PRELIMINARY OFFICIAL STATEMENT DATED __________, 2016

NEW ISSUE – FULL BOOK-ENTRY **NOT RATED**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described in this Official Statement, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS - Tax Exemption."

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Belvedere Public Financing Authority
2016 Revenue Bonds
(Consolidated Utility Undergrounding Reassessment and Refunding)

Dated: Date of Delivery **Due: September 2, as shown on inside cover.**

Authority for Issuance. The bonds captioned above (the "Bonds") are being issued under Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Bond Law") and an Indenture of Trust dated as of July 1, 2016 (the "Indenture"), by and between the Belvedere Public Financing Authority (the "Authority") and U.S. Bank National Association, as trustee (the "Trustee"), and a resolution approved by the Board of Directors (the "Board") of the Authority. See "THE BONDS – Authority for Issuance."

Use of Proceeds. The Bonds are being issued to (a) acquire a series of reassessment bonds (the "Reassessment Bonds") to be issued concurrently with the Bonds by the City of Belvedere (the "City"), to be captioned the "City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts) Limited Obligation Refunding Improvement Bonds," (b) fund a debt service reserve fund for the Bonds, and (c) pay the costs of issuing the Bonds and the Reassessment Bonds. The Reassessment Bonds are being issued to refund and defease 7 outstanding series of assessment bonds previously issued by the City. See "FINANCING PLAN."

Security and Sources of Payment for the Bonds. The Bonds are payable solely from "Revenues" pledged by the Authority under the Indenture, which consist primarily of debt service on the Reassessment Bonds to be acquired and held by the Authority. "Revenues" also include certain moneys deposited and held from time to time by the Trustee in certain funds and accounts established under the Indenture. See "SECURITY FOR THE BONDS."

Security and Sources of Payment for the Reassessment Bonds. The Reassessment Bonds are secured primarily by certain unpaid reassessments (the "Reassessments") levied on the parcels within the City's Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts). The unpaid Reassessments, together with related interest, constitute a trust fund for the redemption and payment of the principal of and interest on the Reassessment Bonds. See "SECURITY FOR THE REASSESSMENT BONDS."

Bond Terms. Interest on the Bonds is payable on March 2, 2017, and semiannually thereafter on each March 2 and September 2. The Bonds will be issued in denominations of $5,000 or integral multiples of $5,000. The Bonds, when delivered, will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. See "THE BONDS – General Bond Terms" and "APPENDIX E – DTC and the Book-Entry Only System."

Redemption. *The Bonds are subject to optional redemption, extraordinary redemption from the redemption of the Reassessment Bonds due to Reassessment prepayments, and mandatory sinking fund redemption before maturity. See "THE BONDS - Redemption."*

Risk Factors. The Bonds may not be appropriate investments for certain individuals. See "BOND OWNERS' RISKS" for a discussion of the risk factors that should be considered in evaluating the investment quality of the Bonds.

THE BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF THE BONDS, ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND OTHER ASSETS PLEDGED UNDER THE INDENTURE, AND ARE NOT AN INDEBTEDNESS OF THE CITY, THE COUNTY OF MARIN (THE "COUNTY"), THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE MEMBERS OF THE AUTHORITY, THE CITY, THE COUNTY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

MATURITY SCHEDULE
(see inside cover)

This cover page contains certain information for quick reference only. It is not a summary of the issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed upon for the Authority by Jones Hall, A Professional Law Corporation, San Francisco, California, as disclosure counsel, and for the

City and the Authority by the City Attorney. It is anticipated that the Bonds, in book-entry form, will be available for delivery on or about _____________, 2016.

STIFEL

The date of this Official Statement is: ________________, 2016.

* Preliminary; subject to change.

MATURITY SCHEDULE*

$_____________ Serial Bonds
(Base CUSIP†: ______)

Maturity (September 2)	Principal Amount	Interest Rate	Yield	Price	CUSIP†

$________ ______% Term Bond due September 2, 2043, Yield: _____%, Price: _______
CUSIP† No. __________ ____

* Preliminary; subject to change.

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 Bonds 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 Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the Authority, the City, any other parties described in this Official Statement, or in the condition of property within the Reassessment District since the date of this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds 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 Bonds.

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 Indenture and the Fiscal Agent Agreements 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.

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds 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.

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.

Website. The City maintains an Internet website, but the information on the website is not incorporated in this Official Statement and is not intended to (i) assist investors in making any investment decision or (ii) provide any continuing information with respect to the Bonds or the Reassessment Bonds.

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. NEITHER THE AUTHORITY NOR THE CITY 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.

BELVEDERE PUBLIC FINANCING AUTHORITY

GOVERNING BOARD

Claire McAuliffe, *Chair*
James Campbell, *Vice Chair*
Sandra Donnell, *Member*
Bob McCaskill, *Member*
Marty Winter, *Member*

CITY OF BELVEDERE ADMINISTRATION

Mary Neilan, City Manager
Rob Epstein, City Attorney
Becky Eastman, Finance Officer
Alison Foulis, City Clerk

PROFESSIONAL SERVICES

BOND COUNSEL and DISCLOSURE COUNSEL
Jones Hall, A Professional Law Corporation
San Francisco, California

REASSESSMENT CONSULTANT
Willdan Financial Services, Inc.
Temecula, California

VERIFICATION AGENT
Grant Thornton LLP
Minneapolis, Minnesota

ESCROW AGENT
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

TRUSTEE and FISCAL AGENT
U.S. Bank National Association
Los Angeles, California

REGIONAL MAP

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INTRODUCTION

This Official Statement, including the cover page, inside cover and attached appendices, is provided to furnish information regarding the bonds captioned above (the "**Bonds**") to be issued by the Belvedere Public Financing Authority (the "**Authority**").

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, the inside cover and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

Capitalized terms used but not defined in this Official Statement have the definitions given in the Indenture (as defined below).

The City. The City of Belvedere (the "**City**") is located in Marin County, California (the "**County**"), approximately 10 miles north of San Francisco via the Golden Gate Bridge (or about 5 miles by ferryboat). For general and demographic information regarding the City and the County, see APPENDIX A.

The Authority. The Authority is a joint exercise of powers authority formed by its members, the City and the Belvedere Parking Authority, under a Joint Exercise of Powers Agreement dated as of May 9, 2016, under Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code. See "THE AUTHORITY."

Authority for Issuance of the Bonds. The Bonds are being issued under the Marks-Roos Local Bond Pooling Act of 1985, Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code of the State of California (the "**Bond Law**"), an Indenture of Trust dated as of July 1, 2016 (the "**Indenture**"), by and between the Authority and U.S. Bank National Association, as trustee (the "**Trustee**"), and a resolution of the Board of Directors (the "**Board**") of the Authority authorizing the issuance of the Bonds. See "THE BONDS – Authority for Issuance."

Financing Purposes. The Bonds are being issued primarily to acquire the following reassessment bonds (the "**Reassessment Bonds**") to be issued by the City concurrently with the Bonds: the "City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts) Limited Obligation Refunding Improvement Bonds."

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* Preliminary; subject to change.

In addition, the proceeds of the Bonds will be used to (i) fund a debt service reserve fund for the Bonds, and (ii) pay the costs of issuing the Bonds and the Reassessment Bonds.

The Reassessment Bonds are being issued primarily to refund and defease seven outstanding series of assessment bonds previously issued by the City.

See "FINANCING PLAN."

Description of the Bonds. The Bonds will be issued in denominations of $5,000 or any integral multiple of $5,000. Interest is payable semiannually on each March 2 and September 2, commencing March 2, 2017.

The Bonds will be initially issued only in book-entry form and registered to Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"), which will act as securities depository of the Bonds. Principal and interest (and premium, if any) on the Bonds is payable by the Trustee to DTC, which remits such payments to its Participants for subsequent distribution to the registered owners as shown on the Trustee's books.

See "THE BONDS."

Security and Sources of Payment for the Bonds. The Bonds are payable from "Revenues" received under the Indenture, which are generally defined as all amounts derived from the Reassessment Bonds acquired and held by the Authority. "Revenues" also include certain moneys deposited and held from time to time by the Trustee in certain funds and accounts established under the Indenture. See "SECURITY FOR THE BONDS."

Security and Sources of Payment for the Reassessment Bonds. The Reassessment Bonds are being issued under the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 (commencing with Section 9500) of the Streets and Highways Code of California (the "**Bond Law**"), and a Fiscal Agent Agreement dated as of July 1, 2016, (the "**Fiscal Agent Agreements**"), by and between the City and U.S. Bank National Association, as fiscal agent (the "**Fiscal Agent**"). The Reassessments have been levied under the Bond Law and are described in a report (the "**Reassessment Report**") approved by the City, a copy of which is attached as APPENDIX B.

The Reassessment Bonds are secured and payable solely from reassessments (the "**Reassessments**") levied on the property within the City's reassessment district known as the City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts) (the "**Reassessment District**").

Debt Service Reserve Fund. As further security for the Bonds, the Authority will deposit a portion of the proceeds of the Bonds with the Trustee, to be held in separate accounts within a debt service reserve fund established under the Indenture, and used if there are insufficient Revenues available to pay debt service on the Bonds when due. See "SECURITY FOR THE BONDS – Reserve Fund."

No debt service reserve funds will be established under the Fiscal Agent Agreement with respect to the Reassessment Bonds.

Redemption. The Bonds are subject to optional redemption, extraordinary redemption from the redemption of the Reassessment Bonds due to Reassessment prepayments, and mandatory sinking fund redemption before maturity. See "THE BONDS – Redemption."

The Reassessment District. The Reassessment District consists of 7 zones (each a “Zone”) corresponding to the original assessment districts (the “**Original Assessment Districts**”), the bonds issued with respect to which are being refunded and defeased with the proceeds of the Reassessment Bonds. The Reassessment District is located in various portions of the City and contains ___ parcels with unpaid Reassessments.

The property within the Reassessment District with unpaid Reassessments consists primarily of completed single-family homes. The table below summarizes the Fiscal Year 2015-16 assessed valuation for each Zone within the Reassessment District.

	No. of Parcels	2016-17 Reassessment	Percent of Total	2015-16 Assessed Valuation
1. Upper Beach Road				
2. Madrona, Bella Vista and Oak				
3. San Rafael Avenue				
4. Lower Belvedere Avenue				
5. Bayview Avenue/Bella Vista Avenue				
6. Mid-San Rafael Avenue				
7. Pine Avenue				
Totals:				

Source: Willdan Financial Services, Inc.

See “THE REASSESSMENT DISTRICT” and APPENDIX I.

Limit of Liability; Risk Factors Associated with Purchasing the Bonds. The Bonds are limited obligations of the Authority payable solely from Revenues and other assets pledged under the Indenture. Investment in the Bonds involves risks that may not be appropriate for some investors. See “BOND OWNERS' RISKS” for a discussion of certain risk factors which should be considered, in addition to the other matters set forth in this Official Statement, in considering the investment quality of the Bonds.

FINANCING PLAN

Purpose of the Bonds

The Bonds are being issued primarily to acquire the Reassessment Bonds from the City on the Closing Date.

Refunding Plan for Original Assessment Bonds

The City will use the proceeds of its sale of the Reassessment Bonds to the Authority in order to refund and defease the 7 outstanding series of bonds originally issued with respect to each Original Assessment District (the "**Original Assessment Bonds**"), which are further described below.

Zone	Original Assessment Bonds	Issuance Date	Outstanding Principal Amount
1. Upper Beach Road	$1,304,041 Limited Obligation Improvement Bonds City of Belvedere Upper Beach Road Underground Assessment District	May 15, 2002	$940,000
2. Madrona, Bella Vista and Oak	$2,007,800 Limited Obligation Improvement Bonds City of Belvedere Madrona, Bella Vista and Oak Underground Assessment District	June 30, 2005	$1,550,000
3. San Rafael Avenue	$1,043,797 Limited Obligation Improvement Bonds City of Belvedere San Rafael Avenue Underground Assessment District	May 24, 2007	$895,000
4. Lower Belvedere Avenue	$2,519,270 Limited Obligation Improvement Bonds City of Belvedere Lower Belvedere Avenue Utility Underground Assessment District	Oct. 14, 2008	$2,185,000
5. Bayview Avenue/Bella Vista Avenue	$1,592,404 Limited Obligation Improvement Bond City of Belvedere Bay View Avenue/Bella Vista Avenue Utility Underground Assessment District, Series 2009	Sept. 29, 2009	$1,450,000
6. Mid-San Rafael Avenue	$1,388,067 Limited Obligation Improvement Bonds City of Belvedere Mid-San Rafael Avenue Utility Underground Assessment District, Series 2011	March 3, 2011	$1,245,000
7. Pine Avenue	$1,160,866 Limited Obligation Improvement Bonds City of Belvedere Pine Avenue Utility Underground Assessment District, Series 2012	Oct. 16, 2012	$1,115,000

The Original Assessment Bonds were issued in order to finance the undergrounding of utilities along the streets within the Original Assessment Districts.

The refinancing plan calls for all of the outstanding Original Assessment Bonds to be paid and redeemed in full, on a current basis, on September 2, 2016, at a redemption price equal to 102% of the principal amount thereof, together with accrued interest to the redemption date.

The proceeds of the Reassessment Bonds, together with certain funds on hand with respect to each series of the Original Assessment Bonds, will be transferred to The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the "**Escrow Agent**") for the Original Assessment Bonds, under an Escrow Agreement dated as of July 1, 2016 (the "**Escrow Agreement**"), by and between the City and the Escrow Agent.

The Escrow Agent will invest amounts on deposit under the Escrow Agreement in certain federal securities (as specified in the Escrow Agreement). These funds, together with any remaining amounts held in cash by the Escrow Agent, will be sufficient to pay and redeem the Original Assessment Bonds in full on September 2, 2016, and to defease the Original Assessment Bonds as of the date of issuance of the Bonds and the Reassessment Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

The moneys held by the Escrow Agent under the Escrow Agreement are pledged to the payment of the Original Assessment Bonds, and will not be available for the payment of the Bonds or the Reassessment Bonds.

Estimated Sources and Uses of Funds

The Bonds. The anticipated sources and uses of funds relating to the Bonds are as follows:

Sources:
Principal Amount of the Bonds
Plus/Less: Original Issue Premium/Discount
Total Sources
Uses:
Deposit to Program Fund (1)
Deposit to Costs of Issuance Fund (2)
Deposit to Reserve Fund (3)
Underwriter's Discount
Total Uses

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(1) To be used to acquire the Reassessment Bonds. Amount is net of the share of the costs of issuance, Reserve Fund, and Underwriter's discount allocable to the Reassessment Bonds.
(2) Costs of issuance include fees and expenses of the Trustee, Fiscal Agent, Bond Counsel, Disclosure Counsel, and Reassessment Consultant; printing costs; and other related costs of issuing the Bonds and the Reassessment Bonds.
(3) Equal to the Reserve Requirement for the Bonds as of the Closing Date. See "SECURITY FOR THE BONDS – Reserve Fund."

The Reassessment Bonds. The anticipated sources and uses of funds relating to the Reassessment Bonds are as follows:

Sources:
Principal Amount of Reassessment Bonds
Plus/Less: Original Issue Premium/Discount
Plus: Available Funds from Original Assessment Bonds
Less: Share of Underwriter's Discount
Less: Share of Costs of Issuance
Less: Reserve Requirement
Total Sources
Uses:
Deposit to Escrow Fund (1)
Total Uses

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(1) To be used to refund the Original Assessment Bonds. See "–Refunding Plan for Original Assessment Bonds" above.

THE BONDS

This section generally describes the terms of the Bonds contained in the Indenture, which is summarized in more detail in APPENDIX C. Capitalized terms used but not defined in this section are defined in APPENDIX C.

Authority for Issuance

The Bonds are being issued under the Bond Law, the Indenture and a resolution adopted by the Board on ___________________, 2016 (the "**Resolution**"), authorizing the issuance of bonds in an aggregate principal amount not to exceed $________________.

General Bond Terms

Dated Date, Maturity and Authorized Denominations. The Bonds will be dated their date of delivery (the "**Delivery Date**") and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement. The Bonds will be issued in fully registered form in denominations of $5,000 each or any integral multiple of $5,000.

Interest. The Bonds will bear interest at the annual rates set forth on the inside cover page of this Official Statement, payable semiannually on each March 2 and September 2, commencing March 2, 2017 (each, an "**Interest Payment Date**") until the principal sum of the Bonds has been paid. Interest will be calculated on the basis of a 360 day year composed of twelve 30-day months.

Each Bond will bear interest from the first Interest Payment Date preceding the date of authentication thereof, unless

(a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date; or

(b) it is authenticated on or before February 16, 2017, in which event it will bear interest from the Closing Date;

provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon, or from the Closing Date if no interest has been paid or made available for payment.

Record Date. The Indenture defines the record date for the Bonds (the "**Record Date**"), with respect to any Interest Payment Date, as the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

DTC and Book-Entry Only System. DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered initially in the name of Cede & Co. (DTC's partnership nominee). See APPENDIX E.

Payments of Interest and Principal. *For so long as DTC is used as depository for the Bonds, principal of, premium, if any, and interest payments on the Bonds will be made solely to DTC or its nominee, Cede & Co., as registered owner of the Bonds, for distribution to the beneficial owners of the Bonds in accordance with the procedures adopted by DTC.*

Interest on the Bonds will be payable on each Interest Payment Date to the person whose name appears on the Bond Register as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on such Interest Payment Date by first-class mail, postage prepaid, to the Owner at the address of such Owner as it appears on the Bond Register or by wire transfer to an account in the continental United States of America made on such Interest Payment Date upon instructions of any Owner of $1,000,000 or more in aggregate principal amount of Bonds provided to the Trustee in writing on or before the Record Date for such Interest Payment Date.

Principal of and premium (if any) on any Bond will be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Trust Office of the Trustee. The principal of and interest and premium (if any) on the Bonds will be payable in lawful money of the United States of America.

Redemption*

Optional Redemption. The Bonds maturing on or before September 2, 20__, are not subject to optional redemption before maturity.

The Bonds maturing on and after September 2, 20__, may be redeemed at the option of the Authority prior to maturity on any date on or after September 2, 20__, in whole, or in part by lot, from any source of funds made available to the Authority, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date of redemption, without premium.

Prior to consenting to the optional redemption of any Reassessment Bonds, the Authority will deliver to the Trustee a certificate of an Independent Accountant or Independent Financial Consultant verifying that, following such optional redemption of the Reassessment Bonds and corresponding redemption of Bonds, the principal and interest due on the remaining Reassessment Bonds will be adequate to make the timely payment of principal and interest due on the Bonds that will remain Outstanding following such optional redemption.

Extraordinary Redemption From Prepaid Reassessments. The Bonds may be redeemed on any Interest Payment Date at the option of the Authority prior to maturity as a whole or in part from such maturities as are selected by the Authority, and by lot within a maturity, from prepayments of the Reassessment Bonds resulting from prepayments of Reassessments, at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), together with accrued interest thereon to the date of redemption:

* Preliminary; subject to change.

Redemption Date	Redemption Price
	103%
	102
	101
	100

In connection with an extraordinary redemption of Bonds, the Authority will deliver to the Trustee a certificate of an Independent Accountant or Independent Financial Consultant verifying that, following such extraordinary redemption of Reassessment Bonds and corresponding redemption of Bonds, the principal and interest due on the remaining Reassessment Bonds will be adequate to make the timely payment of principal and interest due on the Bonds that will remain Outstanding following such extraordinary redemption.

Mandatory Sinking Fund Redemption. The Bond maturing on September 2, 20__ (the "**20__ Term Bond**"), is subject to mandatory sinking fund redemption in part by lot on September 2 in each year commencing September 2, 20__, from Mandatory Sinking Payments made by the Authority into the Principal Account pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest thereon to the date of redemption, as set forth in the table below:

20__ Term Bond

Sinking Fund Redemption Date (September 2)	Mandatory Sinking Payments
	$
(maturity)	

In the event of a partial redemption of a 20__ Term Bond through optional redemption or extraordinary redemption from prepaid Reassessments, Mandatory Sinking Payments for the 20__ Term Bond set forth above will be proportionately reduced in integral multiples of $5,000 as nearly as possible, pursuant to calculations made by the Trustee and approved by the Authority.

If Bonds are to be redeemed through optional redemption and mandatory sinking fund redemption on the same date, or through extraordinary redemption from prepaid Reassessments and mandatory sinking fund redemption on the same date, the Bonds to be redeemed through mandatory sinking fund redemption will be selected first, with the Bonds to be redeemed through optional redemption or extraordinary redemption from prepaid Reassessments selected thereafter.

Notice of Redemption. The Trustee on behalf and at the expense of the Authority will mail (by first-class mail, postage prepaid) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Bond Register, and to the Securities Depositories and to the Information Services, at least 30 but not more than 60 days prior to the date fixed for redemption.

Neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon.

However, while the Bonds are subject to DTC's book-entry system, the Trustee will be required to give notice of redemption only to DTC as provided in the letter of representations executed by the Authority and received and accepted by DTC. DTC and the Participants will have sole responsibility for providing any such notice of redemption to the beneficial owners of the Bonds to be redeemed. Any failure of DTC to notify any Participant, or any failure of Participants to notify the Beneficial Owner of any Bonds to be redeemed, of a notice of redemption or its content or effect will not affect the validity of the notice of redemption, or alter the effect of redemption set forth in the Indenture.

Conditional Redemption Notice and Rescission of Redemption. Any redemption notice may specify that redemption of the Bonds designated for redemption on the specified date will be subject to the receipt by the Authority or the Trustee, as applicable, of moneys sufficient to cause such redemption (and will specify the proposed source of such moneys), and neither the Authority nor the Trustee will have any liability to the Owners of any Bonds, or any other party, as a result of the Authority's failure to redeem the Bonds designated for redemption as a result of insufficient moneys therefor.

Additionally, the Authority may rescind any optional redemption of the Bonds, and notice thereof, for any reason on any date prior to the date fixed for such redemption by causing written notice of the rescission to be given to the Owners of the Bonds so called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the Owner of any Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission. Neither the Authority nor the Trustee will have any liability to the Owners of any Bonds, or any other party, as a result of the Authority's decision to rescind a redemption of any Bonds pursuant to the Indenture.

Selection of Bonds of a Maturity for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of a maturity, the Trustee will select the Bonds to be redeemed from all Bonds of such maturity not previously called for redemption, at random in $5,000 increments by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, all Bonds will be deemed to be comprised of separate $5,000 Authorized Denominations, and such separate Authorized Denominations will be treated as separate Bonds which may be separately redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date specified in such notice.

Parity Bonds for Refunding Purposes Only

The Authority will covenant in the Indenture that it will not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under the Indenture while any of the Bonds are Outstanding, other than (a) the Bonds, and (b) bonds issued to defease or refund the Bonds or any previously issued refunding bonds. See APPENDIX C.

In addition, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

Registration, Transfer and Exchange

The provisions of the Indenture regarding the exchange and transfer of the Bonds apply only during any period in which the Bonds are not subject to DTC's book-entry system. While the Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See APPENDIX E.

Registration. The Trustee will keep or cause to be kept at its Trust Office sufficient records for the registration and transfer of the Bonds, which will be the Bond Register and will at all times during regular business hours be open to inspection by the Authority with reasonable notice; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, the Bonds on those records.

Transfer. Any Bond may in accordance with its terms, be transferred, upon the Bond Register, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. Whenever any Bond is surrendered for transfer, the Authority will execute and the Trustee will thereupon authenticate and deliver to the transferee, a new Bond or Bonds of like Series, tenor, maturity and aggregate principal amount. No Bonds selected for redemption will be subject to transfer pursuant to the Indenture, nor will any Bond be subject to transfer, during the 15 days prior to the selection of Bonds for redemption.

The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any transfer or exchange will be paid by the Authority. However, the Owners of the Bonds will be required to pay any tax or other governmental charge required to be paid for any exchange or registration of transfer, and the Owners of the Bonds will be required to pay the reasonable fees and expenses of the Trustee and Authority in connection with the replacement of any mutilated, lost or stolen Bonds.

Exchange. Bonds may be exchanged at the Trust Office of the Trustee for Bonds of the same Series, tenor and maturity and of other Authorized Denominations. No Bonds selected for redemption will be subject to exchange pursuant to the Indenture, nor will any Bond be subject to exchange, during the 15 days prior to the selection of Bonds for redemption.

DEBT SERVICE SCHEDULES

The Bonds

The following table presents the annual debt service on the Bonds, assuming there are no optional redemptions or extraordinary redemptions.

ANNUAL DEBT SERVICE SCHEDULE FOR THE BONDS*

Year Ending September 2	Principal	Interest	Total Debt Service
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
Total:			

* Preliminary; subject to change.

The Reassessment Bonds

General. The following table summarizes the anticipated debt service payments to be received by the Authority as the result of its ownership of the Reassessment Bonds.

ANNUAL DEBT SERVICE SCHEDULE FOR THE REASSESSMENT BONDS*

Year Ending Sept. 2	Zone 1 Upper Beach	Zone 2 Madrona, Bella Vista & Oak	Zone 3 San Rafael Avenue	Zone 4 Lower Belvedere Avenue	Zone 5 Bayview Avenue	Zone 6 Mid-San Rafael	Zone 7 Pine Ave	Total
2017								
2018								
2019								
2020								
2021								
2022								
2023								
2024								
2025								
2026								
2027								
2028								
2029								
2030								
2031								
2032								
2033								
2034								
2035								
2036								
2037								
2038								
2039								
2040								
2041								
2042								
2043								
Total								

* Preliminary, subject to change.

Concentration of Reassessments Over Time. The final year in which the Reassessments will be levied and collected differs from Zone to Zone. Consequently, as shown in the table above, the source of security for debt service on the Reassessment Bonds will be concentrated among fewer Zones and fewer Reassessment Parcels as the Reassessment Bonds mature.

SECURITY FOR THE BONDS

This section generally describes the security for the Bonds set forth in the Indenture, portions of which are summarized in more detail in APPENDIX C. Capitalized terms used but not defined in the section are defined in APPENDIX C.

General

Pledge of Revenues and Other Assets. Subject to the provisions of the Indenture regarding payment of Trustee fees and regarding defeasance, the Bonds are secured by a first lien on and pledge of all of the "Revenues" (as defined below). The Bonds will be equally secured by a pledge, charge and lien upon the Revenues without priority for any Bond over any other Bond; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any Bond will be secured by such pledge, charge and lien upon the Revenues.

Definition of Revenues. The Indenture defines "**Revenues**" as follows:

(a) all amounts received from the City pursuant to any Local Obligations,

(b) any proceeds of the Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established hereunder (other than the Costs of Issuance Fund and the Surplus Fund); and

(c) investment income with respect to any moneys held by the Trustee in the funds and accounts established hereunder (other than the Surplus Fund).

Transfer and Assignment to Trustee. Under the Indenture, the Authority will transfer in trust and assign to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues and all of the right, title and interest of the Authority in the Reassessment Bonds, subject to the terms of the Indenture.

The Trustee will be entitled to and, subject to the terms of the Indenture, will collect and receive all of the Revenues, and any Revenues collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee, and will promptly be paid by the Authority to the Trustee.

The Trustee also will be entitled to and, subject to the provisions of the Indenture, will, upon an Event of Default, take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority.

Limited Obligation

THE BONDS, THE INTEREST THEREON, AND ANY PREMIUMS PAYABLE ON THE REDEMPTION OF THE BONDS, ARE LIMITED OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM REVENUES AND OTHER ASSETS PLEDGED UNDER THE INDENTURE, AND ARE NOT AN INDEBTEDNESS OF THE CITY, THE COUNTY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE MEMBERS OF THE AUTHORITY, THE CITY, THE COUNTY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE ON THE BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE COUNTY OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER.

Allocation of Revenues

Revenues Received by Authority. All Revenues will be promptly deposited by the Trustee upon receipt thereof in the Revenue Fund. Any Revenues which represent the payment of delinquent principal of or interest on the Reassessment Bonds will be applied as set forth in the Indenture.

Allocation by Trustee; Flow of Funds. On each Interest Payment Date and date for redemption of the Bonds, the Trustee will transfer from the Revenue Fund, and deposit into the following respective accounts for the Bonds, the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority. However, Revenues received from a Community Facilities District that represent the payment of delinquent principal or interest on a series of Reassessment Bonds will be deposited into the corresponding Reserve Account to the extent necessary to replenish the amounts therein to the respective allocated portion of the Reserve Requirement, with any excess remaining in the Revenue Fund, unless otherwise released after September 2 pursuant to the Indenture.

(1) *Interest Account.* On each Interest Payment Date and redemption date for the Bonds, the Trustee will deposit in the Interest Account the amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds or to be paid on the Bonds being redeemed on such date. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all Outstanding Bonds on the next succeeding Interest Payment Date or redemption date, as applicable.

All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds redeemed prior to maturity or Bonds purchased in lieu of redemption).

If the amounts on deposit in the Interest Account on any Interest Payment Date or redemption date, after any transfers from the Reserve Fund, are insufficient for any reason to pay the aggregate amount of interest then coming due and payable on the Outstanding Bonds, the Trustee will apply such amounts to the payment of interest on each of the Outstanding Bonds on a pro rata basis.

(2) *Principal Account.* On March 2 of each year the Trustee will deposit in the Principal Account an amount equal to one-half of the principal amount of, and premium (if any) on, the Bonds coming due and payable during the current calendar year or upon any prior redemption of the Bonds with the proceeds of mandatory sinking payments plus the amount required to be redeemed through extraordinary redemption from prepayments of Reassessment Bonds on such March 2.

On September 2 of each year, the Trustee will deposit in the Principal Account the amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of, and premium (if any) on, the Bonds coming due and payable on such September 2, or required to be redeemed through extraordinary redemption from prepayments of Reassessment Bonds on such September 2.

However, no amount will be deposited to effect an extraordinary redemption from prepayments of Reassessment Bonds unless the Trustee has first received a certificate of an Independent Accountant or Independent Financial Consultant to the effect that such deposit to effect an extraordinary redemption of the Bonds will not impair the ability of the Authority to make timely payment of the principal of and interest on the Bonds, assuming for such purposes that each Community Facilities District continues to make timely payment on the respective series of Reassessment Bonds not then in default.

All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of (i) paying the principal of the Bonds at the maturity thereof or upon any prior redemption of the Bonds with the proceeds of mandatory sinking payments, or (ii) paying the principal of and premium (if any) on any Bonds upon the extraordinary redemption of such Bonds from prepayments of Reassessment Bonds.

If the amounts on deposit in the Principal Account on any Interest Payment Date or date of redemption, after any transfers from the Reserve Fund, are insufficient for any reason to pay the aggregate principal amount of, and premium (if any) on, the Outstanding Bonds then coming due and payable (whether at maturity or upon the redemption thereof), the Trustee will apply such amounts to the payment of the principal of the Outstanding Bonds which mature by their terms, or are to be redeemed through extraordinary redemption from prepayments of Reassessment Bonds or with the proceeds of mandatory sinking payments, on such Interest Payment Date, on a pro rata basis.

(3) *Reserve Fund.* On each Interest Payment Date on which the balance in the Reserve Fund is less than the Reserve Requirement, the Trustee will transfer from the Revenue Fund an amount sufficient to increase the balance in the Reserve Fund to the Reserve Requirement with such amounts being credited to the Reserve Accounts of the Reserve Fund so as to maintain the balances in each Reserve Account as required by the Indenture. Available Revenues will be applied to replenish the Reserve Fund up to the Reserve Requirement.

On September 2 of each year, after making the deposits described above, the Trustee will transfer all amounts remaining on deposit in the Revenue Fund to the Surplus Fund.

Reserve Fund

Establishment and Funding. The Indenture establishes a Reserve Fund, which will be held in trust by the Trustee for the benefit of the Owners as a reserve for the payment of principal of, and interest and any premium on, the Bonds.

Reserve Requirement. The Reserve Fund will be established in an amount equal to $______________.* See "FINANCING PLAN." Thereafter, available Revenues and investment earnings will be retained until the Reserve Fund equals the Reserve Requirement (as defined below), and the Reserve Fund will be maintained at an amount equal to the Reserve Requirement.

If the amount of the Reserve Requirement is reduced because of the payment at maturity or redemption of the Bonds, the Trustee will, upon request of the Authority, adjust the balance in any Reserve Account or create new reserve accounts as specified in such request of the Authority, provided that the amount in the Reserve Fund equals the Reserve Requirement.

The "**Reserve Requirement**" is defined in the Indenture to mean that amount as of any date of calculation equal to the least of:

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* Preliminary; subject to change.

(i) Maximum Annual Debt Service

(ii) 125% of average Annual Debt Service, or

(iii) 10% of the original principal amount of the Bonds.

Disbursements. Except as otherwise provided in the Indenture, amounts in the Reserve Fund will be applied to pay the principal of and interest on the Bonds, when due, if the moneys in the Interest Account and the Principal Account of the Revenue Fund are insufficient therefor, or in connection with an optional redemption, extraordinary redemption from prepayment of Reassessment Bonds, mandatory sinking fund redemption, or defeasance of the Bonds, in whole or in part, or when the balance therein equals the principal and interest due on the Bonds, to and including maturity, to pay the principal of and interest due on the Bonds to maturity

Replenishment. If the amounts in the Interest Account or the Principal Account of the Revenue Fund are insufficient to pay the principal of, or interest on the Bonds, when due, the Trustee will withdraw from the Reserve Fund for deposit in the Interest Account and the Principal Account, as applicable, moneys necessary for such purposes in the following priority and subject to the following limitations:

(i) if the insufficiency was caused by a delinquency in the payment of the Reassessment Bonds, the Trustee will transfer up to the amount of the delinquency from the Reserve Account of the Reserve Fund established for such Community Facilities District, to the Interest Account or the Principal Account, as applicable; and

(ii) if the amount on deposit in the applicable Reserve Account is insufficient to cure a default on such series of Reassessment Bonds, the Trustee will then transfer pro rata from the Reserve Accounts relating to the other Community Facilities Districts.

Payments of delinquent amounts by a Community Facilities District shall first be applied pro rata to replenish the Reserve Accounts, if any, drawn upon as described above in an amount equal to the amount drawn from such Reserve Accounts, and once each of such Reserve Accounts have been repaid the amounts withdrawn, payment of delinquent amounts by a Community Facilities District will then be applied to replenish the Reserve Account of the Community Facilities District whose payments had been delinquent.

See APPENDIX C for a complete description of the timing, purpose and manner of disbursements from the Reserve Fund.

Investment of Moneys in Funds

All moneys in any of the funds or accounts established with the Trustee pursuant to the Indenture will be invested by the Trustee solely in Permitted Investments. See APPENDIX C for a definition of "Permitted Investments" and other restrictions on the investment of moneys in the funds and accounts held under the Indenture.

SECURITY FOR THE REASSESSMENT BONDS

This section contains only a brief description of the Fiscal Agent Agreement, which is summarized in more detail in APPENDIX D. Capitalized terms used but not defined in this section have the meanings given in APPENDIX D.

Reassessments

General. The Bonds are issued upon and are secured by the unpaid Reassessments against the Reassessment Parcels, together with related interest. The unpaid Reassessments together with related interest constitute a trust fund for the redemption and payment of the principal of the Bonds and the interest thereon.

All the Bonds are secured by the monies in the Redemption Fund and the Reserve Fund created pursuant to the reassessment proceedings and held under the Fiscal Agent Agreement. Principal of and interest on the Bonds are payable exclusively out of the Redemption Fund.

No Personal Obligation of Reassessment Parcel Owners. **Although the unpaid Reassessments constitute fixed liens on the Reassessment Parcels, they do not constitute personal indebtedness of the owners of the Reassessment Parcels. Furthermore, there can be no assurance as to the ability of the owners to pay the unpaid Reassessments.**

Collection of Reassessments. The unpaid Reassessments levied on the Reassessment Parcels will be collected in annual installments, together with interest on the declining balances, on the tax roll of the County on which general taxes on real property are collected, and the unpaid Reassessments are payable and become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do general taxes, and the Reassessment Parcels are subject to the same provisions for sale and redemption as are properties for nonpayment of general taxes.

The annual reassessment installments together with interest are to be paid into the Redemption Fund, which will be used to pay the principal of and interest on the Bonds as they become due.

Limited Obligation. **The Bonds are not secured by the general taxing power of the District or the State or any political subdivision of the State, and neither the District nor the State nor any political subdivision of the State has pledged its full faith and credit for the payment thereof.**

Covenant to Commence Foreclosure Proceedings

The Bond Law provides that if any reassessment or reassessment installment or any related interest is not paid when due, the City may order the institution of a court action to foreclose the lien of the unpaid reassessment. In such an action, the real property subject to the unpaid reassessment may be sold at judicial foreclosure sale.

This foreclosure sale procedure is not mandatory. However, in the Fiscal Agent Agreement, the City covenants with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced, and thereafter diligently prosecute an action in the superior court to foreclose the lien of any Reassessment or installment thereof which has been billed, but has not been paid, pursuant to and as provided in Sections 8830 and 8835, inclusive of the Bond Law and the conditions described below.

The Finance Director will notify the City Attorney of any such delinquency of which the Finance Director is aware, and the City Attorney will commence, or cause to be commenced, such foreclosure proceedings. For this purpose, "commence" means and includes any actions preparatory to filing of any complaint.

The following conditions apply to the foreclosure proceedings, which will be commenced within 60 days after any of the following determinations have been made, which will be made by the Finance Director not later than October 1 of each Fiscal Year:

(A) If the Finance Director determines that there is a delinquency in the payment of three or more installments of the Reassessments for a prior Fiscal Year or Years for any single parcel of land in the Reassessment District, foreclosure will be commenced against each parcel of land in the Reassessment District with a delinquency in the payment of three or more installments of the Reassessments for the prior Fiscal Year or Years.

(B) If the Finance Director determines that the total amount of delinquent Assessment for the prior Fiscal Year for the entire Assessment District exceeds 8% of the total Assessments due and payable for the prior Fiscal Year, foreclosure will be commenced against each parcel of land within the Reassessment District with any amount of delinquency for the prior Fiscal Year or Years.

Provided, however, that nothing in the Fiscal Agent Agreement will prevent the Finance Director or the City Attorney from causing the commencement of foreclosure proceedings before the occurrence of any of the foregoing.

Notwithstanding the foregoing, the City may elect to defer foreclosure proceedings on any parcel if the City has received funds equal to the delinquent Assessments from any other source, and those funds are available to contribute toward the payment of the principal of (including Sinking Fund Payments) and interest on the Bonds when due (including without limitation funds received under the Teeter Plan and funds from the sale of the receivables associated with delinquent Assessments).

No Reserve Fund

The Fiscal Agent Agreement does not establish a debt service reserve fund for the Reassessment Bonds. However, the Indenture establishes a debt service reserve fund for the Bonds. See "THE BONDS – Reserve Fund."

Priority of Lien

Each Reassessment and each reassessment installment, and any related interest and penalties, constitutes a lien against the parcel of land on which it was imposed until the same is paid. The lien is subordinate to all fixed special assessment liens imposed upon the same property prior to the date that the Reassessments became a lien on the property assessed (which is the same date the original assessments for the Reassessment District became a lien), but has priority over all private liens and over all fixed special assessment liens which may thereafter be created against the property. The lien is co-equal to and independent of the lien for general taxes and any community facilities district special taxes.

No Additional Obligations

The District will covenant in the Fiscal Agent Agreement that no additional bonds or other obligations will be issued or secured by the Reassessments.

THE REASSESSMENT DISTRICT

General

Location and Description. The Reassessment District is located in the City and comprises 7 zones (each, a "**Zone**") corresponding to the original assessment districts, as further described below:

Zone	Name	Number of Reassessment Parcels [1]
1	Upper Beach Road	
2	Madrona, Bella Vista & Oak	
3	San Rafael Avenue	
4	Lower Belvedere Avenue	
5	Bayview Avenue/Bella Vista Avenue	
6	Mid-San Rafael Avenue	
7	Pine Avenue	
	Total:	

[1] Represents the current number of Reassessment Parcels with unpaid Reassessments, net of those parcels for which the Original Assessments were prepaid.

For additional information about the Reassessment District and the City, see APPENDIX A. The boundary map of the Reassessment District is included in APPENDIX D.

The total amount of unpaid Reassessments securing the Reassessment Bonds is $________.

See APPENDIX I for a complete listing of all parcels in the Reassessment District.

Formation of Original Assessment Districts; Prior Bonds. The District previously took the following actions (among others) to establish each Original Assessment District:

Zone 1, Upper Beach Road: The City of Belvedere Upper Beach Road Underground Assessment District was formed under Resolution No. 2000-6 adopted by the City Council on March 4, 2002.

Zone 2, Madrona, Bella Vista & Oak: The City of Belvedere Madrona, Bella Vista and Oak Underground Assessment District was formed under Resolution No. 2005-14 adopted by the City Council on May 2, 2005.

Zone 3, San Rafael Avenue: The City of Belvedere Ran Rafael Avenue Underground Assessment District was formed under Resolution No. 2007-06 adopted by the City Council on April 2, 2007.

Zone 4, Lower Belvedere Avenue: The City of Belvedere Lower Belvedere Avenue Utility Underground Assessment District was formed under Resolution No. 2008-06 adopted by the City Council on July 14, 2008.

Zone 5, Bay View Avenue/Bella Vista Avenue: The City of Belvedere Bay View Avenue/Bella Vista Avenue Utility Underground Assessment District was formed under Resolution No. 2009-12 adopted by the City Council on August 10, 2009.

Zone 6, Mid-San Rafael Avenue: The City of Belvedere Mid-San Rafael Avenue Utility Underground Assessment District was formed under Resolution No. 2011-03 adopted by the City Council on January 10, 2011.

Zone 7, Pine Avenue: The City of Belvedere Pine Avenue Utility Underground Assessment District was formed under Resolution No. 2012-28 adopted by the City Council on August 13, 2012.

For a description of the Original Assessment Bonds, see "FINANCING PLAN."

Methods of Assessment and Reassessment Spread

As described in the Reassessment Report dated as of ________, 2016 (the "**Reassessment Report**"), the Reassessments are spread in amounts exactly proportional to the respective outstanding assessments securing the Prior Bonds. The Reassessment Report is attached as APPENDIX D.

Assessed Property Values

No Appraisal of Property in the District. The City has not commissioned an appraisal of the taxable property in the Reassessment District in connection with the issuance of the Bonds. Therefore, the valuation of the taxable property in the Reassessment District set forth in this Official Statement will be the County Assessor's values.

Current Assessor's Roll Values. The total value of the parcels within the Reassessment District with unpaid Reassessments is based on the full cash value of the parcels shown upon the last equalized assessment rolls of the County. A five-year history of assessed valuations of these parcels is provided below.

Table 1
Assessed Valuation History

	Total Assessed Valuation				
	2011-12	2012-13	2013-14	2014-15	2015-16
1. Upper Beach Road					
2. Madrona, Bella Vista and Oak					
3. San Rafael Avenue					
4. Lower Belvedere Avenue					
5. Bayview Avenue/Bella Vista Avenue					
6. Mid-San Rafael Avenue					
7. Pine Avenue					
Total:					

The Bonds will only be secured by the ___ parcels with unpaid Reassessments.

See "APPENDIX E – Parcel Listing and Valuation Data" for a table showing the assessed valuation of each parcel within the Reassessment District, based on the current County assessment rolls.

Background Regarding Assessed Values in California. Under Article XIIIA of the California Constitution, assessed values established by county assessors reflect market values as of the date a given parcel was last reassessed and are increased by a maximum of 2% per year. A county may reassess a parcel only upon a change in ownership (of a 50% ownership interest or more) or upon new construction on the parcel.

Therefore, the assessed values of the parcels within the Reassessment District generally reflect the sales price of the parcel when it was acquired by its current owner, plus the increased value attributable to any new construction that has occurred since it was last acquired, then increased by a maximum of 2% per year. Therefore, the assessed value of property does not necessarily reflect its current market value. The actual market value of a given parcel within the Reassessment District, if sold at foreclosure, may be higher or lower than that parcels' current assessed value.

Economic and other factors beyond the property owners' control, such as economic recession, deflation of land values, financial difficulty or bankruptcy by one or more property owners, or the complete or partial destruction of a Reassessment Parcel caused by, among other possibilities, earthquake, flood, fire, tsunami or other natural disaster, could cause a reduction in the assessed value within the District. See "BOND OWNERS' RISKS – Factors Affecting Parcel Value and Aggregate Values."

Value-to-Lien Ratios

General Information Regarding Value-to-Lien Ratios. The value-to-lien ratio on the Bonds will generally vary over their life as a result of changes in the value of the property, which is security for the Reassessments and the principal amount of the Bonds.

In comparing the aggregate assessed value of the real property within the Assessment District and the principal amount of the Bonds, it should be noted that only real property upon which there is a delinquent Reassessment can be foreclosed. In any event, individual parcels may be foreclosed upon to pay delinquent installments of the Reassessments levied against those parcels. The principal amount of the Bonds is not allocated pro rata among the parcels within the Assessment District; rather, the total Reassessment for the Assessment District has been allocated among the parcels within the Assessment District according to the method of assessment apportionment shown in the Reassessment Report. The value to lien ratio includes the liens of special taxes or other assessments affecting property in the Assessment District. See “SECURITY FOR THE BONDS – Priority of Lien.”

Assessed Values and Value-to-Lien Ratio. The table below shows the estimated value-to-lien ratios for the property in the Assessment District based on the assessed values of the 79 parcels with unpaid Reassessments on the last equalized assessment roll, and the lien represented by the unpaid Reassessments.

No assurance can be given that the amounts shown in this table will conform to those ultimately realized in the event of a foreclosure action following delinquency in the payment of the Reassessments.

Table 2
Assessed Values and Value-to-Lien Ratio

Zone	Parcels with Unpaid Reassess ments	2015-16 Assessed Value	Total Reassess-ment Amount*	Value to Lien Ratio *
1. Upper Beach Road				
2. Madrona, Bella Vista and Oak				
3. San Rafael Avenue				
4. Lower Belvedere Avenue				
5. Bayview Avenue/Bella Vista Avenue				
6. Mid-San Rafael Avenue				
7. Pine Avenue				
Total				

* Preliminary; subject to change.
Source: Willdan Financial Services, Inc.

Value-to-Lien Ratio Distribution. The following table shows the value-to-lien ratio distribution in the Assessment District based on fiscal year 2015-16 assessed values and the burden of the Reassessments.

Table 3
Combined Assessed Values and Value-to-Lien Ratio*

Value to Lien Category	No. of Reassessment Parcels	Combined Reassessment Amount	2015-16 Assessed Value	Combined Value-to-Lien Ratio
25:1 and above				
11:1 to 25:1				
5:1 to 11:1				
3:1 to 5:1				
3:1 and below				
Total				

* Preliminary, subject to change.
Source: Willdan Financial Services, Inc.

Value-to-Lien Ratios on a Parcel-by Parcel Basis. A summary of the value to lien ratios of the Reassessment Parcels on a parcel-by-parcel basis based on fiscal year 2015-16 assessed values, and the burden of the Reassessments, is set forth in "APPENDIX E – Parcel Listing and Valuation Data."

Major Property Owners.

Delinquencies

Historical Delinquencies. The following table is a summary of Assessments, collections and delinquency rates on parcels in the Assessment District for the current and prior four fiscal years based on amounts levied in the original assessment districts and outstanding delinquencies as of June 30 of each year, with updated delinquency amounts as of _________, 2016.

Table 4
Assessment Collections and Delinquencies
Fiscal Years 2011-12 through 2015-16, and as of ______, 2016

			As of Fiscal Year End				As of _____, 2016		
Fiscal Year	Amount Levied	Total Reassessment Parcels [1]	Amount Collected	Amount Delinquent	Number of Delinquent Reassessment Parcels	Percent Delinquent	Remaining Amount Delinquent	Remaining Reassessment Parcels Delinquent	Remaining Percent Delinquent
2011-12									
2012-13									
2013-14									
2014-15									
2015-16 [2]									

[1] Reduction in the number of parcels was due to assessment prepayments.
[2] As of _________, 2016.
Source: Willdan Financial Services, Inc.

Direct and Overlapping Governmental Obligations

Overlapping Taxes, Charges and Assessments. Contained within the boundaries of the Reassessment District are certain overlapping local agencies providing public services and assessing property taxes, assessments, special taxes and other charges on the property in the Reassessment District. Many of these local agencies have outstanding debt.

The current and estimated direct and overlapping obligations affecting the property in the Reassessment District are shown in the following table, which was prepared by California Municipal Statistics, Inc., and is included for general information purposes only. The City has not reviewed these reports for completeness or accuracy and makes no representation in connection therewith.

Table 5
Direct and Overlapping Debt

2015-16 Local Secured Assessed Valuation: $796,329,166

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 6/1/16
Marin Community College District	0.198%	$ 2,623,402
Tamalpais Union High School District	2.028	2,523,381
Reed Union School District	10.368	3,278,864
Marin Healthcare District	1.445	2,455,708
Belvedere-Tiburon Library Community Facilities District No. 95-1	8.331	77,899
Marin Emergency Radio Authority Parcel Tax Revenue Bonds	0.293	96,786
Marin County Open Space Community Facilities District Nos. 1993-1 and 1997-1	11.488	576,727
City of Belvedere Combined Underground Assessment Districts	**100.**	**9,380,000** (1)
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$21,012,767
OVERLAPPING GENERAL FUND DEBT:		
Marin County General Fund Obligations	1.196%	$1,101,534
Marin County Pension Obligation Bonds	1.196	1,192,294
Marin County Transit District Authority General Fund Obligations	1.196	1,573
Marin Municipal Water District General Fund Obligations	1.530	1,637
Marin Community College District General Fund Obligations	1.198	30,144
TOTAL OVERLAPPING GENERAL FUND DEBT		$2,327,182
COMBINED TOTAL DEBT		$23,339,949 (2)

(1) Excludes 1915 Act bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2015-16 Assessed Valuation:

Direct Debt ($9,380,000)	1.18%
Total Direct and Overlapping Tax and Assessment Debt	2.64%
Combined Total Debt	2.93%

Source: California Municipal Statistics.

THE AUTHORITY

The Authority is a joint exercise of powers authority organized and existing under Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Joint Powers Act"). The Authority was created by a Joint Exercise of Powers Agreement dated as of May 9, 2016, by and between the City and the Belvedere Parking Authority. The Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting in financing and refinancing projects pursuant to the Bond Law.

The Authority is governed by a board of five directors, which is composed of the members of the City Council. The Authority is specifically granted all of the powers specified in the Joint Powers Act, including but not limited to the power to issue bonds and to sell such bonds to public or private purchasers at public or by negotiated sale. The Authority is entitled to exercise powers common to its members and necessary to accomplish the purpose for which it was formed.

Pursuant to the Bond Law, the Authority has the power to purchase certain investments, including the Reassessment Bonds. The Authority has purchased the Reassessment Bonds pursuant to this power.

BOND OWNERS' RISKS

The purchase of the Bonds described in this Official Statement involves a degree of risk that may not be appropriate for some investors. The following includes a discussion of some of the risks which should be considered before making an investment decision. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds.

Limited Obligation to Pay Debt Service

The Bonds. The Bonds are special obligations of the Authority payable solely from and secured solely by the Revenues and funds pledged therefor in the Indenture, consisting primarily of debt service on the Reassessment Bonds. See "SECURITY FOR THE BONDS."

The Reassessment Bonds. The City has no obligation to pay principal of or interest on the Reassessment Bonds if Reassessment collections are delinquent or insufficient, other than from amounts, if any, derived from the foreclosure and sale of parcels for Reassessment delinquencies. The City is not obligated to advance funds to pay debt service on the Reassessment Bonds.

Levy and Collection of the Reassessments

General. The principal source of payment of principal of and interest on the Reassessment Bonds is the proceeds of the annual levy and collection of the Reassessments against property within the Reassessment District.

Limitation on Reassessment Rate. The annual levy of the Reassessments on any parcel is a fixed amount that cannot be made at a higher rate even if the failure to do so means that the estimated proceeds of the levy and collection of the Reassessments, together with other available funds, will not be sufficient to pay debt service on the Reassessment Bonds.

No Relationship Between Property Value and Reassessment Levy. Because the Reassessments amounts are not based on property value, the levy of the Reassessments will rarely, if ever, result in a uniform relationship between the value of particular Reassessment Parcels and the amount of the levy of the Reassessments against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the Reassessment Parcels and their proportionate share of debt service on the Reassessment Bonds, and certainly not a direct relationship.

Factors that Could Lead to Reassessment Deficiencies. The following are some of the factors that might cause the levy of the Reassessments on any particular Reassessment Parcel to vary from the Reassessments that might otherwise be expected:

> ***Property Tax Delinquencies.*** Failure of the owners of the Reassessment Parcels to pay property taxes (and, consequently, the Reassessments), or delays in the collection of or inability to collect the Reassessments by tax sale or foreclosure and sale of the delinquent parcels, could result in a deficiency in the collection of Reassessments. Sustained or increased delinquencies in the payment of the Reassessments could cause deficiencies in the City's payment of debt service on the Reassessment Bonds, and consequently, cause the Authority to draw on the Reserve Fund established for the Bonds and perhaps, ultimately, a default in the payment on the Bonds.
>
> ***Other Laws.*** Other laws generally affecting creditors' rights or relating to judicial foreclosure may affect the ability to enforce payment of Reassessments or the timing of enforcement of Reassessments. For example, the Soldiers and Sailors Civil Relief Act of 1940

affords protections such as a stay in enforcement of the foreclosure covenant, a six-month period after termination of such military service to redeem property sold to enforce the collection of a tax or assessment and a limitation on the interest rate on the delinquent tax or assessment to persons in military service if the court concludes the ability to pay such taxes or assessments is materially affected by reason of such service.

Delays Following Reassessment Delinquencies and Foreclosure Sales. The Fiscal Agent Agreement generally provides that the Reassessments are to be collected in the same manner as ordinary ad valorem property taxes are collected and, except as provided in the special covenant for foreclosure described in "THE REASSESSMENT BONDS – Covenant to Foreclose," is subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary ad valorem property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

If sales or foreclosures of property are necessary, there could be a delay in payments to the Authority, as owner of the Reassessment Bonds, pending such sales or the prosecution of foreclosure proceedings and receipt of the proceeds of sale. See "SECURITY FOR THE REASSESSMENT BONDS."

Payment of Reassessments is not a Personal Obligation of the Property Owners

An owner of a Reassessment Parcel is not personally obligated to pay the Reassessments. Rather, the Reassessments are obligations only against the respective parcels against which they are levied. If, after a default in the payment of the Reassessments and a foreclosure sale, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the parcel, the City has no personal recourse against the property owner.

Assessed Valuations

The Authority has not commissioned an appraisal of the parcels in the Reassessment District in connection with the issuance of the Bonds. The estimated valuation of the Reassessment Parcels provided in this Official Statement is based only on the County Assessor's values.

No assurance can be given that any of the Reassessment Parcels could be sold for the assessed value if it should become delinquent and subject to foreclosure proceedings.

Assessed values do not necessarily represent market values. Article XIIIA of the California Constitution (Proposition 13) defines "full cash value" to mean "the County assessor's valuation of real property as shown on the 1975/76 roll under 'full cash value', or, thereafter, the appraised value of real property when purchased or newly constructed or when a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors. Because of the general limitation to 2% per year in increases in full cash value of properties that remain in the same ownership, the County tax roll does not reflect values uniformly proportional to actual market values.

Consequently, there can be no assurance that the assessed value of property within the Reassessment District accurately reflects the property's market value. The future fair market value of the property may be different from its current assessed value.

Property Values

The value of the Reassessment Parcels is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Reassessments, the City's only remedy is to foreclose on the delinquent property. Declines in property values in the Reassessment District could result in property owners' unwillingness or inability to pay mortgage payments, as well as ad valorem property taxes and Reassessments, when due. Under such circumstances, bankruptcies could occur. Bankruptcy by property owners with delinquent Reassessments would delay the commencement and completion of foreclosure proceedings to collect delinquent Reassessments.

The following is a discussion of specific risk factors that could affect the value of property in the Reassessment District.

Prolonged Economic Downturn. No assurance can be given that a prolonged economic downturn, or future changes in the economy, will not have an impact on the property valuations listed herein, the willingness or ability of the parcel owners within the Reassessment District to pay their Reassessments when due, or the future financial condition of any of the owners of property within the Reassessment District.

Seismic Conditions and Natural Disasters. The value of the Reassessment Parcels can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements, and private improvements and the continued habitability and enjoyment of such private improvements.

The areas in and surrounding the Reassessment District, like those in much of California, may be subject to unpredictable seismic activity. Significant fault zones in the region include the San Andreas and Hayward fault zones. The largest recent earthquake was the October 17, 1989, Loma Prieta earthquake which registered 7.1 on the Richter Scale. This earthquake was centered on the San Andreas Fault in the Santa Cruz Mountains approximately 80 miles south of the Reassessment District. No major damage was reported in the immediate area of the Reassessment District from this earthquake.

If a severe earthquake were to occur, there could be significant damage to both property and infrastructure in the Reassessment District. As a result, a substantial portion of the property owners may become unable or unwilling to pay the Reassessments when due. In addition, the value of the land in the Reassessment District could be diminished in the aftermath of a severe earthquake, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Reassessments. Any of these events would likely cause a shortfall in the amounts payable to pay debt service on the Reassessment Bonds and, consequently, on the Bonds.

Other natural disasters could include, without limitation, landslides, floods, wildfires, droughts or tornadoes. One or more natural disasters could occur and could result in damage to improvements of varying seriousness. The damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost, or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances there could be significant delinquencies in the payment of Reassessments, and the value of the parcels in the Reassessment District may well depreciate or disappear.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the property values is a claim with regard to a hazardous substance. In general, the owners and operators of property may be required by law to remedy conditions of the parcel 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 any of the Reassessment Parcels be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

Although the Authority and the City are not aware that the owner or operator of any Reassessment Parcels has such a current liability, it is possible that such liabilities do currently exist. Further, it is possible that liabilities may arise in the future resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the property values that would otherwise be realized upon a delinquency.

No information is available as to the existence of any hazardous substances within the Reassessment District.

Other Possible Claims Upon the Value of Taxable Property

While the Reassessments are secured by the Reassessment Parcels, the security only extends to the value of the Reassessment Parcels that is not subject to priority and parity liens and similar claims.

The outstanding governmental obligations affecting the Reassessment District are set forth above under "THE REASSESSMENT DISTRICT."

In addition, other governmental obligations may be authorized and undertaken or issued in the future, the tax, assessment or charge for which may become an obligation of one or more of the Reassessment Parcels, and may be secured by a lien on a parity with the lien of the Reassessments.

In general, as long as the Reassessments are collected on the County tax roll, the Reassessments and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. If proceedings are brought to foreclose a delinquency, the Reassessments will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a pro-rata basis. Although the Reassessments will generally have priority over non-governmental liens, regardless of whether the non-governmental liens were in existence at the time of the levy of the Reassessments or not, this result may not apply in the case of bankruptcy.

Enforcement of Reassessments on Governmentally Owned Properties

Property Owned by FDIC. The ability of the City to collect interest and penalties specified by State law and to foreclose the lien of a delinquent Reassessment installment may be limited in certain respects with regard to property in which the Federal Deposit Insurance Corporation (the "**FDIC**") has or obtains an interest. The FDIC has asserted a sovereign immunity defense to the payment of special taxes and assessments. The Authority and the City are unable to predict what effect this assertion would have in the event of a delinquency on a Reassessment Parcel in which the FDIC has or obtains an interest.

In addition, although the FDIC does not claim immunity from ad valorem property taxation, it requires a foreclosing entity to obtain FDIC's consent to foreclosure proceedings. Prohibiting a foreclosure on property owned by the FDIC could reduce the amount available to pay the principal of and interest on the Bonds. Either outcome would cause a draw on the Reserve Fund established for the Bonds and perhaps, ultimately, a default in the payment on the Bonds.

Property Owned by Fannie Mae or Freddie Mac. If a parcel of taxable property is owned by a federal government entity or federal government-sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government-sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Reassessments may be limited.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (such as the Reassessments), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the City wishes to foreclose on the parcel as a result of delinquent Reassessments, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Reassessments and preserve the federal government's mortgage interest.

No investigation has been made as to whether any governmental entity or government-sponsored entity currently owns or has an interest in any Reassessment Parcels within the Reassessment District.

Foreclosure and Sale Proceedings

General. The City will agree in the Fiscal Agent Agreement to institute foreclosure and sale proceedings against Reassessment Parcels that have delinquent Reassessment installments, if certain thresholds are met. Foreclosure proceedings are instituted by the bringing of an action in the superior court of the county in which the Reassessment Parcel lies, naming the owner and other interested persons as defendants. The action is prosecuted in the same manner as other civil actions. Upon judgment of foreclosure the Reassessment Parcel may be offered for sale at a minimum price. The established minimum price will be sufficient to cover the amount of the delinquent installments and unpaid interest together with penalties, costs, fees and charges and the costs of execution and sale.

However, if a Reassessment Parcel does not sell for the minimum price the court may modify its judgment and reduce or eliminate the minimum price. In order to do so, however, written notice of a hearing on the matter of reducing or eliminating the minimum price is required to be given all registered Owners of the Bonds.

If, at the hearing, the court determines that such a sale will not result in an ultimate loss to the Owners, or if the owners of 75% of the outstanding Bonds by principal amount consent and the sale will not result in an ultimate loss to the nonconsenting owners of Bonds, the court may reduce or eliminate the minimum price at which a Reassessment Parcel may be sold. Further, if the owners of 75% of the outstanding Bonds by principal amount consent the court may reduce or eliminate the minimum price at which a Reassessment Parcel may be sold even if sale below the minimum price will result in an ultimate loss to nonconsenting owners of Bonds, provided that the court makes certain additional determinations specified by statute including the reasonable unavailability of any other remedy acceptable to the owners of 75% or more of the outstanding Bonds by principal amount. Upon sale of the Reassessment Parcel for less than the minimum price the remaining unpaid balance of the reassessment on the Reassessment Parcel will be reduced by the difference between the minimum price and the sale price. By such a reduction, the aggregate principal amount of the outstanding Bonds will exceed the aggregate principal amount of the unpaid reassessment.

Under such circumstances, unless other funds are available or unless consenting owners of Bonds agree to the protection from ultimate loss of nonconsenting owners of Bonds, proportionate payments are to be made, periodically, of the unpaid principal and interest of the Bonds without priority or preference between Owners as funds become available from collection of the unpaid reassessment installments. The maturity dates of the Bonds are to be disregarded and no redemption premiums are to be payable on payments of the principal of Bonds the maturity dates of which are subsequent to the date of any such payments. The Owners may be required to surrender the Bonds for cancellation in order to participate in such proportionate payments.

Depletion of Reserve Fund

The Authority will establish and maintain a Reserve Fund for the Bonds that may be used to pay principal of and interest on the Bonds if insufficient funds are available from the debt service payments on the Bonds. See “SECURITY FOR THE BONDS – Reserve Fund.”

If the Reserve Fund is depleted, it can be replenished from the proceeds of the payment of debt service on the Reassessment Bonds in excess of the amount required to pay debt service on the Bonds.

It is possible that the Reserve Fund will be depleted and not be replenished by the levy of the Reassessments.

Bankruptcy Delays

The payment of the Reassessments, and the ability of the City to foreclose the lien of delinquent unpaid Reassessments, may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by State laws relating to judicial foreclosure.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the Reassessments to become extinguished, bankruptcy of a property owner or any other person claiming an interest in the property could result in a delay in superior court foreclosure proceedings and could result in the possibility of Reassessment installments not being paid in part or in full. Such a delay would increase the likelihood of a delay or default in payment of the principal of and interest on the Reassessment Bonds.

In addition, the amount of any lien on property securing the payment of delinquent Reassessments could be reduced if the value of the property were determined by the bankruptcy court to have become less than the amount of the lien, and the amount of the delinquent Reassessments in excess of the reduced lien could then be treated as an unsecured claim by the court. Any such stay of the enforcement of the lien for the Reassessments, or any such delay or non-payment, would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent Reassessments not being paid in full.

No Acceleration

Neither the Bonds nor the Reassessment Bonds contain a provision allowing for acceleration if a payment default or other default occurs under the Indenture or the Fiscal Agent Agreement.

Loss of Tax Exemption

As discussed in this Official Statement under the caption "LEGAL MATTERS – Tax Exemption", interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the Authority in violation of its covenants in the Indenture or of the City in violation of its covenants in the Fiscal Agent Agreement. Should such an event of taxability occur, the Bonds are not subject to special redemption or acceleration and will remain outstanding until maturity or until redeemed under one of the other redemption provisions contained in the Indenture.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service (the "**IRS**") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds or securities).

Impact of Legislative Proposals, Clarifications of the Code and Court Decisions on Tax Exemption

Current or future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Owners of the Bonds from realizing the full current benefit of the tax status of such interest.

For example, various proposals have been made in Congress and by the President which, if enacted, would subject interest on bonds that is otherwise excludable from gross income for federal income tax purposes, including interest on the Bonds, to a tax payable by certain Bond owners that are individuals, estates or trusts with adjusted gross income in excess of certain specified thresholds.

The introduction or enactment of any such legislative proposals, clarification of the Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation.

Voter Initiatives and State Constitutional Provisions

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Since 1978, the voters have exercised this power through the adoption of Proposition 13 and similar measures, including Proposition 218, which was approved in the general election held on November 5, 1996, and Proposition 26, which was approved on November 2, 2010.

> ***Proposition 218.*** Proposition 218—Voter Approval for Local Government Taxes—Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment, added Articles XIIIC and XIIID to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Among other things, Section 3 of Article XIIIC states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless the legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt.

Proposition 218 has undergone, and is likely to undergo, both judicial and legislative scrutiny. The Authority and the City cannot predict the ultimate outcome or effect of any such judicial scrutiny, legislative actions, or future initiatives. These initiatives, and any future initiatives, may affect the collection of fees, taxes, assessments and other types of revenue by local agencies such as the City. 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 Bonds.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that any Bonds can be sold for any particular price. Prices of bond issues for which a market is being made will depend upon then-prevailing circumstances. Such prices could be substantially different from the original purchase price.

No assurance can be given that the market price for the Bonds will not be affected by the introduction or enactment of any future legislation (including without limitation amendments to the Internal Revenue Code), or changes in interpretation of the Internal Revenue Code, or any action of the Internal Revenue Service, including but not limited to the publication of proposed or final regulations, the issuance of rulings, the selection of the Bonds for audit examination, or the course or result of any Internal Revenue Service audit or examination of the Bonds or obligations that present similar tax issues as the Bonds.

LEGAL MATTERS

Legal Opinions

The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, approving the validity of the Bonds will be made available to purchasers at the time of original delivery and is attached in substantially final form as APPENDIX G. A copy of the legal opinion will be attached to each Bond.

Jones Hall, A Professional Law Corporation, San Francisco, California, will pass upon certain legal matters for the City as disclosure counsel.

Tax Exemption

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Bonds. The Authority has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

No Litigation

The Authority and the Community Facilities Districts will certify at the time the Bonds are issued that no litigation is pending or threatened concerning the validity of the Bonds or the Reassessment Bonds and that no action, suit or proceeding is known by the Authority or the Community Facilities Districts to be pending that would restrain or enjoin the delivery of the Bonds or the Reassessment Bonds, or contest or affect the validity of the Bonds or the Reassessment Bonds, or any proceedings of the Authority or the Community Facilities Districts taken with respect to the Bonds or the Reassessment Bonds.

CONTINUING DISCLOSURE

The Authority will covenant, for and on behalf of itself and the City, for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the Authority and the District (the "**Annual Report**") by not later than 8 months following the end of the Authority's fiscal year (currently March 1 based on the Authority's fiscal year ending June 30), commencing March 1, 2017, with the report for the fiscal year ending June 30, 2016, and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the Underwriter in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of listed events is set forth in APPENDIX F.

The Authority has not entered into previous continuing disclosure undertakings under the Rule.

The City has entered into a number of prior continuing disclosure undertakings under the Rule in connection with the issuance of long-term obligations, and have provided annual financial information and event notices in accordance with those undertakings. During the past five years, the City substantially complied with the material requirements, with certain exceptions, including:

- ______________.
- _____________

The identification of the instances of noncompliance listed above does not constitute any representation regarding the materiality thereof. The City has remedied its instances of noncompliance described above.

The City believes it has established processes, including the use of outside consultants and the training of staff, to ensure that in the future they will make their continuing disclosure filings as required.

NO RATING

The Authority has not made, and does not contemplate making, any application to a rating agency for a rating on the Bonds. No such rating should be assumed from any credit rating that the Authority or the City may obtain for other purposes. Prospective purchasers of the Bonds are required to make independent determinations as to the credit quality of the Bonds and their appropriateness as an investment.

UNDERWRITING

The Bonds are being purchased by Wulff, Hensen & Co., (the "Underwriter") at a purchase price of $________ (which represents the aggregate principal amount of the Bonds ($________), less an Underwriter's discount of $________).

The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such purchase agreement.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed from time to time by the Underwriter.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Grant Thornton LLP, Certified Public Accountants, Minneapolis, Minnesota, independent accountants, upon delivery of the Bonds, will deliver one or more reports on the mathematical accuracy of certain computations contained in schedules provided to them which were prepared by the Authority relating to the sufficiency of moneys and securities deposited into the escrow funds for the Original Assessment Bonds to pay, when due, the principal, whether at maturity or upon prior prepayment, interest and prepayment premium requirements of the Original Assessment Bonds.

PROFESSIONAL FEES

In connection with the issuance of the Bonds, fees or compensation payable to certain professionals are contingent upon the issuance and delivery of the Bonds. Those professionals include:

- the Underwriter;
- Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel;
- U.S. Bank National Association, as Trustee and Fiscal Agent; and
- The Bank of New York Mellon Trust Company, N.A., as Escrow Agent.

EXECUTION

The execution and delivery of the Official Statement by the Authority have been duly authorized by the Board of Directors of the Authority.

BELVEDERE PUBLIC FINANCING AUTHORITY

____

Chair

APPENDIX A

GENERAL INFORMATION ABOUT THE CITY OF BELVEDERE AND THE COUNTY OF MARIN

The following information is included only for the purpose of supplying general information regarding the City of Belvedere (the "City") and the County of Marin (the "County"). This information is provided only for general informational purposes, and provides prospective investors limited information about this region and its economic base. The Bonds are not a debt of the City, the County, the State or any of its political subdivisions.

General Information

City of Belvedere. Belvedere is an incorporated city located in Marin County, California, and is located 18 miles north of San Francisco. Belvedere is an island a mile long and less than one-half mile wide, connected to the Town of Tiburon by a causeway. Belvedere was incorporated in 1896 and is one of the highest income cities in California. Its name means "beautiful view" in Italian.

County of Marin. Marin County was one of the original counties of California, created in 1850 at the time of statehood. The County has a total area of 828 miles and, as of January 1, 2016, a population of approximately 260,294. Geographically, the county forms a large, southward-facing peninsula, with the Pacific Ocean to the west, San Pablo Bay and San Francisco Bay to the east, and -- across the Golden Gate -- the city of San Francisco to the south. Marin County's northern border is with Sonoma County. Most of the county's population resides on the eastern side, with a string of communities running along the Bay, from Sausalito to Tiburon to San Rafael to Corte Madera. The interior contains large areas of agricultural and open space; West Marin, through which California State Route 1 runs alongside the California coast, contains many small unincorporated communities dependent on agriculture and tourism for their economies.

Population

The following table shows population estimates for the the City of Belvedere, the County of Marin and the State of California for the past five years as of January 1.

CITY OF BELVEDERE, COUNTY OF MARIN, STATE OF CALIFORNIA
Population Estimates
As of January 1

Area	2012	2013	2014	2015	2016
City of Belvedere	2,102	2,120	2,140	2,153	2,162
County of Marin	252,409	253,964	255,812	257,228	260,294
State of California	37,881,357	38,239,207	38,567,459	38,907,642	39,255,883

Source: State of California, Department of Finance.

Employment and Industry

The City is included in the San Rafael MD ("**MD**"), which consists of the County. The unemployment rate in Marin County was 3.1 percent in April 2016, down from a revised 3.2 percent in March 2016, and below the year-ago estimate of 3.4 percent. This compares with an unadjusted unemployment rate of 5.2 percent for California and 4.7 percent for the nation during the same period.

The following table shows the average annual estimated numbers by industry comprising the civilian labor force, as well as unemployment information for years 2011 through 2015.

SAN RAFAEL MD
(Marin County)
Annual Average Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2015 Benchmark)

	2011	2012	2013	2014	2015
Civilian Labor Force (1)	134,600	137,100	138,700	139,600	141,100
Employment	124,800	128,500	131,500	133,700	136,100
Unemployment	9,800	8,600	7,200	5,900	5,000
Unemployment Rate	7.3%	6.3%	5.2%	4.3%	3.5%
Wage and Salary Employment (2)					
Agriculture	400	400	400	400	300
Mining and Logging	100	100	0	0	0
Construction	4,900	5,200	5,700	6,100	6,500
Manufacturing	2,200	2,400	2,900	3,500	4,000
Wholesale Trade	2,400	2,600	2,700	2,800	3,000
Retail Trade	13,400	13,600	13,900	14,300	14,300
Transportation, Warehousing and Utilities	1,100	1,100	1,200	1,300	1,200
Information	2,600	2,800	2,800	2,600	2,600
Finance and Insurance	7,000	7,200	7,300	6,800	6,400
Professional and Business Services	17,800	18,600	18,700	18,200	18,700
Educational and Health Services	17,800	18,500	19,400	19,700	20,200
Leisure and Hospitality	12,700	13,200	14,400	15,100	15,400
Other Services	4,800	5,000	5,200	5,200	5,300
Federal Government	800	800	800	700	700
State Government	2,100	2,000	1,900	1,800	1,900
Local Government	13,100	12,700	12,700	12,900	13,000
Total, All Industries (3)	103,100	106,200	110,000	111,300	113,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

The table below lists the major employers in the County of Marin area.

COUNTY OF MARIN
Major Employers
March 2016

Employer Name	Location	Industry
Autodesk Inc.	San Rafael	Computer Programming Services
Bio Marin Pharmaceutical Inc.	San Rafael	Laboratories-Research & Development
Cagwin & Dorward Landscape	Novato	Landscape Contractors
California Alpine Club	Mill Valley	Clubs
College of Marin	Kentfield	Schools-Universities & Colleges Academic
Community Action Marin	San Rafael	Non-Profit Organizations
Corrections Dept.	San Quentin	Government Offices-State
Dominican University of CA	San Rafael	Schools-Universities & Colleges Academic
Extreme Pizza	San Rafael	Restaurant Management
Kaiser Permanente San Rafael	San Rafael	Physicians and Surgeons
Kreines & Kreines Inc.	Belvedere/Tiburon	Environmental & Ecological Services
Lucas Licensing	Nicasio	Video Production & Taping Service
Macy's	Corte Madera	Department Stores
Managed Health Network Inc.	San Rafael	Mental Health Services
Marin Community College	Kentfield	Schools-Universities & Colleges Academic
Marin County Sheriff's Dept.	San Rafael	Government Offices-County
Marin General Hospital	Greenbrae	Hospitals
Marin GROUP	Sausalito	Product Development & Marketing
Marin Independent Journal	San Rafael	Newspapers (Publishers/Mfrs)
Nordstrom	Corte Madera	Department Stores
Novato Community Hospital	Novato	Hospitals
Restoration Hardware Holdings	Corte Madera	Furniture-Dealers-Retail
San Rafael Human Resources	San Rafael	Government Offices-City, Village & Twp
Sonnen Motorcars	San Rafael	Automobile Dealers-New Cars
Sutter Health Facility	Novato	Hospitals
Township Building Service Inc.	Novato	Janitor Service

Source: California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2016 2nd Edition.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City, the County, the State of California and the United States for the period 2011 through 2015.

CITY OF BELVEDERE AND COUNTY OF MARIN, CALIFORNIA AND UNITED STATES
Effective Buying Income
2011 through 2015

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2011	City of Belvedere	$169,855	$106,458
	County of Marin	10,592,305	68,667
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	City of Belvedere	$189,763	$109,079
	County of Marin	11,615,363	69,129
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of Belvedere	$162,880	$109,673
	County of Marin	10,035,970	61,675
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Belvedere	$174,285	$126,420
	County of Marin	11,636,360	74,420
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	City of Belvedere	$178,578	$128,064
	County of Marin	12,751,873	80,192
	California	981,231,666	53,589
	United States	7,757,960,399	46,738

Source: The Nielsen Company (US), Inc.

Commercial Activity

A summary of historical taxable sales within the City of Belvedere during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2014 in the City were reported to be $3,770,000, a 49.8% decrease over the total taxable sales of $7,509,000 reported during the first three quarters of calendar year 2013. Annual figures are not yet available for 2014.

CITY OF BELVEDERE
Taxable Transactions
(dollars in thousands)

	Retail Stores		Total All Outlets	
	Numbers of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009	39	$1,328	75	$5,373
2010	38	877	81	5,277
2011	37	3,622	77	8,193
2012	35	#	74	14,345#
2013	36	#	72	8,644#

#: Sales omitted because their publication would result in the disclosure of confidential information. These are included in with "Total All Outlets, Taxable Transactions".
Source: State of California, Board of Equalization.

A summary of historical taxable sales within the County of Marin during the past five years in which data is available is shown in the following table. Total taxable sales during the first three quarters of calendar year 2014 in the County were reported to be $3,533.5 billion, a 5.05% increase over the total taxable sales of $3,363.8 billion reported during the first three quarters of calendar year 2013. Annual figures are not yet available for 2014.

COUNTY OF MARIN
Taxable Transactions
(dollars in thousands)

	Retail Stores		Total All Outlets	
	Numbers of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009	6,210	$2,768,875	10,226	$3,660,036
2010	6,188	2,915,477	10,242	3,834,169
2011	5,993	3,134,270	9,906	4,049,869
2012	6,207	3,357,884	10,057	4,333,600
2013	6,550	3,605,108	10,414	4,664,920

Source: State of California, Board of Equalization.

Construction Trends

Provided below are the building permits and valuations for the City of Belvedere and the County of Marin for calendar years 2011 through 2015.

CITY OF BELVEDERE
Building Permit Valuations
(dollars in thousands)

	2011	2012	2013	2014	2015
Permit Valuation					
New Single-family	$7,200.3	$4,320.3	$3,948.0	$1,228.0	$2,435.6
New Multi-family	0.0	0.0	0.0	0.0	0.0
Res. Alterations/Additions	3,803.0	1,656.3	5,405.6	10,276.0	15,874.6
Total Residential	11,003.3	5,976.6	9,353.6	11,504.0	18,310.2
New Commercial	0.0	164.4	1,772.0	0.0	0.0
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	0.0	0.0	787.9	461.5	794.5
Com. Alterations/Additions	69.0	101.0	30.0	185.0	237.6
Total Nonresidential	69.0	265.4	2,589.9	646.5	1,032.1
New Dwelling Units					
Single Family	5	3	3	1	2
Multiple Family	0	0	0	0	0
TOTAL	5	3	3	1	2

Source: Construction Industry Research Board, *Building Permit Summary*

COUNTY OF MARIN
Building Permit Valuations
(dollars in thousands)

	2011	2012	2013	2014	2015
Permit Valuation					
New Single-family	$35,394.7	$36,152.7	59,423.2	$71,460.1	$75,834.5
New Multi-family	7,621.9	4,927.5	33,397.4	14,069.1	2,426.4
Res. Alterations/Additions	160,275.7	132,762.3	152,065.1	203,375.3	203,754.7
Total Residential	203,292.3	173,842.5	244,885.7	288,904.5	282,015.6
New Commercial	15,530.3	48,102.5	26,262.6	76,204.6	10,439.6
New Industrial	8,500.0	2,124.0	154.9	0.0	0.0
New Other	1,300.0	11,275.0	15,072.2	24,104.2	42,614.2
Com. Alterations/Additions	56,701.1	243,054.4	93,745.8	85,972.9	497,343.6
Total Nonresidential	82,031.4	304,555.9	135,235.5	186,281.7	550,397.4
New Dwelling Units					
Single Family	55	67	90	112	121
Multiple Family	61	50	212	76	20
TOTAL	116	117	302	188	141

Source: Construction Industry Research Board, *Building Permit Summary*

Transportation

The County's transportation facilities are excellent, with U.S. Highway 101 and U.S. Interstate Highway 580 providing easy access to the rest of California. Buses provide commuter service to San Francisco and other Bay Area cities, and commuter ferries embark for San Francisco from the communities of Sausalito, Tiburon, and Larkspur. The San Francisco International Airport, located 30 miles from the City, provides air passenger service to points worldwide.

APPENDIX B

REASSESSMENT REPORT

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENTS

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds (herein, the "Securities") to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Securities and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the issuer of the Securities (the "Issuer") nor the trustee, fiscal agent or paying agent appointed with respect to the Securities (the "Agent") takes any responsibility for the information contained in this Appendix.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Securities, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Securities, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Securities, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest securities depository, 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 and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the

Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, 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 Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. 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. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue 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.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$__________________
Belvedere Public Financing Authority
2016 Revenue Bonds
(Consolidated Utility Undergrounding Reassessment and Refunding)

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Belvedere Public Financing Authority (the "Authority"), for and on behalf of itself and the City of Belvedere (the "City"), in connection with the issuance by the Authority of the bonds captioned above (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust dated as of July 1, 2016 (the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). The Authority hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority for the benefit of the owners and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" means any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is 8 months after the end of the Authority's fiscal year (currently March 1 based on the Authority's fiscal year end of June 30).

"*City*" means the City of Belvedere.

"*Dissemination Agent*" means Willdan Financial Services, Inc., or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement dated _______________ , 2016, executed by the Authority in connection with the issuance of the Bonds.

"*Participating Underwriter*" means Wulff, Hansen & Co., the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Reassessment District*" means the City of Belvedere Consolidated Reassessment and Refunding District of 2016 (Utility Undergrounding Assessment Districts).

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as it may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 1, 2017, with the report for the 2015-16 fiscal year, provided that the filing of the Official Statement with the MSRB will serve as the first Annual Report, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If by the Annual Report Date the Dissemination Agent (if other than the Authority) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Authority to determine if the Authority is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the Authority's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) If the Authority does not provide, or cause the Dissemination Agent to provide, an Annual Report by the Annual Report Date as required in subsection (a) above, the Dissemination Agent shall provide to the MSRB, in an electronic format as prescribed by the MSRB, a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the Authority, file a report with the Authority and the Participating Underwriter certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The Authority's Annual Report shall contain or incorporate by reference the following documents and information:

(a) The Authority's audited financial statements for the most recently completed fiscal year, prepared in accordance with Generally Accepted Accounting Principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, which may be incorporated in the audited financial statements of the City, together with the following statement:

THE CITY'S ANNUAL FINANCIAL STATEMENT IS PROVIDED SOLELY TO COMPLY WITH THE SECURITIES EXCHANGE COMMISSION STAFF'S INTERPRETATION OF RULE 15c2-12. NO FUNDS OR ASSETS OF THE CITY OR THE AUTHORITY, OTHER THAN THE REVENUES, ARE REQUIRED TO BE USED TO PAY DEBT SERVICE ON THE BONDS, AND THE AUTHORITY AND THE CITY ARE NOT OBLIGATED TO ADVANCE AVAILABLE FUNDS TO COVER ANY DELINQUENCIES. INVESTORS SHOULD NOT RELY ON THE FINANCIAL CONDITION OF THE AUTHORITY OR THE CITY IN EVALUATING WHETHER TO BUY, HOLD OR SELL THE BONDS.

(b) To the extent not included in the audited financial statements, the following information:

(i) The principal amount of the Bonds and any other outstanding bonds issued under the Indenture (including refunding bonds).

(ii) The balances in the funds and accounts established under the Indenture.

(iii) The current debt service schedule for the Bonds.

(iv) A statement as to whether or not the amount on deposit in the Reserve Fund is equal to the Reserve Requirement and, if not, the amount of the delinquency or surplus, as applicable.

(v) The amount of Reassessments levied within the Reassessment District during the period covered by the Annual Report, the amount of such Reassessments actually collected by the City, and the delinquency rate of such Reassessments.

(vi) If the total delinquencies within the Reassessments District during the period covered by the Annual Report exceed 5% of the Reassessments for the previous Fiscal Year, delinquency information for each parcel responsible for the Reassessments, amounts of delinquencies, length of delinquency and status of any foreclosure or enforcement actions regarding each such parcel.

(vii) An update to the table in the Official Statement entitled "Table 2, Assessed Values and Value-to-Lien Ratio" during the period covered by the Annual Report.

(viii) The amount of prepayments, if any, of the Reassessments for the prior Fiscal Year.

(c) In addition to any of the information expressly required to be provided under paragraph (b) above, the Authority shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Authority shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) The Authority shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the Authority or a Community Facilities District.

(13) The consummation of a merger, consolidation, or acquisition involving the Authority or a Community Facilities District, or the sale of all or substantially all of the assets of the Authority or a Community Facilities District (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional Trustee or the change of name of the Trustee, if material.

(b) If a Listed Event occurs, the Authority shall, or shall cause the Dissemination Agent (if not the Authority) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Indenture.

(c) The Authority acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Authority shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Upon occurrence of any of these Listed Events, the Authority will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Authority will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Authority in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Authority, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Authority.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The Authority's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be Willdan Financial Services, Inc.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Authority may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by owners of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of owners, or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the owners or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Authority to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate 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 Certificate. If the Authority 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 Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. In the event of a failure of the Authority to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Authority to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Authority 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 powers and 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 have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Authority, the Property Owner, the Trustee, the Bond owners or any other party. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Trustee, the Dissemination Agent, each Community Facilities District, the Participating Underwriter and owners and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: __________ , 2016

BELVEDERE PUBLIC FINANCING AUTHORITY
for and on behalf of itself and the CITY OF BELVEDERE

____

____
Chair

AGREED AND ACCEPTED:
Willdan Financial Services, Inc.,
as Dissemination Agent

By: ____________________
Name: __________________
Title: ___________________

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Belvedere Public Financing Authority
Name of Bond Issue:	Belvedere Public Financing Authority 2016 Revenue Bonds (Consolidated Utility Undergrounding Reassessment and Refunding)

Date of Issuance: _________________ , 2016

NOTICE IS HEREBY GIVEN that the Belvedere Public Financing Authority has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated _________________, 2016. The Authority anticipates that the Annual Report will be filed by ________________.

Dated: _______________

DISSEMINATION AGENT:
Willdan Financial Services, Inc.

____
By:
Its:

APPENDIX G

FORM OF OPINION OF BOND COUNSEL

APPENDIX H

BOUNDARY MAPS OF THE
COMMUNITY FACILITIES DISTRICTS

APPENDIX I

ASSESSED VALUES BY PARCEL