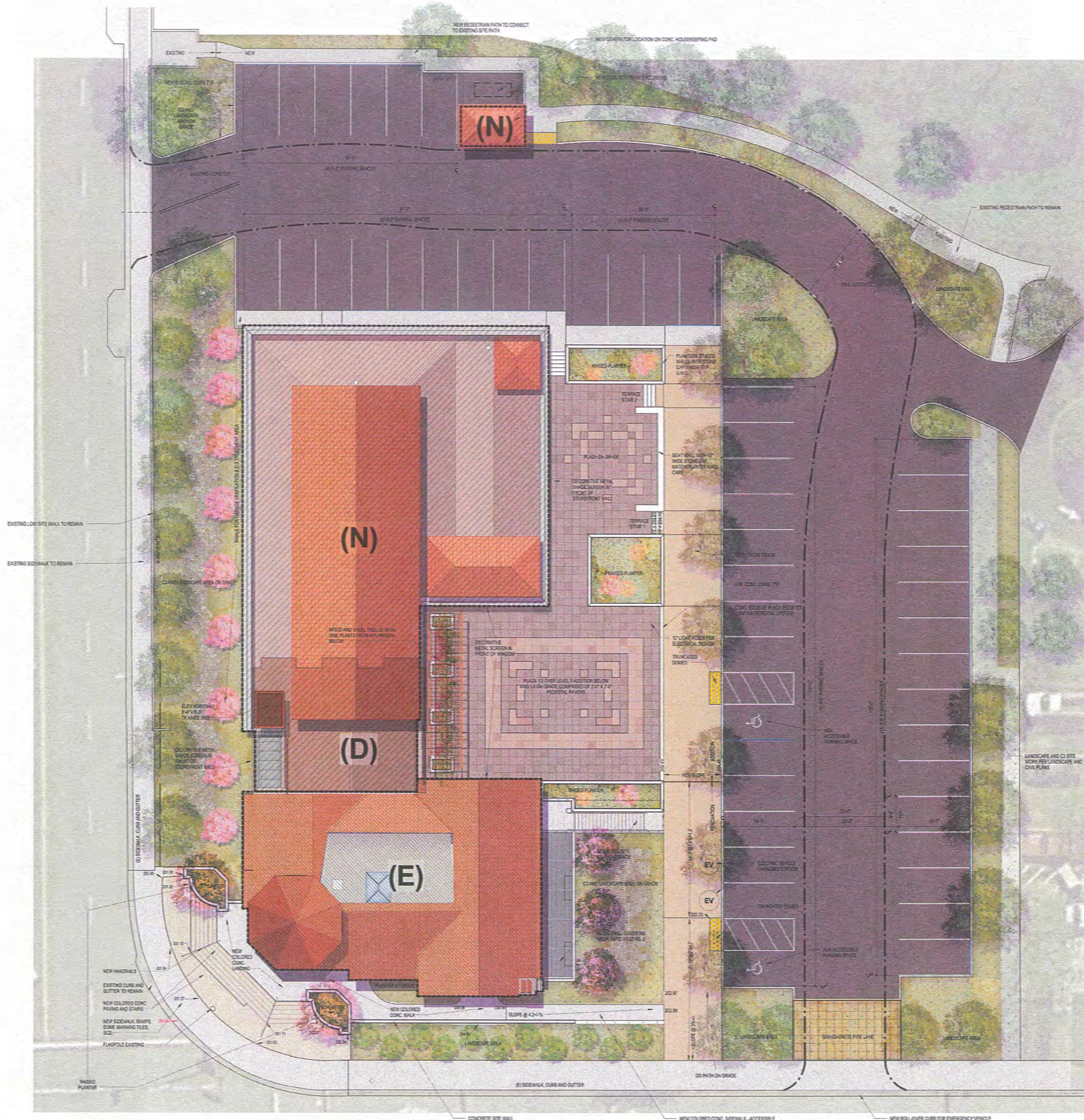
**July 7, 2015**

AP-010	EXISTING & DEMO FLOOR PLAN
AP-011	SITE PLAN
AP-100	LEVEL 0 FLOOR PLAN
AP-101	LEVEL 1 FLOOR PLAN
AP-200	EXTERIOR ELEVATIONS
AP-201	EXTERIOR ELEVATIONS
AP-210	MATERIALS BOARD
AP-310	RENDERED SITE PLAN
AP-400	RENDERED LEVEL 0 FLOOR PLAN
AP-401	RENDERED LEVEL 1 FLOOR PLAN
AP-500	RENDERED EXTERIOR ELEVATIONS
AP-501	RENDERED EXTERIOR ELEVATIONS
AP-600	RENDERED PERSPECTIVE
AP-601	RENDERED PERSPECTIVE
AP-602	RENDERED PERSPECTIVE

**CONTACT:** Steve McKay

00	07/07/2015	EXTERIOR DESIGN SUBMITTAL
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## LEGEND

- (E) SYMBOL INDICATES 1941 EXISTING BUILDING TO REMAIN ON SITE AND PROTECT IN PLACE.
- (N) SYMBOL INDICATES NEW ADDITION BUILDING(S)
- (D) SYMBOL INDICATES EXISTING 1986 ADDITION, TO BE DEMOLISHED
- GRID SYMBOL INDICATES PEDESTAL PAVER SYSTEM FOR PLAZA OVER LOWER LEVEL 0 PARKING GARAGE
- EV SYMBOL INDICATES ELECTRIC CHARGING STATION
- SYMBOL INDICATES FIRE ACCESS LANE

## AREA SUMMARY

**GROSS SF SUMMARY- PROJECT**  
 AREA RENOVATION = 6,895 SF  
 AREA NEW CONSTRUCTION = 11,290 SF  
 AREA NEW TRASH ENCLOSURE = 138 SF  
**AREA TOTAL = 18,323 SF**

**NET SF SUMMARY- PROJECT (INCLUDES CIRCULATION, STORAGE, MEP)**  
 AREA RENOVATION = 5,856 SF  
 AREA NEW CONSTRUCTION = 9,420 SF  
 AREA NEW TRASH ENCLOSURE = 114 SF  
**AREA TOTAL = 15,390 SF**

**PARKING SUMMARY - PROJECT**  
 STANDARD - 45  
 ELECTRIC CHARGING - 2  
 ACCESSIBLE - 2  
**TOTAL - 49**

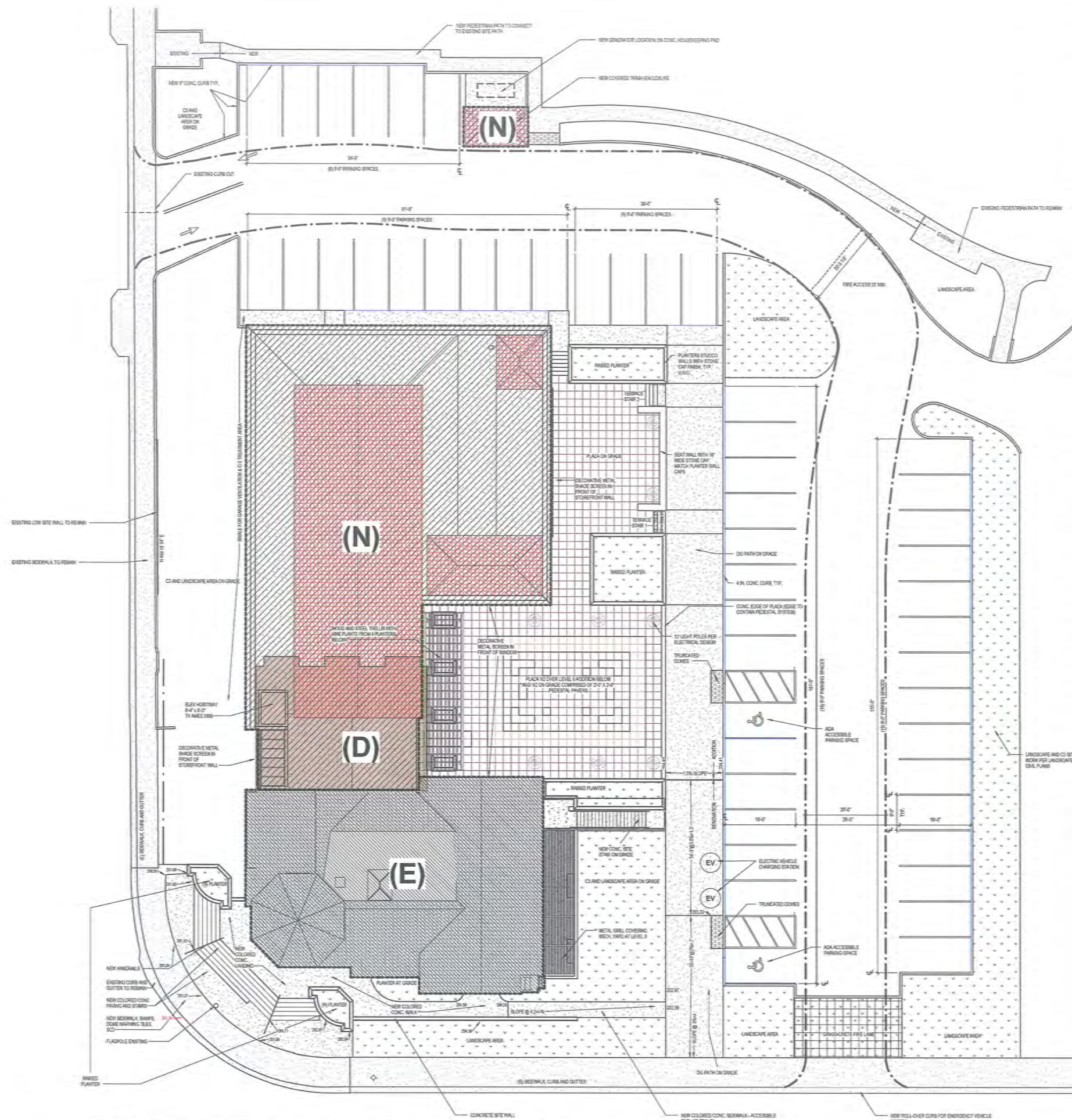
## NOTES

1. ASSUME 3"-4" SEISMIC SEPARATION BETWEEN EXISTING & NEW CONSTRUCTION
2. AUTOMATIC SPRINKLER SYSTEM THROUGHOUT
3. REFER TO CIVIL AND LANDSCAPE PLANS FOR ADDITIONAL INFORMATION REGARDING SITE WORK, C3, AND PLANTING LOCATIONS, QUANTITIES, ETC.

## SITE PLAN

0 10 ft N  
 07/08/2015





## LEGEND

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- (N)** SYMBOL INDICATES NEW ADDITION BUILDING(S)
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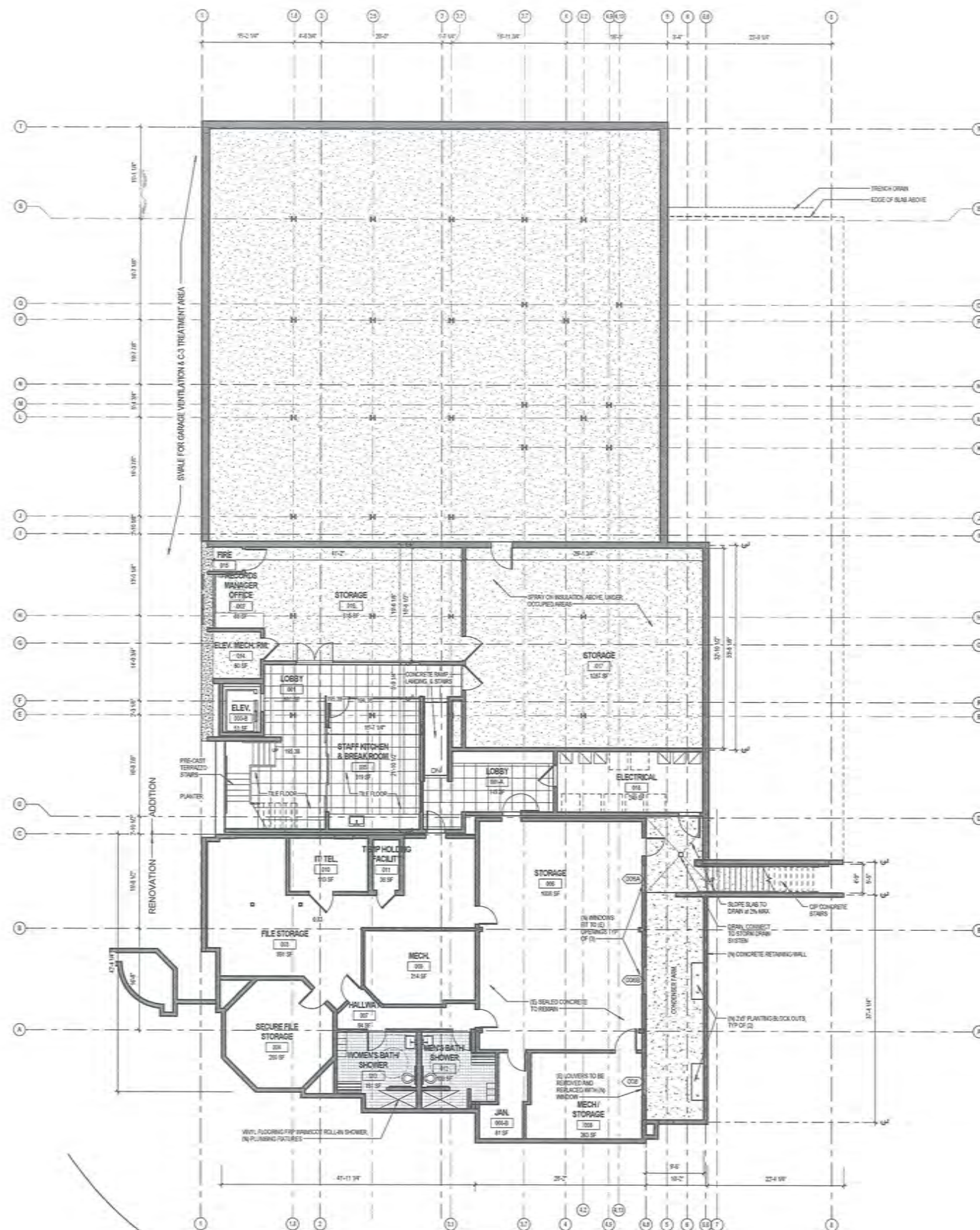
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## SITE PLAN

0 10 ft N  
 07/08/2015





# LEGEND

- CONCRETE FINISHED FLOOR, U.O.O.
- TILE, REFER TO FINISH SCHEDULE
- TILE IN BATHROOMS, TYP. REFER TO FINISH SCHEDULE

## FINISHES GARAGE LEVEL

### NEW CONSTRUCTION

FLOOR: CONCRETE, SEALED  
WALLS: CONCRETE NO BASE  
CEILINGS: PAINTED CONCRETE IN MAIN GARAGE SPACE, ELEV. MACHINE ROOM WITH 1 HR. RATED CEILING

## FINISHES LEVEL 0

### NEW CONSTRUCTION

FLOOR SHEET: TERRAZZO TILE, MATCHING LEVEL 1 LOBBY  
WALLS: PAINT AND RESILIENT BASE  
CEILINGS: PAINTED 5/8" GYP. BD. OVER PLYWOOD, S.S.D.

### RENOVATION

FLOOR SHEET: LINOLEUM FLOORING WITH FLUID APPLIED MOISTURE BARRIER IF REQUIRED, U.O.N.  
WALLS: PAINT AND RESILIENT BASE  
CEILINGS: PAINTED 5/8" GYP. BD. OVER PLYWOOD, S.S.D.  
BATHROOMS: NEW TILE FLOOR AND WAINSCOT, PAINTED GYP. WALLS AND CEILING U.O.N.

## AREA SUMMARY - LEVEL 0

AREA SUMMARY (NET INCLUDES CIRCULATION, STORAGE, MEPI)  
AREA RENOVATION = 3,030 SF  
AREA NEW CONSTRUCTION = 2,863 SF  
AREA TOTAL (NET LEVEL 0) = 5,893 SF

## NOTES

1. ASSUME 3'-4" SEISMIC SEPARATION BETWEEN EXISTING & NEW CONSTRUCTION
2. AUTOMATIC SPRINKLER SYSTEM THROUGHOUT

## LEVEL 0 FLOOR PLAN

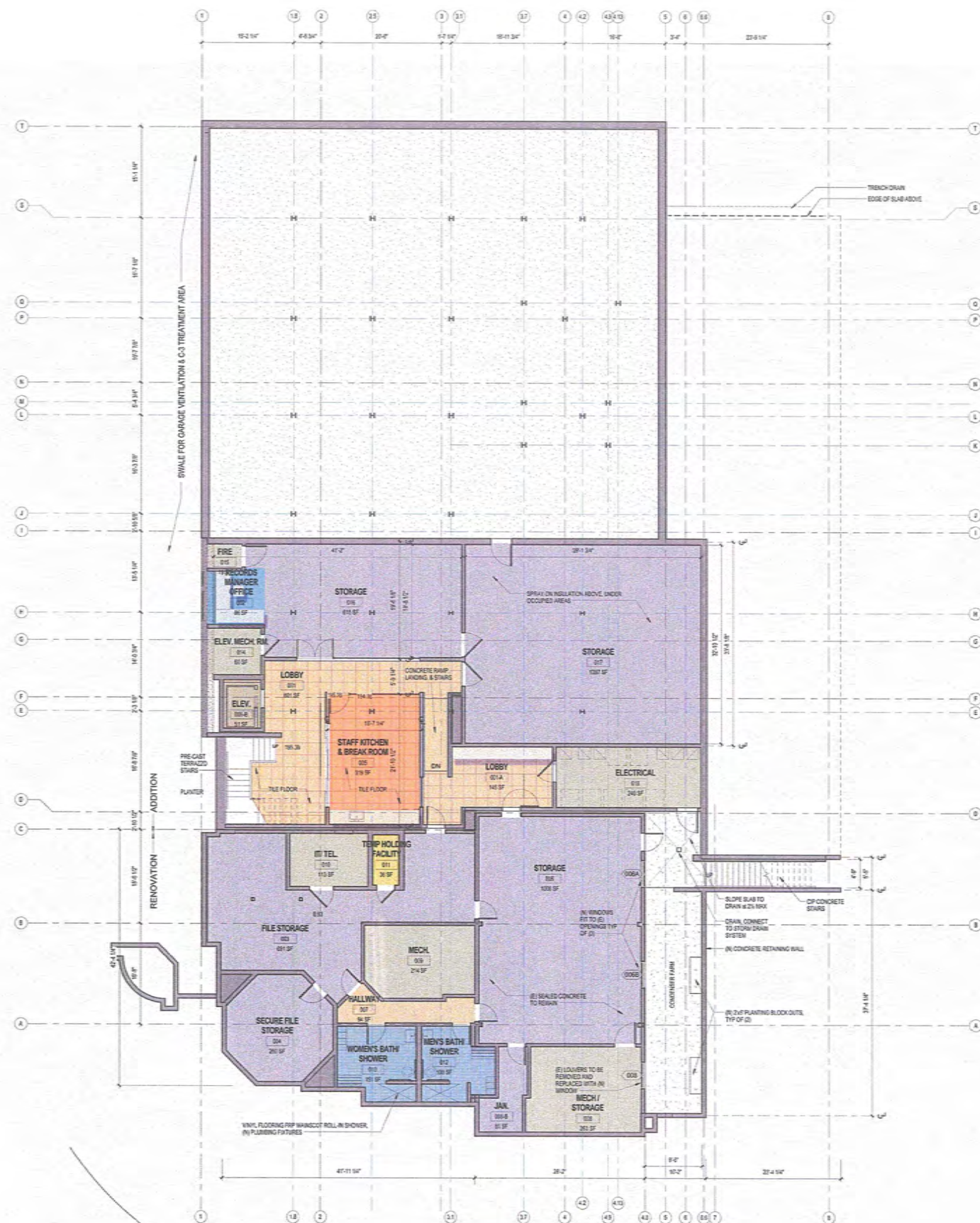
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04/22/15

1 LEVEL 0 - FLOOR PLAN PRESENTATION  
1/8" = 1'-0"

COLMA TOWN HALL RENOVATION AND ADDITION  
1198 EL CAMINO REAL COLMA, CA 94014

AP-100  
RATCLIFF





## LEGEND

- CONCRETE FINISHED FLOOR, U.N.O.
- TILE, REFER TO FINISH SCHEDULE
- TILE IN BATHROOMS, TYP. REFER TO FINISH SCHEDULE

## FINISHES GARAGE LEVEL

### NEW CONSTRUCTION

FLOOR: CONCRETE, SEALED  
WALLS: CONCRETE NO BASE  
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## FINISHES LEVEL 0

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### RENOVATION

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WALLS: PAINT AND RESILIENT BASE  
CEILINGS: PAINTED 5/8" GYP. BD. OVER PLYWOOD, S.S.D.  
BATHROOMS: NEW TILE FLOOR AND WAINSCOT, PAINTED GYP. WALLS AND CEILING U.O.N.

## AREA SUMMARY - LEVEL 0

AREA SUMMARY (NET, INCLUDES CIRCULATION, STORAGE, MEP)  
AREA RENOVATION = 3,030 SF  
AREA NEW CONSTRUCTION = 2,863 SF  
AREA TOTAL (NET LEVEL 0) = 5,893 SF

## NOTES

1. ASSUME 3'-4" SEISMIC SEPARATION BETWEEN EXISTING & NEW CONSTRUCTION
2. AUTOMATIC SPRINKLER SYSTEM THROUGHOUT

- ELEVATOR
- MEP / PLUMBING / FIRE / UTILITY
- LOBBY / CIRCULATION CORRIDOR
- STORAGE
- TOILET ROOMS
- KITCHEN / STAFF BREAK ROOM
- STAFF OFFICE
- EXISTING VAULT

## LEVEL 0 FLOOR PLAN

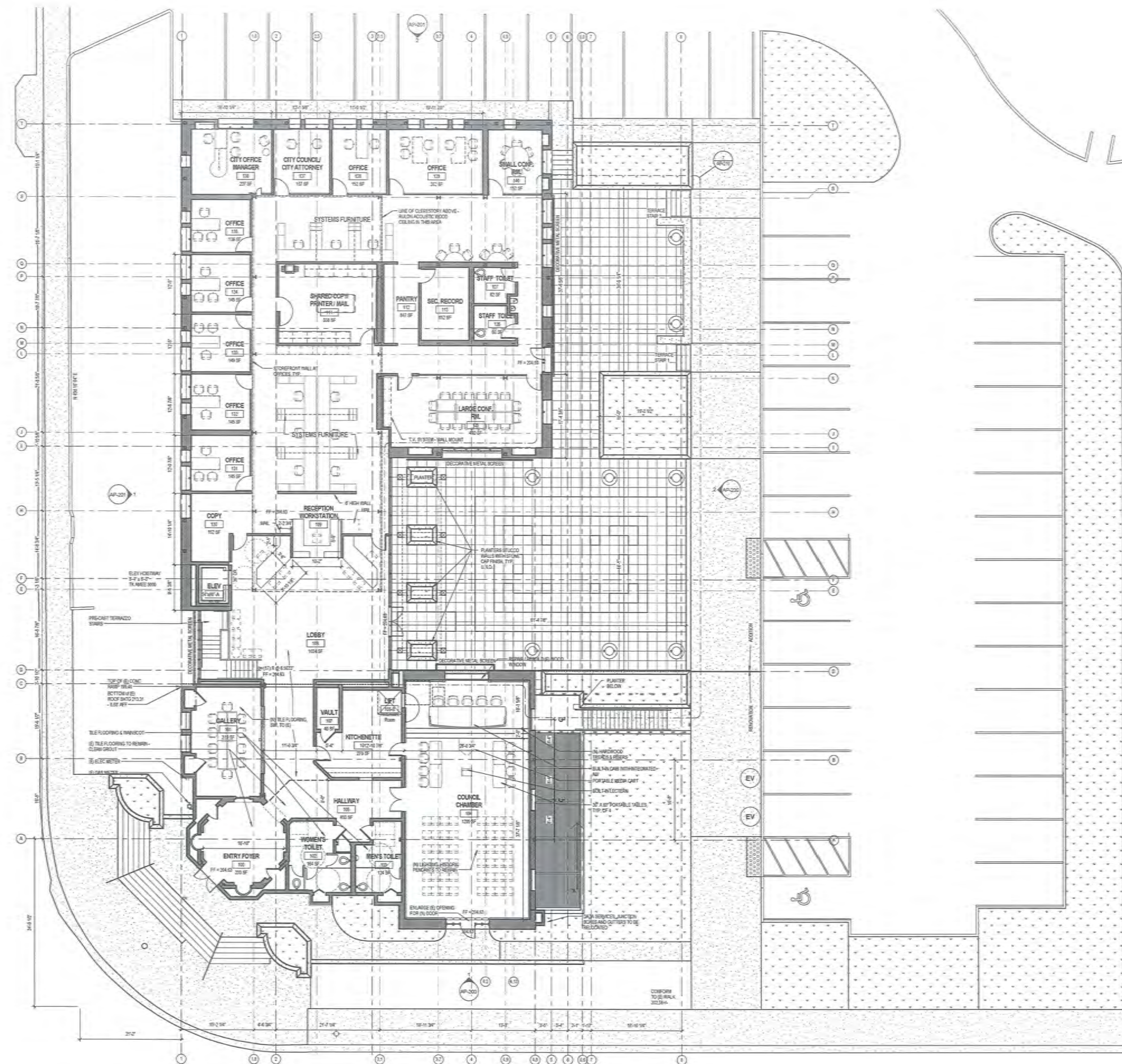
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07/06/2015

1 LEVEL 0 - FLOOR PLAN PRESENTATION  
1/8" = 1'-0"

**COLMA TOWN HALL RENOVATION AND ADDITION**  
1198 EL CAMINO REAL COLMA, CA 94014

**AP-100**  
**RATCLIFF**





# LEGEND

SYMBOL INDICATES ELECTRIC CHARGING STATION

## FINISHES LEVEL 1

### FINISHES - LEVEL 1

**CHAMBER**  
 FLOOR: RUBBER/CORK  
 WALLS: PAINTED VENEER PLASTER & WOOD WAINSCOT  
 CEILING: (E) WOOD TO REMAIN

**KITCHENETTE**  
 FLOOR: RUBBER/CORK  
 WALLS: PAINTED GYP. BD.  
 CEILING: PAINTED GYP. BD.  
 CABINETS: PLASTIC LAMINATE & CORIAN TOPS

**LOBBY**  
 FLOOR: TILE  
 WALLS: PAINTED GYP. BD.  
 CEILING: PAINTED GYP. BD. & ACOUSTIC PLANK CEILING (ASSUME 70%)

**OFFICES**  
 FLOOR: CARPET TILE & RESILIENT BASE  
 WALLS: PAINTED GYP. BD. & STOREFRONT AT CORRIDOR WALL  
 CEILING: ACOUSTIC CEILING TILE

## AREA SUMMARY - LEVEL 1

AREA SUMMARY (NET INCLUDES CIRCULATION, STORAGE, MEPI)

AREA RENOVATION = 2,626 SF

AREA NEW CONSTRUCTION = 6,549 SF

AREA TOTAL (NET LEVEL 1) = 9,175 SF

PARKING SUMMARY - EXTERIOR SURFACE PARKING

STANDARD - 46

ELECTRIC CHARGING - 2

ACCESSIBLE - 2

TOTAL - 50

## NOTES

1. ASSUME 3'-4" SEISMIC SEPARATION BETWEEN EXISTING & NEW CONSTRUCTION

2. AUTOMATIC SPRINKLER SYSTEM THROUGHOUT

## LEVEL 1 FLOOR PLAN

0 8 ft N  
 04/15/15





## LEGEND

EV SYMBOL INDICATES ELECTRIC CHARGING STATION

## FINISHES LEVEL 1

### FINISHES - LEVEL 1

CHAMBER  
FLOOR: CARPET  
WALLS: PAINTED VENEER PLASTER & WOOD WAINSCOT  
CEILING: (E) WOOD TO REMAIN

KITCHENETTE  
FLOOR: RUBBER/CORK  
WALLS: PAINTED GYP. BD.  
CEILING: PAINTED GYP. BD.  
CABINETS: PLASTIC LAMINATE & CORIAN TOPS

LOBBY  
FLOOR: TILE  
WALLS: PAINTED GYP. BD.  
CEILING: PAINTED GYP. BD. & ACOUSTIC PLANK CEILING (ASSUME 70%)

OFFICES  
FLOOR: CARPET TILE & RESILIENT BASE  
WALLS: PAINTED GYP. BD. & STOREFRONT AT CORRIDOR WALL  
CEILING: ACOUSTIC CEILING TILE

## AREA SUMMARY - LEVEL 1

AREA SUMMARY (NET, INCLUDES CIRCULATION, STORAGE, MEP)  
AREA RENOVATION = 2,823 SF  
AREA NEW CONSTRUCTION = 6,549 SF  
AREA TOTAL (NET LEVEL 1) = 9,375 SF

PARKING SUMMARY - EXTERIOR SURFACE PARKING  
STANDARD - 46  
ELECTRIC CHARGING - 2  
ACCESSIBLE - 2  
TOTAL - 50

## NOTES

1. ASSUME 3'-4" SEISMIC SEPARATION BETWEEN EXISTING & NEW CONSTRUCTION
2. AUTOMATIC SPRINKLER SYSTEM THROUGHOUT

- ELEVATOR
- LOBBY / CIRCULATION CORRIDOR
- STORAGE
- TOILET ROOMS
- KITCHEN / STAFF BREAK ROOM
- STAFF OFFICE
- COPY / PRINT WORK ROOM
- CONFERENCE / MEETING SPACES
- COUNCIL CHAMBER
- EXISTING VAULT

## LEVEL 1 FLOOR PLAN

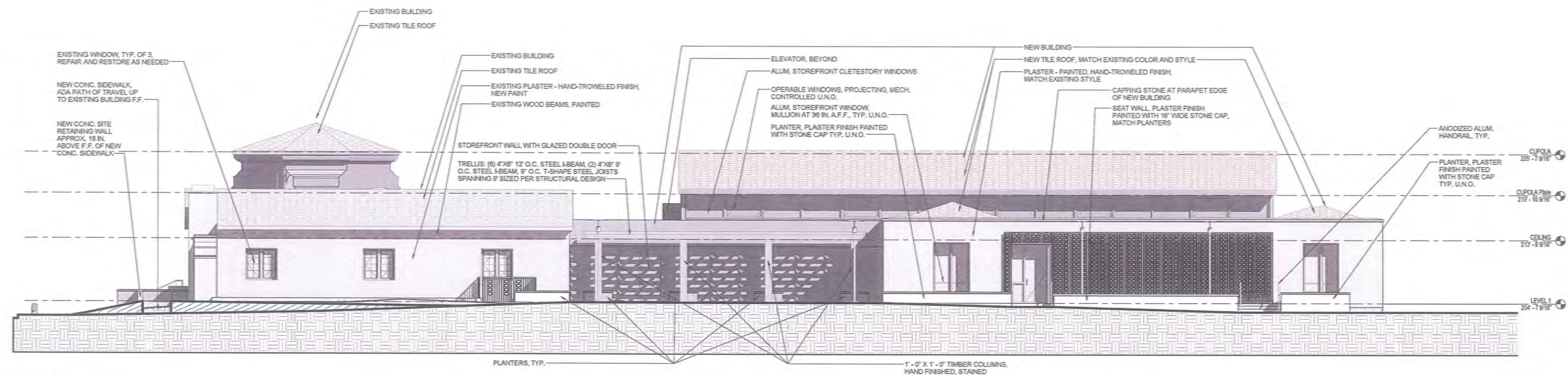
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1 LEVEL 1 - FLOOR PLAN PRESENTATION  
1/8" = 1'-0"

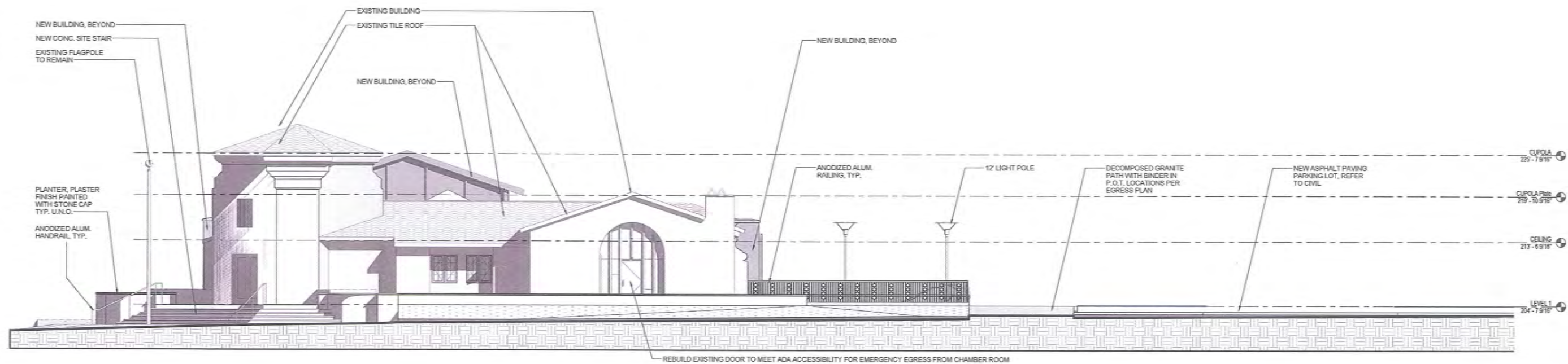
**COLMA TOWN HALL RENOVATION AND ADDITION**  
1198 EL CAMINO REAL COLMA, CA 94014

**AP-101**  
**RATCLIFF**





2 NORTH ELEVATION  
3/16" = 1'-0"

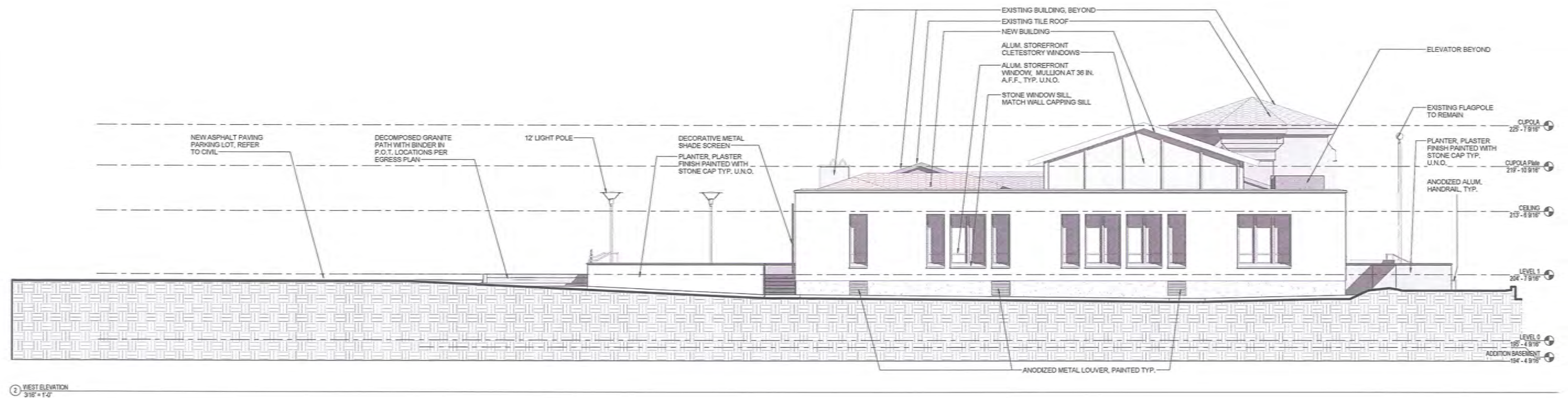
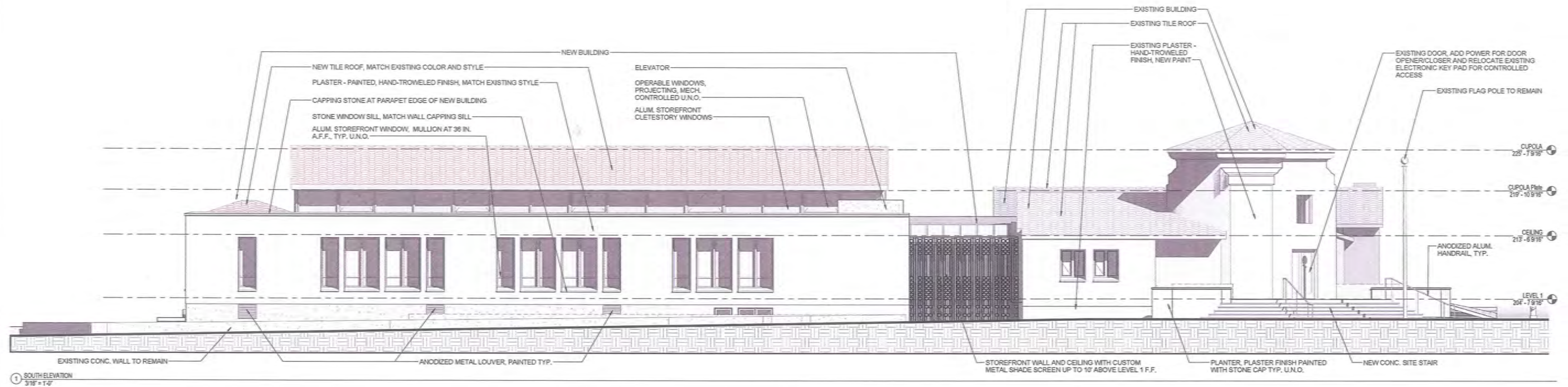


1 EAST ELEVATION  
3/16" = 1'-0"

## EXTERIOR ELEVATIONS

0 5'-4" ft N  
07/06/15





## EXTERIOR ELEVATIONS

0 5'-4" ft N  
07/06/15





## EXTERIOR ELEVATIONS

0 5' 4" ft N  
05/18/15





## EXTERIOR ELEVATIONS

0 5'-4" ft N  
07/06/15



5856 Doyle Street  
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2927 Newbury Street  
Berkeley, California 94703  
tel 510.548.4700 fax 510.548.0265  
[www.dillinghamlondonch.com](http://www.dillinghamlondonch.com)

[illegible]

1198 EL CAMINO REAL  
COLMA, CA 94014

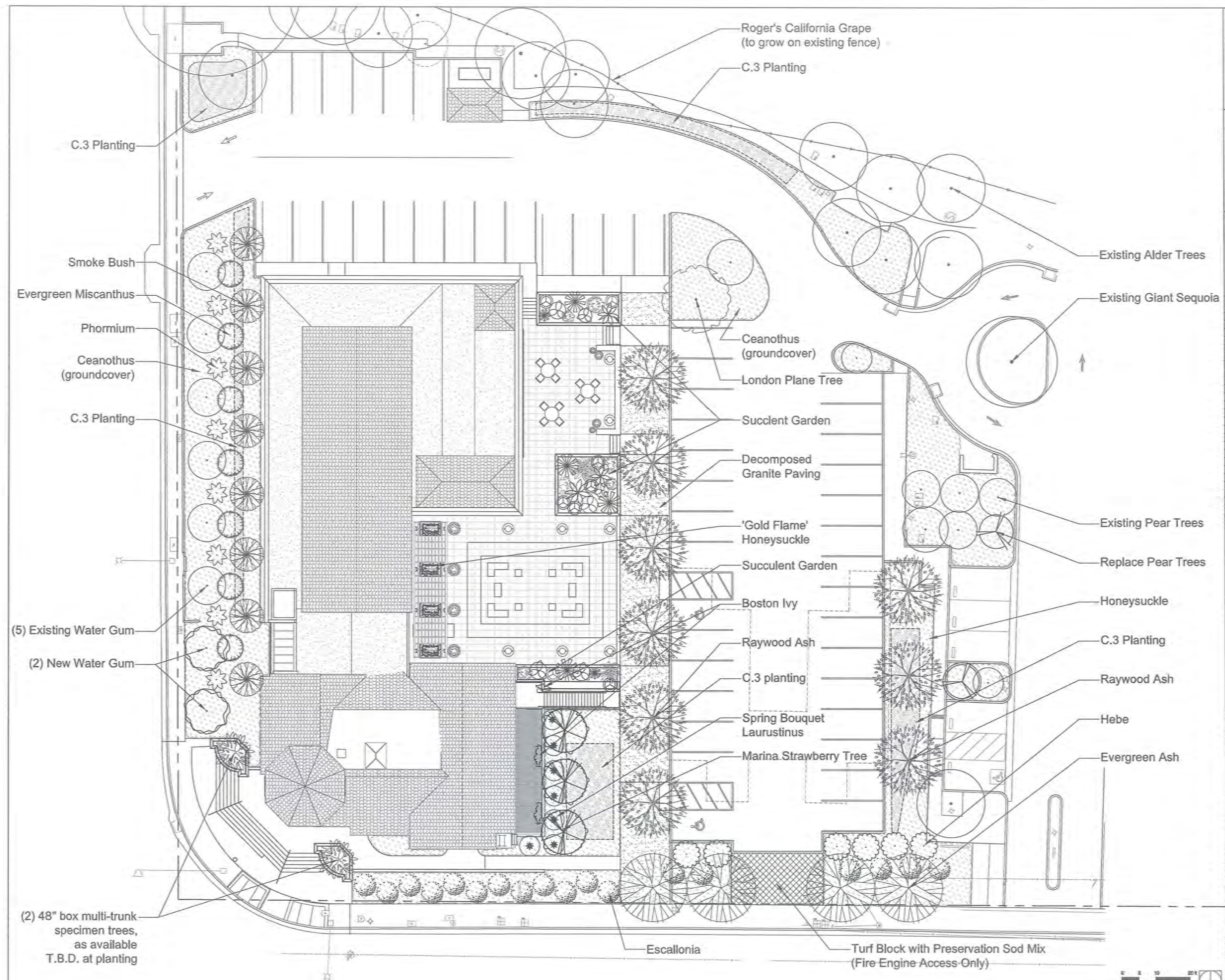
SHEET TITLE:

SCALE:  
PROJECT NUMBER:

SHEET NUMBER:

L-100 07/0

07/08/2015	100% PRELIMINARY DESIGN SUBMITTAL
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## COLMA TOWN HALL PLANT LIST

Latin Name	Common Name	Size	Native	Water Use	C-3 Area	Bldg West	Bldg South	Bldg East	Bldg North	Courtyard	Parking	Creekside
<b>Trees</b>												
Acer circinatum	Vine Maple	15	X	M								X
Fraxinus oxycarpa 'Raywood'	Raywood Ash	24		M							X	
Arbutus x 'Marina'	Marina Strawberry Tree	24		L		X						
Platanus x acerifolia 'Columbia'	London Plane Tree	24		M							X	
Fraxinus uhdei 'Monus'	Evergreen Ash	24		M							X	
Lagerstroemia indica	Crape Myrtle	48		L			X					
<b>Shrubs</b>												
Cotinus coggygia 'Royal Purple'	Smoke bush	15		L			X					
Hebe 'Great Orme'	Great Orme Hebe	5		M							X	
Miscanthus transmorrissonensis	Evergreen Miscanthus	5		H			X					
Phormium 'Golden Ray'	New Zealand flax	5		L			X					
Viburnum tinus 'Compactum'	Spring Bouquet Laurustinus	5		M					X			
Wisteria nana	Westringia	5		L		X						
<b>Groundcovers and Vines</b>												
Ceanothus g. h. 'Carmel Creeper'	Ceanothus	1		L							X	
Escallonia 'Compacta'	Compact Escallonia	5		M				X				
Lonicera x heckrottii 'Gold Flame'	Bougainvillea	5		M					X			
Lonicera japonica 'Halliana'	Hall's Japanese Honeysuckle	1		M							X	
Parthenocissus tricuspidata	Boston Ivy	1		L					X			
Trachelospermum jasminoides	Star Jasmine	5		M								X
Vitis 'Roger's Red'	Roger's California Grape	5	X	L							X	
Preservation Sod Mix		SOD		M							X	
<b>C-3 Planting</b>												
Carex pansa	California Meadow Sedge	1	X	M	X							X
Chondropetalum tectorum	Cape Rush	5		H	X							X
Heuchera 'Wendy'	Coral Bells	1		M	X							X
Juncus Patens	California Grey Rush	1		H	X		X					X
Lomandra Confertifolia 'Seascape'	Seascape Lomandra	1		L	X							X
Biofiltration Sod		SOD		M	X							
<b>Succulent Garden</b>												
Agave franzosinii	Century Plant	15		L						X		
Agave 'Blue Flame'		15		L						X		
Agave attenuata 'Variegata'		15		L						X		
Aloe maculata	Soap Aloe	1		L						X		
Cistanthe grandiflora	Rock purslane	1		L						X		
Dasyliion longissimum	Mexican Grass Tree	15		L						X		
Sedum spp.	Sedum	1		L						X		

### C-3 PLANTING



CAREX PANSA  
California Meadow Sedge



CHONDROPETALUM TECTORUM  
Cape Rush



HEUCHERA 'WENDY'  
Coral Bells



JUNCUS PATENS  
California Gray Rush



LOMANDRA CONFERTIFOLIA  
'SEASCAPE'  
Seascape Lomandra



BIOFILTRATION SOD

RATCLIFF

5856 Doyle Street  
Emeryville, CA 94608  
Tel 510 899 6400  
[www.racliffarch.com](http://www.racliffarch.com)

Dillingham Associates  
Landscape Architects

2927 Newbury Street  
Berkeley, California 94703  
tel 510.548.4700 fax 510.548.0265  
[www.dillinghamlandarch.com](http://www.dillinghamlandarch.com)

[illegible]

COLMA TOWN HALL

1198 EL CAMINO REAL  
COLMA, CA 94014

TOWN HALL  
RENOVATION AND  
ADDITION

SHEET TITLE:

## PLANT INFORMATION

SCALE:	N.T.S.
PROJECT NUMBER:	

SHEET NUMBER:

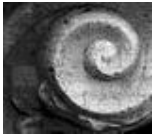
L-101 07/0

07/08/2015	100% PRELIMINARY DESIGN SUBMITTAL
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**LERNER + ASSOCIATES**  
ARCHITECTS

## MEMO

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TO: MICHAEL P. LAUGHLIN, AICP DATE: 05/18/2015  
CITY PLANNER PROJECT: COLMA TOWN HALL  
TOWN OF COLMA PLANNING DEPARTMENT ALTERATIONS AND ADDITION

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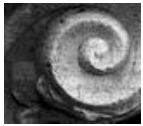
FROM: ARNIE LERNER, FAIA, CAsp ARCHITECT'S PROJECT NUMBER: 21348  
 SUBJECT: UPDATED HISTORICAL REVIEW OF PROPOSED ADDITION TO TOWN HALL

---

This memo states my professional opinion as to whether the additions and modifications to the original building do or do not cause a substantial adverse change in the town hall's significance as an historical resource. This information will help the town determine the level of CEQA review that is required and help them verify that they are being consistent with their General Plan.

To formulate a response, I reviewed the conceptual site plan, floor plans, elevation and 3D model dated 05/08/2015 based on Part 5.08.200 of the General Plan entitled Historic Resources Policies & Implementation Measures. In section 5.08.223, it states that "Colma should use the nationally established, Rehabilitation standards and Guidelines for the Restoration and Rehabilitation of Historic Structures (See Appendix C). Appendix C includes the Secretary of the Interior's 10 Standards for Rehabilitation. The intent of the Standards is to assist the long-term preservation of a property's significance through the preservation of historic materials and features. The review that follows is based on those "Standards".





## Standards for Rehabilitation

1. A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.

### RESPONSE:

*Demolition of 1986 Addition:* MEETS THE STANDARD. The property will continue to be used as a Town Hall as it has been historically after the demolition.

*Construction of New Addition:* MEETS THE STANDARD. The property will continue to be used as a Town Hall as it has been historically. The proposed addition will require minimal change to the original 1941 building's distinctive materials (exterior plaster and concrete, tile roof, and tile floor path of travel from entrance to chambers), features (entrance light fixtures), spaces (entrance lobby, town hall chambers, and public access to space next to entrance hall), and spatial relationships (original entrance and path of travel to town hall chambers to remain).

2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize a property will be avoided.

### RESPONSE:

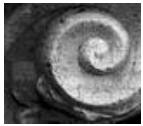
*Demolition of 1986 Addition:* MEETS THE STANDARD. The addition is not an historic resource and its removal will not affect the historic character of the original Town Hall as a resource eligible for the California and National Registers. As an example, the California Code of Regulations, California Register of Historical Resources (Title 14, Chapter 11.5), Section 4852, (2)) states:

“In order to understand the historic importance of a resource, sufficient time must have passed to obtain a scholarly perspective on the events or individuals associated with the resource. A resource less than fifty (50) years old may be considered for listing in the California Register if it can be demonstrated that sufficient time has passed to understand its historical importance.”

To help evaluate the addition's historical importance, I reviewed the 4 criterion for inclusion in the California Register which are:

- Associated with events that have made a significant contribution to the broad patterns of local or regional history or the cultural heritage of California or the United States (Criterion 1).
- Associated with the lives of persons important to local, California or national history (Criterion 2).
- Embodies the distinctive characteristics of a type, period, region or method of construction or represents the work of a master or possesses high artistic values (Criterion 3).
- Has yielded, or has the potential to yield, information important to the prehistory or history of the local area, California or the nation (Criterion 4).

The addition was constructed in 1986, just 28 years ago. I reviewed the archives for the site at the Colma Historical Association including newspaper articles and files staff provided and could find little support that the addition met any of the criterion listed above. It's my opinion sufficient time has not passed for the addition to be considered an historic resource. It's therefore my opinion that the demolition of the addition would not create a substantial adverse change in the original Town Hall's significance as an historical resource.



*Construction of New Addition:* MEETS THE STANDARD. Significant spaces and spacial relationships will be maintained. The primary elevations along Serramonte Blvd. and El Camino Real as well as the northeast elevation and the southwest elevation of the Town Hall chambers are being preserved. The new entrance walkway has a low profile and only enhances the main entrance's use.

3. Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historic properties, will not be undertaken.

**RESPONSE:**

*Demolition of 1986 Addition:* DID NOT MEET THE STANDARD. The addition is not a unique physical record of 1986. The addition attempted to copy the original design and had similar but not original features and thus created a false sense of history.

*Construction of New Addition:* NA

4. Changes to a property that have acquired historic significance in their own right will be retained and preserved.

**RESPONSE:**

*Demolition of 1986 Addition:* MEETS THE STANDARD. The addition has not acquired historic significance. See Standard 2 above.

*Construction of New Addition:* NA

5. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.

**RESPONSE:**

*Demolition of 1986 Addition:* MEETS THE STANDARD. There are no distinctive materials or features to preserve.

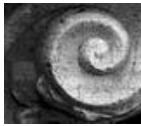
*Construction of New Addition:* MEETS THE STANDARD. The essential form and exterior details of the 1941 building are preserved as well as the entrance lobby, the original flooring that goes from the entrance to the town Hall chambers, and the handsome Chambers itself.

6. Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and, where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

**RESPONSE:**

*Demolition of 1986 Addition:* MEETS THE STANDARD. There are no distinctive materials or features being demolished.

*Construction of New Addition:* Deteriorated features, such as some dry-rot observed on the chamber windows, will be repaired rather than replaced.



7. Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

**RESPONSE:**

*Demolition of 1986 Addition:* NA

*Construction of New Addition:* NA

8. Archeological resources will be protected and preserved in place. If such resources must be disturbed, mitigation measures will be undertaken.

**RESPONSE:**

*Demolition of 1986 Addition:* NA. Not aware of any archaeological resources.

*Construction of New Addition:* NA. Not aware of any archaeological resources.

9. New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work will be differentiated from the old and will be compatible with the historic materials, features, size, scale and proportion, and massing to protect the integrity of the property and its environment.

**RESPONSE:**

*Demolition of 1986 Addition:* DID NOT MEET THE STANDARD. While the 1986 addition is compatible with the historic materials, features, size, scale and proportion, and massing of the original historic building, it is not differentiated from the original building, save for a minor change in the window lites.

*Construction of New Addition:* MEETS THE STANDARD. The design of the new addition allows the original historic structure to maintain its prominence along El Camino Real at the corner of Serramonte Blvd. much in the way the California Missions were designed. The Mission design model featured the dominant historical structure, the church with the priests' quarters, refectory, *convento*, workshops, kitchens, soldiers' and servants' living quarters, storerooms, and other ancillary chambers grouped around a walled, open court or patio. The walls were thick, openings recessed, the materials (which needed to come from local surroundings) simple, and the roofs low sloped. In some ways, this design principle is employed in the formation of typical cemeteries with the simple masonry walls surrounding the inner space. Following this lead, the proposed design features the dominant historic town hall and the addition, which is separated from the main building by a recessed connection (north elevation below):

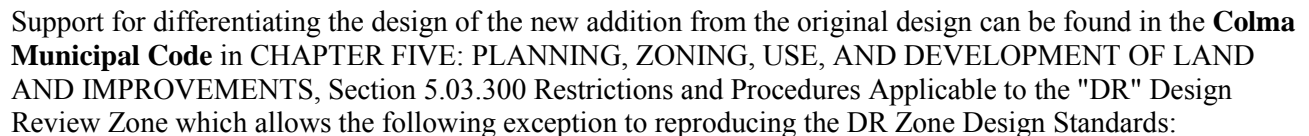
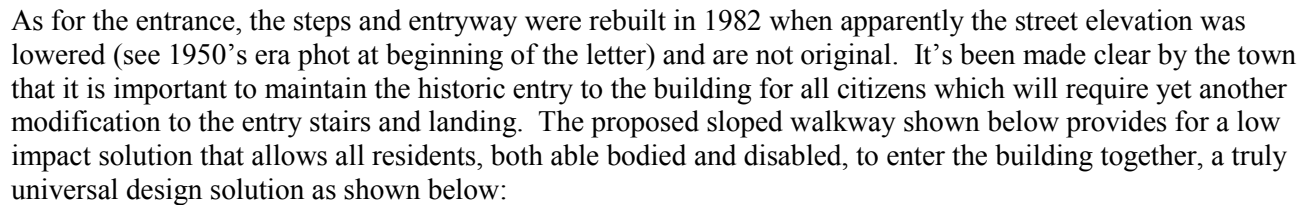


and the south elevation which presents itself to Serramonte Blvd. as a wall protecting an inner town hall community. The windows are recessed in what appears to be a thick wall much like the pattern established by the Missions and the town hall itself as shown on the south elevation below:





PROJECT NO: 21348  
DATE: 05/18/2015  
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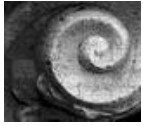


An addition in the same style as the historic resource would “clash” with the original town hall according to Secretary of the Interior’s Standards and diminish the uniqueness of the original historic resource.

- RESPONSE:**

*Construction of New Addition / Alterations to Historic Window:* MEETS THE STANDARD. The design indicates the essential form and integrity of the building will be retained. If the addition is removed, this form could be restored. As for the new walkway to the entrance, it could be removed and the portion of the 1982 concrete steps rebuilt.

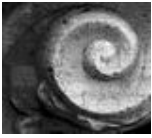
**L+A** 1108C Bryant Street San Francisco, CA 94103 Phone: (415) 863-5475 Fax: (415) 252-7649 [info@lernerarch.com](mailto:info@lernerarch.com)



chambers. This is a reversible alteration, consistent with the Secretary of the Interior's Standards for Rehabilitation. To see what original window looked like, one only need look at the western facing window of the chambers which is its original mirror image.

**CONCLUSION:** It is my professional opinion that neither the demolition of the 1986 addition to the original town hall nor the proposed new addition will create a substantial adverse change in the original town hall's significance.

*In terms of my experience to render such an opinion, my experience and education far exceed the Secretary of the Interior's Professional Qualifications Standards for Historic Architects in terms of experience and education. Please see my attached resume.*



**LERNER + ASSOCIATES**  
**ARCHITECTS**

**ARNIE LERNER, FAIA, CASp**

**EDUCATION**

University of Kansas, School of Architecture and Urban Design,  
Bachelor of Architecture, 1969. Honors: Tau Sigma Delta, Tau Beta Pi.

**AIA FELLOWSHIP**

2015 - Elected to AIA College of Fellows for notable contributions to the advancement of the profession of architecture

**ARCHITECTURAL REGISTRATION**

California 1982, C12670

**CASp CERTIFICATION**

CASp-149 (Certified Access Specialist, Division of the State Architect, California)

**PROFESSIONAL PRACTICE**

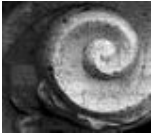
1995	-	Present	Principal Lerner + Assoc. Architects
1990	-	1995	Partner Lerner and Nathan, Architects
1988	-	1990	Principal Arnie Lerner, Architect
1983	-	1988	Director of Architectural Services, Staff Architect Foundation For San Francisco's Architectural Heritage
1982	-	1983	Project Architect Asian Neighborhood Design/Self Employment
1981	-	1982	Architectural Designer / Draftsman Robert Herman & Associates
1980	-	1981	Project Architect Community Design Center
1977	-	1979	Architectural Designer / Draftsman Whisler-Patri Architects

**PUBLIC SERVICE**

2013 – Current: Member, Education and Outreach Committee, CA Commission on Disability Access, Sacramento, CA.  
2006 – Current: Member, SF Architectural Heritage Board of Directors, Vice Chair Issues Committee, SF, CA.  
2005 – Current: President, Access Appeals Commission, Dept. of Bldg. Inspection, San Francisco, CA.  
1996 -Current: Member, San Francisco Code Advisory Committee, Historic Preservation Seat  
(Appointed by SF Building Inspection Commission).  
1988 -1990: AIA San Francisco Board of Directors (Director and Secretary)  
-Chaired sub-committee that established Advisory Design Review process to help mediate neighborhood design conflicts. Assisted in re-writing 1989 Residential Design Guidelines.  
-Chaired sub-committee that worked with UCSF Vice Chancellor Bruce Spaulding in saving for reuse the Maimonides (Pavilion) Building by Architect Erich Mendelsohn.  
1989 State of California Office of Emergency Services Registered Post Earthquake Disaster Service Worker, SF.  
1979 Appointed to Mission Armory Task force – Reviewed adaptive reuse proposals.

**PROFESSIONAL AFFILIATIONS**

American Institute of Architects, SF Chapter, National Trust for Historic Preservation, California Preservation Foundation, Association of Preservation Technology, Art Deco Society of California



**LERNER + ASSOCIATES**  
ARCHITECTS

**ARNIE LERNER, FAIA, CASp**

**AWARDS**

Design Award: Art Deco Society of California and the California Preservation Foundation 2007, for rehabilitation/ restoration of the 1930's art deco Cerrito Theater, El Cerrito, CA

Design Award: Art Deco Society of California, Governor's Award for Historic Preservation, and the California Preservation Foundation 2003, for rehabilitation/ restoration of the 1930's art deco Del Mar Theater, Santa Cruz, CA

Design Award, California Preservation Foundation, 1999, for McMullen House: Restoration & Craftsmanship  
(a board and care home for mentally disabled)

Design Award, California Preservation Foundation - Alameda County Courthouse Disabled Access  
Entrance and Ramp, 1994

Design Award, California Preservation Foundation, 1985, for McMullen House: Accessibility & Restoration  
(a board and care home for mentally disabled)

**TEACHING EXPERIENCE**

Effective ADA Design/Claim-Avoidance Strategies w/Joel Halverson, ESQ.-SF AIA, Dealey Renton (Ins Brokers) 2014  
University of CA Berkeley, School of Architecture, Graduate Professional Practice Class. April, 2014

UC Berkeley Department of Architecture Lecture: ARCH 269 Introduction to ADA and Universal Design 2011-14

Accessibility & the California Historical Building Code, Webinar, CA Preservation Foundation. 9/11.

Accessibility For Small Businesses -Independent Living Resource Center of SF, workshop for Merchants groups including Marina Merchants. ADA Walk throughs w/ merchants including Sunset District Supervisor & Merchants

Accessibility Basics - Teaching course being offered to professionals 3rd Saturday each month starting 12/97 at SF Department of Building Inspection (DBI). Sponsored by Independent Housing Services and DBI.

University of Southern California, USC 1994 Program of Short Courses in Historic Preservation, class in Restoration and Adaptive Reuse with emphasis on the Americans With Disabilities Act (6/17-7/1/94).

**CONFERENCES - INVITED SPEAKER**

August '10 AIA San Francisco. Accessibility Workshop for Architects. Continuing Education Fulfillment.

July '09, '10 CA Preservation Foundation Conference on Use of California Historic Building code, Disabled Access

November '08 CA Preservation Foundation Conference on Use of Secretary of Interior's Standards for the Treatment of Historic Properties - San Francisco.

June '05 CA Preservation Foundation Annual Conference; Sites of Social Change - Preservation of the Spirit

February '05 CA Preservation Foundation Seminar: Accessibility and Historic Preservation, Modesto, CA

December '04 Panel Discussion; ADA Requirements for Public Accessibility to Arts Venues, California Lawyers for the Arts & ArtHouse, Oakland, CA.

October '01 Making Historic House Museums Accessible, Western Museum Association, Palm Springs, CA

May '98 Sole Practitioner's Annual Breakfast, Featured Speaker, AIA Convention, San Francisco

June '96 The State Historic Building Code and Preservation Policy, AIA San Francisco

Nov. '92 Access to Historic Resources for Americans with Disabilities, California Preservation Foundation, SF

Oct. '91 Preservation and The ADA National Trust For Historic Preservation Conference, San Francisco

Oct. '89 National Public Radio, "All Things Considered Radio Interview", Loma Prieta Earthquake

**PUBLICATIONS**

Architecture California, August 1990, "Design Mediation: The Role of the San Francisco AIA"

Rehab Right (Contributor), Helen Kaplan Prentice & Blair Prentice, City of Oakland Planning Dept., 1986  
San Francisco Residential Guidelines, 2<sup>nd</sup> edition (contributing-author)





# STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Michael P. Laughlin, AICP, City Planner  
 VIA: Sean Rabé, City Manager  
 MEETING DATE: July 15, 2015  
 SUBJECT: Amendment of Design Review Standards

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## RECOMMENDATION

Staff recommends that the City Council adopt the following:

RESOLUTION AMENDING THE GENERAL PLAN LAND USE ELEMENT TO ALLOW  
 ADDITIONAL ARCHITECTURAL STYLES IN SPECIFIED LOCATIONS PURSUANT TO CEQA  
 GUIDELINE 15061(b)(3)

MOTION TO INTRODUCE AN ORDINANCE AMENDING SECTION 5.03.300 OF THE  
 COLMA MUNICIPAL CODE, RELATING TO DESIGN REVIEW ZONE STANDARDS  
 PURSUANT TO CEQA GUIDELINE 15061(b)(3)

## EXECUTIVE SUMMARY

Staff is recommending amendments to the Colma General Plan and Zoning Ordinance to require the Spanish Mediterranean design primarily along the El Camino Real Corridor, certain gateway sites, and sites that are currently developed with Spanish Mediterranean buildings. The ordinance amendment would not require, but encourage where feasible, Spanish Mediterranean architecture for most of Mission Road, Hillside Boulevard, Collins Avenue, the two existing shopping centers, and most of Serramonte Auto Row. These proposed amendments recognize the fact that Colma is comprised of unique districts where other architectural styles predominate and where designs other than Spanish Mediterranean may be more appropriate and desirable by businesses and property owners.

## FISCAL IMPACT

The proposed amendments would not have a financial impact on the Town, positive or negative as they involve general policy and procedure making.

## BACKGROUND

The Town of Colma General Plan and Zoning Ordinance both require the use of Spanish Mediterranean architecture for new construction. The Design Review "DR" zoning district

overlay that exists over all of the commercial areas of the Town provides for some exceptions to this requirement, namely for exterior modifications to existing buildings that are not Spanish Mediterranean in style, and for cemetery structures.

The Spanish Mediterranean requirement was first adopted into the Colma Zoning Code in 1994 and language about this Zoning Code requirement was then added to the General Plan in 1999. It was felt that establishing an architectural theme would serve to create a cohesive visual identity for the Town, based on the architectural style of the existing Town Hall building. In the 20 years since the requirement has been in place, many new buildings have been built which reflect this style. An inventory map of existing buildings with Spanish Mediterranean elements is attached for reference.

## **ANALYSIS**

As part of the Urban Design Study and the General Plan survey, staff has analyzed the current requirements as well as potential modifications to allow more flexibility. Staff finds that the Spanish Mediterranean character holds together well on El Camino Real, particularly in the vicinity of Town Hall and extending north and south (and to some extent east and west up Serramonte Boulevard), and it is recommended that this requirement remain for properties which front on El Camino Real. In addition, this requirement remains appropriate for civic buildings and gateway sites. However, staff recognizes that areas such as Auto Row, Mission Road, Collins Avenue and the existing shopping centers will never be retrofitted with Spanish Mediterranean elements to the point where this architectural style becomes predominant enough to change the visual character of the Town.

The proposed General Plan amendment would amend existing General Plan text to not require Spanish Mediterranean architecture in commercial zones. Instead, the text has been amended to require the use of high quality materials, building offsets and design that is appropriate for the setting.

The proposed amendments to the Design Review section of the Zoning Ordinance would designate certain areas as requiring Spanish Mediterranean design (designated as "DR(S)") and would also designate other sites where design flexibility would be allowed based on the surrounding design aesthetic (designated as "DR"). For sites with just a "DR" designation, a set of review requirements is recommended which focus on context and use of high quality materials, appropriate design elements and landscaping. The following geographic areas are discussed to explain how the proposed change would affect specific areas of Town:

### ***Mission Road***

Mission Road, from its intersection of El Camino Real to Malloy's is predominantly commercial and light industrial in nature, with one-story auto repair, warehouse and auto body uses on the west side of the street. On the east side of the street is a property owned by Holy Cross that is designated as a housing development site (and which contains Baca's machine shop). While this site could be Spanish Mediterranean in design, a more appropriate design may be one that speaks to the simpler, clean line commercial/industrial architecture across the street. The urban design consultants created a visual representation of development for the site that shows a more modern aesthetic. In addition, the preservation of the Baca's machine shop is being contemplated in the middle of new

development, so a Spanish Mediterranean style may conflict rather than blend with the existing structure.

From the Holy Cross stone building south, there are industrial/commercial buildings, and 5 historic homes with pitched roofs. Only one structure in this area has a red tile roof. Holy Cross dominates the eastern frontage to the southern Town border, and no development will occur on this eastern frontage. Verano is an attractive southern gateway to the Town with Spanish Mediterranean architecture.

*Recommendation for Mission Road: Require Spanish Mediterranean requirement at the south gateway (Verano) and only at the rectangular site at the "Y". Allow for other architectural styles for the balance of Mission Road which would better blend with the existing industrial/commercial and residential buildings.*

### ***El Camino Real***

As mentioned above, the Spanish Mediterranean theme holds together well along the entire corridor, from South San Francisco to Daly City. The theme is strongest at the intersection of Serramonte Boulevard and El Camino Real.

*Recommendation for El Camino Real: Keep Spanish Mediterranean requirement for all properties along El Camino Real and existing developed properties in the vicinity of El Camino Real (Such as Peninsula Reflections, Honda and Acura dealerships).*

### ***Collins Avenue***

Collins Avenue provides commercial and light industrial uses, many which support auto row. There are no Spanish Mediterranean structures. It is likely that development of the two or three vacant lots will be for auto or light industrial uses. Staff anticipates the developers of those sites will want to build simpler light industrial buildings rather than Spanish Mediterranean styled buildings. Due to limited visibility (or distant views) from major roadways such as Serramonte Boulevard and El Camino Real, the addition of Spanish Mediterranean buildings on remaining lots will not visually improve or change the existing aesthetic of Collins Avenue to the point that it could be viewed as a Spanish Mediterranean district.

*Recommendation for Collins Avenue: Keep Spanish Mediterranean requirement at the east end (Precision Auto, Peninsula Reflections and First National Bank) . Allow for other architectural styles which would better blend with the existing industrial/commercial buildings up to Serramonte Boulevard.*

### ***Serra Center, 280 Metro Center and Colma Boulevard***

Serra Center, 280 Metro Center and Home Depot are all existing commercial centers that express simple, clean lines. It is unlikely that these commercial businesses would incorporate Spanish Mediterranean architecture on their own in the future, since the current trend in retail buildings is clean-line modern. These shopping centers are already excluded from meeting the Spanish Mediterranean requirement.

Recommendation for Serra Center, 280 Metro Center and Colma Boulevard: *Allow for other architectural styles which would better blend with the existing commercial buildings in the vicinity.*

### ***Serramonte Boulevard***

Serramonte Boulevard is predominantly occupied by auto dealerships. Auto brands have corporate design standards which are typically modern and strongly dictated by the national corporate office of the auto brand. As the Town learned during the appeal of the Subaru dealership from the Town's design standards, Colma could easily lose new auto dealerships that want to move into Town if they are unable to incorporate corporate branding and exterior design standards. While a few dealership buildings have been built or modified to include Spanish Mediterranean elements, auto row largely maintains a modern, clean-line aesthetic since existing dealership buildings have been able to reface existing buildings that don't lend themselves to the Spanish Mediterranean architectural style.

Auto row is also visually linked to Serra Center buildings (HR Block, Target, Babies R Us, Dollar Tree) which do not have a Spanish Mediterranean aesthetic.

*Recommendation for Serramonte Boulevard: Keep Spanish Mediterranean requirement for 990 Serramonte Boulevard (Starbucks, Popeye's and Chipotle) since this is a gateway site. Also keep the requirement for 600 Serramonte (Volkswagen Used Cars), Honda and Acura since these buildings can be seen from El Camino and create a visual cluster around the intersection of El Camino Real and Serramonte Boulevard with Town Hall, the police station, senior housing, Cypress Lawn offices and Kohl's.*

### ***Hillside Boulevard***

Hillside Boulevard is largely developed with cemetery uses and existing buildings. Hillside Boulevard has a few Spanish Mediterranean buildings, namely the historic museum, community center and Lucky Chances. From Lucky Chances south, cemetery uses without structures predominate the landscape with a few residences and commercial buildings. The undeveloped hillside on the east side of Hillside Boulevard north of Lawndale Boulevard is under the ownership of Holy Cross for long-term cemetery expansion.

*Recommendation for Hillside Boulevard: Keep Spanish Mediterranean requirement for the historic museum, community center and Lucky Chances. Allow for other architectural styles which would better blend with the existing small commercial buildings and cemetery architecture up to Lawndale Boulevard.*

## **Values**

The City Council's adoption of the proposed amendments is *responsible* since it balances the need for property owners and businesses to develop or modify their properties with fewer architectural style restrictions.

## **Alternatives**

In addition to the recommended action, the City Council has the following options:

1. Adopt the General Plan Amendment and changes to the DR zoning but add or subtract properties or areas where the Spanish Mediterranean requirement should apply. To organize the discussion o, it is recommended that the Council discuss specific areas of Town using the geographic area divisions used in the staff report.
2. Not adopt the General Plan Amendment and changes to the DR zoning ordinance. This alternative is not recommended since requiring a specific architectural style could prevent businesses from locating and building in Colma, in conflict with the objective of maintaining financial sustainability for the Town. In addition, this alternative is not recommended since Spanish Mediterranean architecture is unlikely to become a predominant enough style in certain parts of Town to create a cohesive visual theme.

## **CONCLUSION**

The City Council should adopt the resolution and introduce and adopt the ordinance.

## **ATTACHMENTS**

- A. Resolution
- B. Ordinance with proposed Zoning Map amendments
- C. Existing Properties with Spanish Mediterranean Architecture



**RESOLUTION NO. 2015-\_\_**  
**OF THE CITY COUNCIL OF THE TOWN OF COLMA**  
**RESOLUTION AMENDING THE GENERAL PLAN LAND USE**  
**ELEMENT TO ALLOW ADDITIONAL ARCHITECTURAL STYLES IN**  
**SPECIFIED LOCATIONS PURSUANT TO CEQA GUIDELINE**  
**15061(b)(3)**

The City Council of the Town of Colma does resolve as follows:

**1. Background**

(a) The 1999 Town of Colma General Plan Land Use Element includes language and a policy that require that all new buildings in commercial districts to incorporate a Spanish Mediterranean architectural theme. Amendments will allow for other architectural styles in specified locations.

(b) As required by Government Code 65352.3, the Town of Colma consulted with California Native American Tribes. The four tribes were contacted on June 25, 2015. No comments were received.

(c) Notice of the Public Hearing to consider the adoption of the Land Use Amendment was posted on the Town's three official bulletin boards on July 2, 2015.

(d) Notice of the Public Hearing to consider the adoption of the Land Use Amendment was sent or emailed on July 2, 2015 to Colma businesses and property owners.

(e) On July 15, 2015 the City Council considered the Land Use Element Amendment at a Public Hearing.

**2. Findings**

The City Council finds that:

(a) The facts stated in the foregoing recitals are true and correct.

(b) The Town of Colma provided opportunities for public input and public notification in the preparation and adoption of the Land Use Element Amendment, as set forth in paragraphs 1(b) through 1(e);

(c) The Town of Colma followed all required procedures before adopting the Land Use Element Amendment, as set forth above.

(d) The Land Use Element Amendment promotes orderly land use and is in the best interest of the community for the future for all of the reasons provided for in this resolution.

(e) The Land Use Element Amendment does not satisfy the personal desires of a particular landowner to the detriment of the Town as the Town is seeking the amendment to regulate aesthetic concerns and ensure continued economic development in the Town in order to promote the public welfare

(f) The Land Use Element Amendment promotes public safety, comfort, convenience, and public welfare by allowing for greater design flexibility in specified areas, and ensuring any future potential development will be subject to independent design review and CEQA analysis.

(g) Approval of the Land Use Element Amendment does not conflict with adopted goals of the community, namely to preserve the uniqueness of Colma as a town of cemeteries and to plan for the orderly use of land resources throughout Colma.

(h) Approval of the Land Use Element Amendment is consistent with local ordinances regarding Design Review as amended by the City Council.

(i) The City Council finds that adoption of this Land Use Amendment is not a "project," as defined in the California Environmental Quality Act because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and concerns general policy and procedure making. Any future development subject to this Land Use Amendment will undergo independent discretionary review and independent CEQA analysis.

### 3. Orders

NOW THEREFORE BE IT ORDERED AS FOLLOWS:

Section 5.02.136 and Policy 5.02.3110 of the Colma Administrative Code and Colma General Plan are hereby amended by this Resolution, and the City Clerk shall post on the Town's website the revised Colma Administrative Code. These amendments are as follows<sup>1</sup>:

#### **5.02.136 Commercial Land Use Development Guidelines**

It is intended that new buildings in all commercial districts will incorporate design elements, materials and colors appropriate for the setting where the new buildings are located. ~~with the exception of established shopping centers, will incorporate a Spanish Mediterranean architectural theme. Exceptions will be considered if this approach would clash with existing improvements having historical or architectural merit.~~

Policy 5.02.3110~~24~~24

It is intended that new buildings in design review districts ~~where such buildings are visible from~~

---

<sup>1</sup> Substantive changes have been identified as follows: New text has been underlined; revised text has been underlined, without showing the prior wording; and deleted text is shown with a strike-through line. Non-substantive changes, such as grammar and formatting are not identified. All markings will be removed from the final version that is adopted by the City Council.



~~public roads, with the exception of established shopping centers and private cemetery family crypts and markers, should incorporate a Spanish/Mediterranean architectural theme. Exceptions should be allowed if this approach would clash with existing improvements having recognized historical or architectural merit. should be reviewed to ensure that exterior building design, materials and colors are appropriate for the setting where the new buildings are located.~~

### ***Certification of Adoption***

I certify that the foregoing Resolution No. 2015-\_\_ was duly adopted at a special meeting of the City Council of the Town of Colma held on July 15, 2015 by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Joanne del Rosario, Mayor					
Diana Colvin					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
Voting Tally					

Dated \_\_\_\_\_

\_\_\_\_\_  
Joanne del Rosario, Mayor

Attest: \_\_\_\_\_  
Sean Rabé, City Clerk



**ORDINANCE NO. \_\_\_\_**  
**OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**ORDINANCE AMENDING SECTION 5.03.300 OF THE  
 COLMA MUNICIPAL CODE, RELATING TO DESIGN REVIEW ZONE STANDARDS  
 PURSUANT TO CEQA GUIDELINE 15061(B)(3)**

The City Council of the Town of Colma does ordain as follows:

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**ARTICLE 1. CMC SECTION 5.03.300 OF SUBCHAPTER 5.03 AMENDED.** <sup>1</sup>

Section 5.03.300 shall be and hereby is amended as follows:

**5.03.300 Restrictions and Procedures Applicable to the "DR" Design Review Zone.**

(a) *Applicability.* The requirements of this section shall apply to all site, landscape and building plans, whether submitted in connection with the construction of a new building or an alteration or modification to the structure or façade of an existing building, within the area described in Section 5.03.040(d) with the following exceptions:

- (1) An addition or modification to an existing building where the addition or modification, if it were to conform to the DR standards, would clash with the building's established architectural theme.
- (2) Construction of secondary or accessory structures on parcels with existing buildings where the new building plans, were they to conform to the DR standards, would clash with existing improvements having recognized historical or architectural merit.
- (3) Construction of new buildings on cemetery grounds with a G base zone, where the new site and building plans, were they to conform to the DR standards, would clash with existing improvements having recognized historical or architectural merit.
- (4) Wireless Communications Facilities in the "DR" Zone shall be subject to the requirements of subchapter 5.17 only.

(b) *DR (S) Design Standards.* All plans for development in the portion of the DR zone which are designated with an "(S)" shall incorporate building, site and landscape design elements representing the Spanish/Mediterranean style as defined in the following subsections.

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<sup>1</sup> Substantive changes have been identified as follows: New text has been underlined; revised text has been underlined, without showing the prior wording; and deleted text is shown with a strike-through line. Non-substantive changes, such as grammar and formatting are not identified. All markings will be removed from the final version that is adopted by the City Council.

(1) Building Design Elements. Principal structures and secondary structures such as, storage buildings and trash enclosures must be architecturally consistent. The following design elements must be present in all buildings:

- (i) Buildings shall incorporate simple, stepped massing, highlighted with towers, cupolas and varied chimney forms. Flat walls shall be minimized by interruptions using balconies, patios, shed roof elements, clerestory windows, gable end or trellis arcades and colonnades of stylized columns or arches.
- (ii) Roofs shall be low pitched gable and shed roof types with terra-cotta or similar colored real, individual Spanish barrel tile. No manufactured tile or sheets of tile may be used. All flat roof areas shall be surrounded by a parapet wall and must not be located where they can be viewed from adjacent buildings or property. Parapet walls shall be of such height that will completely screen all rooftop equipment.
- (iii) Wall surfaces shall be composed primarily of stucco and must be articulated by use of columns, piers and pilasters. Window and door openings shall be varied in size and articulated by use of deep reveals, exposed lintels and sills, iron grillwork and faux balconies. Arched openings are encouraged.
- (iv) Door and window openings shall be designed to convey the thickness of masonry construction by recessing the doors and windows and using ornamental surrounds. Ornamentation may consist of stucco moldings, bands of tile or other framing. Glass areas must be broken up by mullions. Operable casement or double hung windows are encouraged. Windows can be covered externally with appropriately designed grilles integral to the surface of the building.

(2) Site and Landscape Design Elements. The following elements must be present in the site and landscape designs:

- (i) Site plan and landscape design must appropriately integrate and conceal utility vaults, back flow prevention devices, trash dumpsters and other accessory elements that may not be compatible with the Spanish-Mediterranean theme.
- (ii) A formal balanced planting layout shall be achieved by using elements such as landscape entry features, tree lined walks and drives, and boundary tree rows. Formal placement of trees in courts, pavilions and parking lots can significantly enhance the character of these public and private areas. Use of accent features such as brightly colored flowers and palm trees is encouraged. Drought tolerant and California native plant materials are encouraged.

- (iii) Landscape design shall incorporate features such as arbors, trellises, fountains, walks, pavilions, curbs, light standards, benches, sculpture, enhanced pavement (materials, textures and patterns), garden walls (free standing and retaining), wood fences and gates, ironwork gates and railings, planting pots and urns in order to integrate the Spanish/Mediterranean design theme throughout the overall project design.

(c) *DR Design Standards.* All plans for development in the DR zone without an "(S)" designation shall incorporate building, site and landscape design elements that are appropriate for the setting based on surrounding properties as defined in the following subsections.

(1) *Building Design Elements.* Principal structures and secondary structures such as, storage buildings and trash enclosures must be architecturally consistent with each other. The following design elements must be present in all buildings:

- (i) Buildings shall incorporate simple, stepped massing. Flat walls shall be composed of a durable material and shall be minimized by interruptions including wall off-sets, varied use of materials, trim banding, score lines, trim molding, contrasting colors, trellises etc. The use of tower or articulated roof elements is encouraged.
- (ii) Roofs shall be low pitched gable and shed roof types. All flat roof areas shall be surrounded by a parapet wall and must not be located where they can be viewed from adjacent buildings or property. Parapet walls shall be of such height that will completely screen all rooftop equipment.

(2) *Site and Landscape Design Elements.* The following elements must be present in the site and landscape designs:

- (i) Site plan and landscape design must appropriately integrate and conceal utility vaults, back flow prevention devices, trash dumpsters and other accessory elements.
- (ii) A formal balanced planting layout shall be achieved by using elements such as landscape entry features, tree lined walks and drives, and boundary tree rows. Formal placement of trees in courts, pavilions and parking lots can significantly enhance the character of these public and private areas. Use of accent features such as brightly colored flowers and palm trees is encouraged. Drought tolerant and California native plant materials are encouraged.
- (iii) Landscape design shall incorporate features such as arbors, trellises, fountains, walks, pavilions, curbs, light standards, benches, sculpture, enhanced pavement (materials, textures and patterns), garden walls (free

standing and retaining), wood fences and gates, ironwork gates and railings, planting pots and urns as appropriate to the project.

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## **ARTICLE 2. ZONING MAP AMENDED.**

This City Council hereby approves amendments to the zoning map for the Design Review (DR) overlay zone, as shown on the Amended Zoning Map attached hereto and incorporated herein by reference.

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## **ARTICLE 3. SEVERABILITY.**

Each of the provisions of this ordinance is severable from all other provisions. If any article, section, subsection, paragraph, sentence, clause or phrase of this ordinance is for any reason held by a court of competent jurisdiction to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

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## **ARTICLE 4. NOT A CEQA PROJECT.**

The City Council finds that adoption of this ordinance is not a "project," as defined in the California Environmental Quality Act because it does not have a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment and concerns general policy and procedure making. Any future development subject to this Ordinance will undergo independent discretionary review and independent CEQA analysis.

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## **ARTICLE 5. EFFECTIVE DATE.**

This ordinance including the vote for and against the same shall be posted in the office of the City Clerk and on the three (3) official bulletin boards of the Town of Colma within 15 days of its passage and shall take force and effect thirty (30) days after its passage.

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### Certification of Adoption

I certify that the foregoing Ordinance No. ### was introduced at a special meeting of the City Council of the Town of Colma held on July 15, 2015, and duly adopted at a regular meeting of said City Council held on \_\_\_\_\_, 2015 by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Joanne del Rosario, Mayor					
Diana Colvin					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
Voting Tally					

Dated \_\_\_\_\_

\_\_\_\_\_  
Joanne del Rosario, Mayor

Attest: \_\_\_\_\_  
Sean Rabé, City Clerk



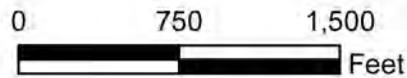




Town of Colma

Existing Spanish/Mediterranean  
Style Buildings

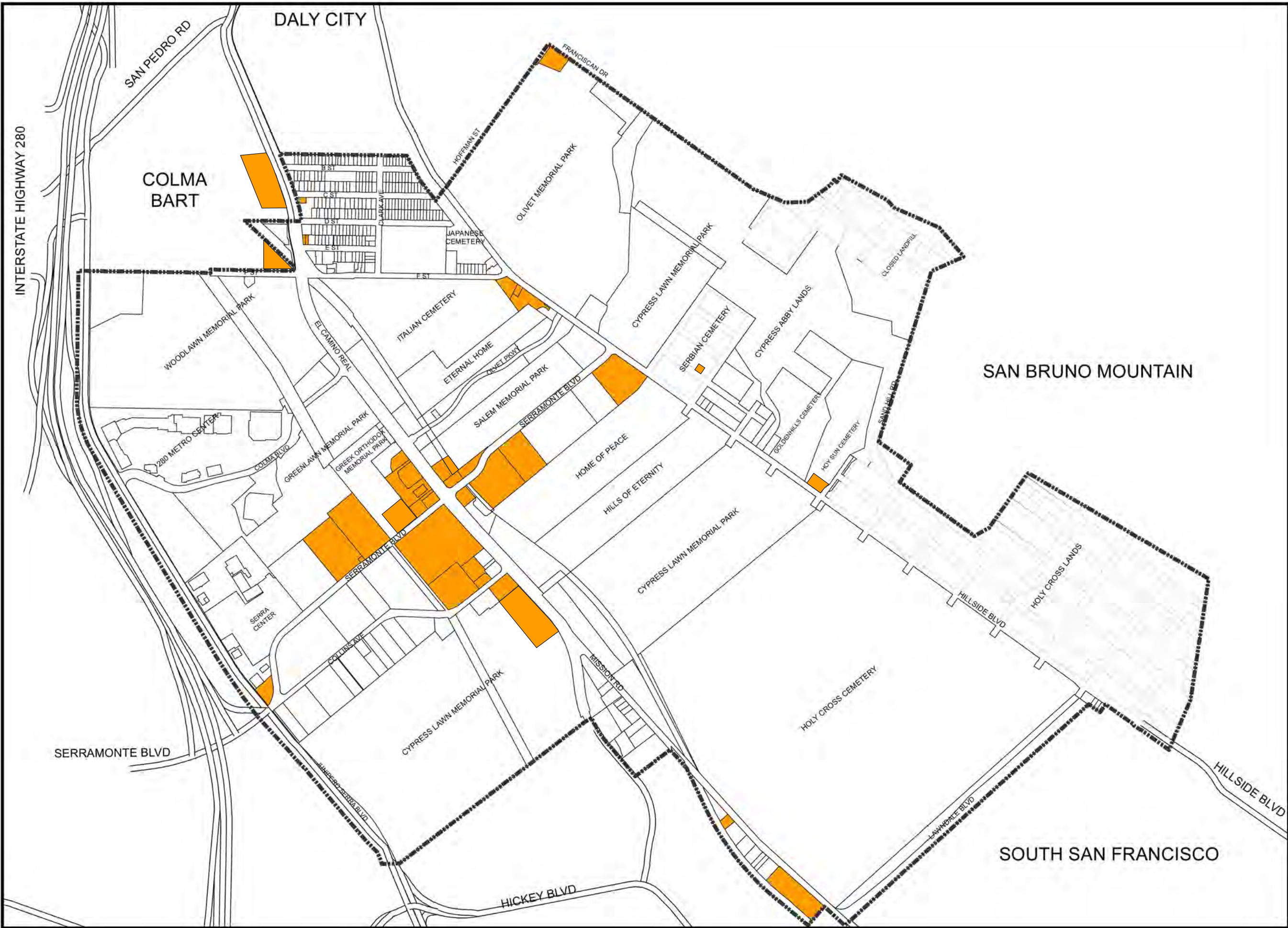
ATTACHMENT C



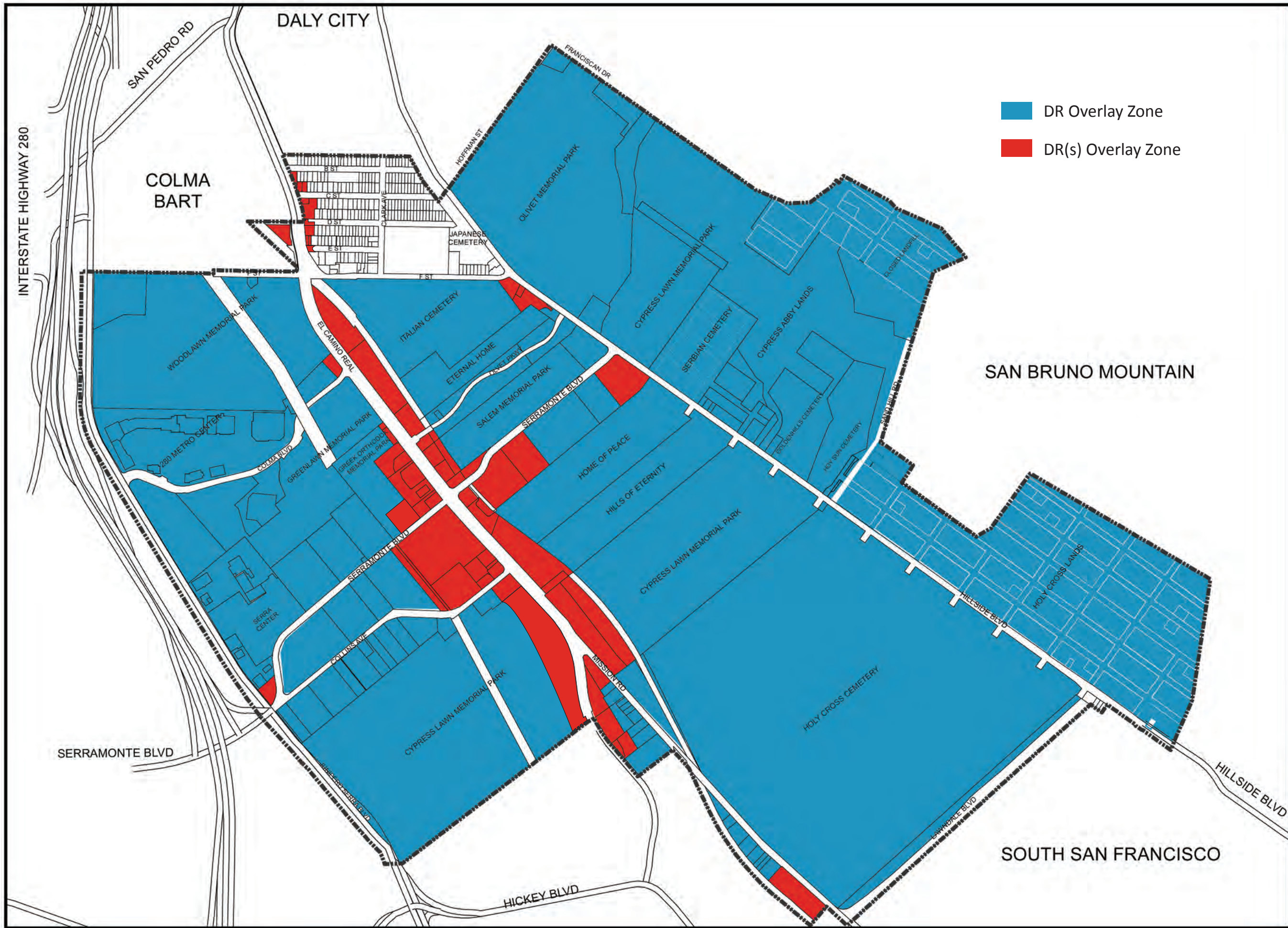
Town of Colma Planning Department  
1190 El Camino Real, Colma, CA 94014  
(650) 757-8888



CSG Consultants Inc.





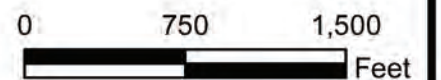


- DR Overlay Zone
- DR(s) Overlay Zone



Town of Colma

# Design Review (DR) and Design Review-Spanish/Mediterranean (DR(s)) Overlay Zone



Town of Colma Planning Department  
1190 El Camino Real, Colma, CA 94014  
(650) 757-8888



CSG Consultants Inc.





## STAFF REPORT

TO: Mayor and Members of the City Council  
 FROM: Brad Donohue, Director of Public Works  
 Cyrus Kianpour, City Engineer  
 VIA: Sean Rabé, City Manager  
 MEETING DATE: July 15, 2015  
 SUBJECT: Approval of Engineer's Report for Sanitary Sewer Service Charges

### RECOMMENDATION

Staff recommends that the City Council adopt the following:

RESOLUTION OVERRULING PROTESTS TO AND ADOPTING ENGINEER'S REPORT ON SEWER SERVICE CHARGES FOR FISCAL YEAR 2015-2016, AND DIRECTING THE CITY ENGINEER TO FILE A COPY OF THE ENGINEER'S REPORT WITH THE SAN MATEO COUNTY TAX COLLECTOR, AND AUTHORIZING THE COUNTY TAX COLLECTOR TO PLACE THE CHARGES ON THE PROPERTY TAX ROLL

### EXECUTIVE SUMMARY

This public hearing is to consider any protests to the report prepared by the City Engineer enumerating the sewer service charges to be assessed against each parcel of property in Colma for FY 2015-16 ("Engineer's Report"). For protests to be considered they must be submitted prior to the close of the public hearing on the Report. Protests apply only to the parcel for which the protest is made, and the City Council must consider each protest individually and decide whether to sustain or overrule the protest as to each protested parcel. Tabulation of inquiries and protests to the sewer charges, and recommended action is attached as Exhibit C to the Staff Report.

At the conclusion of the Public Hearing, the City Council should adopt a Resolution to either: adopt the Engineer's Report as proposed, or as modified to address individual protests, and authorize the Controller to place the charges on the property tax roll. The City Engineer is then directed to file the Engineer's Report, along with the Resolution and submit it to the County Assessor's Office who will then collect the approved sewer service charges through the property tax rolls.

*Instructions:* If no protests are filed, the Council should adopt the proposed resolution with an instruction to the City Attorney to strike the alternative clauses which state that a protest was filed.

If protests are filed, ask the City Attorney for advice on how to modify the draft resolution.

## **FISCAL IMPACT**

The Town will be paying out to the City of South San Francisco and the North County San Mateo Sanitation District (NSMCSD) a total of \$916,054.05. After calculating in the final year of the Residential subsidy program and the water incentive program, the Town will be reimbursed through the County Tax Rolls \$836,741.81, leaving a net cost of \$79,339.24 to the Town for Town wide annual sanitary sewer charges

Please see the summary of sewer charges from the Engineer's Report below:

### **Amounts Payable to SSF and NSMCSD for Sewer Service:**

Sewer Charges Payable to SSF:	\$ 772,286.22
Transfer of Charges for Village Serramonte Condominiums	
(Daly City Jurisdiction Flows to SSF):	\$ 97,881.00
Net Sewer Charges Payable to SSF:	<b>\$ 870,167.22</b>

Sewer Charges Payable to NSMCSD:	\$ 143,767.83
Transfer of Charges for Village Serramonte Condominiums	
(Daly City Jurisdiction Flows to SSF):	(\$ 97,881.00)
Net Sewer Charges Payable to NSMCSD:	<b>\$ 45,886.83</b>

<b>Total Sewer Charges for FY 2015-16:</b>	<b>\$916,054.05</b>
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Amount Town subsidizes for residential subsidy:	(\$ 35,022.53)
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Amount Town compensates for Water Conservation Incentive:	(\$ 30,873.66)
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Sewer Charges for Town Properties:	(\$13,443.04)
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<b>Revenue from charges posted on Tax Rolls:</b>	<b>\$ 836,714.81</b>
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<b>Net Cost to Town:</b>	<b>\$79,339.24</b>
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## **BACKGROUND**

The Town of Colma contracts with the City of South San Francisco ("SSF") and the North San Mateo County Sanitation District ("District") to provide sanitary sewer services to all properties in the Town. The Town assesses sewer service charges against businesses within the Town at the same rate that SSF or the District charges the Town for those properties.

The Town levies an annual sewer service charge on each property that utilizes, or has access to these sewer systems. Pursuant to section 5473 of the Health and Safety Code of the State of California, the Town has elected to collect the annual sewer service charges through the County of San Mateo Property Tax Rolls. Therefore, in accordance with the Health and Safety Code, the City Engineer has prepared a report describing each parcel that receives sewer service and the amount of the service charge that will be assessed against each parcel for Fiscal Year 2015-16 (the "Engineer's Report" or "Report").

As required, the Engineer's Report has been on file with the office of the City Clerk for public review and comment for at least fifteen days prior to the Public Hearing on July 15, 2015. In addition, the required notice of public hearing and the proposed sewer charges was published in the local newspaper on June 24 and July 8, 2015; a courtesy copy of the notice with individual sewer charge was mailed to all affected property owners, residents, and business owners; and a copy of the notice was posted on the three official Town bulletin boards for at least 15 days prior to the Public Hearing.

The Engineer's Report uses the sewer rates that were approved by the City Council at their regular City Council Meeting on May 13<sup>th</sup>, 2015.

## **ANALYSIS**

### **North San Mateo County Sanitation District "District" Sewer Rates**

In Fiscal Year 2013-14, the District approved increasing the sewer rates to all customers annually by 9% each year for the next 3 years. Staff reconfirmed with the District that this year's sewer rates (3<sup>rd</sup> year of the 3 year plan) will be increased by 9% over last year's rates.

Section 3.04.170 of the Colma Municipal Code "Fees for Sewer Service Provided through NSMCSD Sewer System" allows for a pass-through rate increase for all properties connected to the District's system provided that this rate increase does not exceed the rates in effect for the prior fiscal year by more than 10%.

The Municipal Code also requires that the Town give a written notice of any applicable rate increase to each property on whom the increased rate is to be imposed at least thirty days prior to the effective date of any such increase. Written notices of this rate increase were mailed to all property owners connected to the District's system on May 27, 2015. Accordingly, the increased rates were used for calculation of sewer charges for FY 15-16.

### **South San Francisco "SSF" Sewer Rates**

Under the agreement that the Town has with SSF, if sewer rate increases are not forwarded to the Town by April 1<sup>st</sup> of the current year, the Town will use the previous year's rate schedule. Because the Town did not receive notice of a rate increase by April 1, 2015, the Town will default to SSF's last years' (2014-15) sewer rates. In 2014-15, SSF increased their sewer rates by 4% from the 2013-14 rates. Colma residents and businesses that are serviced by SSF will see a sanitary sewer rate increase of 4% over last year rates.

Colma Municipal Code allows for a pass-through rate increase for all properties connected to the SSF system provided that this rate increase does not exceed the rates in effect for the prior

fiscal year by more than 10%.

### **Residential Subsidy**

Section 3.04.170 of the Colma Municipal Code allows for a 20% subsidy for residential users for FY 2015-16. Therefore, the sewer service charge that will be assessed against each residential parcel for Fiscal Year 2015-2016 will be 80% of the amount the sewer district charges the Town for that parcel.

Commercial users will be assessed 100% of the sewer service charge; the exact amount the sewer district charges the Town for that parcel, minus the water conservation incentive if they qualified.

### **Water Conservation Incentive Program**

In July 2012, City Council approved a Water Conservation Incentive Program for all sewer service customers in Town. The proposed Program would grant each sewer service user a subsidy if the customer used the same amount of water or less compared to the average of the prior three years.

In May 2015, the City Council approved \$100,000 for Water Conservation Incentive Program for FY 2015-16. The Authorized Subsidy of \$100,000 would reduce the sewer service charge by 10.89% for each Eligible Customer.

The total incentive for qualified users was calculated to be \$30,306.72. A summary of the incentive program is as follows:

<b>User Type</b>	<b>Maximum subsidy for Individual user</b>	<b>Minimum subsidy for Individual user</b>	<b>Total Incentive</b>	<b>Percentage of Incentive</b>	<b>Percentage of Eligible Users in each Category</b>
NSMCSD Residential Users (number of users – 261)	\$157.07	\$6.07	\$7,490.06	24.27%	73%
NSMCSD Commercial Users (number of users - 20)	\$220.88	\$7.58	\$825.64	2.67%	58%
SSF Residential Users (number of users - 73)	\$48.18	\$48.18	\$2,071.63	6.71%	57%
SSF Commercial Users (number of users - 93)	\$3,885.45	\$60.22	\$20,486.33	66.35%	58%
<b>TOTAL</b>			<b>\$30,873.66</b>	<b>100.00%</b>	

### **Hearing on Engineer's Report to Consider Individual Protests**

The purpose of the hearing on the Engineer's Report is to hear individual protests to the proposed sewer charges shown in the Engineer's Report for a particular parcel of property within the Town of Colma. For example, a property owner might protest the classification for their property, or another owner might claim that they are not connected to a particular service provider. However, protests to sewer rates cannot be contested, due to the fact that the time for lodging those protests expired when the Proposition 218 hearing was held in July of 2011.

Each affected property owner has the right to file a written protest to the Report any time prior to the conclusion of the public hearing on the Report on July 15, 2015. If the Council decides a protest(s) is valid, the Council should sustain the protest, and direct the City Engineer to amend the Engineer's Report or remove the charge in accordance with the Council's direction. If the Council decides that a protest is invalid, it should overrule the protest, and direct the City Engineer to file the Engineer's Report without change.

If there are any protests to the Engineer's Report submitted after the Council receives this Staff Report, the City Engineer will prepare a supplemental staff report detailing those protests. Written protests can be submitted until the close of the public hearing. If a protest is filed at the public hearing, staff will advise the Council at the meeting of their recommendation and, amend the Engineer's Report as directed by the City Council before submitting it to the County. If the attached Resolution needs to be amended to address any protests submitted at the hearing, the City Attorney will help guide the Council through that process.

If a majority of property owner's protest, then the Town cannot place the charges on the Tax Roll, but must collect the charges through an invoice-and-payment process.

To date the City Engineer's Office has received 3 inquiries. The 3 inquiries that were received were not of a protest nature but either an explanation of how sewer charges are calculated or the reallocation of water use data, (Please see EXHIBIT "C") If any written protests are received prior to the Public Hearing and after this Staff Report has been submitted for distribution, Staff will submit to City Council copies of the written protests prior to the opening of the Public Hearing for adopting Engineer's Report on sewer service charges for fiscal year 2015-2016.

### **Assessment on County Tax Rolls**

The City Engineer will send the approved or amended Engineer's Report to the County with instructions to enter the amounts of the charges shown on the Report as assessments against the respective parcels on the roll for fiscal year 2015-16.

### **Values**

Before assessing a charge on the county tax rolls against any particular property in the Town of Colma, the City Council will have held a public hearing allowing the public to protests to the City Council the calculation of their annual sanitary sewer charge. Through this process, the City Council is being *fair* by allowing for a protest process where the Council can review and rule on each protest.

## **Sustainability Impact**

The Annual Sanitary Sewer Service Engineers Report, provides detail on the results of the Water Conservation Incentive Program. By reviewing the results of the program, City Council can make intelligent decisions regarding future funding and incentive programs to reduce domestic water usage and ensure continued sustainability.

## **Alternatives**

As to each protest against the proposed sewer service charge, the City Council can either sustain or overrule the protest for that parcel. If the City Council sustains the protest, it can modify or remove the proposed charge for that parcel.

## **CONCLUSION**

Staff recommends the City Council adopt the attached Resolution to sustain or overrule protests to the Engineer's Report for FY 2015-16 and to adopt the Engineer's Report, and to direct the City Engineer to file a copy of the Report with the County Tax Collector for collection on the San Mateo County tax rolls.

## **ATTACHMENTS**

- A. Resolution
- B. Engineer's Report - Sewer Service Charges FY 2015-16
- C. Tabulation of inquiries and protests



**RESOLUTION NO. 2015-\_\_\_\_**  
**OF THE CITY COUNCIL OF THE TOWN OF COLMA**

**RESOLUTION OVERRULING PROTESTS TO AND ADOPTING ENGINEER'S REPORT ON  
SEWER SERVICE CHARGES FOR FISCAL YEAR 2015-2016,  
AND DIRECTING THE CITY ENGINEER TO FILE A COPY OF THE ENGINEER'S REPORT  
WITH THE SAN MATEO COUNTY TAX COLLECTOR**

The City Council of the Town of Colma does hereby resolve:

**1. Background**

(a) The City Council has, by Colma Municipal Code, Chapter Three, Subchapter Seven (Section 3.07.010, *et seq.*), otherwise known as the *Colma Sewer Service Charge Code*, provided for the collection of sewer service charges for each fiscal year on the tax rolls of San Mateo County, and has directed the preparation and filing of a written report for each fiscal year containing descriptions of each parcel of real property located in Colma receiving such sewer services and facilities, and the amount of the sewer service charge for each parcel for the fiscal year, computed in conformity with the charges prescribed by ordinance.

(b) Pursuant to Section 5473, *et seq.* of the California Health and Safety Code, the City Engineer prepared and filed a written report ("Report") with the City Clerk on or about June 22, 2015.

(c) Notice of the filing of the Report and the public hearing thereon was published in the San Mateo County Times on June 24, 2015 and July 8, 2015 in accordance with Health and Safety Code Section 5473.1 and Government Code Section 6066, and posted on the Town's three official bulletin boards.

(d) A Public Hearing on the Report was held on July 15, 2015, at which time, the City Council heard and considered all objections or protests, if any, to the Report.

**2. Findings**

The City Council finds that:

(a) At the public hearing on July 15, 2015, no persons made any comments, objections or protests regarding the Report.

*Alternate provision if one or more protests to individual parcels are filed.* At the public hearing on July 15, 2015, \_\_\_\_\_ made and filed objections or protests regarding the Report, and the Council ruled thereon as follows: *[specify]*

(b) The owners of a majority of the separate parcels of property described in the Report did not file protests, and therefore the City Council is authorized to adopt the Report and to order that the charges set forth in the Report shall be collected on the tax roll of the County of San Mateo and shall constitute a lien against any parcel or parcels of land.

### 3. Order

Now, therefore, the City Council does hereby order that:

(a) The City Council hereby adopts the Report without any further revision, change, reduction or modification.

*Alternate provision if one or more protests to individual parcels are filed.* The City Engineer is directed to modify the Report by making any changes to sewer service charges necessary as a result of any protest sustained by the Council during the public hearing on the Report. The City Council hereby adopts the Report, as modified by the directive in Section 3(a) above, without any further revision, change, reduction or modification

(b) The charges set forth in the Report, as adopted, shall be collected on the tax roll of the County of San Mateo in the manner provided by law and shall constitute a lien against each parcel or parcels of land as specified therein.

*Alternate provision if one or more protests to individual parcels are filed.* The charges set forth in the Report, as so modified, shall be collected on the tax roll of the County of San Mateo in the manner provided by law and shall constitute a lien against each parcel or parcels of land as specified therein.

(c) The City Engineer is directed to file with the County Controller of San Mateo County on or before the July 31, 2015 a copy of the Report upon which shall be endorsed, over the Clerk's signature, a statement that the Report has been finally adopted by the City Council of the Town of Colma.

(d) The County Controller of San Mateo County shall, upon receipt of the Report, enter the amounts of the charges set forth in the Report against the respective lots or parcels as they appear on the assessment roll for the fiscal year.

#### ***Certification of Adoption***

I certify that the foregoing Resolution No. 2015-\_\_ was duly adopted at a special meeting of the City Council of the Town of Colma held on July 15, 2015 by the following vote:

Name	Counted toward Quorum			Not Counted toward Quorum	
	Aye	No	Abstain	Present, Recused	Absent
Joanne del Rosario, Mayor					
Diana Colvin					
Helen Fisicaro					
Raquel Gonzalez					
Joseph Silva					
Voting Tally					

Dated \_\_\_\_\_

\_\_\_\_\_  
Joanne del Rosario, Mayor

Attest: \_\_\_\_\_  
Sean Rabé, City Clerk





Annual Sanitary Sewer Service Charges FY 2015-2016

Engineer's Section 5473 Report



## INDEX

1. Summary Table
2. Engineer's 5473 Report of Annual Sewer Service Charges
3. Properties delineated per their Service Area
  - a. Residential Properties in NSMCSD Service Area
  - b. Commercial Properties in NSMCSD Service Area
  - c. Town Properties in NSMCSD Service Area
  - d. Residential Properties in SSF Service Area
  - e. Commercial Properties in SSF Service Area
  - f. Town Properties in SSF Service Area





**SUMMARY: Engineers' Section 5473 Report - Annual Sewer Charges FY 2015-16**

Payments	
Annual Sewer Charges Payable to SSF	\$870,167.22
Annual Sewer Charges Payable to NSMCSD	\$45,886.83
<b>Total Sewer Charges for FY 15-16 (1)</b>	<b>\$916,054.05</b>

Revenue	
Revenue from Parcel Charges FY 15-16 (2)	\$836,714.81

Expenses	
<b>Total Expenses FY 15-16 = (1-2) = (a+b)</b>	<b>\$79,339.24</b>

**Expense Breakdown**

Subsidy and Water Conservation Incentive	
Amount Town Pays for Residential Subsidy	\$35,022.53
Amount Town Pays for Water Conservation Incentive	\$30,873.66
<b>Sub-total (a)</b>	<b>\$65,896.19</b>

Sewer Charges for Town Properties	
Creekside Villas Senior Homes	\$9,954.00
Town Facilities	\$2,936.04
1365 Mission Rd.	\$553.00
<b>Sub-total (b)</b>	<b>\$13,443.04</b>



APN	St. No.	St. Name	Town Pays NSM/CSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive I/(1a or 1b)-21	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive I/(1a or 1b)-2-31
103-190-040	401	B St.	\$375.60	\$0.00	\$75.12	\$300.48	\$32.72	\$267.76
103-190-030	403	B St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
103-190-020	405	B St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
103-190-010	407	B St.	\$75.12	\$0.00	\$15.02	\$60.10	\$6.54	\$53.55
008-125-320	409	B St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
008-125-330	411	B St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
008-125-340	413	B St.	\$788.76	\$0.00	\$157.75	\$631.01	\$68.72	\$562.29
008-125-350	415	B St.	\$1,126.80	\$0.00	\$225.36	\$901.44	\$98.17	\$803.27
008-126-240	416	B St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
008-125-360	417	B St.	\$563.40	\$0.00	\$112.68	\$450.72	\$0.00	\$450.72
008-126-250	418	B St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
008-125-370	419	B St.	\$563.40	\$0.00	\$112.68	\$450.72	\$0.00	\$450.72
008-126-260	420	B St.	\$1,652.64	\$0.00	\$330.53	\$1,322.11	\$0.00	\$1,322.11
008-126-220	424	B St.	\$676.08	\$0.00	\$135.22	\$540.86	\$58.90	\$481.96
008-126-230	426	B St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
008-126-320	430	B St.	\$300.48	\$0.00	\$60.10	\$240.38	\$0.00	\$240.38
008-126-330	436	B St.	\$375.60	\$0.00	\$75.12	\$300.48	\$32.72	\$267.76
008-126-340	438	B St.	\$525.84	\$0.00	\$105.17	\$420.67	\$0.00	\$420.67
008-126-040	442	B St.	\$1,126.80	\$0.00	\$225.36	\$901.44	\$0.00	\$901.44
008-125-220	451	B St.	\$225.36	\$0.00	\$45.07	\$180.29	\$0.00	\$180.29
008-125-210	453	B St.	\$1,126.80	\$0.00	\$225.36	\$901.44	\$98.17	\$803.27
008-125-200	455	B St.	\$600.96	\$0.00	\$120.19	\$480.77	\$52.36	\$428.41
008-125-190	461	B St.	\$525.84	\$0.00	\$105.17	\$420.67	\$45.81	\$374.86
008-126-040	468	B St.	\$225.36	\$0.00	\$0.00	\$225.36	\$24.54	\$200.82
006-413-110	471	B St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
006-411-010	472	B St.	\$676.08	\$0.00	\$135.22	\$540.86	\$0.00	\$540.86
006-413-100	475	B St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
006-411-020	476	B St.	\$150.24	\$0.00	\$30.05	\$120.19	\$0.00	\$120.19
006-413-090	479	B St.	\$488.28	\$0.00	\$97.66	\$390.62	\$42.54	\$348.09
006-411-030	480	B St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-413-080	483	B St.	\$788.76	\$0.00	\$157.75	\$631.01	\$0.00	\$631.01
006-411-040	484	B St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
006-411-050	488	B St.	\$262.92	\$0.00	\$52.58	\$210.34	\$22.91	\$187.43
006-411-060	492	B St.	\$488.28	\$0.00	\$97.66	\$390.62	\$42.54	\$348.09
006-414-140	503	B St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-412-010	504	B St.	\$638.52	\$0.00	\$127.70	\$510.82	\$0.00	\$510.82
006-414-130	507	B St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
006-412-020	508	B St.	\$413.16	\$0.00	\$82.63	\$330.53	\$0.00	\$330.53
006-414-120	511	B St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65

APN	St. No.	St. Name	Town Pays NSMCS (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
006-412-030	512	B St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
006-414-110	515	B St.	\$262.92	\$0.00	\$52.58	\$210.34	\$0.00	\$210.34
006-412-040	516	B St.	\$112.68	\$0.00	\$22.54	\$90.14	\$9.82	\$80.33
006-414-100	519	B St.	\$75.12	\$0.00	\$15.02	\$60.10	\$6.54	\$53.55
006-412-050	520	B St.	\$450.72	\$0.00	\$90.14	\$360.58	\$39.27	\$321.31
006-414-090	523	B St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
006-412-060	524	B St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
006-414-080	527	B St.	\$75.12	\$0.00	\$15.02	\$60.10	\$6.54	\$53.55
006-412-070	528	B St.	\$488.28	\$0.00	\$97.66	\$390.62	\$42.54	\$348.09
006-414-070	531	B St.	\$525.84	\$0.00	\$105.17	\$420.67	\$45.81	\$374.86
006-412-080	532	B St.	\$262.92	\$0.00	\$52.58	\$210.34	\$22.91	\$187.43
006-412-090	536	B St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
006-412-100	540	B St.	\$826.32	\$0.00	\$165.26	\$661.06	\$0.00	\$661.06
008-125-260	469	B St.	\$1,352.16	\$0.00	\$270.43	\$1,081.73	\$117.80	\$963.93
008-125-400	435	B St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
008-125-390	437	B St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
008-125-380	439	B St.	\$262.92	\$0.00	\$52.58	\$210.34	\$22.91	\$187.43
008-125-420	429	B St.	\$638.52	\$0.00	\$127.70	\$510.82	\$0.00	\$510.82
008-125-430	431	B St.	\$69.63	\$0.00	\$13.93	\$55.70	\$6.07	\$49.63
008-125-440	433	B St.	\$1,314.60	\$0.00	\$262.92	\$1,051.68	\$0.00	\$1,051.68
008-126-270	401	C St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
008-126-280	409	C St.	\$939.00	\$0.00	\$187.80	\$751.20	\$81.81	\$669.39
008-126-280	411	C St.	\$1,765.32	\$0.00	\$353.06	\$1,412.26	\$0.00	\$1,412.26
008-126-280	413	C St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
008-126-300	417	C St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
008-126-310	419	C St.	\$1,089.24	\$0.00	\$217.85	\$871.39	\$0.00	\$871.39
008-126-130	421-423	C St.	\$450.72	\$0.00	\$90.14	\$360.58	\$39.27	\$321.31
008-126-120	427-431	C St.	\$713.64	\$0.00	\$142.73	\$570.91	\$62.17	\$508.74
008-126-110	435	C St.	\$1,802.88	\$0.00	\$360.58	\$1,442.30	\$157.07	\$1,285.24
008-127-050	438	C St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
008-127-050	440	C St.	\$375.60	\$0.00	\$75.12	\$300.48	\$0.00	\$300.48
008-126-090	441	C St.	\$976.56	\$0.00	\$195.31	\$781.25	\$85.08	\$696.17
008-127-200	442	C St.	\$75.12	\$0.00	\$15.02	\$60.10	\$6.54	\$53.55
008-126-080	445	C St.	\$1,201.92	\$0.00	\$240.38	\$961.54	\$104.71	\$856.82
008-127-210	446	C St.	\$62.92	\$0.00	\$52.58	\$210.34	\$22.91	\$187.43
008-126-070	449	C St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
008-126-060	455	C St.	\$751.20	\$0.00	\$150.24	\$600.96	\$65.44	\$535.52
008-127-070	464	C St.	\$713.64	\$0.00	\$142.73	\$570.91	\$0.00	\$570.91
008-127-080	466	C St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65

APN	St. No.	St. Name	Town Pays NSM/CSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservative incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
008-126-050	467	C St.	\$751.20	\$0.00	\$150.24	\$600.96	\$0.00	\$600.96
006-411-120	471	C St.	\$525.84	\$0.00	\$105.17	\$420.67	\$45.81	\$374.86
006-387-130	472	C St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
006-411-110	475	C St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
006-387-020	476	C St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
006-411-100	479	C St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
006-387-030	480	C St.	\$450.72	\$0.00	\$90.14	\$360.58	\$39.27	\$321.31
006-411-090	483	C St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
006-387-040	484	C St.	\$488.28	\$0.00	\$97.66	\$390.62	\$42.54	\$348.09
006-411-080	487	C St.	\$112.68	\$0.00	\$22.54	\$90.14	\$9.82	\$80.33
006-411-070	491	C St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
006-387-050	492	C St.	\$75.12	\$0.00	\$15.02	\$60.10	\$6.54	\$53.55
006-412-230	503	C St.	\$187.80	\$0.00	\$37.56	\$150.24	\$0.00	\$150.24
006-388-010	504	C St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
006-412-220	507	C St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
006-388-020	508	C St.	\$262.92	\$0.00	\$52.58	\$210.34	\$22.91	\$187.43
006-412-210	511	C St.	\$69.63	\$0.00	\$13.93	\$55.70	\$6.07	\$49.64
006-388-030	512	C St.	\$901.44	\$0.00	\$180.29	\$721.15	\$0.00	\$721.15
006-412-200	515	C St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-388-040	516	C St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
006-412-190	519	C St.	\$450.72	\$0.00	\$90.14	\$360.58	\$39.27	\$321.31
006-388-050	520	C St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-412-180	523	C St.	\$525.84	\$0.00	\$105.17	\$420.67	\$0.00	\$420.67
006-388-060	524	C St.	\$375.60	\$0.00	\$75.12	\$300.48	\$32.72	\$267.76
006-412-170	527	C St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-388-070	528	C St.	\$338.04	\$0.00	\$67.61	\$270.43	\$0.00	\$270.43
006-412-160	531	C St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
006-388-080	532	C St.	\$112.68	\$0.00	\$22.54	\$90.14	\$9.82	\$80.33
006-412-150	535	C St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
006-388-090	536	C St.	\$450.72	\$0.00	\$90.14	\$360.58	\$39.27	\$321.31
006-412-140	539	C St.	\$75.12	\$0.00	\$15.02	\$60.10	\$0.00	\$60.10
006-388-100	540	C St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
006-412-130	543	C St.	\$375.60	\$0.00	\$75.12	\$300.48	\$0.00	\$300.48
006-388-110	544	C St.	\$638.52	\$0.00	\$127.70	\$510.82	\$55.63	\$455.19
006-412-120	547	C St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
006-388-120	548	C St.	\$375.60	\$0.00	\$75.12	\$300.48	\$32.72	\$267.76
006-412-110	551	C St.	\$112.68	\$0.00	\$22.54	\$90.14	\$9.82	\$80.33
006-388-130	552	C St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
006-388-140	556	C St.	\$826.32	\$0.00	\$165.26	\$661.06	\$0.00	\$661.06

APN	St. No.	St. Name	Town Pays NSM/CSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
006-388-150	560	C St.	\$450.72	\$0.00	\$90.14	\$360.58	\$0.00	\$360.58
006-388-160	564	C St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
008-126-290	415	C St. B	\$638.52	\$0.00	\$127.70	\$510.82	\$55.63	\$455.19
008-126-290	415	C St. A	\$751.20	\$0.00	\$150.24	\$600.96	\$0.00	\$600.96
008-126-300	417	C St. A	\$375.60	\$0.00	\$75.12	\$300.48	\$0.00	\$300.48
008-126-310	419	C St. A	\$901.44	\$0.00	\$180.29	\$721.15	\$78.53	\$642.62
008-127-280	420	C St. A	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
008-127-270	422	C St. A	\$525.84	\$0.00	\$105.17	\$420.67	\$45.81	\$374.86
008-127-260	424	C St. A	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
008-127-250	426	C St. A	\$863.88	\$0.00	\$172.78	\$691.10	\$0.00	\$691.10
008-127-280	420	C St. B	\$713.64	\$0.00	\$142.73	\$570.91	\$62.17	\$508.74
008-127-270	422	C St. B	\$600.96	\$0.00	\$120.19	\$480.77	\$52.36	\$428.41
008-127-260	424	C St. B	\$375.60	\$0.00	\$75.12	\$300.48	\$32.72	\$267.76
008-127-250	426	C St. B	\$676.08	\$0.00	\$135.22	\$540.86	\$58.90	\$481.96
006-413-070	350	Clark Ave.	\$488.28	\$0.00	\$97.66	\$390.62	\$0.00	\$390.62
006-384-060	450	Clark Ave.	\$525.84	\$0.00	\$105.17	\$420.67	\$0.00	\$420.67
006-384-070	550	Clark Ave.	\$1,126.80	\$0.00	\$225.36	\$901.44	\$0.00	\$901.44
006-381-040	560	Clark Ave.	\$69.63	\$0.00	\$13.93	\$55.70	\$6.07	\$49.64
006-381-050	570	Clark Ave.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
006-381-060	580	Clark Ave.	\$1,014.12	\$0.00	\$202.82	\$811.30	\$0.00	\$811.30
006-381-070	F and	Clark Ave.	\$1,051.68	\$0.00	\$0.00	\$1,051.68	\$114.53	\$937.15
008-421-180	205	Collins Ave.	\$0.00	\$925.74	\$0.00	\$925.74	\$100.81	\$824.92
008-421-190	207	Collins Ave.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-421-150	245	Collins Ave.	\$0.00	\$11,255.70	\$0.00	\$11,255.70	\$0.00	\$11,255.70
010-421-180	248	Collins Ave.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-421-160	480	Collins Ave.	\$0.00	\$1,620.64	\$0.00	\$1,620.64	\$0.00	\$1,620.64
010-421-200	500	Collins Ave.	\$0.00	\$1,853.46	\$0.00	\$1,853.46	\$201.84	\$1,651.61
010-421-190	530	Collins Ave.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-403-040	1000	Collins Ave.	\$0.00	\$1,665.05	\$0.00	\$1,665.05	\$181.32	\$1,483.72
008-403-020	1500	Collins Ave.	\$0.00	\$11,016.48	\$0.00	\$11,016.48	\$0.00	\$11,016.48
008-322-320	1 to 17	Colma Blvd.	\$0.00	\$1,568.84	\$0.00	\$1,568.84	\$170.85	\$1,398.00
008-322-550	2	Colma Blvd.	\$0.00	\$9,183.65	\$0.00	\$9,183.65	\$0.00	\$9,183.65
008-322-550	2	Colma Blvd.	\$0.00	\$1,134.08	\$0.00	\$1,134.08	\$0.00	\$1,134.08
008-322-470	19	Colma Blvd.	\$0.00	\$2,308.86	\$0.00	\$2,308.86	\$0.00	\$2,308.86
008-322-480	27	Colma Blvd.	\$0.00	\$1,006.43	\$0.00	\$1,006.43	\$109.60	\$896.83
008-322-480	41	Colma Blvd.	\$0.00	\$6,904.39	\$0.00	\$6,904.39	\$0.00	\$6,904.39
008-322-480	55	Colma Blvd.	\$0.00	\$725.22	\$0.00	\$725.22	\$78.98	\$646.24
008-322-290	65	Colma Blvd.	\$0.00	\$2,508.67	\$0.00	\$2,508.67	\$273.19	\$2,235.47
008-322-490	75	Colma Blvd.	\$0.00	\$762.22	\$0.00	\$762.22	\$0.00	\$762.22

## Annual Sewer Service Charges FY 2015-16

Town of Colma  
Engineering Department

APN	St. No.	St. Name	Town Pays NSM/CSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
008-322-270	81	Colma Blvd.	\$0.00	\$1,509.64	\$0.00	\$1,509.64	\$164.40	\$1,345.24
008-322-500	91	Colma Blvd.	\$0.00	\$6,260.57	\$0.00	\$6,260.57	\$0.00	\$6,260.57
008-322-500	91	Colma Blvd.	\$0.00	\$1,117.15	\$0.00	\$1,117.15	\$0.00	\$1,117.15
008-322-330	101	Colma Blvd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-322-340	111	Colma Blvd.	\$0.00	\$10,680.62	\$0.00	\$10,680.62	\$1,163.12	\$9,517.50
008-322-340	119	Colma Blvd.	\$0.00	\$740.02	\$0.00	\$740.02	\$80.59	\$659.43
008-322-510	121	Colma Blvd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-322-560	200	Colma Blvd.	\$0.00	\$2,064.66	\$0.00	\$2,064.66	\$224.84	\$1,839.81
008-143-020	430	D St.	\$751.20	\$0.00	\$150.24	\$600.96	\$65.44	\$535.52
008-127-160	433	D St.	\$450.72	\$0.00	\$90.14	\$360.58	\$39.27	\$321.31
008-143-030	434	D St.	\$563.40	\$0.00	\$112.68	\$450.72	\$0.00	\$450.72
008-127-150	435	D St.	\$713.64	\$0.00	\$142.73	\$570.91	\$0.00	\$570.91
008-143-060	436	D St.	\$676.08	\$0.00	\$135.22	\$540.86	\$58.90	\$481.96
008-143-040	438	D St.	\$713.64	\$0.00	\$142.73	\$570.91	\$62.17	\$508.74
008-127-140	439	D St.	\$150.24	\$0.00	\$30.05	\$120.19	\$0.00	\$120.19
008-143-050	442	D St.	\$300.48	\$0.00	\$60.10	\$240.38	\$0.00	\$240.38
008-127-240	443	D St.	\$788.76	\$0.00	\$157.75	\$631.01	\$0.00	\$631.01
008-143-070	448	D St.	\$788.76	\$0.00	\$157.75	\$631.01	\$68.72	\$562.29
008-143-080	452	D St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
008-127-230	455	D St.	\$262.92	\$0.00	\$52.58	\$210.34	\$22.91	\$187.43
008-143-090	456	D St.	\$413.16	\$0.00	\$82.63	\$330.53	\$0.00	\$330.53
008-127-220	459	D St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
008-143-100	460	D St.	\$751.20	\$0.00	\$150.24	\$600.96	\$65.44	\$535.52
008-127-110	463	D St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
008-143-110	464	D St.	\$901.44	\$0.00	\$180.29	\$721.15	\$78.53	\$642.62
008-127-100	467	D St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
008-143-450	468	D St.	\$1,051.68	\$0.00	\$210.34	\$841.34	\$0.00	\$841.34
006-387-120	471	D St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
008-143-460	472	D St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
006-387-110	475	D St.	\$187.80	\$0.00	\$37.56	\$150.24	\$16.36	\$133.88
008-143-440	476	D St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-387-100	479	D St.	\$262.92	\$0.00	\$52.58	\$210.34	\$22.91	\$187.43
006-384-020	480	D St.	\$1,089.24	\$0.00	\$217.85	\$871.39	\$94.89	\$776.50
006-387-090	483	D St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
006-384-030	484	D St.	\$375.60	\$0.00	\$75.12	\$300.48	\$32.72	\$267.76
006-387-140	487	D St.	\$525.84	\$0.00	\$105.17	\$420.67	\$45.81	\$374.86
006-384-040	488	D St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
006-384-050	490	D St.	\$488.28	\$0.00	\$97.66	\$390.62	\$42.54	\$348.09
006-387-060	491	D St.	\$1,427.28	\$0.00	\$285.46	\$1,141.82	\$124.34	\$1,017.48

APN	St. No.	St. Name	Town Pays NSWSCD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
006-388-360	503	D St.	\$112.68	\$0.00	\$22.54	\$90.14	\$9.82	\$80.33
006-388-350	507	D St.	\$69.63	\$0.00	\$13.93	\$55.70	\$6.07	\$49.64
006-388-340	511	D St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-388-330	515	D St.	\$262.92	\$0.00	\$52.58	\$210.34	\$22.91	\$187.43
006-388-320	519	D St.	\$112.68	\$0.00	\$22.54	\$90.14	\$9.82	\$80.33
006-388-310	523	D St.	\$69.63	\$0.00	\$13.93	\$55.70	\$6.07	\$49.64
006-388-300	527	D St.	\$450.72	\$0.00	\$90.14	\$360.58	\$0.00	\$360.58
006-388-290	531	D St.	\$600.96	\$0.00	\$120.19	\$480.77	\$52.36	\$428.41
006-388-280	535	D St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
006-388-270	539	D St.	\$1,051.68	\$0.00	\$210.34	\$841.34	\$91.62	\$749.72
006-388-260	543	D St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
006-388-250	547	D St.	\$600.96	\$0.00	\$120.19	\$480.77	\$52.36	\$428.41
006-388-240	551	D St.	\$600.96	\$0.00	\$120.19	\$480.77	\$52.36	\$428.41
006-388-230	555	D St.	\$600.96	\$0.00	\$120.19	\$480.77	\$52.36	\$428.41
006-388-220	559	D St.	\$525.84	\$0.00	\$105.17	\$420.67	\$45.81	\$374.86
006-388-210	563	D St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
006-388-200	567	D St.	\$375.60	\$0.00	\$75.12	\$300.48	\$32.72	\$267.76
006-388-190	571	D St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-388-180	575	D St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-388-170	579	D St.	\$112.68	\$0.00	\$22.54	\$90.14	\$9.82	\$80.33
008-127-300	429	D St.	\$112.68	\$0.00	\$22.54	\$90.14	\$9.82	\$80.33
008-127-290	431	D St.	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
008-144-090	460	E St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
008-144-110	446	E St.	\$1,314.60	\$0.00	\$262.92	\$1,051.68	\$114.53	\$937.15
008-143-280	449	E St.	\$1,089.24	\$0.00	\$217.85	\$871.39	\$0.00	\$871.39
008-143-310	401	E St.	\$3,079.92	\$0.00	\$615.98	\$2,463.94	\$0.00	\$2,463.94
008-143-320	415	E St.	\$976.56	\$0.00	\$195.31	\$781.25	\$0.00	\$781.25
008-143-320	417	E St.	\$826.32	\$0.00	\$165.26	\$661.06	\$0.00	\$661.06
008-144-290	412-416	E St.	\$1,953.12	\$0.00	\$390.62	\$1,562.50	\$0.00	\$1,562.50
008-143-340	419	E St.	\$751.20	\$0.00	\$150.24	\$600.96	\$65.44	\$535.52
008-143-340	421	E St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
008-143-350	423	E St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
008-143-350	425	E St.	\$525.84	\$0.00	\$105.17	\$420.67	\$45.81	\$374.86
008-143-360	429	E St.	\$713.64	\$0.00	\$142.73	\$570.91	\$62.17	\$508.74
008-143-180	435	E St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
008-144-120	444	E St.	\$300.48	\$0.00	\$60.10	\$240.38	\$26.18	\$214.21
008-143-250	445	E St.	\$638.52	\$0.00	\$127.70	\$510.82	\$0.00	\$510.82



[illegible]

APN	St. No.	St. Name	Town Pays NSM/CSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
008-392-070	1198	El Camino Real	\$0.00	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
020-013-110	1199	El Camino Real	\$0.00	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-421-120	1200	El Camino Real	\$0.00	\$984.23	\$0.00	\$984.23	\$107.18	\$877.04
011-341-810	1201	El Camino Real	\$0.00	\$717.82	\$0.00	\$717.82	\$78.17	\$639.65
008-421-040	1222	El Camino Real	\$0.00	\$4,306.92	\$0.00	\$4,306.92	\$0.00	\$4,306.92
008-421-040	1232	El Camino Real	\$0.00	\$769.62	\$0.00	\$769.62	\$83.81	\$685.81
008-421-050	1250	El Camino Real	\$0.00	\$902.82	\$0.00	\$902.82	\$0.00	\$902.82
011-341-850	1299	El Camino Real	\$0.00	\$553.00	\$0.00	\$553.00	\$0.00	\$553.00
010-422-040	1300	El Camino Real	\$0.00	\$2,205.26	\$0.00	\$2,205.26	\$240.15	\$1,965.11
011-341-500	1361	El Camino Real	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-422-020	1370	El Camino Real	\$0.00	\$1,191.43	\$0.00	\$1,191.43	\$129.75	\$1,061.69
010-422-020	1370	El Camino Real	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-422-020	1370	El Camino Real	\$0.00	\$8,606.43	\$0.00	\$8,606.43	\$0.00	\$8,606.43
011-341-110	540	F St.	\$69.63	\$0.00	\$0.00	\$69.63	\$7.58	\$62.05
006-388-540	601	F St.	\$300.48	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
006-388-460	623	F St.	\$751.20	\$0.00	\$150.24	\$600.96	\$65.44	\$535.52
008-144-200	435	F St.	\$75.12	\$0.00	\$0.00	\$75.12	\$8.18	\$66.94
008-144-150	417	F St.	\$1,765.32	\$0.00	\$353.06	\$1,412.26	\$153.79	\$1,258.46
008-144-270	419	F St.	\$338.04	\$0.00	\$67.61	\$270.43	\$0.00	\$270.43
008-144-260	421	F St.	\$525.84	\$0.00	\$105.17	\$420.67	\$45.81	\$374.86
008-144-180	429	F St.	\$262.92	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
008-144-190	433	F St.	\$713.64	\$0.00	\$142.73	\$570.91	\$62.17	\$508.74
008-144-200	437	F St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
008-144-210	439	F St.	\$112.68	\$0.00	\$22.54	\$90.14	\$9.82	\$80.33
006-388-400	441	F St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
006-388-410	609	F St.	\$488.28	\$0.00	\$97.66	\$390.62	\$42.54	\$348.09
006-388-420	613	F St.	\$676.08	\$0.00	\$135.22	\$540.86	\$58.90	\$481.96
006-388-430	615	F St.	\$150.24	\$0.00	\$30.05	\$120.19	\$13.09	\$107.10
006-388-530	619	F St.	\$187.80	\$0.00	\$37.56	\$150.24	\$0.00	\$150.24
006-388-450	621	F St.	\$676.08	\$0.00	\$135.22	\$540.86	\$0.00	\$540.86
006-388-460	625	F St.	\$375.60	\$0.00	\$75.12	\$300.48	\$32.72	\$267.76
006-388-580	627	F St.	\$69.63	\$0.00	\$13.93	\$55.70	\$6.07	\$49.64
006-388-600	629	F St.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
006-388-580	627	F St.	\$69.63	\$0.00	\$13.93	\$55.70	\$6.07	\$49.64
011-341-740	627	F St. A	\$225.36	\$0.00	\$45.07	\$180.29	\$19.63	\$160.65
011-331-180	1520	Hillside Blvd.	\$638.52	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
011-360-370	1601	Hillside Blvd.	\$75.12	\$0.00	\$0.00	\$75.12	\$8.18	\$66.94
011-014-110	1701	Hillside Blvd.	\$75.12	\$0.00	\$0.00	\$75.12	\$0.00	\$75.12
011-014-110	1905	Hillside Blvd.	\$338.04	\$0.00	\$0.00	\$338.04	\$0.00	\$338.04

APN	St. No.	St. Name	Town Pays NSM/CSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
011-360-100	2101	Hillside Blvd.	\$75.12	\$0.00	\$0.00	\$75.12	\$0.00	\$75.12
006-388-610	1450	Hillside Blvd.	\$1,577.52	\$0.00	\$0.00	\$1,577.52	\$171.79	\$1,405.73
011-341-530	1500	Hillside Blvd.	\$75.12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
011-341-400	1700	Hillside Blvd.	\$0.00	\$346,620.87	\$0.00	\$346,620.87	\$0.00	\$346,620.87
011-013-010	1801	Hillside Blvd.	\$75.12	\$0.00	\$0.00	\$75.12	\$0.00	\$75.12
011-341-140	1900	Hillside Blvd.	\$225.36	\$0.00	\$0.00	\$225.36	\$0.00	\$225.36
011-014-080	1901	Hillside Blvd.	\$112.68	\$0.00	\$0.00	\$112.68	\$12.27	\$100.41
011-360-170	2003	Hillside Blvd.	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
011-360-170	2005	Hillside Blvd.	\$450.72	\$0.00	\$0.00	\$450.72	\$49.08	\$401.64
011-154-090	2700	Hillside Blvd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
011-154-090	2702	Hillside Blvd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
011-154-100	2704	Hillside Blvd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
011-154-100	2706	Hillside Blvd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
011-154-110	2708	Hillside Blvd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
011-154-110	2710	Hillside Blvd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
011-420-010	301	Hoffman St.	\$563.40	\$0.00	\$112.68	\$450.72	\$49.08	\$401.64
011-420-020	303	Hoffman St.	\$976.56	\$0.00	\$195.31	\$781.25	\$0.00	\$781.25
011-420-160	304	Hoffman St.	\$676.08	\$0.00	\$135.22	\$540.86	\$0.00	\$540.86
011-420-030	305	Hoffman St.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
011-420-170	306	Hoffman St.	\$1,878.00	\$0.00	\$375.60	\$1,502.40	\$0.00	\$1,502.40
011-420-040	307	Hoffman St.	\$300.48	\$0.00	\$60.10	\$240.38	\$0.00	\$240.38
011-420-180	308	Hoffman St.	\$1,089.24	\$0.00	\$217.85	\$871.39	\$0.00	\$871.39
011-420-050	309	Hoffman St.	\$525.84	\$0.00	\$105.17	\$420.67	\$45.81	\$374.86
011-420-060	311	Hoffman St.	\$488.28	\$0.00	\$97.66	\$390.62	\$42.54	\$348.09
011-420-070	313	Hoffman St.	\$338.04	\$0.00	\$67.61	\$270.43	\$0.00	\$270.43
011-420-080	315	Hoffman St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
011-420-120	316	Hoffman St.	\$863.88	\$0.00	\$172.78	\$691.10	\$75.26	\$615.84
011-420-090	317	Hoffman St.	\$826.32	\$0.00	\$165.26	\$661.06	\$71.99	\$589.07
011-420-130	318	Hoffman St.	\$488.28	\$0.00	\$97.66	\$390.62	\$42.54	\$348.09
011-420-100	319	Hoffman St.	\$413.16	\$0.00	\$82.63	\$330.53	\$35.99	\$294.53
011-420-140	320	Hoffman St.	\$826.32	\$0.00	\$165.26	\$661.06	\$71.99	\$589.07
011-420-110	321	Hoffman St.	\$262.92	\$0.00	\$52.58	\$210.34	\$0.00	\$210.34
010-460-560	1221	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-570	1223	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-580	1225	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-590	1227	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-520	1229	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-530	1231	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-540	1233	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22

APN	St. No.	St. Name	Town Pays NSM/CSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
010-460-420	1237	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-430	1239	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-440	1241	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-450	1243	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-380	1245	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-390	1247	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-400	1249	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-410	1251	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-330	1321	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-340	1323	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-350	1325	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-360	1327	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-370	1329	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-280	1331	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-290	1333	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-300	1335	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-550	1235	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-310	1337	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-320	1339	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-120	1341	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-130	1343	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-140	1345	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-150	1347	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-160	1349	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-070	1351	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-080	1353	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-090	1355	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-100	1357	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-110	1359	Isabelle Cir.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
008-322-080	3601	Junipero Serra Blvd.	\$2,028.24	\$0.00	\$0.00	\$2,028.24	\$220.88	\$1,807.36
008-373-240	4915	Junipero Serra Blvd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-373-210	4925	Junipero Serra Blvd.	\$0.00	\$1,282.97	\$0.00	\$1,282.97	\$139.72	\$1,143.26
008-373-500	4927	Junipero Serra Blvd.	\$0.00	\$1,330.76	\$0.00	\$1,330.76	\$144.92	\$1,185.84
008-373-520	4929	Junipero Serra Blvd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-373-520	4931	Junipero Serra Blvd.	\$0.00	\$6,356.75	\$0.00	\$6,356.75	\$0.00	\$6,356.75
008-373-520	4933	Junipero Serra Blvd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-373-520	4935	Junipero Serra Blvd.	\$0.00	\$4,075.39	\$0.00	\$4,075.39	\$0.00	\$4,075.39
008-373-520	4937	Junipero Serra Blvd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-373-510	4939	Junipero Serra Blvd.	\$0.00	\$643.37	\$0.00	\$643.37	\$0.00	\$643.37

APN	St. No.	St. Name	Town Pays NSM/CSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
008-373-520	4945	Junipero Serra Blvd.	\$0.00	\$3,007.81	\$0.00	\$3,007.81	\$0.00	\$3,007.81
008-373-490	5001	Junipero Serra Blvd.	\$0.00	\$22,288.66	\$0.00	\$22,288.66	\$2,427.24	\$19,861.43
008-373-440	5025	Junipero Serra Blvd.	\$0.00	\$22,779.51	\$0.00	\$22,779.51	\$2,480.69	\$20,298.83
008-373-380	5045	Junipero Serra Blvd.	\$0.00	\$581.80	\$0.00	\$581.80	\$0.00	\$581.80
008-373-180	5075	Junipero Serra Blvd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-182-110	1427	Mission Rd.	\$0.00	\$762.22	\$0.00	\$762.22	\$83.01	\$679.21
010-182-130	1433	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-182-040	1439	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-182-100	1445	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-182-100	1451	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-182-090	1455	Mission Rd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-182-100	1457	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
011-370-180	1500	Mission Rd.	\$0.00	\$3,122.88	\$0.00	\$3,122.88	\$0.00	\$3,122.88
010-142-080	1635	Mission Rd.	\$0.00	\$3,322.69	\$0.00	\$3,322.69	\$0.00	\$3,322.69
010-142-080	1655	Mission Rd.	\$0.00	\$1,398.64	\$0.00	\$1,398.64	\$152.31	\$1,246.33
010-142-070	1675	Mission Rd.	\$0.00	\$1,028.63	\$0.00	\$1,028.63	\$0.00	\$1,028.63
010-142-110	1681	Mission Rd.	\$0.00	\$3,078.48	\$0.00	\$3,078.48	\$0.00	\$3,078.48
010-142-050	1685	Mission Rd.	\$0.00	\$562.42	\$0.00	\$562.42	\$61.25	\$501.17
010-142-040	1707	Mission Rd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-142-030	1711	Mission Rd.	\$0.00	\$553.00	\$0.00	\$553.00	\$0.00	\$553.00
010-142-020	1715	Mission Rd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-142-100	1725	Mission Rd.	\$0.00	\$2,455.83	\$0.00	\$2,455.83	\$0.00	\$2,455.83
010-423-050	1755	Mission Rd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-423-040	1773	Mission Rd.	\$0.00	\$932.43	\$0.00	\$932.43	\$0.00	\$932.43
010-423-030	1787	Mission Rd.	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-182-080	1537	Mission Rd. A	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-142-080	1655	Mission Rd. A	\$0.00	\$614.22	\$0.00	\$614.22	\$0.00	\$614.22
010-182-080	1537	Mission Rd. B	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-142-080	1655	Mission Rd. B	\$0.00	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-182-080	1537	Mission Rd. C	\$0.00	\$553.00	\$0.00	\$553.00	\$0.00	\$553.00
010-182-080	1537	Mission Rd. D	\$0.00	\$553.00	\$0.00	\$553.00	\$0.00	\$553.00
010-142-080	1655	Mission Rd. D	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-182-130	1431	Mission Rd. R	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-630	1263	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-620	1267	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-610	1271	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-600	1275	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-510	1279	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-500	1283	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40

APN	St. No.	St. Name	Town Pays NSM/CSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
010-460-490	1287	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-480	1291	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-470	1295	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-460	1299	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-270	1303	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-260	1307	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-250	1311	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-240	1315	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-230	1319	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-220	1323	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-210	1327	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-200	1341	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-190	1345	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-180	1349	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-170	1353	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-060	1357	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-050	1361	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-040	1365	Mission Rd.	\$0.00	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
010-460-030	1369	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-020	1373	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-010	1377	Mission Rd.	\$0.00	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-190-070	7621	Mission St./ECR	\$300.48	\$0.00	\$0.00	\$300.48	\$0.00	\$300.48
010-190-060	7623	Mission St./ECR	\$600.96	\$0.00	\$120.19	\$480.77	\$52.36	\$428.41
010-190-050	7625	Mission St./ECR	\$600.96	\$0.00	\$120.19	\$480.77	\$52.36	\$428.41
010-190-040	7627	Mission St./ECR	\$338.04	\$0.00	\$67.61	\$270.43	\$29.45	\$240.98
008-126-190	7651	Mission St./ECR	\$69.63	\$0.00	\$0.00	\$69.63	\$0.00	\$69.63
008-126-150	7685-87	Mission St./ECR	\$112.68	\$0.00	\$0.00	\$112.68	\$0.00	\$112.68
008-127-010	7701	Mission St./ECR	\$1,277.04	\$0.00	\$255.41	\$1,021.63	\$111.26	\$910.38
008-144-140	7801	Mission St./ECR	\$75.12	\$0.00	\$0.00	\$75.12	\$8.18	\$66.94
008-143-010	7741-7751	Mission St./ECR	\$713.64	\$0.00	\$0.00	\$713.64	\$77.72	\$635.92
011-341-350	435	Serramonte Blvd.	\$0.00	\$2,791.77	\$0.00	\$2,791.77	\$304.02	\$2,487.74
011-341-340	445	Serramonte Blvd.	\$0.00	\$5,201.26	\$0.00	\$5,201.26	\$0.00	\$5,201.26
011-341-330	475	Serramonte Blvd.	\$0.00	\$35,679.03	\$0.00	\$35,679.03	\$3,885.45	\$31,793.58
011-341-830	485	Serramonte Blvd.	\$0.00	\$13,669.24	\$0.00	\$13,669.24	\$1,488.58	\$12,180.66
008-392-140	600	Serramonte Blvd.	\$0.00	\$2,390.26	\$0.00	\$2,390.26	\$260.30	\$2,129.96
008-392-260	650	Serramonte Blvd.	\$0.00	\$13,727.16	\$0.00	\$13,727.16	\$0.00	\$13,727.16
008-373-200	700	Serramonte Blvd.	\$0.00	\$39,941.98	\$0.00	\$39,941.98	\$0.00	\$39,941.98
008-413-030	707-711	Serramonte Blvd.	\$0.00	\$16,681.10	\$0.00	\$16,681.10	\$1,816.57	\$14,864.53
008-374-040	775	Serramonte Blvd.	\$0.00	\$1,337.96	\$0.00	\$1,337.96	\$145.70	\$1,192.25

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a or 1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a or 1b)-2-3]
008-373-190	780	Serramonte Blvd.	\$0.00	\$5,373.05	\$0.00	\$5,373.05	\$585.13	\$4,787.93
008-374-050	785	Serramonte Blvd.	\$0.00	\$5,735.16	\$0.00	\$5,735.16	\$0.00	\$5,735.16
008-373-340	970	Serramonte Blvd.	\$0.00	\$9,138.28	\$0.00	\$9,138.28	\$0.00	\$9,138.28
008-373-550	990	Serramonte Blvd.	\$0.00	\$5,518.04	\$0.00	\$5,518.04	\$0.00	\$5,518.04
008-373-550	990	Serramonte Blvd.	\$0.00	\$8,954.51	\$0.00	\$8,954.51	\$975.15	\$7,979.36
008-373-550	990	Serramonte Blvd.	\$0.00	\$4,283.61	\$0.00	\$4,283.61	\$0.00	\$4,283.61
008-373-550	990	Serramonte Blvd.	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
008-374-020	999	Serramonte Blvd.	\$0.00	\$7,531.63	\$0.00	\$7,531.63	\$820.19	\$6,711.44
008-374-020	999	Serramonte Blvd.	\$0.00	\$2,169.59	\$0.00	\$2,169.59	\$0.00	\$2,169.59

Sub-Totals	NSMCSD	SSF	Residential Subsidy	Parcel Charges	Water Conservation Incentive	Final Parcel Charges
	\$143,767.83	\$772,286.22	\$35,022.53	\$867,588.48	\$30,873.66	\$836,714.81

Village Serramonte (Daly City Sub-Division Flows to SSF through Colma)						
177 Units	\$553/unit	-\$97,881.00	\$97,881.00			

TOTAL	NSMCSD	SSF	Final Parcel Charges
	\$45,886.83	\$870,167.22	\$836,714.81





## **Residential Properties in NSMCSD Service Area**



Residential Properties in NSMCSD Service Area

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
103-190-040	401	B St.	\$375.60	\$75.12	\$300.48	\$32.72	\$267.76
103-190-030	403	B St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
103-190-020	405	B St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
103-190-010	407	B St.	\$75.12	\$15.02	\$60.10	\$6.54	\$53.55
008-125-320	409	B St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
008-125-330	411	B St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
008-125-340	413	B St.	\$788.76	\$157.75	\$631.01	\$68.72	\$562.29
008-125-350	415	B St.	\$1,126.80	\$225.36	\$901.44	\$98.17	\$803.27
008-126-240	416	B St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
008-125-360	417	B St.	\$563.40	\$112.68	\$450.72	\$0.00	\$450.72
008-126-250	418	B St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
008-125-370	419	B St.	\$563.40	\$112.68	\$450.72	\$0.00	\$450.72
008-126-260	420	B St.	\$1,652.64	\$330.53	\$1,322.11	\$0.00	\$1,322.11
008-126-220	424	B St.	\$676.08	\$135.22	\$540.86	\$58.90	\$481.96
008-126-230	426	B St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
008-126-320	430	B St.	\$300.48	\$60.10	\$240.38	\$0.00	\$240.38
008-126-330	436	B St.	\$375.60	\$75.12	\$300.48	\$32.72	\$267.76
008-126-340	438	B St.	\$525.84	\$105.17	\$420.67	\$0.00	\$420.67
008-126-040	442	B St.	\$1,126.80	\$225.36	\$901.44	\$0.00	\$901.44
008-125-220	451	B St.	\$225.36	\$45.07	\$180.29	\$0.00	\$180.29
008-125-210	453	B St.	\$1,126.80	\$225.36	\$901.44	\$98.17	\$803.27
008-125-200	455	B St.	\$600.96	\$120.19	\$480.77	\$52.36	\$428.41
008-125-190	461	B St.	\$525.84	\$105.17	\$420.67	\$45.81	\$374.86
006-413-110	471	B St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
006-411-010	472	B St.	\$676.08	\$135.22	\$540.86	\$0.00	\$540.86
006-413-100	475	B St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
006-411-020	476	B St.	\$150.24	\$30.05	\$120.19	\$0.00	\$120.19
006-413-090	479	B St.	\$488.28	\$97.66	\$390.62	\$42.54	\$348.09
006-411-030	480	B St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10
006-413-080	483	B St.	\$788.76	\$157.75	\$631.01	\$0.00	\$631.01
006-411-040	484	B St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
006-411-050	488	B St.	\$262.92	\$52.58	\$210.34	\$22.91	\$187.43
006-411-060	492	B St.	\$488.28	\$97.66	\$390.62	\$42.54	\$348.09
006-414-140	503	B St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10

Residential Properties in NSMCSD Service Area

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
006-412-010	504	B St.	\$638.52	\$127.70	\$510.82	\$0.00	\$510.82
006-414-130	507	B St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
006-412-020	508	B St.	\$413.16	\$82.63	\$330.53	\$0.00	\$330.53
006-414-120	511	B St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
006-412-030	512	B St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
006-414-110	515	B St.	\$262.92	\$52.58	\$210.34	\$0.00	\$210.34
006-412-040	516	B St.	\$112.68	\$22.54	\$90.14	\$9.82	\$80.33
006-414-100	519	B St.	\$75.12	\$15.02	\$60.10	\$6.54	\$53.55
006-412-050	520	B St.	\$450.72	\$90.14	\$360.58	\$39.27	\$321.31
006-414-090	523	B St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
006-412-060	524	B St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
006-414-080	527	B St.	\$75.12	\$15.02	\$60.10	\$6.54	\$53.55
006-412-070	528	B St.	\$488.28	\$97.66	\$390.62	\$42.54	\$348.09
006-414-070	531	B St.	\$525.84	\$105.17	\$420.67	\$45.81	\$374.86
006-412-080	532	B St.	\$262.92	\$52.58	\$210.34	\$22.91	\$187.43
006-412-090	536	B St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
006-412-100	540	B St.	\$826.32	\$165.26	\$661.06	\$0.00	\$661.06
008-125-260	469	B St.	\$1,352.16	\$270.43	\$1,081.73	\$117.80	\$963.93
008-125-400	435	B St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
008-125-390	437	B St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
008-125-380	439	B St.	\$262.92	\$52.58	\$210.34	\$22.91	\$187.43
008-125-420	429	B St.	\$638.52	\$127.70	\$510.82	\$0.00	\$510.82
008-125-430	431	B St.	\$69.63	\$13.93	\$55.70	\$6.07	\$49.63
008-125-440	433	B St.	\$1,314.60	\$262.92	\$1,051.68	\$0.00	\$1,051.68
008-126-270	401	C St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
008-126-280	409	C St.	\$939.00	\$187.80	\$751.20	\$81.81	\$669.39
008-126-280	411	C St.	\$1,765.32	\$353.06	\$1,412.26	\$0.00	\$1,412.26
008-126-280	413	C St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
008-126-300	417	C St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
008-126-310	419	C St.	\$1,089.24	\$217.85	\$871.39	\$0.00	\$871.39
008-126-130	421-423	C St.	\$450.72	\$90.14	\$360.58	\$39.27	\$321.31
008-126-120	427-431	C St.	\$713.64	\$142.73	\$570.91	\$62.17	\$508.74
008-126-110	435	C St.	\$1,802.88	\$360.58	\$1,442.30	\$157.07	\$1,285.24
008-127-050	438	C St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98

Residential Properties in NSMCSD Service Area

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Residential Subsidy (2)	Parcel Charge before water conservative incentive [(1a)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
008-127-050	440	C St.	\$375.60	\$75.12	\$300.48	\$0.00	\$300.48
008-126-090	441	C St.	\$976.56	\$195.31	\$781.25	\$85.08	\$696.17
008-127-200	442	C St.	\$75.12	\$15.02	\$60.10	\$6.54	\$53.55
008-126-080	445	C St.	\$1,201.92	\$240.38	\$961.54	\$104.71	\$856.82
008-127-210	446	C St.	\$262.92	\$52.58	\$210.34	\$22.91	\$187.43
008-126-070	449	C St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
008-126-060	455	C St.	\$751.20	\$150.24	\$600.96	\$65.44	\$535.52
008-127-070	464	C St.	\$713.64	\$142.73	\$570.91	\$0.00	\$570.91
008-127-080	466	C St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
008-126-050	467	C St.	\$751.20	\$150.24	\$600.96	\$0.00	\$600.96
006-411-120	471	C St.	\$525.84	\$105.17	\$420.67	\$45.81	\$374.86
006-387-130	472	C St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
006-411-110	475	C St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
006-387-020	476	C St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
006-411-100	479	C St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
006-387-030	480	C St.	\$450.72	\$90.14	\$360.58	\$39.27	\$321.31
006-411-090	483	C St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
006-387-040	484	C St.	\$488.28	\$97.66	\$390.62	\$42.54	\$348.09
006-411-080	487	C St.	\$112.68	\$22.54	\$90.14	\$9.82	\$80.33
006-411-070	491	C St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
006-387-050	492	C St.	\$75.12	\$15.02	\$60.10	\$6.54	\$53.55
006-412-230	503	C St.	\$187.80	\$37.56	\$150.24	\$0.00	\$150.24
006-388-010	504	C St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
006-412-220	507	C St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
006-388-020	508	C St.	\$262.92	\$52.58	\$210.34	\$22.91	\$187.43
006-412-210	511	C St.	\$69.63	\$13.93	\$55.70	\$6.07	\$49.64
006-388-030	512	C St.	\$901.44	\$180.29	\$721.15	\$0.00	\$721.15
006-412-200	515	C St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10
006-388-040	516	C St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
006-412-190	519	C St.	\$450.72	\$90.14	\$360.58	\$39.27	\$321.31
006-388-050	520	C St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10
006-412-180	523	C St.	\$525.84	\$105.17	\$420.67	\$0.00	\$420.67
006-388-060	524	C St.	\$375.60	\$75.12	\$300.48	\$32.72	\$267.76
006-412-170	527	C St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10

Residential Properties in NSMCSD Service Area

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
006-388-070	528	C St.	\$338.04	\$67.61	\$270.43	\$0.00	\$270.43
006-412-160	531	C St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
006-388-080	532	C St.	\$112.68	\$22.54	\$90.14	\$9.82	\$80.33
006-412-150	535	C St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
006-388-090	536	C St.	\$450.72	\$90.14	\$360.58	\$39.27	\$321.31
006-412-140	539	C St.	\$75.12	\$15.02	\$60.10	\$0.00	\$60.10
006-388-100	540	C St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
006-412-130	543	C St.	\$375.60	\$75.12	\$300.48	\$0.00	\$300.48
006-388-110	544	C St.	\$638.52	\$127.70	\$510.82	\$55.63	\$455.19
006-412-120	547	C St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
006-388-120	548	C St.	\$375.60	\$75.12	\$300.48	\$32.72	\$267.76
006-412-110	551	C St.	\$112.68	\$22.54	\$90.14	\$9.82	\$80.33
006-388-130	552	C St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
006-388-140	556	C St.	\$826.32	\$165.26	\$661.06	\$0.00	\$661.06
006-388-150	560	C St.	\$450.72	\$90.14	\$360.58	\$0.00	\$360.58
006-388-160	564	C St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
008-126-290	415	C St. B	\$638.52	\$127.70	\$510.82	\$55.63	\$455.19
008-126-290	415	C St. A	\$751.20	\$150.24	\$600.96	\$0.00	\$600.96
008-126-300	417	C St. A	\$375.60	\$75.12	\$300.48	\$0.00	\$300.48
008-126-310	419	C St. A	\$901.44	\$180.29	\$721.15	\$78.53	\$642.62
008-127-280	420	C St. A	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
008-127-270	422	C St. A	\$525.84	\$105.17	\$420.67	\$45.81	\$374.86
008-127-260	424	C St. A	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
008-127-250	426	C St. A	\$863.88	\$172.78	\$691.10	\$0.00	\$691.10
008-127-280	420	C St. B	\$713.64	\$142.73	\$570.91	\$62.17	\$508.74
008-127-270	422	C St. B	\$600.96	\$120.19	\$480.77	\$52.36	\$428.41
008-127-260	424	C St. B	\$375.60	\$75.12	\$300.48	\$32.72	\$267.76
008-127-250	426	C St. B	\$676.08	\$135.22	\$540.86	\$58.90	\$481.96
006-413-070	350	Clark Ave.	\$488.28	\$97.66	\$390.62	\$0.00	\$390.62
006-384-060	450	Clark Ave.	\$525.84	\$105.17	\$420.67	\$0.00	\$420.67
006-384-070	550	Clark Ave.	\$1,126.80	\$225.36	\$901.44	\$0.00	\$901.44
006-381-040	560	Clark Ave.	\$69.63	\$13.93	\$55.70	\$6.07	\$49.64
006-381-050	570	Clark Ave.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
006-381-060	580	Clark Ave.	\$1,014.12	\$202.82	\$811.30	\$0.00	\$811.30

Residential Properties in NSMCSD Service Area

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Residential Subsidy (2)	Parcel Charge before water conservice incentive [(1a)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
008-143-020	430	D St.	\$751.20	\$150.24	\$600.96	\$65.44	\$535.52
008-127-160	433	D St.	\$450.72	\$90.14	\$360.58	\$39.27	\$321.31
008-143-030	434	D St.	\$563.40	\$112.68	\$450.72	\$0.00	\$450.72
008-127-150	435	D St.	\$713.64	\$142.73	\$570.91	\$0.00	\$570.91
008-143-060	436	D St.	\$676.08	\$135.22	\$540.86	\$58.90	\$481.96
008-143-040	438	D St.	\$713.64	\$142.73	\$570.91	\$62.17	\$508.74
008-127-140	439	D St.	\$150.24	\$30.05	\$120.19	\$0.00	\$120.19
008-143-050	442	D St.	\$300.48	\$60.10	\$240.38	\$0.00	\$240.38
008-127-240	443	D St.	\$788.76	\$157.75	\$631.01	\$0.00	\$631.01
008-143-070	448	D St.	\$788.76	\$157.75	\$631.01	\$68.72	\$562.29
008-143-080	452	D St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
008-127-230	455	D St.	\$262.92	\$52.58	\$210.34	\$22.91	\$187.43
008-143-090	456	D St.	\$413.16	\$82.63	\$330.53	\$0.00	\$330.53
008-127-220	459	D St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
008-143-100	460	D St.	\$751.20	\$150.24	\$600.96	\$65.44	\$535.52
008-127-110	463	D St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
008-143-110	464	D St.	\$901.44	\$180.29	\$721.15	\$78.53	\$642.62
008-127-100	467	D St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
008-143-450	468	D St.	\$1,051.68	\$210.34	\$841.34	\$0.00	\$841.34
006-387-120	471	D St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
008-143-460	472	D St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
006-387-110	475	D St.	\$187.80	\$37.56	\$150.24	\$16.36	\$133.88
008-143-440	476	D St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10
006-387-100	479	D St.	\$262.92	\$52.58	\$210.34	\$22.91	\$187.43
006-384-020	480	D St.	\$1,089.24	\$217.85	\$871.39	\$94.89	\$776.50
006-387-090	483	D St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
006-384-030	484	D St.	\$375.60	\$75.12	\$300.48	\$32.72	\$267.76
006-387-140	487	D St.	\$525.84	\$105.17	\$420.67	\$45.81	\$374.86
006-384-040	488	D St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
006-384-050	490	D St.	\$488.28	\$97.66	\$390.62	\$42.54	\$348.09
006-387-060	491	D St.	\$1,427.28	\$285.46	\$1,141.82	\$124.34	\$1,017.48
006-388-360	503	D St.	\$112.68	\$22.54	\$90.14	\$9.82	\$80.33
006-388-350	507	D St.	\$69.63	\$13.93	\$55.70	\$6.07	\$49.64
006-388-340	511	D St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10

Residential Properties in NSMCSD Service Area

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
006-388-330	515	D St.	\$262.92	\$52.58	\$210.34	\$22.91	\$187.43
006-388-320	519	D St.	\$112.68	\$22.54	\$90.14	\$9.82	\$80.33
006-388-310	523	D St.	\$69.63	\$13.93	\$55.70	\$6.07	\$49.64
006-388-300	527	D St.	\$450.72	\$90.14	\$360.58	\$0.00	\$360.58
006-388-290	531	D St.	\$600.96	\$120.19	\$480.77	\$52.36	\$428.41
006-388-280	535	D St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
006-388-270	539	D St.	\$1,051.68	\$210.34	\$841.34	\$91.62	\$749.72
006-388-260	543	D St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
006-388-250	547	D St.	\$600.96	\$120.19	\$480.77	\$52.36	\$428.41
006-388-240	551	D St.	\$600.96	\$120.19	\$480.77	\$52.36	\$428.41
006-388-230	555	D St.	\$600.96	\$120.19	\$480.77	\$0.00	\$480.77
006-388-220	559	D St.	\$525.84	\$105.17	\$420.67	\$45.81	\$374.86
006-388-210	563	D St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
006-388-200	567	D St.	\$375.60	\$75.12	\$300.48	\$32.72	\$267.76
006-388-190	571	D St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10
006-388-180	575	D St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10
006-388-170	579	D St.	\$112.68	\$22.54	\$90.14	\$9.82	\$80.33
008-127-290	429	D St.	\$112.68	\$22.54	\$90.14	\$0.00	\$90.14
008-127-300	431	D St.	\$225.36	\$45.07	\$180.29	\$0.00	\$180.29
008-144-090	460	E St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
008-144-110	446	E St.	\$1,314.60	\$262.92	\$1,051.68	\$114.53	\$937.15
008-143-280	449	E St.	\$1,089.24	\$217.85	\$871.39	\$0.00	\$871.39
008-143-310	401	E St.	\$3,079.92	\$615.98	\$2,463.94	\$0.00	\$2,463.94
008-143-320	415	E St.	\$976.56	\$195.31	\$781.25	\$0.00	\$781.25
008-143-320	417	E St.	\$826.32	\$165.26	\$661.06	\$0.00	\$661.06
008-144-290	412-416	E St.	\$1,953.12	\$390.62	\$1,562.50	\$0.00	\$1,562.50
008-143-340	419	E St.	\$751.20	\$150.24	\$600.96	\$65.44	\$535.52
008-143-340	421	E St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
008-143-350	423	E St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
008-143-350	425	E St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10
008-143-360	427	E St.	\$525.84	\$105.17	\$420.67	\$45.81	\$374.86
008-143-360	429	E St.	\$713.64	\$142.73	\$570.91	\$62.17	\$508.74
008-143-180	435	E St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
008-143-160	441	E St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21



Residential Properties in NSMCSD Service Area

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
008-144-120	444	E St.	\$300.48	\$60.10	\$240.38	\$0.00	\$240.38
008-143-250	445	E St.	\$638.52	\$127.70	\$510.82	\$0.00	\$510.82
008-144-100	448	E St.	\$676.08	\$135.22	\$540.86	\$58.90	\$481.96
008-143-270	455	E St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
008-143-140	461	E St.	\$788.76	\$157.75	\$631.01	\$0.00	\$631.01
008-144-240	462	E St.	\$676.08	\$135.22	\$540.86	\$58.90	\$481.96
008-143-390	463	E St.	\$901.44	\$180.29	\$721.15	\$78.53	\$642.62
008-143-400	465	E St.	\$262.92	\$52.58	\$210.34	\$22.91	\$187.43
008-144-220	466	E St.	\$375.60	\$75.12	\$300.48	\$32.72	\$267.76
008-143-470	467	E St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
008-143-480	469	E St.	\$375.60	\$75.12	\$300.48	\$0.00	\$300.48
008-143-420	471	E St.	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
006-381-030	478	E St.	\$300.48	\$60.10	\$240.38	\$26.18	\$214.21
006-384-080	483	E St.	\$488.28	\$97.66	\$390.62	\$0.00	\$390.62
006-381-040	490	E St.	\$338.04	\$67.61	\$270.43	\$0.00	\$270.43
008-143-400	465	E St. A	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
008-144-220	466	E St. A	\$525.84	\$105.17	\$420.67	\$0.00	\$420.67
008-144-230	464	E St. A	\$751.20	\$150.24	\$600.96	\$65.44	\$535.52
006-388-460	623	F St.	\$751.20	\$150.24	\$600.96	\$65.44	\$535.52
008-144-150	417	F St.	\$1,765.32	\$353.06	\$1,412.26	\$153.79	\$1,258.46
008-144-270	419	F St.	\$338.04	\$67.61	\$270.43	\$0.00	\$270.43
008-144-260	421	F St.	\$525.84	\$105.17	\$420.67	\$45.81	\$374.86
008-144-190	433	F St.	\$713.64	\$142.73	\$570.91	\$62.17	\$508.74
008-144-200	437	F St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
008-144-210	439	F St.	\$112.68	\$22.54	\$90.14	\$9.82	\$80.33
008-144-210	441	F St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
006-388-400	609	F St.	\$488.28	\$97.66	\$390.62	\$42.54	\$348.09
006-388-410	611	F St.	\$676.08	\$135.22	\$540.86	\$58.90	\$481.96
006-388-420	613	F St.	\$150.24	\$30.05	\$120.19	\$13.09	\$107.10
006-388-430	615	F St.	\$187.80	\$37.56	\$150.24	\$0.00	\$150.24
006-388-530	619	F St.	\$676.08	\$135.22	\$540.86	\$0.00	\$540.86
006-388-450	621	F St.	\$375.60	\$75.12	\$300.48	\$32.72	\$267.76
006-388-460	625	F St.	\$69.63	\$13.93	\$55.70	\$6.07	\$49.64
006-388-580	627	F St.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98

Residential Properties in NSMCD Service Area

APN	St. No.	St. Name	Town Pays NSMCD (1a)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
006-388-600	629	F St.	\$69.63	\$13.93	\$55.70	\$6.07	\$49.64
006-388-580	627	F St. A	\$225.36	\$45.07	\$180.29	\$19.63	\$160.65
011-360-170	2003	Hillside Blvd.	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
011-420-010	301	Hoffman St.	\$563.40	\$112.68	\$450.72	\$49.08	\$401.64
011-420-020	303	Hoffman St.	\$976.56	\$195.31	\$781.25	\$0.00	\$781.25
011-420-160	304	Hoffman St.	\$676.08	\$135.22	\$540.86	\$0.00	\$540.86
011-420-170	306	Hoffman St.	\$1,878.00	\$375.60	\$1,502.40	\$0.00	\$1,502.40
011-420-040	307	Hoffman St.	\$300.48	\$60.10	\$240.38	\$0.00	\$240.38
011-420-180	308	Hoffman St.	\$1,089.24	\$217.85	\$871.39	\$0.00	\$871.39
011-420-050	309	Hoffman St.	\$525.84	\$105.17	\$420.67	\$45.81	\$374.86
011-420-060	311	Hoffman St.	\$488.28	\$97.66	\$390.62	\$42.54	\$348.09
011-420-070	313	Hoffman St.	\$338.04	\$67.61	\$270.43	\$0.00	\$270.43
011-420-080	315	Hoffman St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
011-420-120	316	Hoffman St.	\$863.88	\$172.78	\$691.10	\$75.26	\$615.84
011-420-090	317	Hoffman St.	\$826.32	\$165.26	\$661.06	\$71.99	\$589.07
011-420-130	318	Hoffman St.	\$488.28	\$97.66	\$390.62	\$42.54	\$348.09
011-420-100	319	Hoffman St.	\$413.16	\$82.63	\$330.53	\$35.99	\$294.53
011-420-140	320	Hoffman St.	\$826.32	\$165.26	\$661.06	\$71.99	\$589.07
011-420-110	321	Hoffman St.	\$262.92	\$52.58	\$210.34	\$0.00	\$210.34
103-190-070	7623	Mission St./ECR	\$600.96	\$120.19	\$480.77	\$52.36	\$428.41
103-190-060	7625	Mission St./ECR	\$600.96	\$120.19	\$480.77	\$52.36	\$428.41
103-190-050	7627	Mission St./ECR	\$338.04	\$67.61	\$270.43	\$29.45	\$240.98
008-127-010	7701	Mission St./ECR	\$1,277.04	\$255.41	\$1,021.63	\$111.26	\$910.38
<b>TOTAL</b>			<b>\$133,637.61</b>	<b>\$26,727.53</b>	<b>\$106,910.08</b>	<b>\$7,490.06</b>	<b>\$99,420.02</b>

## **Commercial Properties in NSMCSD Service Area**



Commercial Properties in NSMCSD Service Area

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a)- 2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
008-126-040	468	B St.	\$225.36	\$0.00	\$225.36	\$24.54	\$200.82
006-381-070	F and	Clark Ave.	\$1,051.68	\$0.00	\$1,051.68	\$114.53	\$937.15
008-322-520	1000	El Camino Real	\$1,126.80	\$0.00	\$1,126.80	\$122.71	\$1,004.09
011-341-110	540	F St.	\$69.63	\$0.00	\$69.63	\$7.58	\$62.05
008-144-200	435	F St.	\$75.12	\$0.00	\$75.12	\$8.18	\$66.94
011-331-180	1601	Hillside Blvd.	\$75.12	\$0.00	\$75.12	\$8.18	\$66.94
011-360-370	1701	Hillside Blvd.	\$75.12	\$0.00	\$75.12	\$0.00	\$75.12
011-014-110	1905	Hillside Blvd.	\$338.04	\$0.00	\$338.04	\$0.00	\$338.04
011-360-100	2101	Hillside Blvd.	\$75.12	\$0.00	\$75.12	\$0.00	\$75.12
006-388-610	1450	Hillside Blvd.	\$1,577.52	\$0.00	\$1,577.52	\$171.79	\$1,405.73
011-013-010	1801	Hillside Blvd.	\$75.12	\$0.00	\$75.12	\$0.00	\$75.12
011-341-140	1900	Hillside Blvd.	\$225.36	\$0.00	\$225.36	\$0.00	\$225.36
011-014-080	1901	Hillside Blvd.	\$112.68	\$0.00	\$112.68	\$12.27	\$100.41
011-360-170	2005	Hillside Blvd.	\$450.72	\$0.00	\$450.72	\$49.08	\$401.64
008-322-080	3601	Junipero Serra Blvd.	\$2,028.24	\$0.00	\$2,028.24	\$220.88	\$1,807.36
103-190-080	7621	Mission St./ECR	\$300.48	\$0.00	\$300.48	\$0.00	\$300.48
008-126-190	7651	Mission St./ECR	\$69.63	\$0.00	\$69.63	\$0.00	\$69.63
008-126-150	7685-87	Mission St./ECR	\$112.68	\$0.00	\$112.68	\$0.00	\$112.68
008-144-140	7801	Mission St./ECR	\$75.12	\$0.00	\$75.12	\$8.18	\$66.94
008-143-010	7741-7751	Mission St./ECR	\$713.64	\$0.00	\$713.64	\$77.72	\$635.92
		<b>TOTAL</b>	<b>\$8,853.18</b>	<b>\$0.00</b>	<b>\$8,853.18</b>	<b>\$825.64</b>	<b>\$8,027.54</b>



## **Town Properties in NSMCSD Service Area**





Town Properties in NSMCSD Service Area

APN	St. No.	St. Name	Town Pays NSMCSD (1a)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1a)- 2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1a)-2-3]
006-388-540	601	F St.	\$300.48	\$0.00	\$0.00	\$0.00	\$0.00
008-144-180	429	F St.	\$262.92	\$0.00	\$0.00	\$0.00	\$0.00
011-341-740	1520	Hillside Blvd.	\$638.52	\$0.00	\$0.00	\$0.00	\$0.00
011-341-530	1500	Hillside Blvd.	\$75.12	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>			<b>\$1,277.04</b>				



## **Residential Properties in SSF Service Area**



Residential Properties in SSF Service Area

APN	St. No.	St. Name	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive 2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1b)-2-3]
011-154-090	2700	Hillside Blvd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
011-154-090	2702	Hillside Blvd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
011-154-100	2704	Hillside Blvd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
011-154-100	2706	Hillside Blvd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
011-154-110	2708	Hillside Blvd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
011-154-110	2710	Hillside Blvd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-560	1221	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-570	1223	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-580	1225	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-590	1227	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-520	1229	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-530	1231	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-540	1233	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-420	1237	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-430	1239	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-440	1241	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-450	1243	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-380	1245	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-390	1247	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-400	1249	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-410	1251	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-330	1321	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-340	1323	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-350	1325	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-360	1327	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-370	1329	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-280	1331	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-290	1333	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-300	1335	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-550	1235	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-310	1337	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-320	1339	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-120	1341	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22

Residential Properties in SSF Service Area

APN	St. No.	St. Name	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive 2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1b)-2-3]
010-460-130	1343	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-140	1345	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-150	1347	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-160	1349	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-070	1351	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-080	1353	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-090	1355	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-100	1357	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-110	1359	Isabelle Cir.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-182-130	1433	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-182-040	1439	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-182-100	1445	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-182-100	1451	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-182-100	1457	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-142-080	1655	Mission Rd. D	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-182-130	1431	Mission Rd. R	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-630	1263	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-620	1267	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-610	1271	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-600	1275	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-510	1279	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-500	1283	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-490	1287	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-480	1291	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-470	1295	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-460	1299	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-270	1303	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-260	1307	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-250	1311	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-240	1315	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-230	1319	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-220	1323	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-210	1327	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22

Residential Properties in SSF Service Area

APN	St. No.	St. Name	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive 2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1b)-2-3]
010-460-200	1341	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-190	1345	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-180	1349	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-170	1353	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-060	1357	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-050	1361	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
010-460-030	1369	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-020	1373	Mission Rd.	\$553.00	\$110.60	\$442.40	\$0.00	\$442.40
010-460-010	1377	Mission Rd.	\$553.00	\$110.60	\$442.40	\$48.18	\$394.22
<b>TOTAL</b>			<b>\$41,475.00</b>	<b>\$8,295.00</b>	<b>\$33,180.00</b>	<b>\$2,071.63</b>	<b>\$31,108.37</b>





## **Commercial Properties in SSF Service Area**



Commercial Properties in SSF Service Area

APN	St. No.	St. Name	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1b)-2-3]
008-421-180	205	Collins Ave.	\$925.74	\$0.00	\$925.74	\$100.81	\$824.92
008-421-190	207	Collins Ave.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-421-150	245	Collins Ave.	\$11,255.70	\$0.00	\$11,255.70	\$0.00	\$11,255.70
010-421-180	248	Collins Ave.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-421-160	480	Collins Ave.	\$1,620.64	\$0.00	\$1,620.64	\$0.00	\$1,620.64
010-421-200	500	Collins Ave.	\$1,853.46	\$0.00	\$1,853.46	\$201.84	\$1,651.61
010-421-190	530	Collins Ave.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-403-040	1000	Collins Ave.	\$1,665.05	\$0.00	\$1,665.05	\$181.32	\$1,483.72
008-403-020	1500	Collins Ave.	\$11,016.48	\$0.00	\$11,016.48	\$0.00	\$11,016.48
008-322-320	1 to 17	Colma Blvd.	\$1,568.84	\$0.00	\$1,568.84	\$170.85	\$1,398.00
008-322-550	2	Colma Blvd.	\$9,183.65	\$0.00	\$9,183.65	\$0.00	\$9,183.65
008-322-550	2	Colma Blvd.	\$1,134.08	\$0.00	\$1,134.08	\$0.00	\$1,134.08
008-322-470	19	Colma Blvd.	\$2,308.86	\$0.00	\$2,308.86	\$0.00	\$2,308.86
008-322-480	27	Colma Blvd.	\$1,006.43	\$0.00	\$1,006.43	\$109.60	\$896.83
008-322-480	41	Colma Blvd.	\$6,904.39	\$0.00	\$6,904.39	\$0.00	\$6,904.39
008-322-480	55	Colma Blvd.	\$725.22	\$0.00	\$725.22	\$78.98	\$646.24
008-322-290	65	Colma Blvd.	\$2,508.67	\$0.00	\$2,508.67	\$273.19	\$2,235.47
008-322-490	75	Colma Blvd.	\$762.22	\$0.00	\$762.22	\$0.00	\$762.22
008-322-270	81	Colma Blvd.	\$1,509.64	\$0.00	\$1,509.64	\$164.40	\$1,345.24
008-322-500	91	Colma Blvd.	\$6,260.57	\$0.00	\$6,260.57	\$0.00	\$6,260.57
008-322-500	91	Colma Blvd.	\$1,117.15	\$0.00	\$1,117.15	\$0.00	\$1,117.15
008-322-330	101	Colma Blvd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-322-340	111	Colma Blvd.	\$10,680.62	\$0.00	\$10,680.62	\$1,163.12	\$9,517.50
008-322-340	119	Colma Blvd.	\$740.02	\$0.00	\$740.02	\$80.59	\$659.43
008-322-510	121	Colma Blvd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-322-560	200	Colma Blvd.	\$2,064.66	\$0.00	\$2,064.66	\$224.84	\$1,839.81
008-392-190	1150	El Camino Real	\$577.22	\$0.00	\$577.22	\$62.86	\$514.36
011-341-720	1171	El Camino Real	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-392-240	1174	El Camino Real	\$1,376.44	\$0.00	\$1,376.44	\$0.00	\$1,376.44
008-421-120	1200	El Camino Real	\$984.23	\$0.00	\$984.23	\$107.18	\$877.04
011-341-810	1201	El Camino Real	\$717.82	\$0.00	\$717.82	\$78.17	\$639.65
008-421-040	1222	El Camino Real	\$4,306.92	\$0.00	\$4,306.92	\$0.00	\$4,306.92
008-421-040	1232	El Camino Real	\$769.62	\$0.00	\$769.62	\$83.81	\$685.81
008-421-050	1250	El Camino Real	\$902.82	\$0.00	\$902.82	\$0.00	\$902.82

Commercial Properties in SSF Service Area

APN	St. No.	St. Name	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1b)-2-3]
011-341-850	1299	El Camino Real	\$553.00	\$0.00	\$553.00	\$0.00	\$553.00
010-422-040	1300	El Camino Real	\$2,205.26	\$0.00	\$2,205.26	\$240.15	\$1,965.11
011-341-500	1361	El Camino Real	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-422-020	1370	El Camino Real	\$1,191.43	\$0.00	\$1,191.43	\$129.75	\$1,061.69
010-422-020	1370	El Camino Real	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-422-020	1370	El Camino Real	\$8,606.43	\$0.00	\$8,606.43	\$0.00	\$8,606.43
011-341-400	1700	Hillside Blvd.	\$346,620.87	\$0.00	\$346,620.87	\$0.00	\$346,620.87
008-373-240	4915	Junipero Serra Blvd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-373-210	4925	Junipero Serra Blvd.	\$1,282.97	\$0.00	\$1,282.97	\$139.72	\$1,143.26
008-373-500	4927	Junipero Serra Blvd.	\$1,330.76	\$0.00	\$1,330.76	\$144.92	\$1,185.84
008-373-520	4929	Junipero Serra Blvd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-373-520	4931	Junipero Serra Blvd.	\$6,356.75	\$0.00	\$6,356.75	\$0.00	\$6,356.75
008-373-520	4933	Junipero Serra Blvd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-373-520	4935	Junipero Serra Blvd.	\$4,075.39	\$0.00	\$4,075.39	\$0.00	\$4,075.39
008-373-520	4937	Junipero Serra Blvd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
008-373-510	4939	Junipero Serra Blvd.	\$643.37	\$0.00	\$643.37	\$0.00	\$643.37
008-373-520	4945	Junipero Serra Blvd.	\$3,007.81	\$0.00	\$3,007.81	\$0.00	\$3,007.81
008-373-490	5001	Junipero Serra Blvd.	\$22,288.66	\$0.00	\$22,288.66	\$2,427.24	\$19,861.43
008-373-440	5025	Junipero Serra Blvd.	\$22,779.51	\$0.00	\$22,779.51	\$2,480.69	\$20,298.83
008-373-380	5045	Junipero Serra Blvd.	\$581.80	\$0.00	\$581.80	\$0.00	\$581.80
008-373-180	5075	Junipero Serra Blvd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-182-110	1427	Mission Rd.	\$762.22	\$0.00	\$762.22	\$83.01	\$679.21
010-182-090	1455	Mission Rd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
011-370-180	1500	Mission Rd.	\$3,122.88	\$0.00	\$3,122.88	\$0.00	\$3,122.88
010-142-080	1635	Mission Rd.	\$3,322.69	\$0.00	\$3,322.69	\$0.00	\$3,322.69
010-142-080	1655	Mission Rd.	\$1,398.64	\$0.00	\$1,398.64	\$152.31	\$1,246.33
010-142-070	1675	Mission Rd.	\$1,028.63	\$0.00	\$1,028.63	\$0.00	\$1,028.63
010-142-110	1681	Mission Rd.	\$3,078.48	\$0.00	\$3,078.48	\$0.00	\$3,078.48
010-142-050	1685	Mission Rd.	\$562.42	\$0.00	\$562.42	\$61.25	\$501.17
010-142-040	1707	Mission Rd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-142-030	1711	Mission Rd.	\$553.00	\$0.00	\$553.00	\$0.00	\$553.00
010-142-020	1715	Mission Rd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-142-100	1725	Mission Rd.	\$2,455.83	\$0.00	\$2,455.83	\$0.00	\$2,455.83
010-423-050	1755	Mission Rd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78

Commercial Properties in SSF Service Area

APN	St. No.	St. Name	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1b)-2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1b)-2-3]
010-423-040	1773	Mission Rd.	\$932.43	\$0.00	\$932.43	\$0.00	\$932.43
010-423-030	1787	Mission Rd.	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-182-080	1537	Mission Rd. A	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-142-080	1655	Mission Rd. A	\$614.22	\$0.00	\$614.22	\$0.00	\$614.22
010-182-080	1537	Mission Rd. B	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-142-080	1655	Mission Rd. B	\$553.00	\$0.00	\$553.00	\$60.22	\$492.78
010-182-080	1537	Mission Rd. C	\$553.00	\$0.00	\$553.00	\$0.00	\$553.00
010-182-080	1537	Mission Rd. D	\$553.00	\$0.00	\$553.00	\$0.00	\$553.00
011-341-350	435	Serramonte Blvd.	\$2,791.77	\$0.00	\$2,791.77	\$304.02	\$2,487.74
011-341-340	445	Serramonte Blvd.	\$5,201.26	\$0.00	\$5,201.26	\$0.00	\$5,201.26
011-341-330	475	Serramonte Blvd.	\$35,679.03	\$0.00	\$35,679.03	\$3,885.45	\$31,793.58
011-341-830	485	Serramonte Blvd.	\$13,669.24	\$0.00	\$13,669.24	\$1,488.58	\$12,180.66
008-392-140	600	Serramonte Blvd.	\$2,390.26	\$0.00	\$2,390.26	\$260.30	\$2,129.96
008-392-260	650	Serramonte Blvd.	\$13,727.16	\$0.00	\$13,727.16	\$0.00	\$13,727.16
008-373-200	700	Serramonte Blvd.	\$39,941.98	\$0.00	\$39,941.98	\$0.00	\$39,941.98
008-413-030	707-711	Serramonte Blvd.	\$16,681.10	\$0.00	\$16,681.10	\$1,816.57	\$14,864.53
008-374-040	775	Serramonte Blvd.	\$1,337.96	\$0.00	\$1,337.96	\$145.70	\$1,192.25
008-373-190	780	Serramonte Blvd.	\$5,373.05	\$0.00	\$5,373.05	\$585.13	\$4,787.93
008-374-050	785	Serramonte Blvd.	\$5,735.16	\$0.00	\$5,735.16	\$0.00	\$5,735.16
008-373-340	970	Serramonte Blvd.	\$9,138.28	\$0.00	\$9,138.28	\$0.00	\$9,138.28
008-373-550	990	Serramonte Blvd.	\$5,518.04	\$0.00	\$5,518.04	\$0.00	\$5,518.04
008-373-550	990	Serramonte Blvd.	\$8,954.51	\$0.00	\$8,954.51	\$975.15	\$7,979.36
008-373-550	990	Serramonte Blvd.	\$4,283.61	\$0.00	\$4,283.61	\$0.00	\$4,283.61
008-374-020	999	Serramonte Blvd.	\$7,531.63	\$0.00	\$7,531.63	\$820.19	\$6,711.44
008-374-020	999	Serramonte Blvd.	\$2,169.59	\$0.00	\$2,169.59	\$0.00	\$2,169.59
<b>TOTAL</b>			<b>\$718,645.22</b>	<b>\$0.00</b>	<b>\$718,645.22</b>	<b>\$20,486.34</b>	<b>\$698,158.87</b>



## **Town Properties in SSF Service Area**





## Town Properties in SSF Service Area

APN	St. No.	St. Name	Town Pays SSF (1b)	Residential Subsidy (2)	Parcel Charge before water conservation incentive [(1b)- 2]	Water Conservation Incentive (3)	Final Parcel Charge to Property after Subsidy and Incentive [(1b)-2-3]
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-290	1180	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-270	1188-1190	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
008-392-070	1198	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
020-013-110	1199	El Camino Real	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
010-460-040	1365	Mission Rd.	\$553.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>TOTAL</b>			<b>\$12,166.00</b>				



ATTACHMENT C - INQUIRIES AND PROTESTS LOG						
No.	Inquiry/Protest	Date	Address	Reason for Inquiry	Response	Resolved/Pending
1	Telephone Inquiry	6/29/2015	1427 Mission Rd. & 480 Collins Ave.	questions on how sewer charges are calculated	explained the process of calculations and approval	Resolved
2	Telephone Inquiry	6/30/2015	990 Serramonte Blvd.	Request for reallocation of water usage data and correction of sewer charges between two businesses within the property	Reviews historic usage data, reallocated water usage between two businesses, corrected sewer charges, updated engineer's report, emailed revised charges notice to property owner	Resolved

