

ESCROW DEPOSIT AND TRUST AGREEMENT

THIS ESCROW DEPOSIT AND TRUST AGREEMENT (the "Agreement") is dated as of July 1, 2016, and is entered into by and between the City of Belvedere (the "City") and The Bank of New York Mellon Trust Company, N.A., a national banking association having a corporate trust office in California, as escrow agent (the "Escrow Agent").

WITNESSETH:

A. The City has heretofore conducted special assessment proceedings for certain assessment districts (collectively, the "Prior Districts") and issued seven series of improvement bonds of the City (collectively, the "Prior Bonds") pursuant to the Improvement Bond Act of 1915 and resolutions of issuance of the City related to each series of Prior Bonds (collectively, the "Resolutions of Issuance"), and reference is hereby expressly made to Exhibit A for further particulars, including the names, issuance dates and amounts of the Prior Bonds.

B. The Bank of New York Mellon Trust Company, N.A. serves as paying agent with respect to each of the Prior Bonds (the "Prior Bonds Paying Agent").

C. The City has provided for the issuance of limited obligation refunding improvement bonds (the "Refunding Bonds") pursuant to the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the California Streets and Highways Code to refund all or a portion of the outstanding principal amount of the Prior Bonds on September 2, 2016 at a redemption price equal to the principal amount to be redeemed, plus a premium equal to 2% of the amount thereof, plus accrued interest to the redemption date.

D. The Refunding Bonds will be sold to the Belvedere Public Financing Authority (the "Authority").

E. The City wishes to enter into this Agreement to provide for the net proceeds of the sale of the Refunding Bonds to the Authority, together with other available funds held with respect to the respective series of Prior Bonds, to be deposited in separate irrevocable escrow accounts created and maintained with the Escrow Agent for the purpose of providing for the payment in full of the principal, interest and redemption premium on the outstanding Prior Bonds.

F. The Escrow Agent has full powers to act with respect to said escrow accounts and to perform the duties and obligations to be undertaken pursuant to this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises hereinafter set forth and for other valuable consideration, the City and the Escrow Agent agree as follows:

Section 1. Establishment of Escrow Fund and Escrow Accounts; Deposit of Funds. The City hereby appoints the Escrow Agent to act as escrow agent for purposes of administering the funds required to redeem and defease each series of the Prior Bonds in accordance with the applicable Resolution of Issuance.

The Escrow Agent is hereby directed to establish a special fund to be named the "Escrow Fund" to be held by the Escrow Agent in trust, and within the Escrow Fund, to establish

a separate account for each series of Prior Bonds as set forth on Exhibit B-1 hereto (each a "Prior Bonds Escrow Account"), to be held by the Escrow Agent in trust as an irrevocable escrow securing the payment of the related series of Prior Bonds.

On _____, 2016 (the "Closing Date"), the Escrow Agent shall deposit in each Prior Bonds Escrow Account the following:

(a) the respective amounts set forth on Exhibit B-1, representing the applicable amount of the net proceeds of the Refunding Bonds transferred to the Escrow Agent for such series of Prior Bonds by or on behalf of the City, and

(b) certain other funds related to each series of Prior Bonds, in the amounts set forth on Exhibit B-1, which the Prior Bonds Paying Agent is hereby directed to transfer to the Escrow Agent.

If at any time the Escrow Agent receives actual knowledge that the moneys in any account of the Escrow Fund will not be sufficient to make any payment required hereunder, the Escrow Agent shall notify the City, and the City shall promptly cure such deficiency. The Escrow Agent shall not be liable for any such deficiency.

Section 2. Investment of Amounts in Escrow Fund. The Escrow Agent shall hold all amounts on deposit in each of the accounts in the Escrow Fund in the federal securities set forth in Exhibit B-2.

Section 3. Application of Amounts in Escrow Fund. On the Closing Date, the Escrow Agent is hereby instructed to withdraw from the Escrow Fund and transfer to the Prior Bonds Paying Agent the amounts required to pay the principal, interest and redemption premium on the Prior Bonds in accordance with the schedule attached as Exhibit C hereto.

Section 4. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money held by the Escrow Agent hereunder, and such books shall be available for inspection at reasonable hours and under reasonable conditions with reasonable prior notice by the owners of the Prior Bonds and the City.

Section 5. Proper Filings. The City will, at its expense, execute, acknowledge, deliver or file this Agreement and any assignments, transfers, financing statements, continuation statements, and assurances required to carry out the intention or facilitate the performance of the terms of this Agreement.

Section 6. Discharge. The covenants, liens and pledges entered into, created or imposed pursuant to this Agreement shall be fully discharged and satisfied when all of the Prior Bonds have been paid in full as to principal, premium and interest. Upon such discharge and satisfaction this Agreement shall cease, terminate and become null and void.

Section 7. Termination; Unclaimed Funds. Notwithstanding any other provision of this Agreement, any money held by the Prior Bonds Paying Agent for the payment of the principal of, premium and interest on the Prior Bonds and remaining unclaimed for 2 years after the specified redemption date of all of the Prior Bonds shall then be repaid to the City upon its written request, and the registered owners of the Prior Bonds shall thereafter be entitled to look only to the City for the repayment thereof, and liability of the Escrow Agent with respect to such

money shall thereupon cease. If any such money is repaid to the City as described in the prior sentence, the registered owners of the Prior Bonds secured hereby with respect to which such money was deposited shall thereafter be deemed to be unsecured creditors of the City, without interest.

Notwithstanding the foregoing, the Escrow Agent shall, upon the written request of the City, repay such money to the City at any time earlier than 2 years if failure to repay such money to the City, within such earlier period, will give rise to the operation of any escheat statute under applicable California law. Any unclaimed funds repaid to the City shall be applied and used by the City in accordance with applicable law.

Section 8. No Implied Duties; No Rights to Others. Nothing in this Agreement expressed or implied is intended or shall be construed to give any legal or equitable right, remedy or claim under or in respect to this Agreement, or any covenants, conditions or provisions contained in this Agreement, to any person other than the City, the Escrow Agent, the Prior Bonds Paying Agent, and the registered owners of the Prior Bonds. All covenants, conditions and provisions contained in this Agreement are and shall be held to be for the sole and exclusive benefit of the City, the Escrow Agent, the Prior Bonds Paying Agent and the registered owners of the Prior Bonds. The Escrow Agent shall perform such duties and only such duties as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

Section 9. Immunities and Liabilities of Escrow Agent.

(A) The Escrow Agent shall not have any liability hereunder except to the extent of its own negligence or willful misconduct. The Escrow Agent is not required to resolve conflicting demands to money or property in its possession under this Agreement.

(B) The Escrow Agent may consult with counsel of its own choice (which may be counsel to City) and the opinion of such counsel shall be full and complete authorization to take or suffer in good faith any action hereunder in accordance with such opinion of counsel.

(C) The Escrow Agent shall not be responsible for any of the recitals or representations contained herein.

(D) The Escrow Agent may become the owner of, or acquire any interest in, any of the Prior Bonds with the same rights that it would have if it were not the Escrow Agent, and may engage or be interested in any financial or other transaction with the City.

(E) The Escrow Agent shall not be liable for the accuracy of any calculations provided as to the sufficiency of the moneys deposited with it to pay the principal, interest or premiums, if any, on the Prior Bonds and shall not be liable for any insufficiency of such moneys and securities to affect such payment.

(F) The Escrow Agent shall not be liable for any action or omission of the City under this Agreement or any other agreement.

(G) Whenever in the administration of this Agreement the Escrow Agent may deem it necessary or desirable that a matter be proved or established before taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be specifically prescribed in this Agreement) may, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be deemed to be conclusively proved and established by one or more certificates of an authorized official of the City, and such certificates shall, in the absence of negligence or willful misconduct on the part of the Escrow Agent, be full warrant to the Escrow Agent for any action taken or suffered by it under the provisions of this Agreement upon the faith thereof.

(H) The Escrow Agent may at any time resign by giving prior written notice to the City. The City shall promptly appoint a successor Escrow Agent. Resignation of the Escrow Agent will be effective only upon acceptance of appointment by a successor Escrow Agent. If the City does not appoint a successor Escrow Agent, the Escrow Agent may petition any court of competent jurisdiction for the appointment of a successor Escrow Agent, and such court may appoint a successor Escrow Agent after such notice, if any, has been given as the court may deem proper and as may be required by law. After receiving a notice of resignation of an Escrow Agent, the City may appoint a temporary Escrow Agent to replace the resigning Escrow Agent until the City appoint a successor Escrow Agent. Any such temporary Escrow Agent so appointed shall immediately and without further act be superseded by the successor Escrow Agent so appointed.

(I) The City agrees to indemnify the Escrow Agent, its agents officers and employees for, and to hold the Escrow Agent, its agents, officers and employees harmless from and against, any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including, without limitation, reasonable fees and disbursements of counsel, including in-house counsel, for the Escrow Agent) which may be imposed on, incurred by, or asserted against the Escrow Agent at any time by reason of the performance of its duties as Escrow Agent hereunder, in any transaction arising out of this Agreement or any of the transactions contemplated herein, unless due to the negligence or willful misconduct of the Escrow Agent, its agents officers or employees. Such indemnity shall survive the termination of this Agreement or resignation or removal of the Escrow Agent.

(J) All notices, certificates or other communications to be delivered to the Escrow Agent shall be addressed to the Escrow Agent at:

The Bank of New York Mellon Trust Company, N.A.
400 S. Hope Street, Suite 400
Los Angeles, CA 90071
Attention: _____

Section 10. 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 such 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 11. Fees. The Escrow Agent's fees, expenses and reimbursement for costs incurred for and in carrying out its duties under this Agreement have been fixed by separate

agreement. The Escrow Agent shall also be entitled to additional fees, expenses and reimbursement for costs incurred in connection with any litigation involving this Agreement and the performance of its duties and exercise of its powers hereunder, including but not limited to legal and accounting services. The fees incurred by the Escrow Agent shall in no event be deducted from the Escrow Fund.

Section 12. Severability. If any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provisions has never been contained herein.

Section 13. Counterparts. This Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and such counterparts, or as many of them as the City and the Escrow Agent preserve undestroyed, shall together constitute but one and the same instrument.

Section 14. Business Days. Whenever any act is required by this Agreement to be done on a specified day or date, and such day or date falls on a day other than a business day, then such act may be done on the next succeeding business day.

Section 15. California Law. This Agreement shall be governed exclusively by and interpreted in accordance with, the laws of the State of California.

IN WITNESS WHEREOF, the City and the Escrow Agent have each caused this Agreement to be executed by the duly authorized officers thereof as of the date first above written.

CITY OF BELVEDERE

By: _____

**THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.,
as Escrow Agent**

By: _____

Authorized Officer

**ACKNOWLEDGEMENT OF THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
AS PRIOR BONDS PAYING AGENT**

The Bank of New York Mellon Trust Company, N.A., as Prior Bonds Paying Agent, hereby acknowledges the provisions of this Agreement and, to the extent such provisions are applicable, The Bank of New York Mellon Trust Company, N.A., in its capacity as Prior Bonds Paying Agent, agrees to comply therewith.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,**
as Prior Bonds Paying Agent

By: _____
Authorized Officer

EXHIBIT A

DISTRICTS AND PRIOR BONDS

District	Prior Bonds	Issuance Date
City of Belvedere Upper Beach Road Underground Assessment District	\$1,304,041 Limited Obligation Improvement Bonds City of Belvedere Upper Beach Road Underground Assessment District	May 15, 2002
City of Belvedere Madrona, Bella Vista and Oak Underground Assessment District	\$2,007,800 Limited Obligation Improvement Bonds City of Belvedere Madrona, Bella Vista and Oak Underground Assessment District	June 30, 2005
City of Belvedere Ran Rafael Avenue Underground Assessment District	\$1,043,797 Limited Obligation Improvement Bonds City of Belvedere San Rafael Avenue Underground Assessment District (Bank Qualified)	May 24, 2007
City of Belvedere Lower Belvedere Avenue Utility Underground Assessment District	\$2,519,270 Limited Obligation Improvement Bonds City of Belvedere Lower Belvedere Avenue Utility Underground Assessment District (Bank Qualified)	October 14, 2008
City of Belvedere Bay View Avenue/Bella Vista Avenue Utility Underground Assessment District	\$1,592,404 Limited Obligation Improvement Bond City of Belvedere Bay View Avenue/Bella Vista Avenue Utility Underground Assessment District, Series 2009 (Bank Qualified)	September 29, 2009
City of Belvedere Mid-San Rafael Avenue Utility Underground Assessment District	\$1,388,067 Limited Obligation Improvement Bonds City of Belvedere Mid-San Rafael Avenue Utility Underground Assessment District, Series 2011 (Bank Qualified)	March 3, 2011
City of Belvedere Pine Avenue Utility Underground Assessment District	\$1,160,866 Limited Obligation Improvement Bonds City of Belvedere Pine Avenue Utility Underground Assessment District, Series 2012 (Bank Qualified)	October 16, 2012

EXHIBIT B-1

**DEPOSITS TO
PRIOR BONDS ESCROW ACCOUNTS**

**1. UPPER BEACH ROAD
Escrow Account**

Net Proceeds of Refunding Bonds
Prior Bonds Reserve Fund
Prior Bonds Redemption Fund _____
Total deposit:

**2. MADRONA, BELLA VISTA AND OAK
Escrow Account**

Net Proceeds of Refunding Bonds
Prior Bonds Reserve Fund
Prior Bonds Redemption Fund _____
Total deposit:

**3. SAN RAFAEL AVENUE
Escrow Account**

Net Proceeds of Refunding Bonds
Prior Bonds Reserve Fund
Prior Bonds Redemption Fund _____
Total deposit:

**4. LOWER BELVEDERE AVENUE
Escrow Account**

Net Proceeds of Refunding Bonds
Prior Bonds Reserve Fund
Prior Bonds Redemption Fund _____
Total deposit:

5. BAYVIEW AVENUE/BELLA VISTA AVENUE
Escrow Account

Net Proceeds of Refunding Bonds
Prior Bonds Reserve Fund
Prior Bonds Redemption Fund _____
Total deposit:

6. MID-SAN RAFAEL AVENUE
Escrow Account

Net Proceeds of Refunding Bonds
Prior Bonds Reserve Fund
Prior Bonds Redemption Fund _____
Total deposit:

7. PINE AVENUE
Escrow Account

Net Proceeds of Refunding Bonds
Prior Bonds Reserve Fund
Prior Bonds Redemption Fund _____
Total deposit:

EXHIBIT B-2

ESCROW SECURITIES

Type of Security	CUSIP or ID	Maturity Date	Par Amount	Rate	Yield	Price	Cost	Accrued Interest	Total Cost
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EXHIBIT C

PAYMENT AND REDEMPTION SCHEDULE OF PRIOR BONDS

Prior Bonds	Payment Date	Maturing Principal	Interest	Redeemed Principal	Redemption Premium	Total Payment
Upper Beach Road	Sept. 2, 2016					
Madrona, Bella Vista and Oak	Sept. 2, 2016					
San Rafael Avenue	Sept. 2, 2016					
Lower Belvedere Avenue	Sept. 2, 2016					
Bayview Avenue/Bella Vista Avenue	Sept. 2, 2016					
Mid-San Rafael Avenue	Sept. 2, 2016					
Pine Avenue	Sept. 2, 2016					