

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject, however, to certain qualifications described in this Official Statement, under existing law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing adjusted current earnings, which is used as an adjustment in determining the federal alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See "LEGAL MATTERS—Tax Matters" herein.

\$17,255,000
TWIN CITIES POLICE AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2008-1
(PUBLIC SAFETY, POLICE AND EMERGENCY
RESPONSE FACILITIES AND SERVICES)
2015 SPECIAL TAX REFUNDING BONDS

Dated: Date of Issuance

Due: August 1, as shown on inside cover

Authority for Issuance. The bonds captioned above (the "Bonds") are being issued under the Mello-Roos Community Facilities Act of 1982 (the "Act"), California Government Code Section 53580 et seq. and an Indenture, dated as of June 1, 2015 (the "Indenture"), by and between the Central Marin Police Authority (the "Issuer"), for and on behalf of Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) (the "Community Facilities District"), and MUFG Union Bank, N.A., as trustee (the "Trustee"). The Central Marin Police Council of the Issuer (the "Police Council") has authorized the issuance of the Bonds. See "THE BONDS—Authority for Issuance."

Security and Sources of Payment. The Bonds are payable solely from the Trust Estate (as defined in the Indenture), consisting of: (i) the Special Tax Revenues (as defined in the Indenture) derived from the levy of special taxes (the "Special Taxes") on certain property within the Community Facilities District according to the rate and method of apportionment of special tax approved by the Police Council and the eligible voters in the Community Facilities District, and (ii) moneys deposited in certain funds established under the Indenture. See "SECURITY FOR THE BONDS."

Use of Proceeds. The Bonds are being issued to (i) to advance refund and defease the outstanding Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) 2009 Special Tax Bonds, (ii) pay the premium for a debt service reserve insurance policy for the Bonds, and (iii) pay the costs of issuing the Bonds. See "PLAN OF REFUNDING" and "ESTIMATED SOURCES AND USES OF FUNDS." The 2009 Bonds were issued to finance the construction of a police/emergency operations center for the Issuer, including the construction of related improvements and the acquisition of certain equipment.

Bond Terms. Interest on the Bonds is payable on February 1, 2016 and semiannually thereafter on each February 1 and August 1. 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"), New York, New York. DTC will act as securities depository for the Bonds. See "THE BONDS—General" and "APPENDIX C—DTC and the Book-Entry Only System."

Redemption. Prior to their maturity, the Bonds are subject to optional redemption and mandatory sinking fund redemption. See "THE BONDS—Redemption."

THE BONDS ARE LIMITED OBLIGATIONS OF THE ISSUER AND ARE PAYABLE SOLELY FROM, AND SECURED SOLELY BY, THE TRUST ESTATE CONSISTING OF THE SPECIAL TAX REVENUES AND THE OTHER AMOUNTS PLEDGED THEREFOR UNDER THE INDENTURE. NONE OF THE ISSUER, THE MEMBERS OF THE ISSUER, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF (EXCEPT THE ISSUER, TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE) WILL IN ANY EVENT BE LIABLE FOR THE PAYMENT OF THE BONDS.

MATURITY SCHEDULE
(see inside cover)

The Bonds were sold by competitive bidding on June 3, 2015, to Raymond James & Associates, Inc. at a true interest cost of 3.629794%.

The following firm, serving as financial advisor to the Authority, has structured this issue:

WULFF, HANSEN & CO.
ESTABLISHED 1931
INVESTMENT BANKERS

This cover page contains certain information for quick reference only. It is not a summary of the Bond issue. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision with respect to the Bonds. Investment in the Bonds involves risks which may not be appropriate for some investors. See "BONDOWNERS' RISKS" for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The Bonds are offered when, as and if issued and accepted by the purchaser thereof, subject to approval as to their legality by Quint & Thimmig LLP, Larkspur, California, Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the Issuer by Bertrand, Fox & Elliot, general counsel to the Issuer. Quint & Thimmig LLP also is acting as disclosure counsel to the Issuer with respect to the Bonds. It is anticipated that the Bonds, in book-entry form, will be available for delivery through DTC in New York, New York, on or about June 18, 2015.

The date of this Official Statement is: June 3, 2015

\$17,255,000
CENTRAL MARIN POLICE AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2008-1
(PUBLIC SAFETY, POLICE AND EMERGENCY
RESPONSE FACILITIES AND SERVICES)
2015 SPECIAL TAX REFUNDING BONDS

MATURITY SCHEDULE
(Base CUSIP†: 90141)

\$10,535,000 Serial Bonds

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP [†]
2016	\$270,000	5.000%	0.350%	105.190	AW5
2017	365,000	5.000	0.800	108.808	AX3
2018	380,000	5.000	1.150	111.762	AY1
2019	400,000	5.000	1.350	114.576	AZ8
2020	425,000	5.000	1.550	116.914	BA2
2021	445,000	5.000	1.800	118.461	BB0
2022	470,000	5.000	2.000	119.813	BC8
2023	490,000	5.000	2.150	121.127	BD6
2024	515,000	5.000	2.350	121.636	BE4
2025	540,000	5.000	2.500	122.227	BF1
2026	565,000	5.000	2.650 ^(c)	120.736	BG9
2029	630,000	3.125	3.200	99.151	BJ3
2030	650,000	3.250	3.320	99.170	BK0
2031	670,000	3.375	3.450	99.075	BL8
2032	695,000	3.375	3.520	98.144	BM6
2033	715,000	3.500	3.600	98.674	BN4
2034	740,000	3.500	3.650	97.945	BP9
2035	770,000	3.625	3.750	98.242	BQ7
2036	800,000	3.750	3.800	99.275	BR5

\$1,200,000 3.00% Term Bonds due August 1, 2028; Yield 3.10%; Price 98.926 CUSIP† 90141P BH7

\$1,685,000 3.75% Term Bonds due August 1, 2038; Yield 3.90%; Price 97.725 CUSIP† 90141P BS3

\$1,815,000 4.00% Term Bonds due August 1, 2040; Yield 4.00%; Price 100.0 CUSIP† 90141P BT1

\$2,020,000 4.00% Term Bonds due August 1, 2043; Yield 4.05%; Price 99.161 CUSIP† 90141P BU8

(c) Yield and price to first optional redemption date at par of August 1, 2025.

† Copyright 2015, American Bankers Association. CUSIP data are provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc., and are provided for convenience of reference only. Neither the Issuer nor the initial purchaser of the Bonds assumes any responsibility for the accuracy of the CUSIP data.

CENTRAL MARIN POLICE AUTHORITY

Police Council

Tom McInerney, *Chair*
Carla Condon, *Member*
Bob Ravasio, *Member*
Larry Chu, *Member*
Ann Morrison, *Member*
John Wright, *Member*

Authority Staff

Todd Cusimano, *Chief of Police*
Dan Schwarz, *Fiscal Officer*
Zaneta Feleo, *Clerk*

SPECIAL SERVICES

Authority Legal Counsel

Bertrand, Fox & Elliot
San Francisco, California

Financial Advisor

Wulff, Hansen & Co.
San Francisco, California

Special Tax Administrator and Dissemination Agent

NBS Government Finance Group
Temecula, California

Fiscal Agent and Escrow Bank

MUFG Union Bank, N.A.
San Francisco, California

Bond Counsel and Disclosure Counsel

Quint & Thimmig LLP
Larkspur, California

Verification Agent

Grant Thornton LLP
Minneapolis, Minnesota

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose.

Preparation of this Official Statement. The information set forth in this Official Statement has been obtained from the Issuer, The Depository Trust Company and other sources which are believed to be current and reliable, but the accuracy or completeness of such information is not guaranteed by the Issuer or the initial purchaser of the Bonds. The information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the Issuer or the District since the date hereof. All summaries of the Indenture or other documents herein are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Issuer for further information in connection therewith.

The initial purchaser of the Bonds has provided the following sentence for inclusion in this Official Statement: the initial purchaser 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 initial purchaser does not guarantee the accuracy or completeness of such information.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the Issuer, in any press release and in any oral statement made with the approval of an authorized officer of the Issuer, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the Issuer or the initial purchaser of the Bonds to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by either of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

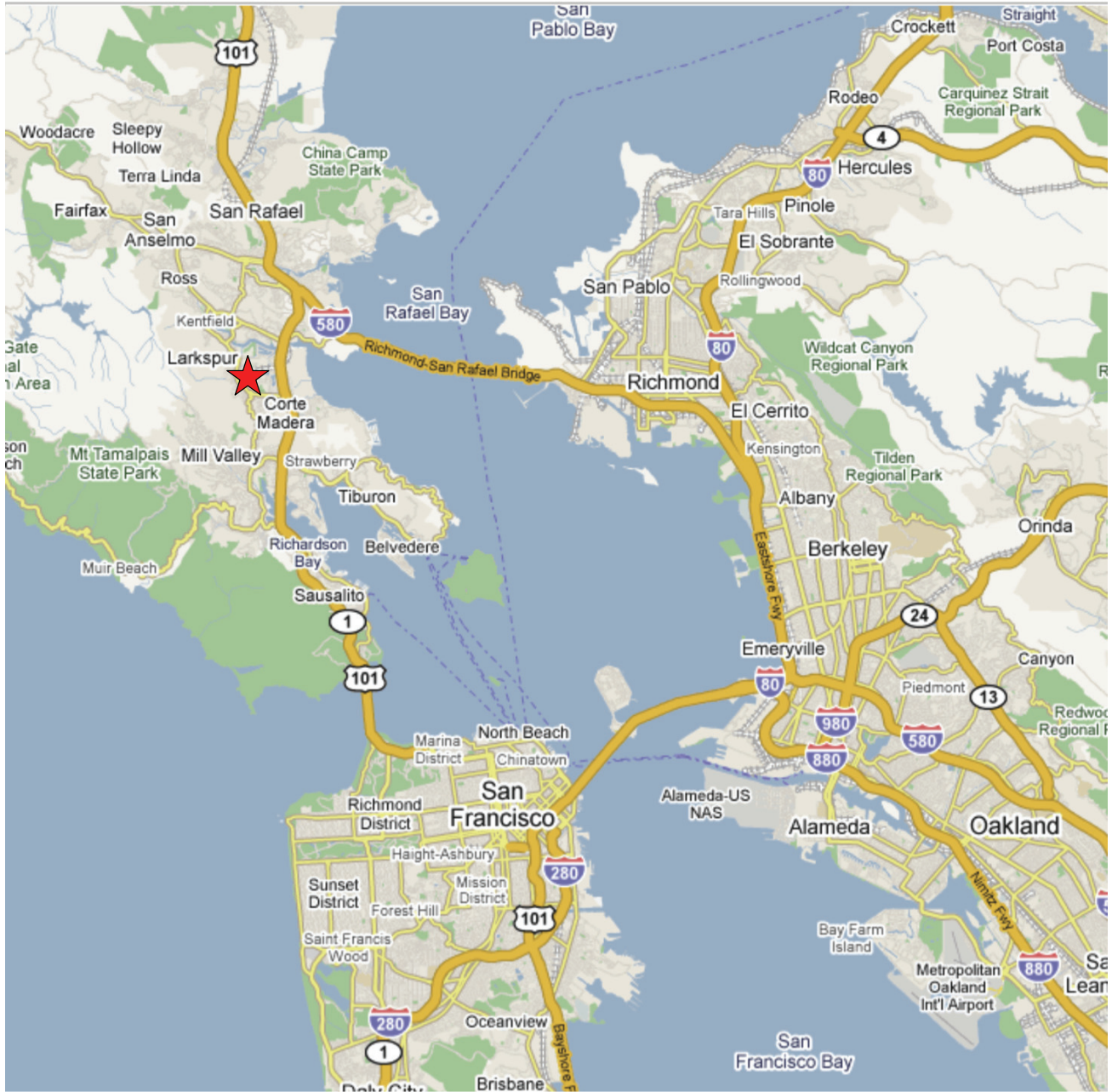
Stabilization of Prices. In connection with this offering, the initial purchaser of the Bonds may overallocate or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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MAP SHOWING LOCATION OF
LARKSPUR AND CORTE MADERA



OFFICIAL STATEMENT

\$17,255,000

**CENTRAL MARIN POLICE AUTHORITY
COMMUNITY FACILITIES DISTRICT NO. 2008-1
(PUBLIC SAFETY, POLICE AND EMERGENCY
RESPONSE FACILITIES AND SERVICES)
2015 SPECIAL TAX REFUNDING BONDS**

INTRODUCTION

This Official Statement, including the cover page and attached appendices, is provided to furnish information regarding the bonds captioned above (the "Bonds") to be issued by Central Marin Police Authority (the "Issuer") for and on behalf of the Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) (the "Community Facilities District").

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, the more complete and detailed information contained in the entire Official Statement, including the cover page and attached appendices, and the documents summarized or described in this Official Statement. A full review should be made of the entire Official Statement by those interested in purchasing the Bonds. 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 meanings given to them in the Indenture described below. See "APPENDIX B – Summary of the Indenture – Definitions."

The Issuer

The Bonds are being issued by the Central Marin Police Authority for and on behalf of the Community Facilities District. The Issuer is a joint powers agency currently existing under an Amended Joint Powers Agreement, effective January 1, 2013 (the "Amended JPA Agreement"), among the City of Larkspur, California, the Town of Corte Madera, California and the Town of San Anselmo, California. At the time of formation of the Community Facilities District the Issuer was known as the "Twin Cities Police Authority" and then existed under a Joint Exercise of Powers Agreement, dated January 30, 1980, between the City of Larkspur and the Town of Corte Madera. At the time of execution of the Amended JPA Agreement, the Town of San Anselmo became a member of the Issuer. The City of Larkspur, the Town of Corte Madera, and the Town of San Anselmo have no obligations whatsoever with respect to the Community Facilities District, the Bonds or the Indenture. See "THE ISSUER."

Authority for Issuance of the Bonds

The Bonds are issued under the following:

- the Mello-Roos Community Facilities Act of 1982, as amended, consisting of Sections 53311 et seq. of the California Government Code (the "Act"),
- Sections 53580 et seq. of the California Government Code (the "Refunding Law"),

- Resolution No. 2015/12 adopted on April 30, 2015 by the Central Marin Police Council (the “Police Council”) of the Issuer, as amended by Resolution No. 2015/13 adopted on May 14, 2015 by the Police Council, and
- an Indenture, dated as of June 1, 2015 (the “Indenture”), by and between the Issuer, for and on behalf of the Community Facilities District, and MUFG Union Bank, N.A., as trustee (the “Trustee”). See “THE BONDS—Authority for Issuance.”

The Community Facilities District

The Community Facilities District was established by the Issuer under the Act, pursuant to (i) a resolution adopted by the Police Council on August 6, 2008, following a public hearing and (ii) an election held on November 4, 2008 at which 69.32% of the 12,188 then qualified electors of the Community Facilities District that voted on the measure (being the registered voters then residing in the City of Larkspur and the Town of Corte Madera) authorized the Community Facilities District to incur bonded indebtedness, approved the levy of special taxes on certain taxable property in the Community Facilities District, and approved an appropriations limit for the Community Facilities District. The property in the Community Facilities District consists of all of the territory within the City of Larkspur and the Town of Corte Madera. See “THE COMMUNITY FACILITIES DISTRICT.” However, the Special Taxes (defined below) that are the primary source of funds to repay the Bonds are levied only on the Taxable Property (defined below) in the Community Facilities District. See “SECURITY FOR THE BONDS—Special Taxes” and “SECURITY FOR THE BONDS—Rate and Method.”

Purpose of the Bonds

Proceeds of the Bonds will be used to (i) to advance refund and defease the outstanding Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) 2009 Special Tax Bonds (the “2009 Bonds”), (ii) pay the premium for a debt service reserve insurance policy for the Bonds, and (iii) pay the costs of issuing the Bonds. See “PLAN OF REFUNDING.” The 2009 Bonds were issued to finance the construction of a police/emergency operations center for the Issuer, including the construction of related improvements and the acquisition of certain equipment (collectively, the “Facilities”). See “THE COMMUNITY FACILITIES DISTRICT—Facilities Financed With Proceeds of the 2009 Bonds.”

Security and Sources of Payment for the Bonds

The Bonds are secured by and payable from the “Trust Estate,” consisting of “Special Tax Revenues” and moneys in the Special Tax Fund, the Bond Fund and the Reserve Fund established under the Indenture. The Indenture defines Special Tax Revenues as proceeds of the special taxes levied within the Community Facilities District (the “Special Taxes”), including any scheduled payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. The Special Tax Revenues do not include any Special Taxes that may be subject to rebate due to the very low income exemption in the Rate and Method of Apportionment of Special Taxes for the Community Facilities District (the “Rate and Method”) which is limited to no more than an aggregate of \$10,900 in any Fiscal Year; or penalties collected in connection with delinquent Special Taxes.

The Rate and Method allows for the Authority to include in the annual Special Tax levy an amount to pay for certain services authorized to be funded by the Community Facilities District (the “Services”), as well as an amount to be deposited to a Building Replacement

Reserve Fund to provide a source of funds for future capital repairs and replacements for the police/emergency operations center funded with proceeds of the 2009 Bonds. See "SECURITY FOR THE BONDS—Rate and Method – General – Special Tax Requirement." Under the Indenture, Special Tax Revenues received by the Authority each calendar year, after deducting the portion thereof levied for Administrative Expenses, will be used or set-aside to pay the scheduled debt service due on the Bonds in such calendar year before Special Tax Revenues are deposited to a Services Fund for use in paying for the Services and to the Building Replacement Reserve Fund. See "SECURITY FOR THE BONDS—Special Tax Fund – Funding of Bond Debt Service Before Other Transfers."

The Special Taxes are being levied on Taxable Property within the District in accordance with the Rate and Method. See "SECURITY FOR THE BONDS—Rate and Method." The aggregate County Assessor's value of the Taxable Property in the Community Facilities District on which the Special Taxes are levied for Fiscal Year 2014-15 is \$5,706,151,126. See "THE COMMUNITY FACILITIES DISTRICT—Property Value and Value to Burden Ratio." The Special Taxes are collected on the County's ad valorem property tax roll, and are subject to the Teeter Plan. See "SECURITY FOR THE BONDS—Covenant to Foreclose – Teeter Plan." The Issuer has covenanted in the Indenture to cause foreclosure proceedings to be commenced and prosecuted, in very limited circumstances, against only certain parcels with delinquent installments of the Special Tax. For a more detailed description of the foreclosure covenant, see "SECURITY FOR THE BONDS—Covenant to Foreclose – Foreclosure Under the Mello-Roos Law." The Special Taxes are not subject to prepayment by the owners of the Taxable Property in the Community Facilities District. See "SECURITY FOR THE BONDS—Rate and Method – General."

Limited Obligation

All obligations of the Issuer under the Indenture and the Bonds are special obligations of the Issuer, payable solely from the Trust Estate. The City of Larkspur, the Town of Corte Madera and the Town of San Anselmo have no obligations whatsoever with respect to the Community Facilities District, the Bonds or the Indenture. See "THE ISSUER."

Risk Factors Associated with Purchasing the Bonds

Investment in the Bonds involves risks that may not be appropriate for some investors. See "BONDOWNERS' 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.

Professionals Involved in the Offering

The following professionals are participating in this financing:

- Wulff Hansen & Co., San Francisco, California, is serving as Financial Advisor to the Issuer with respect to the Community Facilities District and the Bonds.
- MUFG Union Bank, N.A., San Francisco, California, will serve as the Trustee under the Indenture and as Escrow Bank under the Escrow Agreement.
- Quint & Thimmig LLP, Larkspur, California, is serving as Bond Counsel and as Disclosure Counsel to the Issuer.

- Bertrand, Fox & Elliot, San Francisco, California, is serving as general counsel to the Issuer.
- NBS Government Finance Group, Temecula, California, is serving as special tax administrator with respect to the Community Facilities District and will serve as the initial dissemination agent under the Continuing Disclosure Certificate.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except where otherwise indicated, all information contained in this Official Statement has been provided by the Issuer on behalf of the Community Facilities District.

The Bonds are offered when, as and if executed, delivered and received by the Underwriter, subject to approval as to their legality by Bond Counsel and the satisfaction of certain other conditions. It is anticipated that the Bonds will be available for delivery to DTC on or about June 10, 2015.

Copies of the Indenture, the Escrow Agreement and certain other documents referenced herein are available for inspection, and upon written request and payment to the Issuer of a charge for copying, mailing and handling are available for delivery, from Central Marin Police Authority, c/o City of Larkspur, 400 Magnolia Avenue, Larkspur, California 94939, Attention: Finance Director. Reference is hereby made to such documents on file with the Issuer for further information in connection therewith.

PLAN OF REFUNDING

Proceeds of the sale of the Bonds, together with available funds held under the Indenture, dated as of March 1, 2009, pursuant to which the 2009 Bonds were issued (the "2009 Indenture"), will be deposited in an escrow account (the "Refunding Fund") held by MUFG Union Bank, N.A., as escrow bank (the "Escrow Bank") pursuant to an Escrow Agreement dated as of June 1, 2015 (the "Escrow Agreement"), between the Issuer, for and on behalf of the District, and MUFG Union Bank, N.A., as Escrow Bank and as trustee for the 2009 Bonds. Amounts in the Refunding Fund will be applied to defease and advance refund all of the outstanding 2009 Bonds.

Amounts in the Refunding Fund will be invested in certain federal securities specified in the Escrow Agreement. The amount deposited to the Refunding Fund, together with the investment earnings thereon, will be sufficient to fully pay the scheduled debt service on the 2009 Bonds to and including August 1, 2019 and to redeem the then outstanding 2009 Bonds on August 1, 2019, at a redemption price of 102% of the principal amount thereof plus accrued interest to the redemption date. Upon the deposit of proceeds of the Bonds and certain amounts held under the 2009 Indenture with the Escrow Bank and in accordance with the Escrow Agreement, the 2009 Bonds will be legally defeased and will no longer be entitled to the benefits of, or be secured by, the 2009 Indenture or any pledge of, or lien on, the Special Taxes levied in the District.

Amounts deposited in the Refunding Fund are not in any way available to pay debt service on the Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds derived from the sale of the Bonds and the refunding of the 2009 Bonds are expected to be as follows:

Table No. 1
Estimated Sources and Uses of Funds

SOURCES

Principal Amount of Bonds	\$ 17,255,000.00
Plus: Net Original Issue Premium	706,416.30
Less: Underwriter's Discount	(232,808.75)
Plus: Amounts Related to the 2009 Bonds	<u>2,300,397.27</u>
Total Sources	\$ <u>20,029,004.82</u>

USES

Deposit to Refunding Fund ⁽¹⁾	\$ 19,785,674.91
Deposit to Costs of Issuance Fund ⁽²⁾	<u>243,329.91</u>
Total Uses	\$ 20,029,004.82

(1) See "PLAN OF REFUNDING."

(2) Includes, among other things, the fees and expenses of Bond Counsel, Disclosure Counsel and Issuer Counsel, the cost of printing the Preliminary and final Official Statements, fees and expenses of the Trustee and the Escrow Bank, the fees of the Financial Advisor and the Special Tax Administrator, expenses of the members of the Authority, and of the Authority, related to the Bond issue, Reserve Fund Policy premium, verification agent fees, and other costs of issuance of the Bonds.

In addition to the disposition of funds described above, the Reserve Fund Policy obtained with Bond proceeds will be held for the benefit of the Reserve Fund. See "SECURITY FOR THE BONDS—Reserve Fund."

THE BONDS

General Bond Terms

Dated Date, Maturity and Authorized Denominations. The Bonds will be dated their date of delivery 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 February 1 and August 1, commencing February 1, 2016 (each, an "Interest Payment Date"). Interest will be calculated on the basis of a 360-day year composed of twelve 30-day months.

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). So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references in this Official Statement to the "Owners" will mean Cede & Co., and will not mean the Beneficial Owners of the Bonds. See "APPENDIX C—DTC and the Book-Entry Only System."

Method of Payment. Principal and interest on the Bonds are payable directly to DTC by the Trustee in lawful money of the United States of America. Upon receipt of payments of principal or interest, DTC is to remit such principal or interest to the “DTC Participants” (as defined in APPENDIX C) for subsequent disbursement to the Beneficial Owners of the Bonds. See “APPENDIX C—DTC and the Book-Entry Only System.”

Authority for Issuance

Statutory Authority. The Bonds are being issued pursuant to the authority granted in the Act and the Refunding Law.

Issuer Resolution. On April 30, 2015, the Police Council of the Issuer adopted Resolution No. 2015/12 authorizing the issuance and public sale of the Bonds, approving the Indenture and the Escrow Agreement, and approving and authorizing other documents and actions in connection with the issuance of the Bonds and the refunding of the 2009 Bonds. On May 14, 2015, the Police Council of the Issuer adopted Resolution No. 2015/13 amending certain provisions of Resolution No. 2015/12.

City Findings. On May 6, 2015, in order to satisfy certain requirements of the California Government Code, the City Council of the City of Larkspur held a public hearing and adopted Resolution No. 28-15 finding that significant public benefits will arise from the refinancing of the Facilities by means of the issuance of the Bonds, and approved the issuance of the Bonds and the refinancing of the Facilities by the Issuer with proceeds of the Bonds.

Debt Service Schedule

The following table presents the scheduled annual debt service on the Bonds (including sinking fund redemptions), assuming there are no optional redemptions of the Bonds prior to their stated maturities.

Table No. 2
Debt Service Schedule

Bond Year Ending August 1	Principal	Interest	Total Debt Service
2016	\$ 270,000	\$ 774,158.81	\$ 1,044,158.81
2017	365,000	678,056.26	1,043,056.26
2018	380,000	659,806.26	1,039,806.26
2019	400,000	640,806.26	1,040,806.26
2020	425,000	620,806.26	1,045,806.26
2021	445,000	599,556.26	1,044,556.26
2022	470,000	577,306.26	1,047,306.26
2023	490,000	553,806.26	1,043,806.26
2024	515,000	529,306.26	1,044,306.26
2025	540,000	503,556.26	1,043,556.26
2026	565,000	476,556.26	1,041,556.26
2027	590,000	448,306.26	1,038,306.26
2028	610,000	430,606.26	1,040,606.26
2029	630,000	412,306.26	1,042,306.26
2030	650,000	392,618.76	1,042,618.76
2031	670,000	371,493.76	1,041,493.76
2032	695,000	348,881.26	1,043,881.26
2033	715,000	325,425.00	1,040,425.00
2034	740,000	300,400.00	1,040,400.00
2035	770,000	274,500.00	1,044,500.00
2036	800,000	246,587.50	1,046,587.50
2037	825,000	216,587.50	1,041,587.50
2038	860,000	185,650.00	1,045,650.00
2039	890,000	153,400.00	1,043,400.00
2040	925,000	117,800.00	1,042,800.00
2041	965,000	80,800.00	1,045,800.00
2042	1,000,000	42,200.00	1,042,200.00
2043	55,000	2,200.00	57,200.00
Totals:	\$17,255,000	\$10,963,483.97	\$28,218,483.97

Redemption

Optional Redemption. The Bonds maturing on or after August 1, 2026 are subject to optional redemption prior to their stated maturity on any Interest Payment Date on or after August 1, 2025, as a whole, or in part among maturities so as to maintain to the maximum extent practicable the same debt service profile for the Bonds as in effect on the Closing Date, and by lot within a maturity, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Payment Redemption. The Bonds maturing on August 1, 2028 are subject to mandatory sinking payment redemption in part on August 1, 2027, and on August 1, 2028, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Redemption Date (August 1)	Sinking Payments
2027	\$590,000
2028 (maturity)	610,000

The Bonds maturing on August 1, 2038, are subject to mandatory sinking payment redemption in part on August 1, 2037, and on August 1, 2038, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Redemption Date (August 1)	Sinking Payments
2037	\$825,000
2038 (maturity)	860,000

The Bonds maturing on August 1, 2040, are subject to mandatory sinking payment redemption in part on August 1, 2039, and on August 1, 2040, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Redemption Date (August 1)	Sinking Payments
2039	\$890,000
2040 (maturity)	925,000

The Bonds maturing on August 1, 2043, are subject to mandatory sinking payment redemption in part on August 1, 2041, and on each August 1 thereafter to maturity, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Redemption Date (August 1)	Sinking Payments
2041	\$ 965,000
2042	1,000,000
2043 (maturity)	55,000

The amounts in the foregoing tables will be reduced so as to maintain to the maximum extent practicable the same debt service profile for the Bonds as in effect on the Closing Date as a result of any prior partial redemption of the Bonds as described in "Optional Redemption" above.

Purchase In Lieu of Redemption. In lieu of redemption as described above, moneys in the Bond Fund may be used and withdrawn by the Trustee for purchase of Outstanding Bonds, at public or private sale, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

Notice of Redemption. The Trustee will cause notice of any redemption to be mailed by first class mail, postage prepaid, or sent by such other means as is acceptable to the recipient thereof, at least 30 days but not more than 60 days prior to the date fixed for redemption, to the Securities Depositories, to one or more Information Services, and to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Trustee; however, sending of the notice by the Trustee is not a condition precedent to redemption and failure to send or to receive any such

notice, or any defect in the notice, will not affect the validity of the proceedings for the redemption of the Bonds.

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds, the notice of redemption may state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the redemption shall not occur if by no later than the scheduled redemption date sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled redemption date to so redeem the Bonds to be redeemed, the Trustee will send written notice to the owners of the Bonds, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of redemption was given will remain outstanding for all purposes of the Indenture.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest on the Bonds so called for redemption are deposited in the Bond Fund, the Bonds called for redemption 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 on or after the redemption date specified in the redemption notice.

Registration, Transfer and Exchange

The following provisions 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 C—DTC and the Book-Entry Only System."

Registration. The Trustee will keep or cause to be kept, at its Principal Office sufficient books for the registration and transfer of the Bonds, which books will show the series number, date, amount, rate of interest and last known Owner of each Bond. The Issuer and the Trustee will treat the Owner of any Bond whose name appears on the Bond register as the absolute Owner of such Bond for any and all purposes, and the Issuer and the Trustee shall not be affected by any notice to the contrary. The Issuer and the Trustee may rely on the address of the Bondowner as it appears in the Bond register for any and all purposes.

Transfers of Bonds. 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 duly written instrument of transfer in a form acceptable to the Trustee. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such transfer shall be paid by the Issuer. The Trustee shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds is surrendered for transfer, the Issuer will execute and the Trustee will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount of authorized denomination(s).

No transfers of Bonds will be required to be made (i) fifteen days prior to the date established by the Trustee for selection of Bonds for redemption, (ii) with respect to a Bond after such Bond has been selected for redemption, or (iii) between a Record Date and the succeeding Interest Payment Date.

Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of authorized denominations and of the same series and maturity. The cost for any services rendered or any expenses incurred by the Trustee in connection with any such exchange shall be paid by the Issuer. The Trustee will collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

No exchanges of Bonds may be required to be made (i) fifteen days prior to the date established by the Trustee for selection of Bonds for redemption, (ii) with respect to a Bond after such Bond has been selected for redemption, or (iii) between a Record Date and the succeeding Interest Payment Date.

SECURITY FOR THE BONDS

General

The Issuer's obligation to pay the principal of and interest on the Bonds is secured by a pledge of the "Trust Estate," which is defined in the Indenture to include:

- Special Tax Revenues; and
- Amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund.

Amounts in the Administrative Expense Fund, the Costs of Issuance Fund, the Services Fund, the Building Replacement Fund and the Refunding Fund are not pledged to the repayment of the Bonds. The Facilities financed with the proceeds of the 2009 Bonds are not in any way pledged to pay debt service on the Bonds. Any proceeds of condemnation or destruction of the Facilities financed with the proceeds of the 2009 Bonds are not pledged to pay debt service on the Bonds and are free and clear of any lien or obligation imposed under the Indenture. The obligation of the Issuer to make payments on the Bonds is not subject to abatement if the Facilities are damaged or destroyed.

"Special Tax Revenues" is defined in the Indenture as the proceeds of the Special Taxes received by the Issuer, including any scheduled payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon, but it excludes any penalties collected in connection with delinquent Special Taxes, or any Special Taxes that may be subject to rebate due to the very low income exemption in the Rate and Method. The Rate and Method allows for the Authority to include in the annual Special Tax levy an amount to pay for Services authorized to be funded by the Community Facilities District, as well as an amount to be deposited to a Building Replacement Reserve Fund to provide a source of funds for future capital repairs and replacements for the police/emergency operations center funded with proceeds of the 2009 Bonds. See "SECURITY FOR THE BONDS—Rate and Method – General – Special Tax Requirement." Under the Indenture, Special Tax Revenues received by the Authority each calendar year, after deducting the portion thereof levied for Administrative Expenses, will be used or set-aside to pay the scheduled debt service due on the Bonds in such calendar year before Special Tax Revenues are deposited to a Services Fund for use in paying for the Services and to the Building Replacement Reserve Fund. See "SECURITY FOR THE BONDS—Special Tax Fund – Funding of Bond Debt Service Before Other Transfers."

Special Taxes

Levy of Special Taxes. The Issuer has covenanted in the Indenture to comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes. The Special Taxes were first levied in fiscal year 2009-2010, and have been levied in each succeeding fiscal year. The Special Taxes are not subject to prepayment by the owners of the Taxable Property in the Community Facilities District.

Under the Indenture, the Fiscal Officer is obligated to effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each July 15 that the Bonds are outstanding, or otherwise such that the computation of the levy is complete before the final date on which the Auditor-Controller of the County will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Fiscal Officer will prepare or cause to be prepared, and will transmit to the Auditor-Controller of the County, such data as the Auditor-Controller requires to include the levy of the Special Taxes on the next real property tax roll.

The Fiscal Officer will fix and levy the amount of Special Taxes within the Community Facilities District in an amount at least equal to the amount required for the payment of principal of and interest on any outstanding Bonds of the Community Facilities District becoming due and payable during the ensuing calendar year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds, any amounts owing under the Reserve Fund Policy, and an amount estimated to be sufficient to pay the Administrative Expenses (including any rebate requirement imposed by federal tax law) during such year, taking into account the balances in such funds and in the Special Tax Fund. The Special Taxes so levied will not exceed the authorized maximum amounts as provided in the Rate and Method approved by the proceedings to form the Community Facilities District. See "SECURITY FOR THE BONDS—Rate and Method."

Reduction of Maximum Special Taxes. The Issuer has covenanted in the Indenture not to consent or conduct proceedings with respect to a reduction in the maximum Special Taxes that may be levied in the District below an amount, for any Fiscal Year, equal to 120% of the aggregate of the debt service due on the Bonds (including any Parity Bonds) in such Fiscal Year.

Manner of Collection. The Indenture provides that the Special Taxes are payable and will be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property; provided that, pursuant to and in accordance with the Ordinance, the Special Taxes may be collected by means of direct billing of the property owners within the Community Facilities District, in which event the Special Taxes will become delinquent if not paid when due pursuant to said billing.

Because the Special Tax levy is limited to the maximum Special Tax rates set forth in the Rate and Method, no assurance can be given that, in the event of Special Tax delinquencies, the receipts of Special Taxes will, in fact, be collected in sufficient amounts in any given year to pay debt service on the Bonds. See "BOND OWNERS' RISKS," including the subsection entitled "Other Possible Claims Upon the Value of Taxable Property," for a discussion of factors that could impact the amount of Special Taxes collected by the Issuer and the amount, if any, to be realized by Bond owners as a result of a foreclosure sale.

Additional Obligations Secured by Special Taxes

The Indenture authorizes the Issuer to issue additional series of bonds (the "Parity Bonds"), without the consent of any Bondowners, subject to satisfaction of certain conditions. Any such Parity Bonds must be Refunding Bonds, as such term is defined in the Indenture. See "APPENDIX B—Summary of the Indenture – Parity Bonds." The Parity Bonds will be secured by a lien on and pledge of the Trust Estate on a parity with all other Bonds Outstanding under the Indenture.

Rate and Method

The following is a summary of certain provisions of the Rate and Method, and is qualified by more complete and detailed information contained in the entire Rate and Method included in Appendix A. The meaning of the capitalized terms used in this section that are not defined below have the meanings given to such terms in the Rate and Method, as set forth in Appendix A.

General. The Special Tax is levied and collected according to the Rate and Method, which provides the means by which the Issuer or its designee may annually levy the Special Taxes within the Community Facilities District, up to the Maximum Special Tax, and determine the amount of the Special Tax that will need to be collected each Fiscal Year from the "Taxable Property" (defined below) within the Community Facilities District. There is no provision in the Rate and Method that allows for prepayments of Special Taxes by owners of the Taxable Property.

Certain Definitions. Certain definitions set forth in the Rate and Method are excerpted below:

"Assisted Living/Skilled Nursing Facility Property" means those Parcels that were identified in Fiscal Year 2007-08 by Assessor's Parcel Numbers 026-071-68 and 022-080-06.

"Exempt Property" means: (i) Public Property, except as otherwise authorized by Sections 53317.3 and 53317.5 of the Act; (ii) Parcels that are owned by a public utility, private utility, or railroad that are not otherwise defined as Taxable Property; (iii) Parcels that are subject to an easement or other instrument that makes the development of such property impractical; (iv) Underwater Property; (v) Homeowners Association Property; (vi) Non-Profit Entity Property; and (vii) Very Low-Income Property.

"Homeowners Association Property" means, in any Fiscal Year, all Parcels within the Community Facilities District that are owned by a homeowners or property owners association based on the Parcel's owner of record in the County Assessor's database, as determined by the Administrator.

"Mobile Home Property" means the Parcels identified by APNs 023-110-09 and 021-261-09 in Fiscal Year 2008-09 and all other Parcels within the Community Facilities District on which the Administrator determines that one or more mobile homes, and no other Residential Property or Non-Residential Property, are located.

"Non-Profit Entity Property" means, in any Fiscal Year, all Parcels within the Community Facilities District with a Use Code of 60 or 61 (or any such successor code

that may replace these codes in future years) that do not otherwise qualify as Taxable Property, as determined in the sole discretion of the Issuer.

“Non-Residential Property” means, in any Fiscal Year, all Parcels within the Community Facilities District that are not Residential Property, Vacant Single Family Property, Vacant Multi-Family Property, or Exempt Property.

“Public Property” means, in any Fiscal Year, all Parcels within the Community Facilities District with a Use Code of 80 (or any such successor code that may replace this code in future years). Notwithstanding the foregoing, any property within the boundaries of the Community Facilities District that is owned by or irrevocably offered for dedication to the federal government, State of California, the Issuer, or other local governments or public agencies may be classified as Public Property, as determined by the Administrator.

“Residential Property” means, in any Fiscal Year, all Parcels within the Community Facilities District: (i) with a Use Code of 11, 12, 13, 14, 21, or 38; (ii) that meet the definition of Assisted Living/Skilled Nursing Facility Property or Mobile Home Property; or (iii) that meet neither of the two criteria listed above but have a Homeowner’s Exemption reflected on the County Assessor’s secured tax roll.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds in the calendar year that commences in such Fiscal Year; (ii) create or replenish reserve funds established for Bonds; (iii) cure any delinquencies in the payment of principal or interest on Bonds which occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected; (iv) pay Administrative Expenses; (v) pay acquisition or construction expenses to be funded directly from Special Tax proceeds, as applicable; (vi) pay for Services, and (vii) provide for a building replacement reserve fund.

“Taxable Property” means, collectively, all Assessor’s Parcels of Residential Property, Vacant Single Family Property, Vacant Multi-Family Property, and Non-Residential Property.

“Underwater Property” means the Parcels that were identified in Fiscal Year 2007-08 by the following Assessor’s Parcel Numbers:

023-050-03	023-090-01	026-061-04	023-090-02
023-050-04	023-070-13	026-061-05	023-060-01
023-040-09	023-080-02	023-090-03	023-060-02
023-050-08	023-090-10	023-080-07	023-050-07
023-080-01	023-090-11	026-231-43	023-050-02
026-241-02	023-080-05	026-061-21	023-050-09
023-080-03	023-080-06	023-090-12	023-040-12
023-080-04	023-080-08	026-061-23	
023-060-03	026-061-09	023-070-14	

If a new construction building permit is issued for residential, industrial, or commercial development on a Parcel previously classified as Underwater Property, the Parcel shall be taxed according to the applicable use in subsequent Fiscal Years.

“Vacant Multi-Family Property” means, in any Fiscal Year, any Parcel within the Community Facilities District designated by Use Code 20 (or any such successor code

that may replace this code in future years) which, according to the County Assessor's database, meets the following criteria: (i) there are no Units on the Parcel and (ii) the Parcel's land square footage is greater than 2,000 square feet or the Parcel's land square footage is less than 2,000 square feet but the Parcel's owner of record owns at least one other undeveloped Parcel designated by Use Code 20 that is contiguous to the original Parcel and less than 2,000 square feet, as determined by the Administrator, and that, when combined with the original Parcel, results in a total land square footage greater than 2,000 square feet. The Special Tax will be billed to the largest of the multiple Parcels.

"Vacant Single Family Property" means, in any Fiscal Year, any Parcel within the Community Facilities District designated by Use Code 10 (or any such successor code that may replace this code in future years) which, according to the County Assessor's database, meets the following criteria: (i) there are no Units on the Parcel and (ii) the Parcel's land square footage is greater than 2,000 square feet or the Parcel's land square footage is less than 2,000 square feet but the Parcel's owner of record owns at least one other undeveloped Parcel designated by Use Code 10 that is contiguous to the original Parcel and less than 2,000 square feet, as determined by the Administrator, and that, when combined with the original Parcel, results in a total land square footage greater than 2,000 square feet. The Special Tax will be billed to the largest of the multiple Parcels.

"Very Low-Income Exemption Form" means a form made available by the Issuer or the Administrator and submitted to the Issuer or the Administrator by a Parcel owner on his/her own behalf or on the behalf of a lessee(s) no later than May 31 each year that, if accepted and approved by the Issuer or the Administrator, shall cause the Parcel(s) owned by the submitter to be designated as Exempt Property, subject to the second paragraph of Section B, in the following Fiscal Year. The Very Low-Income Exemption Form shall require the Very Low-Income Household to provide (i) the APN(s) to which the exemption shall apply and (ii) proof of the household's income in the calendar year preceding the Fiscal Year for which the form is being filed. Proof of household income shall be confirmed by review of the prior two years' tax returns of individuals living in the household or, as an alternative, documentation that, as determined by the Administrator, sufficiently demonstrates that the household meets the definition of Very Low-Income Household (such as Section 8 documentation, etc.); copies of all such tax returns or other documentation must be attached to the Very Low-Income Exemption Form in order for the Issuer or the Administrator to verify household income. A Very Low-Income Exemption Form must be submitted to the Issuer or the Administrator no later than May 31 each year for the Parcel to continue to be eligible for a full or partial exemption in the following Fiscal Year.

"Very Low-Income Household" means a household occupying a Unit that has a total household income for the applicable Fiscal Year that is not in excess of the qualifying income for very low income households as defined by Section 50105 of the California Health and Safety Code, adjusted for household size.

"Very Low-Income Property" means, in any Fiscal Year, all Parcels within the Community Facilities District for which a Very Low-Income Exemption Form was submitted to the Issuer or the Administrator on or prior to May 31 of the previous Fiscal Year and has been accepted as valid by the Issuer or the Administrator.

Annual Administration. On or about July 1 of each Fiscal Year, the Administrator will identify (i) the current Assessor's Parcel numbers for Taxable Property within the Community

Facilities District, (ii) whether each Parcel is Residential Property, Vacant Single Family Property, Vacant Multi-Family Property, Non-Residential Property, or Exempt Property, (iii) the Unit Count and/or Square Footage for each Parcel of Taxable Property, and (iv) the Special Tax Requirement for the Fiscal Year. Notwithstanding the Maximum Special Tax rates provided for in the Rate and Method and identified in Table 3 below, each Fiscal Year, the Administrator shall review the Very Low-Income Exemption Forms that were submitted to the Issuer in the prior Fiscal Year and identify the applicable Assessor's Parcels. All Parcels with an approved Very Low-Income Exemption Form shall be classified as Exempt Property, with the following exception: if, in any Fiscal Year, the cumulative total exemptions related to Very Low-Income Property would exceed \$10,900, the Administrator shall proportionately reduce the amount of the discount to each Parcel until the cumulative discount equals \$10,900.

Maximum Special Tax Rates. The Maximum Special Tax rates described in Table 3 below apply to all Parcels of Taxable Property within the Community Facilities District for each Fiscal Year in which the Special Tax is collected.

Table No. 3
Maximum Special Tax Rates

Special Tax Category	Maximum Special Tax
Residential Property	\$109 per Unit
Vacant Single Family Property	\$109 per Parcel
Vacant Multi-Family Property	\$109 per Parcel
Non-Residential Property	Greater of \$0.117033 per Building Sq. Ft.* or \$109.00 per Parcel

* The Rate and Method provides that on July 1, 2010 and each July 1 thereafter, the per Building Square Foot Maximum Special Tax for Non-Residential Property shall be increased by two percent (2%) of the amount in effect in the previous Fiscal Year. The per Building Square Foot Maximum Special Tax for Non-Residential Property in the foregoing table is for Fiscal Year 2014-2015. The minimum annual Special Tax for Non-Residential Property is \$109 per parcel.
Source: NBS Government Finance Group.

The Rate and Method provides that the Maximum Special Tax applicable to a Parcel in the Community Facilities District shall not be reduced regardless of changes in land use, Unit Count or Square Footage, or configuration of the Parcel, with the following exception: if, in the Issuer's sole discretion, the Unit Count or Square Footage for a Parcel overstates the number of Units or Square Footage on the Parcel, the Issuer may allow a reduction in the Unit Count or Square Footage, and a corresponding reduction in the Maximum Special Tax assigned to the Parcel if and only if the total Maximum Special Tax revenues that can be collected within the Community Facilities District after such reduction is determined by the Administrator to be sufficient to fund the Special Tax Requirement.

Since the first levy of the Special Tax in Fiscal Year 2009-10, the Special Taxes have been levied at their maximum rates each year.

Method of Levy of the Special Tax. Each Fiscal Year, the Administrator will determine the Special Tax Requirement to be collected in that Fiscal Year. The Special Tax will then be levied Proportionately on each Parcel of Taxable Property in the Community Facilities District up to 100% of the Maximum Special Tax for each Parcel until the amount levied equals the Special Tax Requirement for that Fiscal Year.

Collection of Special Tax. The Rate and Method provides that the Special Tax will be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Issuer may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

The Special Tax will be levied and collected until principal and interest on the Bonds have been repaid and authorized facilities to be constructed directly from Special Tax proceeds have been completed. However, in no event will a Special Tax be levied after Fiscal Year 2048-49, except that Special Taxes that were lawfully levied in or before such Fiscal Year and that remain delinquent may be collected in subsequent years. Pursuant to Section 53321 (d) of the Act, the Special Tax levied against a Parcel used for private residential purposes shall under no circumstances increase more than 10% as a consequence of delinquency or default by the owner of any other Parcel or Parcels and shall, in no event, exceed the Maximum Special Tax in effect for the Fiscal Year in which the Special Tax is being levied.

Very Low Income Household Exemption. The Rate and Method provides for an exemption from the Special Tax levy for Very Low-Income Property. In order to obtain such an exemption, a property owner must file annually a Very Low-Income Exemption Form with the Issuer. The aggregate amount of the Very Low-Income exemptions in any Fiscal Year cannot exceed \$10,900. See “—Annual Administration” above.

Special Tax Delinquencies

The following Table 4 is a summary of Special Tax levies, collections and delinquency rates on the Taxable Property in the Community Facilities District for fiscal years 2010-11 through fiscal year 2014-15, based on amounts levied and outstanding delinquencies as of the July 1 following the respective Fiscal Year end, and as of May 4, 2015.

Table 4
Special Tax Levies, Collections and Delinquencies

Fiscal Year	Special Tax Amount Levied	Total Number of Parcels Subject to Levy	Delinquencies Following FY End			As of May 4, 2015		
			Number of Delinquent Parcels	Amount Delinquent	Percent Delinquent	Remaining Parcels Delinquent	Remaining Amount Delinquent	Remaining Percent Delinquent
2010-11	\$1,544,593.28	7,472	60	\$ 5,504.50 ⁽¹⁾	0.36%	11	\$ 599.50	0.04%
2011-12	1,595,938.48	7,422	88	10,005.64 ⁽²⁾	0.63	10	545.00	0.03
2012-13	1,602,972.16	7,453	76	4,959.50 ⁽³⁾	0.31	19	1,362.50	0.08
2013-14	1,601,023.92	7,476	67	6,755.00	0.42	27	1,526.00	0.10
2014-15	1,605,037.96	7,471				282	22,597.50	1.41

(1) As of January 6, 2012.

(2) As of September 26, 2012.

(3) As of September 11, 2013.

Source: NBS Government Finance Group.

Expected Special Tax Revenues and Debt Service Coverage

The Authority’s Special Tax Administrator has determined that, based on the Taxable Property in the Community Facilities District included on the County’s 2014-15 secured tax roll and on which Special Taxes were levied for Fiscal Year 2014-15, there were 10,062 units of residential housing in the Community Facilities District subject to the Special Tax levy and 4,126,015 square feet of nonresidential buildings located in the Community Facilities District

subject to the Special Tax levy. In accordance with the foregoing, and the aggregate Special Tax levy for Fiscal Year 2014-15 in the Community Facilities District, approximately 68.33% of such levy was on parcels with residential units and approximately 30.10% of such levy was on parcels with nonresidential buildings.

Set forth in Table 5 below is the expected aggregate amount of the Special Tax levy in the Community Facilities District for each year ending August 1, the corresponding scheduled annual debt service on the Bonds, and the ratio of the expected annual Special Tax levy to the scheduled annual debt service on the Bonds. The expected aggregate amount of the Special Tax levy is equal to the projected maximum Special Tax that may be levied on the Taxable Parcels in the Community Facilities District, as the Issuer has levied the Special Taxes at their maximum rates each year since the initial Special Tax levy in the Community Facilities District. After deduction of the Special Tax Revenues levied to pay Administrative Expense, Special Tax Revenues received in each calendar year are required to be used or set-aside to pay the scheduled debt service on the Bonds due in such year, before any Special Tax Revenues are transferred to the Services Fund and to the Building Replacement Reserve Fund. See "SECURITY FOR THE BONDS—Special Tax Fund – Funding of Bond Debt Service Before Other Transfers."

Table No. 5
Special Tax Revenues and Bond Debt Service Coverage

Year Ending August 1	Expected Special Tax Revenues ⁽¹⁾	Scheduled Bond Debt Service ⁽²⁾	Debt Service Coverage Ratio ⁽³⁾
2016	\$1,616,335	\$1,044,159	1.55
2017	1,626,190	1,043,056	1.56
2018	1,636,243	1,039,806	1.57
2019	1,646,496	1,040,806	1.58
2020	1,656,954	1,045,806	1.58
2021	1,667,622	1,044,556	1.60
2022	1,678,503	1,047,306	1.60
2023	1,689,602	1,043,806	1.62
2024	1,700,922	1,044,306	1.63
2025	1,712,469	1,043,556	1.64
2026	1,724,247	1,041,556	1.66
2027	1,736,261	1,038,306	1.67
2028	1,748,515	1,040,606	1.68
2029	1,761,013	1,042,306	1.69
2030	1,773,762	1,042,619	1.70
2031	1,786,766	1,041,494	1.72
2032	1,800,030	1,043,881	1.72
2033	1,813,559	1,040,425	1.74
2034	1,827,359	1,040,400	1.76
2035	1,841,435	1,044,500	1.76
2036	1,855,792	1,046,588	1.77
2037	1,870,436	1,041,588	1.80
2038	1,885,374	1,045,650	1.80
2039	1,900,610	1,043,400	1.82
2040	1,916,150	1,042,800	1.84
2041	1,932,002	1,045,800	1.85
2042	1,948,170	1,042,200	1.87
2043	1,964,662	57,200	34.35

(1) Based on residential units and commercial building square footage per the County's 2014-15 secured property tax roll, and levies at maximum Special Tax rates. Assumes (a) no increase or decrease in the total units of Residential

Property, or in building square footage of Non-Residential Property within the Community Facilities District, and (b) no Very Low-Income exemptions. See "SECURITY FOR THE BONDS—Rate and Method."
(2) Assumes no optional redemption of Bonds prior to maturity.
(3) Expected Special Tax Revenues divided by scheduled bond debt service.
Source: NBS Government Finance Group and Wulff, Hansen & Co.

No assurance can be given that the Special Taxes levied in each year will be collected in full. See "SPECIAL RISK FACTORS." However, see also "SECURITY FOR THE BONDS—Covenant to Foreclose – Teeter Plan."

Covenant to Foreclose

Sale of Property for Nonpayment of Taxes. The Indenture provides that the Special Tax is 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 below and in the Act, is to be subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ad valorem property taxes. The Indenture also allows the Issuer to collect the Special Taxes by directly billing the property owners in the Community Facilities District, in which event the Special Taxes will become delinquent if they are not paid when due pursuant to the direct billing.

Teeter Plan. The Board of Supervisors of the County of Marin adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") in 1992/93, as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Special Taxes levied under the Act are expected to be collected for the Issuer by the County and distributed pursuant to the Teeter Plan. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected taxes and assessments credited to its fund, in the same manner as if the amount credited had been collected. Although a local agency currently receives the total levy for its special tax without regard to actual collections, the basic legal liability for special tax deficiencies at all times remains with the sponsoring agency.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any Fiscal Year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent Fiscal Year. The Board of Supervisors may, by resolution adopted not later than July 15 of the Fiscal Year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency.

So long as the Teeter Plan remains applicable to the Special Tax installments with respect to the Community Facilities District, the Issuer will receive 100% of the annual Special Taxes levied without regard to actual collection in the Community Facilities District. However, under statutes creating the Teeter Plan (as described in the preceding paragraph), the Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors could terminate the Teeter Plan as to the Community Facilities District and the Special Tax installments if the delinquency rate of all Special Taxes levied by the Community Facilities District in any year exceeds 3%. As of the date of this Official Statement, the Board of Supervisors has not indicated any intention to discontinue or modify the current status of the Teeter Plan within the County.

Foreclosure Under the Mello-Roos Law. Under Section 53356.1 of the Act, if any delinquency occurs in the payment of the Special Tax, the Issuer may order the institution of a Superior Court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale.

Such judicial foreclosure action is not mandatory. However, the Issuer has covenanted in the Indenture that, on or about February 15 and June 15 of each Fiscal Year, the Fiscal Officer will compare the amount of Special Taxes theretofore levied in the Community Facilities District to the amount of Special Tax Revenues theretofore received by the Issuer, and:

Individual Delinquencies. If the Fiscal Officer determines that any single parcel subject to the Special Tax in the Community Facilities District is delinquent in the payment of Special Taxes in the aggregate amount (either for one year's Special Taxes or cumulatively for more than one year's Special Taxes) of \$3,000.00 or more, then the Fiscal Officer will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings will be commenced by the Issuer within 90 days of such determination.

If No Teeter Plan. In addition to the foregoing, if (i) the County informs the Authority that the collection of Special Taxes will no longer be subject to the "Teeter Plan" (as provided in Section 4701 et seq. of the California Revenue and Taxation Code); and (ii) the Fiscal Officer determines that the total amount of delinquent Special Tax for the prior Fiscal Year for the entire Community Facilities District, (including the total of delinquencies described in "Individual Delinquencies" above), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, the Fiscal Officer will notify or cause to be notified property owners who are then delinquent in the payment of over \$326.00 in Special Taxes (and demand immediate payment of the delinquency) within 45 days of such determination, and the Issuer will commence foreclosure proceedings within 90 days of such determination against each parcel of land in the Community Facilities District with a Special Tax delinquency.

It should be noted, however, that the Indenture authorizes the Fiscal Officer to defer initiating foreclosure if the amount in the Reserve Fund is at least equal to the Reserve Requirement.

Sufficiency of Foreclosure Sale Proceeds; Foreclosure Limitations and Delays. No assurances can be given that the real property subject to a judicial foreclosure sale will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. The Act does not require the Issuer to purchase or otherwise acquire any lot or parcel of property foreclosed upon if there is no other purchaser at such sale. See "BONDOWNERS' RISKS."

Section 53356.6 of the Act requires that property sold pursuant to foreclosure under the Act be sold for not less than the amount of judgment in the foreclosure action, plus post-judgment interest and authorized costs, unless the consent of the owners of 75% of the outstanding Bonds is obtained. However, under Section 53356.6 of the Act, the Issuer, as judgment creditor, is entitled to purchase any property sold at foreclosure using a "credit bid," where the Issuer could submit a bid crediting all or part of the amount required to satisfy the judgment for the delinquent amount of the Special Tax. If the Issuer becomes the purchaser under a credit bid, the Issuer must pay the amount of its credit bid into the redemption fund established for the Bonds, but this payment may be made up to 24 months after the date of the foreclosure sale.

Foreclosure by court action is subject to normal litigation delays, the nature and extent of which are largely dependent on the nature of the defense, if any, put forth by the debtor and the Superior Court calendar. In addition, the ability of the Issuer to foreclose the lien of delinquent unpaid Special Taxes may be limited in certain instances and may require prior consent of the property owner if the property is owned by or in receivership of the Federal Deposit Insurance Corporation (the "FDIC"). See "BOND OWNERS' RISKS—Bankruptcy and Foreclosure Delays."

Special Tax Fund

Deposits. The Indenture obligates the Issuer to deposit the Special Tax Revenues received by it in the Special Tax Fund held by the Issuer's Fiscal Officer; however, the Indenture provides that any Special Tax Revenues constituting payment of the portion of the Special Tax levy for Administrative Expenses, as identified by the Fiscal Officer, shall be deposited by the Fiscal Officer in the Administrative Expense Fund.

Disbursements. On or before the fifth Business Day prior to each Interest Payment Date, the Fiscal Officer will withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority:

Bond Fund: to the Trustee for deposit by the Trustee in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers to the Bond Fund from the Reserve Fund and the Funded Debt Service Account, such that the amount in the Bond Fund equals the principal (including any sinking payment) and interest due on the Bonds on such Interest Payment Date.

Reserve Fund Policy: to the Trustee, for payment by the Trustee to AGM, any amounts owing by the Issuer to AGM in respect of amounts drawn on the Reserve Fund Policy.

Reserve Fund: to the Trustee for deposit by the Trustee in the Reserve Fund an amount, taking into account amounts then on deposit in the Reserve Fund and the amount available to be drawn on the Reserve Fund Policy, such that the amount in the Reserve Fund is equal to the Reserve Requirement.

Funding of Bond Debt Service Before Other Transfers. Each calendar year, following the transfers pursuant to the preceding paragraph for the February 1 debt service payment date occurring in such calendar year, when amounts (including investment earnings) have been accumulated in the Special Tax Fund sufficient to make the transfers described above for the August 1 debt service payment date occurring in such calendar year, the Fiscal Officer during the period up to but not including December 10 of such calendar year, may dispose of amounts in the Special Tax Fund in excess of the amounts needed for such August 1 debt service payment date transfers as follows: (i) Special Tax Revenues constituting the portion of the Special Tax levy, if any, for payment of the costs of Services shall be deposited by the Fiscal Officer to the Services Fund; and (ii) Special Tax Revenues constituting the portion of the Special Tax levy, if any, for building replacement purposes shall be deposited by the Fiscal Officer to the Building Replacement Reserve Fund.

Bond Fund

The Indenture establishes the Bond Fund. Moneys in the Bond Fund will be held in trust by the Trustee for the benefit of the Owners of the Bonds, will be disbursed for the

payment of the principal of, and interest and any premium on, the Bonds as provided below, and, pending such disbursement, will be subject to a lien in favor of the Owners of the Bonds.

On each Interest Payment Date, the Trustee will withdraw from the Bond Fund and pay to the Owners of the Bonds the principal and interest then due and payable on the Bonds, including any amounts due on the Bonds by reason of the mandatory sinking payments or an optional redemption of the Bonds. In the event that amounts in the Bond Fund are insufficient for such purpose, the Trustee will withdraw from the Reserve Fund to the extent of any funds or Permitted Investments therein, and then draw on the Reserve Fund Policy, to the extent amounts are available under the Reserve Fund Policy, amounts to cover the amount of such Bond Fund insufficiency. Amounts so withdrawn from the Reserve Fund or drawn under the Reserve Fund Policy will be deposited in the Bond Fund.

If, following the transfer from the Reserve Fund, there are insufficient funds in the Bond Fund to make the required payments, the Trustee will apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

Reserve Fund

In order to further secure the payment of principal of and interest on the Bonds, the Issuer will obtain the Reserve Fund Policy, which will allow for draws in an aggregate amount equal to the initial Reserve Requirement. The Reserve Fund Policy will be issued by Assured Guaranty Municipal Corp., and will be held by the Trustee for the benefit of the Reserve Fund.

“Reserve Requirement” is defined in the Indenture to mean, as of any date of calculation, an amount equal to the least of the following:

- (i) the then maximum Annual Debt Service on the Bonds,
- (ii) 125% of the then-average Annual Debt Service on the Bonds, or
- (iii) 10% of the initial principal amount of the Bonds.

As of the date of issuance of the Bonds, the Reserve Requirement is \$1,047,306.26.

The Indenture allows the Issuer to release any cash or Permitted Investments held in the Reserve Fund from the Reserve Fund, subject to certain conditions, and to use moneys in the Reserve Fund to pay any federal rebate liability due with respect to the Bonds. See “APPENDIX B—Summary of the Indenture” for a description of the timing, purpose and manner of disbursements from the Reserve Fund.

Limited Obligation

All obligations of the Issuer under the Indenture and the Bonds are special obligations of the Issuer, payable solely from the Trust Estate. See “THE ISSUER.”

No Acceleration

The principal of the Bonds are not subject to acceleration under the Indenture as a result of the occurrence of an Event of Default under the Indenture.

THE ISSUER

The following information relating to the Issuer is included only for the purpose of supplying general information regarding the Issuer. The Bonds are not payable from any of the Issuer's revenues or assets other than the Trust Estate.

The Issuer is a joint powers agency duly organized and existing under the laws of the State of California. The Issuer was initially formed pursuant to the terms of a Joint Exercise of Powers Agreement for Police Services, dated January 30, 1980 (the "Original JPA Agreement"), between the City of Larkspur and the Town of Corte Madera, and the Joint Exercise of Powers Act of the State (constituting Chapter 5, commencing with Section 6500, of Division 7 of Title 1 of the California Government Code), in order to establish a joint police department to serve the City of Larkspur and the Town of Corte Madera.

On January 1, 2013, the City of Larkspur, the Town of Corte Madera and the Town of San Anselmo entered into an Amended Joint Powers Agreement By And Among The City of Larkspur, The Town of Corte Madera and the Town of San Anselmo Creating The Central Marin Police Authority (the "Amended JPA Agreement"). The Amended JPA Agreement: (i) amended and restated the Original JPA Agreement, (ii) added the Town of San Anselmo as a full and voting member of the Issuer, (iii) changed the name of the Issuer from the Twin Cities Police Authority to the Central Marin Police Authority; (iv) changed the composition of the Police Council to include two members designated by San Anselmo to the two members designated by Larkspur and the two members designated by Corte Madera, (v) made changes to the management of the Issuer, (vi) set forth the ownership rights of the members of the Issuer to assets, liabilities and reserves of the Issuer, and (vii) made other amendments and modifications to the Original JPA Agreement as agreed to by the members of the Issuer. The Amended JPA Agreement explicitly recognizes that, prior to the effective date of the Amended JPA Agreement, the Issuer (when its only members were Larkspur and Corte Madera) formed the Community Facilities District and issued the 2009 Bonds, that repayment of the 2009 Bonds is to be made from the Special Tax Revenues and are not a separate obligation or liability of the Issuer, Larkspur or Corte Madera, and that San Anselmo has no liability or obligation whatsoever for the 2009 Bonds. The Amended JPA Agreement further provides that if any new bonds, such as the Bonds, are issued after January 1, 2013, Larkspur and Corte Madera may not withdraw as members of the Issuer until the new bonds have been paid or adequate provision has been made for their payment. Finally, in the Amended JPA Agreement, the two representatives of San Anselmo on the Police Council are to abstain from voting on any matters involving bonds of the Community Facilities District, and they did so abstain from voting on the Resolution authorizing the issuance of the Bonds.

The governing board of the Issuer under the Amended JPA Agreement, the Police Council, is comprised of two members that are Councilmembers of Larkspur appointed by the City Council of Larkspur, two members that are Councilmembers of Corte Madera appointed by the Town Council of Corte Madera and two members that are Councilmembers of the Town of San Anselmo. The Chair of the Issuer and the Vice-Chair of the Issuer are elected by the Police Council annually from among its members. The Police Council also appoints a Fiscal Officer and a Clerk for the Issuer. The current Chair of the Issuer is Tom McNerney, a Councilmember in San Anselmo, the current Fiscal Officer is Dan Schwarz, the City Manager of the City of Larkspur, and the current Clerk of the Issuer is Zaneta Feleo, the Secretary to the Chief of Police.

Overall management of the Issuer is the function of a Management Committee comprised of the City Managers of the City of Larkspur, Town of Corte Madera and the Town of San Anselmo. The Issuer has a current annual budget of \$10,900,000 million with fifty-eight employees (forty-five of which are sworn peace officers).

The Bonds are limited obligations of the Issuer and the principal thereof and interest thereon are payable solely from, and secured in accordance with their terms and the provisions of the Indenture solely by, the Trust Estate consisting of the Special Tax Revenues and the other amounts pledged therefor under the Indenture. None of the Issuer, any of the members of the Issuer, the State, or any political subdivision thereof (except the Issuer, to the limited extent set forth in the Indenture) will in any event be liable for the payment of the principal of or interest on the Bonds or for the performance of any pledge, obligation or agreement relating to the Bonds or the Community Facilities District of any kind whatsoever, and none of the Bonds or any of the Issuer's agreements or obligations will be construed to constitute an indebtedness of or a pledge of the faith and credit of or a loan of the credit of the Issuer, the members of the Issuer, the State or any political subdivision thereof (except the Issuer, to the limited extent set forth in the Indenture) within the meaning of any constitutional or statutory provision whatsoever.

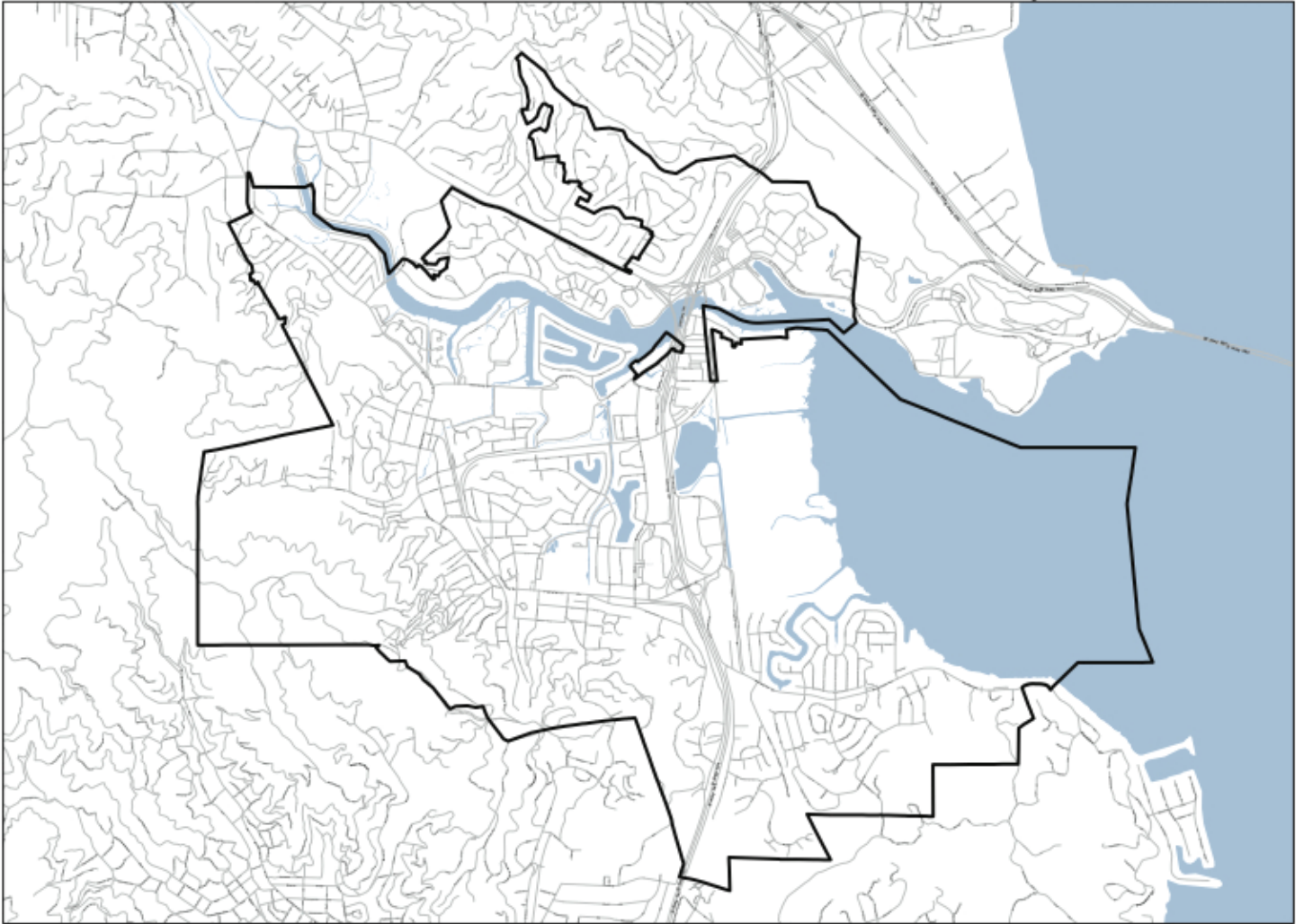
THE COMMUNITY FACILITIES DISTRICT

General

The Community Facilities District was formed by the Police Council of the Issuer in accordance with the Act. The Community Facilities District consists of the Taxable Property located within the City of Larkspur and the Town of Corte Madera. See the next page of this Official Statement for a copy of the boundary map for the Community Facilities District.



Twin Cities Police Authority
Community Facilities District



Community Facilities District Formation Proceedings

In 2008 and 2009, the Police Council took the following actions with respect to establishing the Community Facilities District and the issuance of the 2009 Bonds:

Resolutions of Intention: On June 16, 2008, the Police Council adopted Resolution No. 10/08 (the "Resolution of Intention") and Resolution No. 11/08, stating its intention to establish the Community Facilities District, to authorize the levy of a special tax therein and to issue bonds for the Community Facilities District in an amount not to exceed \$20 million.

Resolution of Formation: Immediately following a noticed public hearing, on August 6, 2008, the Police Council, acting as legislative body for the Community Facilities District, adopted Resolution No. 14/08 (the "Resolution of Formation"), which established the Community Facilities District, authorized the levy of a special tax within the Community Facilities District and established an initial appropriations limit for the Community Facilities District in the amount of \$2,100,000, all subject to voter approval.

Resolution of Necessity: On August 6, 2008, the Police Council, acting as legislative body for the Community Facilities District, adopted Resolution No. 15/08 declaring the necessity to incur bonded indebtedness in an aggregate amount not to exceed \$20 million within the Community Facilities District and submitting that proposition of incurring the indebtedness to the qualified electors of the Community Facilities District.

Resolution Calling Election: On August 6, 2008, the Police Council, acting as legislative body for the District, adopted Resolution No. 16/08 calling an election by the registered voters residing within the Community Facilities District, being the persons registered to vote within the City of Larkspur and the Town of Corte Madera, for November 4, 2008 on the issues of the levy of the Special Tax, the incurring of bonded indebtedness and the establishment of the appropriations limit.

Election and Declaration of Results: On November 4, 2008, an election was held within the Community Facilities District in which 69.32% of the 12,188 qualified electors within the Community Facilities District who cast votes in the election approved a ballot proposition authorizing the issuance of up to \$20 million in bonds to finance the acquisition, construction and equipping of the Project, the levy of a special tax and the establishment of the appropriations limit for the Community Facilities District. On December 11, 2008, the Police Council, acting as legislative body for the District, adopted Resolution No. 20/08 under which the Police Council approved the canvass of the votes and declared the Community Facilities District to be fully formed with the authority to levy the Special Taxes, to incur the bonded indebtedness and to have the established appropriations limit, all with respect to the Community Facilities District.

Special Tax Lien: A Notice of Special Tax Lien was recorded in the real property records of the County of Marin on December 23, 2008 as document number 2008-0056006.

Ordinance Levying Special Taxes: On February 12, 2009, the Police Council, acting as legislative body for the Community Facilities District, introduced Ordinance No. 09-01 levying the Special Tax within the Community Facilities District beginning with the 2009-10 Fiscal Year (the "Ordinance"), which Ordinance was adopted by the Police Council on February 19, 2009.

Resolution Authorizing Issuance of the 2009 Bonds: On February 12, 2009, the Police Council, acting as legislative body for the Community Facilities District, adopted Resolution No. 01/09 approving issuance of the 2009 Bonds for and on behalf of the Community Facilities District.

Issuance of the 2009 Bonds: On March 19, 2009, the Authority, then known as the Twin Cities Police Authority, issued the 2009 Bonds in the initial principal amount of \$20,000,000 pursuant to the 2009 Indenture.

In addition to the improvements and equipment that were authorized to be financed with Bond proceeds and proceeds of the Special Tax described under the heading "THE COMMUNITY FACILITIES DISTRICT—Facilities Financed With Proceeds of the Bonds," the Community Facilities District is also empowered to finance certain services with proceeds of the Special Tax. See "SECURITY FOR THE BONDS—Rate and Method."

Facilities Financed With Proceeds of the 2009 Bonds

The net proceeds of the 2009 Bonds were used to finance costs of the facilities and equipment that the Community Facilities District was authorized to finance (referred to herein as the "Facilities"), which include:

- Costs of the acquisition, construction and equipping of an energy efficient, earthquake safe, police/emergency operations center expected to consist of a two-story building of approximately 16,500 gross square feet; including demolition of existing corporation yard improvements, construction of a foundation system and related excavation and replacement of fill, on-site power generation through photovoltaic roof panels, on-site storm water filtration, parking improvements (including visitor, non-secure police and secure police parking with small garages), patio areas, widening and realignment of entry drive, sidewalk and roadway improvements, demolition of existing parking areas, installation of retaining walls, and other related appurtenances, as well as the establishment and funding of building replacement reserves.
- Acquisition of mobile technology, 911 GPS mapping equipment and other related emergency communications systems, and acquisition of automatic external defibrillators.
- Acquisition of furniture, fixtures and equipment for the building described above.

The police/emergency operations center was completed and became fully operational on January 20, 2012. The Facilities financed with proceeds of the 2009 Bonds are not security for the Bonds. See "SECURITY FOR THE BONDS—General."

Property Values and Value to Burden Ratio

Assessed Value of Parcels in the Community Facilities District. The Issuer has obtained the "full cash" assessed values of all of the taxable property in the Community Facilities District, as established by the County Assessor. The following table sets forth the assessed values in the Community Facilities District for the last six fiscal years:

Table 6
Assessed Values⁽¹⁾

Town of Corte Madera			
Fiscal Year	Secured	Unsecured	Total
2009-10	\$2,252,837,562	\$122,446,799	\$2,375,284,361
2010-11	2,222,007,960	124,198,753	2,346,206,713
2011-12	2,248,057,610	121,961,541	2,370,019,151
2012-13	2,259,571,289	126,228,014	2,385,799,303
2013-14	2,358,017,582	124,989,156	2,483,006,738
2014-15	2,535,978,713	128,146,742	2,664,125,455

City of Larkspur			
Fiscal Year	Secured	Unsecured	Total
2009-10	\$2,720,829,908	\$87,285,771	\$2,808,115,679
2010-11	2,666,136,312	86,491,505	2,752,627,817
2011-12	2,714,523,786	81,882,050	2,796,405,836
2012-13	2,794,847,377	82,985,364	2,877,832,741
2013-14	2,931,772,286	80,673,779	3,012,446,065
2014-15	3,137,565,203	84,026,270	3,221,591,473

Community Facilities District No. 2008-1 ⁽²⁾			
Fiscal Year	Secured	Unsecured	Total
2009-10	\$4,973,667,470	\$209,732,570	\$5,183,400,040
2010-11	4,888,144,272	210,690,258	5,098,834,530
2011-12	4,962,581,396	203,843,591	5,166,424,987
2012-13	5,054,418,666	209,213,378	5,263,632,044
2013-14	5,289,789,868	205,662,935	5,495,452,803
2014-15	5,673,543,916	212,173,012	5,885,716,928

(1) Excludes public utility values and net of homeowners exemption.

(2) Includes Assessed Values from Corte Madera and Larkspur.

Source: County of Marin Auditor's Office, as compiled by Wulff, Hansen & Co.

Note that not all of the property in Corte Madera and Larkspur constitute Taxable Property subject to the levy of the Special Taxes. Based on a direct and overlapping debt analysis obtained from California Municipal Statistics (see "THE COMMUNITY FACILITIES DISTRICT—Direct and Overlapping Governmental Obligations"), of the total assessed value in the two Cities for Fiscal Year 2014-15 (\$5,885,716,928), \$5,706,151,126 represents the assessed value of the Taxable Property in the Community Facilities District.

Article XIII A 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 bill 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 which remain in the same ownership, the County tax roll does not reflect values uniformly proportional to actual market values. No assurance can be given that should a parcel with delinquent Special Tax installments be foreclosed and sold for the amount of the delinquency, that any bid will be received for such property, or if a bid is received that such bid will be sufficient to pay such delinquent installments.

Aggregate Value-to-Lien Ratios. The aggregate value-to-lien ratio of all property in the Community Facilities District against which Special Taxes for the Community Facilities District are levied is approximately 331:1, based on the following:

- fiscal year 2014-15 assessed values of Taxable Property in the Community Facilities District (\$5,706,151,126), and
- the initial principal amount of the Bonds (\$17,255,000).

However, as described under the heading “THE COMMUNITY FACILITIES DISTRICT—Direct and Overlapping Governmental Obligations” below, there are other governmental liens on the properties in the Community Facilities District secured by statutory liens on a parity with the lien securing the payment of the Special Taxes. When all such overlapping indebtedness identified in Table 8 below is taken into account, the current aggregate value-to-lien ratio of all of the property in the Community Facilities District is approximately 46.99:1.

Value-to-Lien Ratios for Individual Parcels. The Special Tax Consultant has advised that the aggregate Special Tax levy for Fiscal Year 2014-15 on the Taxable Property in the Community Facilities District was \$1,605,037.96, and 68.33% of such levy (\$1,096,758.00) was on 7,002 parcels with residential units and 30.10% of such levy (\$483,100.96) was on 238 parcels with nonresidential buildings. In addition to the foregoing parcels of Taxable Property in the Community Facilities District, in Fiscal Year 2014-15 there were 593 parcels that were exempt from the Special Tax levy. See “SECURITY FOR THE BONDS – Rate and Method.”

The Special Tax Consultant has reviewed the records of the County Assessor and, based on such records, it has been determined that only 3 of the 7,002 parcels in the Community Facilities District that have residential units have a Fiscal Year 2014-15 assessed value that is less than \$28,000. Based on the assumption that each residential parcel has only one unit on which the Special Tax levy would be apportioned, so that the annual Special Tax would be \$109 (see Table 3 under the heading “SECURITY FOR THE BONDS – Rate and Method – Maximum Special Tax Rates”) on each such parcel (parcels with more than one residential unit would be allocated \$109 of Special Taxes each year for each residential unit), each residential parcel would be apportioned approximately 0.00678% of the annual Special Tax levy in the Community Facilities District, which percentage, when applied to the \$17,255,000 initial aggregate principal amount of the Bonds, indicates that, initially, each parcel with one residential unit will have an estimated share of the principal of the Bonds of approximately \$1,170.61. Given the foregoing, all but 2 of the parcels with residential units in the Community Facilities District may be expected to have an initial value to bond lien ratio in excess of 20:1 (assuming each such parcel has only one residential unit). The aggregate maximum annual Special Tax levy on the 2 parcels with an estimated value to bond lien ratio of less than 20:1 at \$109 per parcel is \$218.00.

With respect to parcels with nonresidential buildings, the Special Tax Consultant, based on County Assessor’s records, estimates that there were 238 of such parcels that were subject to the levy of Special Taxes in fiscal year 2014-15, and those parcels were apportioned \$483,100.96 of the 2014-2015 Special Tax levy. Under the Rate and Method, each such parcel was taxed for Fiscal Year 2014-15 at a rate of \$0.117033 per square feet of building on the respective parcel, but not less than \$109.00 per parcel, with such annual maximum Special Taxes for nonresidential parcels to increase each year by two percent of the amount in effect in the previous fiscal year. See Table 3 under the heading “SECURITY FOR THE BONDS—Rate and Method—Maximum Special Tax Rates.”

Set forth below is a table that lists the ten nonresidential parcels of Taxable Property in the Community Facilities District that were apportioned the greatest amount of the Special Tax levy in fiscal year 2014-2015, their assessed value based on the County Assessor's records for the 2014-15 County assessed tax roll, their respective Special Tax levy for fiscal year 2014-15, and, based on the percentage of the total 2014-15 Special Tax levy for such parcel, their estimated share of the principal of the Bonds and their estimated value to bond lien ratio.

Table 7
Value to Bond Lien Ratio for Top Ten
Nonresidential Parcels

County Assessor's Parcel No.	Land Use	2014-15 Assessed Value ⁽¹⁾	2014-15 Special Tax Levy	Percentage of 2014-15 Special Tax Levy ⁽²⁾	Approximate Share of Bonds	Value-to-Lien Ratio
024-032-30	Commercial	\$132,997,278	\$54,100.28	3.37%	\$581,014.53	228.91:1
024-163-08	Commercial	45,948,729	25,574.06	1.59	274,654.78	167.30:1
018-191-01	Commercial	68,281,200	21,065.86	1.31	226,238.58	301.81:1
022-050-17	Commercial	60,990,000	15,561.70	0.97	167,126.19	364.93:1
026-251-01	Industrial	2,610,729	14,043.90	0.87	150,825.65	17.31:1
024-032-22	Commercial	14,728,896	12,864.22	0.80	138,156.38	106.61:1
024-032-29	Commercial	35,009,501	12,864.22	0.80	138,156.38	253.40:1
018-191-37	Commercial	18,494,308	9,830.74	0.61	105,578.06	175.17:1
018-172-21	Commercial	28,415,660	9,584.26	0.60	102,930.97	276.07:1
018-191-27	Commercial	26,885,586	9,551.02	0.59	102,573.99	262.11:1

(1) Includes land and improvements value as of January 1, 2014.

(2) Does not include Very Low-Income Exemptions.

Source: County of Marin Assessor's Office and NBS Government Finance Group.

Of the 238 parcels in the Community Facilities District with nonresidential buildings, the Special Tax Consultant has estimated that 4 of such parcels have a value to bond lien ratio of less than 20:1 but in excess of 10:1 (based upon their allocation of the 2014-2015 Special Tax levy, and their 2014-2015 County assessed values), and none of the parcels with nonresidential buildings have a value to bond lien ratio of less than 10:1.

When reviewing the foregoing information regarding value-to-lien ratios for parcels in the Community Facilities District, it should be noted that (i) parcels in the Community Facilities District are subject to various other governmental liens that are secured by liens on the parcels that are on a parity with the lien securing the payment of the Special Taxes (see "THE COMMUNITY FACILITIES DISTRICT—Direct and Overlapping Governmental Obligations"); (ii) residential parcels will be apportioned \$109 per dwelling unit on each such parcel, so some residential parcels may have an annual Special Tax levy in excess of \$109; (iii) the relative percentage of the annual Special Tax allocable to nonresidential parcels will vary from fiscal year to fiscal year based upon the buildings on such parcels (increased for newly-constructed buildings), and will otherwise increase based on the annual increase of 2% for the base Special Tax rate applicable to such parcels; and (iv) certain parcels in the Community Facilities District will be exempt from the annual Special Tax levy (see "SECURITY FOR THE BONDS—Rate and Method" and "APPENDIX A—Rate and Method of Apportionment of Special Tax"). *In light of the foregoing, all of the value-to-lien information expressed above with respect to individual parcels in the Community Facilities District is only an approximation of the actual value-to-lien ratios for parcels in the Community Facilities District. See also "BONDOWNER'S RISKS" for various factors that could also adversely affect the value of the individual parcels in the Community Facilities District.*

Direct and Overlapping Governmental Obligations

Set forth below is a statement of direct and overlapping public debt (the "Debt Report") prepared by California Municipal Statistics, Inc. dated April 28, 2015. The Debt Report includes only such information as has been reported to California Municipal Statistics, Inc. by the issuers of the debt described therein and by others. The Debt Report is included for general informational purposes only. The Issuer makes no representation as to its completeness or accuracy.

The first column in the table names the public agencies which have outstanding debt as of the date of the report and whose territories overlap. The second column shows assessed valuation as a percentage of the total assessed value of each overlapping agency identified in column 1. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in column 3, which is the apportionment of each overlapping agency's outstanding debt on property.

Table 8
Direct and Overlapping Indebtedness

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 5/1/15</u>
Marin Community College District General Obligation Bonds	9.150%	\$ 19,994,648
San Rafael High School District General Obligation Bonds	2.884	1,228,483
Tamalpais Union High School District General Obligation Bonds	14.483	19,205,476
Kentfield School District General Obligation Bonds	29.990	4,595,935
Larkspur-Corte Madera School District General Obligation Bonds	94.694	54,858,207
Mill Valley School District General Obligation Bonds	0.010	6,355
Reed Union School District General Obligation Bonds	4.290	1,458,899
San Rafael School District General Obligation Bonds	4.152	2,089,241
City of Larkspur Community Facilities District No. 2003-1	100.	710,000
Twin Cities Police Authority Community Facilities District No. 2008-1	100.	17,255,000 (1)
City of Corte Madera Shoreline Parking Facility Assessment District	100.	730,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$122,132,244
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Marin County General Fund Obligations	9.190%	\$ 6,332,321
Marin County Pension Obligation Bonds	9.190	9,483,287
Marin County Transit District General Fund Obligations	9.190	13,842
Marin Community College District General Fund Obligations	9.150	244,851
San Rafael School District Certificates of Participation	4.152	151,530
Town of Corte Madera General Fund Obligations	95.138	8,958,890
City of Larkspur General Fund Obligations	97.803	2,967,743
Marin Municipal Water District General Fund Obligations	11.781	14,437
Twin Cities Police Authority General Fund Obligations	100.	482,517 (2)
TOTAL OVERLAPPING GENERAL FUND DEBT		\$28,649,418
 COMBINED TOTAL DEBT		 \$150,781,662 (3)

Ratios to 2014-15 Assessed Valuation:

Direct Debt (\$17,255,000)	0.30% (4)
Total Direct and Overlapping Tax and Assessment Debt	2.14% (4)
Combined Total Debt	2.64% (4)

(1) Represents the Bonds.

(2) Share of Public Safety's Emergency Radio System Lease Revenue Bonds.

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics Inc.

It should be noted that County ad valorem levies, as well as the levies set forth in the foregoing table, are secured by a statutory lien on the parcels that is on a parity with the lien securing the payment of the Special Taxes.

The Issuer has no control over the amount of indebtedness that could be issued by other public agencies in the future, and the liens on the taxable parcels within the Community Facilities District could greatly increase without any corresponding increase in the value of the parcel and thereby severely reduce the ratio between the value of the property and the debt secured by all taxes and assessments thereon which exists at the time the Bonds are issued. The imposition of additional indebtedness could reduce the willingness and the ability of the owners of the taxable parcel within the Community Facilities District to pay the Special Taxes when due.

BONDOWNERS' 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, in no particular order of importance.

Limited Obligation of the Issuer to Pay Debt Service

The Issuer has no obligation to pay principal of and interest on the Bonds if Special Tax collections are delinquent, other than from amounts, if any, on deposit in the Reserve Fund or funds derived from the tax sale or foreclosure and sale of parcels for Special Tax delinquencies. The Issuer is not obligated to advance its own funds to pay debt service on the Bonds. See "THE ISSUER."

Levy and Collection of the Special Tax

The principal source of payment of principal of and interest on the Bonds is the proceeds of the annual levy and collection of the Special Tax against the Taxable Property in the Community Facilities District. The annual levy of the Special Tax is subject to the Maximum Special Tax authorized in the Rate and Method. The levy 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 Special Tax, together with other available funds, will not be sufficient to pay debt service on the Bonds.

Because the Special Tax formula set forth in the Rate and Method is not based on property value, the levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of particular parcels of Taxable Property and the amount of the levy of the Special Tax against those parcels. Thus, there will rarely, if ever, be a uniform relationship between the value of the parcels of Taxable Property and their proportionate share of debt service on the Bonds, and certainly not a direct relationship.

Except as set forth above under "SECURITY FOR THE BONDS—Special Taxes" and "SECURITY FOR THE BONDS—Rate and Method," the Indenture provides that the Special Tax is 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 "SECURITY FOR THE BONDS—Covenant to Foreclose" and in the Act, 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 ad valorem 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 owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the Issuer of the proceeds of sale if the Reserve Fund is depleted. See "SECURITY FOR THE BONDS—Covenant to Foreclose."

Payment of Special Tax is not a Personal Obligation of Property Owners

An owner of Taxable Property is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation only against the parcels of Taxable Property. If, after a default in the payment of the Special Tax and a foreclosure sale by the Issuer, the resulting proceeds are insufficient, taking into account other obligations also constituting a lien against the parcels of Taxable Property, the Community Facilities District has no recourse against the owner.

Property Values

The value of Taxable Property within the Community Facilities District is a critical factor in determining the investment quality of the Bonds. If a property owner defaults in the payment of the Special Tax, the Issuer's only remedy is to foreclose on the delinquent property in an attempt to obtain funds with which to pay the delinquent Special Tax. Property values could be adversely affected by economic and other factors beyond the Issuer's control, such as a general economic downturn, relocation of employers out of the area, shortages of water, electricity, natural gas or other utilities, destruction of property caused by earthquake, flood or other natural disasters, environmental pollution or contamination, or unfavorable economic conditions.

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

Natural Disasters. The value of the Taxable Property in the future can be adversely affected by a variety of natural occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on the Taxable Property and the continued habitability and enjoyment of such private improvements.

Natural disasters could include, without limitation, earthquakes, landslides, floods, droughts or wildfires. 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 Special Taxes, and the value of the Taxable Property may well depreciate or disappear.

Hazardous Substances. One of the most serious risks in terms of the potential reduction in the value of Taxable Property is a claim with regard to a hazardous substance. In general, the owners and operators of Taxable 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 Taxable Property 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.

Other Possible Claims Upon the Value of Taxable Property

While the Special Taxes are secured by the Taxable Property, the security only extends to the value of such Taxable Property that is not subject to senior, priority and parity liens and similar claims. The section entitled “THE COMMUNITY FACILITIES DISTRICT—Direct and Overlapping Governmental Obligations” discusses certain overlapping assessments.

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 parcels of Taxable Property and may be secured by a lien on a parity with the lien of the Special Tax securing the Bonds.

In general, the Special Tax 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. In the event of proceedings to foreclose for delinquency of Special Taxes securing the Bonds, the Special Tax would usually be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes would 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 Special Taxes will generally have priority over non-governmental liens on a parcel of Taxable Property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. See “- Bankruptcy and Foreclosure Delays” below.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Rate and Method and the Act, which provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property within the Community Facilities District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. See “SECURITY FOR THE BONDS—Rate and Method.” In addition, although the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Act have not been tested, meaning that such property could become exempt from the Special Tax. See also “SECURITY FOR THE BONDS—Covenant to Foreclose.”

The Act further provides that no other properties or entities are exempt from the Special Tax unless the properties or entities are expressly exempted in a resolution of consideration to levy a new special tax or to alter the rate or method of apportionment of an existing special tax.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement. See “SECURITY FOR THE BONDS—Reserve Fund.” Funds in the Reserve Fund and draws on the Reserve Fund Policy may be used to pay principal of and interest on the Bonds if

insufficient funds are available from the proceeds of the levy and collection of the Special Tax against property within the Community Facilities District. If funds in the Reserve Fund for the Bonds are depleted and the amount available to be drawn on the Reserve Fund Policy has been fully drawn, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid to the Bond holders pursuant to the Indenture. However, no replenishment from the proceeds of a Special Tax levy can occur as long as the proceeds that are collected from the levy of the Special Tax against property within the Community Facilities District at the maximum Special Tax rates, together with other available funds, remains insufficient to pay all such amounts. Thus it is possible that the Reserve Fund will be depleted and not be replenished by the levy of the Special Tax.

Bankruptcy Delays

The payment of the Special Tax and the ability of the Issuer to foreclose the lien of a delinquent unpaid tax, as discussed in "SECURITY FOR THE BONDS," may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State of California 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 Special Taxes to become extinguished, bankruptcy of a property owner or any other person claiming an interest in Taxable Property, could result in a delay in superior court foreclosure proceedings and could result in the possibility of Special Tax 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 Bonds.

Proceeds of Foreclosure Sales

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax, the Police Council, as the legislative body of the Community Facilities District, may order that the Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. The Issuer has covenanted in the Fiscal Agent Agreement that it will, under certain circumstances, commence such a foreclosure action. See "SECURITY FOR THE BONDS – Covenant to Foreclosure."

No assurances can be given that a taxable parcel in the Community Facilities District that would be subject to a judicial foreclosure sale for delinquent Special Taxes will be sold or, if sold, that the proceeds of such sale will be sufficient to pay the delinquent Special Tax installment. Although the Act authorizes the Issuer to cause such an action to be commenced and diligently pursued to completion, the Act does not specify any obligation of the Issuer with regard to purchasing or otherwise acquiring any lot or parcel of property sold at the foreclosure sale in any such action if there is no other purchaser at such sale and the Issuer has not in any way agreed nor does it expect to be such a bidder.

In a foreclosure proceeding, a judgment debtor (i.e., the property owner) has 140 days from the date of service of the notice of levy in which to redeem the property to be sold and may have other redemption rights afforded by law. If a judgment debtor fails to so redeem and the property is sold, his only remedy is an action to set aside the sale, which must be brought

within 90 days of the date of sale if the purchaser at the sale was the judgment creditor. If a foreclosure sale is thereby set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made.

If foreclosure proceedings were ever instituted, any holder of a mortgage or deed of trust on the affected property could, but would not be required to, advance the amount of tie delinquent Special Tax installment to protect its security interest.

In the event such superior court foreclosure or foreclosures are necessary, there could be a delay in principal and interest payments to the owners of the Bonds pending prosecution of the foreclosure proceedings and receipt by the Community Facilities District of the proceeds of the foreclosure sale, if any. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions and other factors beyond the control of the Issuer, including delay due to crowded local court calendars or legal tactics and, in any event could take several years to complete. In particular, bankruptcy proceedings involving an owner of a taxable parcel in the Community Facilities District could cause a delay, reduction or elimination in the flow of Special Tax Revenues to the Community Facilities District. See "SPECIAL RISK FACTORS – Bankruptcy Delays."

Disclosure to Future Purchasers

The Issuer has recorded a notice of the Special Tax lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land or a home in the Community Facilities District or the lending of money secured by property in the Community Facilities District. The Act requires the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Property Interests of Government Agencies; Federal Deposit Insurance Corporation

The Issuer's ability to collect interest and penalties specified by State law and to foreclose the lien of a delinquent Special Tax payment may be limited in certain respects with regard to properties in which the Internal Revenue Service, the Drug Enforcement Agency, the Federal Deposit Insurance Corporation (the "FDIC") or other similar federal agencies has or obtains an interest.

General. The supremacy clause of the United States Constitution reads as follows: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding." The foregoing is generally interpreted to mean that, unless the United States Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the Community Facilities District but does not pay taxes and assessments levied on the parcel

(including the Special Taxes), the applicable State and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments. Moreover, unless the United States Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, 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 Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson* 597 F.2d 174 (9th Cir. 1979), the United States Court of Appeal, Ninth Circuit (the "Ninth Circuit"), held that FNMA is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The Issuer has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. In the event that any financial institution making any loan which is secured by real property within the Community Facilities District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the Issuer to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that real property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its proper tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Law and a special tax formula which determines the special tax due each year, are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC's federal immunity. The Ninth Circuit issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes levied pursuant to the Act.

The Issuer is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to a parcel in which the FDIC has an interest, although prohibiting the lien of the FDIC to be foreclosed on at a judicial foreclosure sale would

likely reduce the number of or eliminate the persons willing to purchase such a parcel at a foreclosure sale. Owners of the Bonds should assume that the Issuer will be unable to foreclose on any parcel owned by the FDIC. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, a default in payment of the Bonds. The Issuer has not undertaken to determine whether the FDIC currently has, or is likely to acquire, any interest in any of the parcels, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

No Acceleration Provision

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture. Under the Indenture, a Bond holder is given the right for the equal benefit and protection of all Bond holders similarly situated to pursue certain remedies, subject to the compliance with certain requirements. See "APPENDIX B—Summary of the Indenture." So long as the Bonds are in book-entry form, DTC will be the sole Bondholder and will be entitled to exercise all rights and remedies of Bond holders.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS—Tax Matters," interest on the Bonds might 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 Issuer in violation of its covenants in the Indenture. The Indenture does not contain a special redemption feature triggered by the occurrence of an event of taxability. As a result, if interest on the Bonds were to be includable in gross income for purposes of federal income taxation, the Bonds would continue to remain outstanding until maturity unless earlier redeemed pursuant to optional or mandatory redemption provisions of the Indenture. See "THE BONDS—Redemption."

In addition, as discussed under the caption "LEGAL MATTERS—Tax Matters," Congress is or may be considering in the future legislative proposals, including some that carry retroactive effective dates, that, if enacted, would alter or eliminate the exclusion from gross income for federal income tax purposes of interest on municipal bonds, such as the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. The Issuer can provide no assurance that federal tax law will not change while the Bonds are outstanding or that any such changes will not adversely affect the exclusion of interest on the Bonds from gross income for federal income tax purposes. If the exclusion of interest on the Bonds from gross income for federal income tax purposes were amended or eliminated, it is likely that the market price for the Bonds would be adversely impacted.

Voter Initiatives

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, the most recent of which was approved as Proposition 218 in the general election held on November 5, 1996.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the Issuer. 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.

Proposition 218 (Voter Approval for Local Government Taxes-Limitation on Fees, Assessments, and Charges—Initiative Constitutional Amendment) added Articles XIIC and XIID 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.

The Special Taxes and the Bonds were each authorized by not less than a two-thirds vote of the landowner within the Community Facilities District which constituted the qualified electors at the time of such voted authorization. The Issuer believes, therefore, that issuance of the Bonds does not require the conduct of further proceedings under the Act or Proposition 218.

Like its antecedents, Proposition 218 is likely to undergo both judicial and legislative scrutiny before its impact on the Issuer, the Community Facilities District and the Bonds can be determined. Certain provisions of Proposition 218 may be examined by the courts for their constitutionality under both State and federal constitutional law, the outcome of which cannot be predicted.

Limitations on Remedies

Remedies available to the owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights' to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and the limitations on legal remedies against governmental entities such as the Issuer and the Community Facilities District in the State of California. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners of the Bonds.

Secondary Market; Potential Reductions in Bond Values

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.

Although the Issuer has committed to provide certain financial and operating information on an annual basis, there can be no assurance that such information will be available to Bond Owners on a timely basis. See "CONTINUING DISCLOSURE." The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market

conditions, lack of current information, or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue Service 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 Internal Revenue Service. 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).

CONTINUING DISCLOSURE

The Issuer, for and on behalf of the Community Facilities District, will covenant in a continuing disclosure certificate, the form of which is set forth in “APPENDIX D—Form of Continuing Disclosure Certificate” (the “Continuing Disclosure Certificate”), for the benefit of holders and beneficial owners of the Bonds, to provide certain financial information and operating data relating to the Community Facilities District and the Bonds (the “Issuer Annual Report”) by not later than nine months after the end of the Issuer’s Fiscal Year (which would correspond to a distribution date of not later than April 1 based on the Issuer’s current fiscal year ending of June 30). The Continuing Disclosure Certificate also requires the Issuer to provide notices of the occurrence of certain enumerated events, if material.

The covenants of the Issuer in the Continuing Disclosure Certificate are being made in order to assist the Purchaser in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

A default under the Continuing Disclosure Certificate would not constitute an Event of Default under the Indenture, and the sole remedy under the Continuing Disclosure Certificate in the event of any failure of the Issuer or the Dissemination Agent to comply with the requirements of the Continuing Disclosure Certificate would be an action to compel specific performance. NBS Government Finance Group will act as the initial dissemination agent for the Issuer under the Continuing Disclosure Certificate.

Except for (a) a failure to file a material event notice with respect to a redemption of a portion of the 2009 Bonds on February 1, 2013, (b) a failure to file its audited financial statements for the fiscal years ending June 30, 2009 and June 30, 2010, and (c) a failure to timely file its audited financial statements for the fiscal year ending June 30, 2014 (due to be filed by March 31, 2015 but filed on April 30, 2015), the Issuer has not failed to comply in all material respects in the last five years with its obligations under the Rule.* The Issuer has subsequently made remedial filings of such event notice and financial statements.

* It should be noted that the Issuer’s audited financial statements for its fiscal year ending June 30, 2012 were filed as an appendix to its continuing disclosure report for fiscal year 2011-2012 on February 2, 2013, and were not filed separately with the Electronic Municipal Market Access (“EMMA”) under the “Audited Financial Statements or CAFR” section on the EMMA web site.

LEGAL MATTERS

Legal Opinions

The legal opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, approving the validity of the Bonds will be made available to purchasers at the time of original delivery and is attached as APPENDIX E. See "PROFESSIONAL FEES" below.

Bertrand, Fox & Elliot will also pass upon certain legal matters for the Issuer as General Counsel to the Issuer.

Tax Matters

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Issuer has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Issuer's compliance with the above-referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Issuer with respect to certain material facts within the Issuer's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the 2014 Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Issuer comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the

Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Issuer as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W 9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

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

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon issuance of the Bonds is set forth in Appendix E.

Absence of Material Litigation

To the best knowledge of the Issuer, there is no controversy of any nature now pending or threatened against the Issuer which seeks to restrain or enjoin the sale or issuance of the Bonds or which in any way contests or affects the validity of the Bonds or any proceedings of the Issuer taken with respect to the issuance or sale thereof, or the pledge or application of any moneys or security provided for the payment of the Bonds, the use of the Bonds proceeds or the existence or powers of the Issuer relating to the issuance of the Bonds.

VERIFICATION

Grant Thornton LLP has verified from the information provided to them the mathematical accuracy as of the date of the closing of the Bonds of the computations contained in the provided schedules to determine that the anticipated receipts from the cash deposit and federal securities listed in the Financial Advisor's schedules to be held in the Refunding Fund, will be sufficient to pay, when due, the principal, interest and the redemption price of the 2009 Bonds as described under "PLAN OF REFUNDING." Grant Thornton LLP expresses no opinion on the assumptions provided to them, nor as to the exemption from taxation of the interest on the Bonds.

RATING

Standard & Poor's Credit Ratings Services, A Division of The McGraw-Hill Companies, Inc. ("S&P"), has assigned a rating of "AA" to the Bonds. Such rating reflects only the views of such organization and an explanation of the significance of such rating may be obtained from it as follows: S&P, 55 Water Street, New York, NY 10041, (212) 438-2124. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if in the judgment of S&P, circumstances so warrant. The Issuer is not in any way obligated to maintain any rating on the Bonds. Any downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

The Issuer has retained Wulff, Hansen & Co., San Francisco, California, as Financial Advisor in connection with the structuring and issuance of the Bonds.

UNDERWRITING

The Bonds will be purchased by Raymond James & Associates, Inc. (the "Purchaser"), at an aggregate purchase price of \$17,728,607.55 (being the principal amount of the Bonds of \$17,255,000.00, plus a net original issue premium of \$706,416.30, and less purchaser's discount of \$232,808.75). The initial public offering prices stated on the inside cover page of this Official Statement may be changed from time to time by the Purchaser. The Purchaser may offer and sell the Bonds to certain dealers (including dealers depositing Bonds into investment trusts), dealer banks, banks acting as agent and others at prices lower than said public offering prices.

PROFESSIONAL FEES

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

- Quint & Thimmig LLP, as Bond Counsel and as Disclosure Counsel;
- MUFG Union Bank, N.A., as Trustee for the Bonds; and
- Wulff, Hansen & Co., as Financial Advisor to the Issuer with respect to the Bonds.

MISCELLANEOUS

Included herein are brief summaries of certain documents and reports, which summaries do not purport to be complete or definitive, and reference is made to such documents and reports for full and complete statements of the contents thereof. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Issuer or the Community Facilities District and the purchasers or Owners of any of the Bonds.

EXECUTION

This Official Statement has been duly authorized by the Police Council of the Issuer, acting as legislative body for the Community Facilities District.

CENTRAL MARIN POLICE AUTHORITY,
for and on behalf of TWIN CITIES POLICE
AUTHORITY COMMUNITY FACILITIES
DISTRICT NO. 2008-1 (PUBLIC SAFETY,
POLICE AND EMERGENCY RESPONSE
FACILITIES AND SERVICES)

By: /s/ Dan Schwarz
Fiscal Officer

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APPENDIX A

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

A Special Tax applicable to each Parcel of Taxable Property in the Central Marin Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) [herein "CFD No. 2008-1"] shall be levied and collected according to the tax liability determined by the Issuer, through the application of the appropriate amount or rate, as described below. All of the property in CFD No. 2008-1, unless exempted by law or by the provisions of Section F, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Act" means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 (commencing with Section 53311), Division 2 of Title 5 of the California Government Code.

"Administrative Expenses" means any or all of the following: the fees and expenses of any fiscal agent or trustee (including any fees or expenses of its counsel) employed in connection with any Bonds, the expenses of the Issuer in carrying out its duties with respect to CFD No. 2008-1 and the Bonds, including, but not limited to, the levying and collection of the Special Tax, the fees and expenses of legal counsel, charges levied by the County Auditor's Office, Tax Collector's Office, and Treasurer's Office, costs related to property owner inquiries regarding the Special Tax, amounts needed to pay rebate to the federal government with respect to the Bonds, costs associated with complying with continuing disclosure requirements with respect to the Bonds and the Special Tax, and all other costs and expenses of the Issuer, or either of its members, in any way related to the establishment or administration of CFD No. 2008-1.

"Administrator" means the person or firm designated by the Issuer to administer the Special Tax according to this RMA.

"Assessor's Parcel" or **"Parcel"** means a lot or parcel shown on an Assessor's Parcel Map with an assigned Assessor's Parcel Number.

"Assessor's Parcel Map" means an official map of the County Assessor designating parcels by Assessor's Parcel Number.

"Assessor's Parcel Number" or **"APN"** means that number assigned by the County Assessor for purposes of identifying a Parcel on an Assessor's Parcel Map.

"Assisted Living/Skilled Nursing Facility Property" means those Parcels that were identified in Fiscal Year 2007-08 by Assessor's Parcel Numbers 026-071-68 and 022-080-06.

"Bonds" means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by the Issuer for CFD No. 2008-1 under the Act.

"CFD No. 2008-1" or **"CFD"** means the Central Marin Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services).

"County" means the County of Marin, California.

“Exempt Property” means: (i) Public Property, except as otherwise authorized by Sections 53317.3 and 53317.5 of the Act; (ii) Parcels that are owned by a public utility, private utility, or railroad that are not otherwise defined as Taxable Property; (iii) Parcels that are subject to an easement or other instrument that makes the development of such property impractical; (iv) Underwater Property; (v) Homeowners Association Property; (vi) Non-Profit Entity Property; and (vii) Very Low-Income Property.

“Fiscal Year” means the period starting July 1 and ending on the following June 30.

“Homeowner Exemption” means a property tax exemption that is (i) permitted by the State of California to be taken against an individual’s primary residence and (ii) reflected on the County Assessor’s secured tax roll.

“Homeowners Association Property” means, in any Fiscal Year, all Parcels within the CFD that are owned by a homeowners or property owners association based on the Parcel’s owner of record in the County Assessor’s database, as determined by the Administrator.

“Maximum Special Tax” means the maximum Special Tax, determined in accordance with Sections C and D, which can be levied in any Fiscal Year.

“Mobile Home Property” means the Parcels identified by APNs 023-110-09 and 021-261-09 in Fiscal Year 2008-09 and all other Parcels within the CFD on which the Administrator determines that one or more mobile homes, and no other Residential Property or Non-Residential Property, are located.

“Non-Profit Entity Property” means, in any Fiscal Year, all Parcels within CFD No. 2008-1 with a Use Code of 60 or 61 (or any such successor code that may replace these codes in future years) that do not otherwise qualify as Taxable Property, as determined in the sole discretion of the Issuer.

“Non-Residential Property” means, in any Fiscal Year, all Parcels within CFD No. 2008-1 that are not Residential Property, Vacant Single Family Property, Vacant Multi-Family Property, or Exempt Property.

“Proportionately” means that the ratio of the actual Special Tax levied in any particular Fiscal Year to the Maximum Special Tax authorized to be levied in that Fiscal Year is equal for all Assessor’s Parcels of Taxable Property.

“Public Property” means, in any Fiscal Year, all Parcels within CFD No. 2008-1 with a Use Code of 80 (or any such successor code that may replace this code in future years). Notwithstanding the foregoing, any property within the boundaries of CFD No. 2008-1 that is owned by or irrevocably offered for dedication to the federal government, State of California, the Issuer, or other local governments or public agencies may be classified as Public Property, as determined by the Administrator.

“Residential Property” means, in any Fiscal Year, all Parcels within CFD No. 2008-1: (i) with a Use Code of 11, 12, 13, 14, 21, or 38; (ii) that meet the definition of Assisted Living/Skilled Nursing Facility Property or Mobile Home Property; or (iii) that meet neither of the two criteria listed above but have a Homeowner’s Exemption reflected on the County Assessor’s secured tax roll.

“RMA” means this Rate and Method of Apportionment of Special Tax.

“Services” means the services authorized to be funded, in whole or in part, by CFD No. 2008-1.

“Special Tax” means a special tax levied in any Fiscal Year that will be used to pay the Special Tax Requirement.

“Special Tax Requirement” means the amount necessary in any Fiscal Year to: (i) pay principal and interest on Bonds in the calendar year that commences in such Fiscal Year; (ii) create or replenish reserve funds established for Bonds; (iii) cure any delinquencies in the payment of principal or interest on Bonds which occurred in the prior Fiscal Year or (based on delinquencies in the payment of Special Taxes which have already taken place) are expected to occur in the Fiscal Year in which the tax will be collected; (iv) pay Administrative Expenses; (v) pay acquisition or construction expenses to be funded directly from Special Tax proceeds, as applicable; (vi) pay for Services, and (vii) provide for a building replacement reserve fund.

“Square Footage” or **“Sq. Ft.”** means the floor area square footage reflected in the County Assessor’s database or, if the square footage is not reflected in the County’s database, the square footage on the Parcel as determined by the Administrator based on building permit data or other available data for the Parcel.

“Taxable Property” means, collectively, all Assessor’s Parcels of Residential Property, Vacant Single Family Property, Vacant Multi-Family Property, and Non-Residential Property.

“Issuer” means the Central Marin Police Authority, a police agency formed by the Town of Corte Madera and the City of Larkspur under a joint powers agreement.

“Underwater Property” means the Parcels that were identified in Fiscal Year 2007-08 by the following Assessor’s Parcel Numbers:

023-050-03	023-090-01	026-061-04	023-090-02
023-050-04	023-070-13	026-061-05	023-060-01
023-040-09	023-080-02	023-090-03	023-060-02
023-050-08	023-090-10	023-080-07	023-050-07
023-080-01	023-090-11	026-231-43	023-050-02
026-241-02	023-080-05	026-061-21	023-050-09
023-080-03	023-080-06	023-090-12	023-040-12
023-080-04	023-080-08	026-061-23	
023-060-03	026-061-09	023-070-14	

If a new construction building permit is issued for residential, industrial, or commercial development on a Parcel previously classified as Underwater Property, the Parcel shall be taxed according to the applicable use in subsequent Fiscal Years.

“Unit” means an individual single family detached residential unit or an individual residential unit within a halfplex, duplex, triplex, fourplex, townhome, condominium, live/work, or apartment structure. Residential units located above commercial establishments shall also be categorized as Units for purposes of this RMA. Second units (granny flats) that share an Assessor’s Parcel with single family detached units shall not be considered Units for purposes of this RMA.

“Unit Count” means the number of Units located or to be located on an Assessor’s Parcel, which may be determined by (i) referencing Use Code data, (ii) site surveys and physical unit counts, (iii) reviewing County building permit data, and/or (iv) determining the number of

Homeowner Exemptions reflected for a Parcel on the County Assessor’s secured tax roll. The Unit Count for the following Parcels was determined at the time the CFD was formed and shall remain constant in future Fiscal Years:

Assisted Living/Skilled Nursing Facility Property

<u>APN</u>	<u>Unit Count</u>
026-071-37	118
022-080-06	248

The Maximum Special Tax for a Parcel of Assisted Living/Skilled Nursing Facility Property shall not change once the Unit Count is established, regardless of the actual number of Units occupied each year.

Mobile Home Property

<u>APN</u>	<u>Unit Count</u>
023-110-09	87
021-261-09	61

The Maximum Special Tax for the Parcels of Mobile Home Property listed above shall not change once the Unit Count is established, regardless of the actual number of mobile homes in the park each year, unless the land use changes at which time it may be assigned to another special tax category, provided that such assignment may not reduce the Maximum Special Tax for the Parcel.

“**Use Code**” means the two-digit use code assigned by the County Assessor’s Office to each Assessor’s Parcel.

“**Vacant Multi-Family Property**” means, in any Fiscal Year, any Parcel within CFD No. 2008-1 designated by Use Code 20 (or any such successor code that may replace this code in future years) which, according to the County Assessor’s database, meets the following criteria: (i) there are no Units on the Parcel and (ii) the Parcel’s land square footage is greater than 2,000 square feet or the Parcel’s land square footage is less than 2,000 square feet but the Parcel’s owner of record owns at least one other undeveloped Parcel designated by Use Code 20 that is contiguous to the original Parcel and less than 2,000 square feet, as determined by the Administrator, and that, when combined with the original Parcel, results in a total land square footage greater than 2,000 square feet. The Special Tax will be billed to the largest of the multiple Parcels.

“**Vacant Single Family Property**” means, in any Fiscal Year, any Parcel within CFD No. 2008-1 designated by Use Code 10 (or any such successor code that may replace this code in future years) which, according to the County Assessor’s database, meets the following criteria: (i) there are no Units on the Parcel and (ii) the Parcel’s land square footage is greater than 2,000 square feet or the Parcel’s land square footage is less than 2,000 square feet but the Parcel’s owner of record owns at least one other undeveloped Parcel designated by Use Code 10 that is contiguous to the original Parcel and less than 2,000 square feet, as determined by the Administrator, and that, when combined with the original Parcel, results in a total land square footage greater than 2,000 square feet. The Special Tax will be billed to the largest of the multiple Parcels.

“**Very Low-Income Exemption Form**” means a form made available by the Issuer or the Administrator and submitted to the Issuer or the Administrator by a Parcel owner on his/her

own behalf or on the behalf of a lessee(s) no later than May 31 each year that, if accepted and approved by the Issuer or the Administrator, shall cause the Parcel(s) owned by the submitter to be designated as Exempt Property, subject to the second paragraph of Section B, in the following Fiscal Year. The Very Low-Income Exemption Form shall require the Very Low-Income Household to provide (i) the APN(s) to which the exemption shall apply and (ii) proof of the household's income in the calendar year preceding the Fiscal Year for which the form is being filed. Proof of household income shall be confirmed by review of the prior two years' tax returns of individuals living in the household or, as an alternative, documentation that, as determined by the Administrator, sufficiently demonstrates that the household meets the definition of Very Low-Income Household (such as Section 8 documentation, etc.); copies of all such tax returns or other documentation must be attached to the Very Low-Income Exemption Form in order for the Issuer or the Administrator to verify household income. A Very Low-Income Exemption Form must be submitted to the Issuer or the Administrator no later than May 31 each year for the Parcel to continue to be eligible for a full or partial exemption in the following Fiscal Year, as discussed further in Section B below.

“Very Low-Income Household” means a household occupying a Unit that has a total household income for the applicable Fiscal Year that is not in excess of the qualifying income for very low income households as defined by Section 50105 of the California Health and Safety Code, adjusted for household size.

“Very Low-Income Property” means, in any Fiscal Year, all Parcels within CFD No. 2008-1 for which a Very Low-Income Exemption Form was submitted to the Issuer or the Administrator on or prior to May 31 of the previous Fiscal Year and has been accepted as valid by the Issuer or the Administrator.

B. DATA FOR ANNUAL ADMINISTRATION OF SPECIAL TAX

Each Fiscal Year, the Administrator shall identify (i) the current Assessor's Parcel Numbers for Taxable Property within the CFD, (ii) whether each Parcel is Residential Property, Vacant Single Family Property, Vacant Multi-Family Property, Non-Residential Property, or Exempt Property, (iii) the Unit Count and/or Square Footage for each Parcel of Taxable Property, and (iv) the Special Tax Requirement for the Fiscal Year.

Notwithstanding the Maximum Special Tax rates identified in Section C below, each Fiscal Year, the Administrator shall review the Very Low-Income Exemption Forms that were submitted to the Issuer in the prior Fiscal Year and identify the applicable Assessor's Parcels. All Parcels with an approved Very Low-Income Exemption Form shall be classified as Exempt Property, with the following exception: if, in any Fiscal Year, the cumulative total exemptions related to Very Low-Income Property would exceed \$10,900, the Administrator shall proportionately reduce the amount of the discount to each Parcel until the cumulative discount equals \$10,900.

A Very Low-Income Exemption Form submitted on or before May 31 in each Fiscal Year will qualify a Parcel for the associated exemption for only the following Fiscal Year. A new Very Low-Income Exemption Form must be submitted to the Issuer on or before May 31 in each Fiscal Year for the Parcel to continue to receive the exemption. The Very Low-Income Exemption Forms shall be kept on file by the Administrator.

C. MAXIMUM SPECIAL TAX

The Maximum Special Tax rates shall apply to all Parcels of Taxable Property within CFD No. 2008-1 for each Fiscal Year in which the Special Tax is collected.

Special Tax Category	Fiscal Year 2009-10 Maximum Special Tax
Residential Property	\$109 per Unit
Vacant Single Family Property	\$109 per Parcel
Vacant Multi-Family Property	\$109 per Parcel
Non-Residential Property	Greater of \$0.106 per Building Sq. Ft. or \$109 per Parcel *

** On July 1, 2010 and each July 1 thereafter, the Maximum Special Taxes for Non-Residential Property only shall be increased by two percent (2%) of the amount in effect in the previous Fiscal Year.*

Once Bonds have been sold that are secured by the Special Tax, the Maximum Special Tax applicable to a Parcel in the CFD shall not be reduced regardless of changes in land use, Unit Count or Square Footage, or configuration of the Parcel, with the following exception: if, in the Issuer’s sole discretion, the Unit Count or Square Footage for a Parcel overstates the number of Units or Square Footage on the Parcel, the Issuer may allow a reduction in the Unit Count or Square Footage, and a corresponding reduction in the Maximum Special Tax assigned to the Parcel **if and only if** the total Maximum Special Tax revenues that can be collected within CFD No. 2008-1 after such reduction is permitted is determined by the Administrator to be sufficient to fund the Special Tax Requirement.

Notwithstanding the foregoing, the actual Special Tax levied on a Parcel in any Fiscal Year may be less than the Maximum Special Tax if a lower Special Tax is calculated pursuant to Section E below.

D. MANNER OF COLLECTION AND DURATION OF SPECIAL TAX

The Special Taxes for CFD No. 2008-1 shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that the Issuer may directly bill the Special Tax, may collect Special Taxes at a different time or in a different manner, and may collect delinquent Special Taxes through foreclosure or other available methods.

No further Special Taxes shall be levied within CFD No. 2008-1 after Fiscal Year 2048-49, except that Special Taxes that were lawfully levied in or before such Fiscal Year and that remain delinquent may be collected in subsequent years.

Under no circumstances may the Special Tax on one Parcel be increased by more than ten percent (10%) as a consequence of delinquency or default in payment of the Special Tax levied on another Parcel or Parcels.

E. METHOD OF LEVY OF THE SPECIAL TAX

Each Fiscal Year, the Administrator shall determine the Special Tax Requirement to be collected in that Fiscal Year. The Special Tax shall then be levied Proportionately on each Parcel of

Taxable Property in the CFD up to 100% of the Maximum Special Tax for each Parcel until the amount levied equals the Special Tax Requirement for that Fiscal Year.

F. EXEMPTIONS

Notwithstanding any other provision of this RMA, no Special Taxes shall be levied in any Fiscal Year on Exempt Property, subject to the second paragraph of Section B.

G. INTERPRETATION OF SPECIAL TAX FORMULA

The Issuer reserves the right to make minor administrative and technical changes to this document that do not materially affect the rate and method of apportioning Special Taxes. In addition, the interpretation and application of any section of this document shall be left to the Issuer's discretion. Interpretations may be made by the Issuer by ordinance or resolution for purposes of clarifying any vagueness or ambiguity in this RMA.

H. APPEAL OF SPECIAL TAX LEVY

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the Administrator not later than one calendar year after having paid the Special Tax that is disputed. The Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and decide the appeal. If the property owner disagrees with the Administrator's decision relative to the appeal, the owner may then file a written appeal with the Issuer whose subsequent decision shall be binding. If the decision of the Administrator (if the appeal is not filed with the Issuer) or the Issuer (if the appeal is filed with the Issuer) requires the Special Tax to be modified or changed in favor of the property owner, no cash refund shall be made for prior years' Special Tax levies, but an adjustment shall be made to the next Special Tax levy(ies). This procedure shall be exclusive and its exhaustion by any property owner shall be a condition precedent to any legal action by such owner.

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APPENDIX B

SUMMARY OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture not otherwise described in the text of this Official Statement. Such summary is not intended to be definitive, and reference is made to the text of the Indenture for the complete terms thereof.

Definitions

Except as otherwise defined in this summary, the terms previously defined in this Official Statement have the respective meanings previously given. In addition, the following terms have the following meanings when used in this summary:

“Act” means the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311 et seq. of the California Government Code.

“Administrative Expenses” means costs directly related to the administration of the District consisting of the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Fiscal Officer or designee thereof or both) and the costs of collecting the Special Taxes (whether by the County, the Authority or otherwise); the costs of remitting the Special Taxes to the Trustee; fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs of the Authority, or any designee of either the Authority of complying with the disclosure provisions of the Act, the Continuing Disclosure Agreement and the Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser; the costs of the Authority, the County or any designee of either the Authority or the County related to an appeal of the Special Tax; any amounts required to be rebated to the federal government in order for the Authority to comply with the rebate provisions of the Indenture; any fees or expenses of the Escrow Bank and any costs incurred by the Authority under or in connection with the Escrow Agreement; any other costs and expenses of the Authority or the Trustee incurred in connection with the discharge of their respective duties under the Indenture or in connection with the Bonds or the refunding of the Prior Bonds and, in the case of the Authority, in any way related to the administration of the Bonds or the District; an allocable share of the salaries of the Authority staff and City of Larkspur staff directly related to the foregoing and a proportionate amount of Authority and Larkspur general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by the Authority for any administrative purpose of the District, amounts advanced to ensure compliance with the federal rebate provisions of the Indenture, and the costs of commencing and pursuing foreclosure of delinquent Special Taxes.

“Administrative Expense Fund” means the fund by that name established by the Indenture.

“AGM” means Assured Guaranty Municipal Corp., or any successor thereto or assignee thereof.

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of the provisions of the Indenture providing for mandatory sinking payments), and (ii) the principal amount of the Outstanding Bonds due in such Bond

Year (including any mandatory sinking payment due in such Bond Year pursuant to the Indenture).

“Auditor” means the auditor-controller of the County or such other official of the County who is responsible for preparing property tax bills.

“Authority Attorney” means any attorney or firm of attorneys employed by the Authority in the capacity of counsel to the Authority.

“Authorized Officer” means the Chairperson, Vice-Chairperson, Chief of Police, Fiscal Officer, Secretary or any other officer or employee authorized by the Central Marin Police Council or by an Authorized Officer to undertake the action referenced in the Indenture as required to be undertaken by an Authorized Officer.

“Bond Counsel” means (i) Quint & Thimmig LLP, or (ii) any other attorney or firm of attorneys acceptable to the Authority and nationally recognized for expertise in rendering opinions as to the legality and tax-exempt status of securities issued by public entities.

“Bond Fund” means the fund by that name established under the Indenture.

“Bond Register” means the books for the registration and transfer of Bonds maintained by the Trustee under the Indenture.

“Bond Year” means the one-year period beginning August 2nd in each year and ending on August 1st in the following year, except that the first Bond Year shall begin on the Closing Date and end on August 1, 2015.

“Bonds” means the 2015 Bonds, and, if the context requires, any Parity Bonds, at any time Outstanding under the Indenture or any Supplemental Indenture.

“Building Replacement Reserve Fund” means the fund referenced in Section 6 of the Agreement for Acquisition of Real Property for Construction of New Central Marin Police Facility, made and entered into on November 28, 2008, among the Authority, the Town of Corte Madera and the City of Larkspur.

“Business Day” means any day other than (i) a Saturday or a Sunday or (ii) a day on which banking institutions in the state in which the Trustee has its Principal Office are authorized or obligated by law or executive order to be closed.

“CDIAC” means the California Debt and Investment Advisory Commission of the office of the State Treasurer of the State of California or any successor agency or bureau thereto.

“Closing Date” means the date upon which there is a physical delivery of the 2015 Bonds in exchange for the amount representing the purchase price of the 2015 Bonds by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986 as in effect on the date of issuance of the Bonds or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the date of issuance of the Bonds, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Agreement” shall mean that certain Continuing Disclosure Certificate executed by the Authority and NBS Government Finance Group, on the Closing Date, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Authority and related to the authorization, sale and issuance of the 2015 Bonds, which items of expense shall include, but not be limited to, printing costs, costs of reproducing and binding documents, closing costs, filing and recording fees, initial fees and charges of the Trustee including its first annual administration fee, expenses incurred by the Authority in connection with the issuance of the 2015 Bonds and the defeasance and redemption of the Prior Bonds, Escrow Bank fees and expenses, special tax administrator fees and expenses, the premium for the Reserve Fund Policy, Bond (purchaser’s) discount, legal fees and charges, including bond counsel, disclosure counsel and Authority counsel, financial advisor fees and expenses, fees and expenses of the City of Larkspur or the Town of Corte Madera and their respective counsel related to the issuance of the 2015 Bonds, charges for execution, transportation and safekeeping of the 2015 Bonds, and other costs, charges and fees in connection with the foregoing.

“Costs of Issuance Fund” means the fund by that name established by the Indenture.

“County” means the County of Marin, California.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Debt Service” means the scheduled amount of interest and amortization of principal (including sinking payment installments) on the 2015 Bonds and the scheduled amount of interest and amortization of principal payable on any Parity Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“Depository” means (a) initially, DTC, and (b) any other Securities Depository acting as Depository pursuant to the Indenture.

“District” means the Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services), formed by the Authority under the Act and the Resolution of Formation.

“Escrow Agreement” means the Escrow Agreement, dated as of June 1, 2015, by and between the Authority, on behalf of the District, and the Escrow Bank.

“Escrow Bank” means MUFG Union Bank, N.A., in its capacity as escrow bank under the Escrow Agreement.

“Event of Default” means the occurrence of one or more of the events described as such in the Indenture.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of section 1273 of the Code) and, otherwise, the term “Fair Market Value” means the acquisition price in a bona fide arm’s length

transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Code, or (iii) the investment is a United States Treasury Security--State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

"Federal Securities" means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Trustee: (i) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as "stripped" obligations and coupons; or (ii) any of the following obligations of the following agencies of the United States of America: (a) direct obligations of the Export-Import Bank, (b) certificates of beneficial ownership issued by the Farmers Home Administration, (c) participation certificates issued by the General Services Administration, (d) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (e) project notes issued by the United States Department of Housing and Urban Development, and (f) public housing notes and bonds guaranteed by the United States of America.

"Fiscal Officer" means the Fiscal Officer of the Authority or such other officer or employee of the Authority performing the functions of the chief financial officer of the Authority.

"Fiscal Year" means any twelve-month period extending from July 1 in a calendar year to June 30 of the succeeding year, both dates inclusive.

"Indenture" means the Indenture, as it may be amended or supplemented from time to time by any Supplemental Indenture adopted pursuant to the provisions thereof.

"Independent Financial Consultant" means any consultant or firm of such consultants appointed by the Authority or the Fiscal Officer, and who, or each of whom: (i) has experience in matters relating to the issuance and/or administration of bonds under the Act; (ii) is in fact independent and not under the domination of the Authority; (iii) does not have any substantial interest, direct or indirect, with or in the Authority, or any owner of real property in the District, or any real property in the District; and (iv) is not connected with the Authority as an officer or employee of the Authority, but who may be regularly retained to make reports to the Authority.

"Information Services" means the Electronic Municipal Market Access System (referred to as "EMMA"), a facility of the Municipal Securities Rulemaking Board, (at <http://emma.msrb.org>); and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such services providing information with respect to called bonds as the Authority may designate in an Officer's Certificate delivered to the Trustee.

"Interest Payment Dates" means February 1 and August 1 of each year, commencing August 1, 2015.

“Insurance Agreement” means the Insurance Agreement, dated as of the Closing Date, between the Authority and AGM relating to the Reserve Fund Policy.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year after the calculation is made through the final maturity date of any Outstanding Bonds.

“Moody’s” means Moody’s Investors Service, and any successor thereto.

“Officer’s Certificate” means a written certificate of the Authority signed by an Authorized Officer of the Authority.

“Ordinance” means Ordinance No. 01/09, adopted by the Central Marin Police Council (when it was known as the Twin Cities Police Council) on February 19, 2009, and any other ordinance of the Authority amending or supplementing said Ordinance.

“Original Purchaser” means the first purchaser of the 2015 Bonds from the Authority.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of the Indenture) all Bonds except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of the Indenture; and (iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the Authority pursuant to the Indenture or any Supplemental Indenture.

“Owner” or “Bondowner” means any person who shall be the registered owner of any Outstanding Bond.

“Parity Bonds” means bonds issued by the Authority for the District on a parity with any then Outstanding Bonds pursuant to the Indenture.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

“Permitted Investments” means any of the following, but only to the extent that the same are acquired at Fair Market Value:

(a) Federal Securities.

(b) (i) Time certificates of deposit or negotiable certificates of deposit issued by a state or nationally chartered bank (including the Trustee and its affiliates) or trust company, or a state or federal savings and loan association, or (ii) a deposit at a state or national bank; provided, that the certificates of deposit shall be one or more of the following: continuously and fully insured by the Federal Deposit Insurance Corporation, and/or continuously and fully secured by securities described in subdivision (a) of this definition of Permitted Investments which shall have a market value, as determined on a marked-to-market basis calculated at least weekly, and exclusive of accrued interest, of not less than 102 percent of the principal amount of the certificates on deposit.

(c) Commercial paper of “prime” quality of the highest ranking or of the highest letter and numerical rating as provided by either Moody’s or S&P, which commercial paper is limited to issuing corporations that are organized and operating within the United States of America and that have total assets in excess of five hundred million dollars (\$500,000,000) and that have an “A” or higher rating for the issuer’s debentures,

other than commercial paper, by either Moody's or S&P, provided that purchases of eligible commercial paper may not exceed 180 days' maturity nor represent more than 10 percent of the outstanding commercial paper of an issuing corporation.

(d) A repurchase agreement with a state or nationally chartered bank or trust company or a national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by the Federal Reserve Bank of New York, provided that all of the following conditions are satisfied: (1) the agreement is secured by any one or more of the securities described in subdivision (a) of this definition of Permitted Investments, (2) the underlying securities are required by the repurchase agreement to be held by a bank, trust company, or primary dealer having a combined capital and surplus of at least one hundred million dollars (\$100,000,000) and which is independent of the issuer of the repurchase agreement, and (3) the underlying securities are maintained at a market value, as determined on a marked-to-market basis calculated at least weekly, of not less than 103 percent of the amount so invested.

(e) An investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution (not including any insurance company) the long-term unsecured obligations of which are rated "AA" (or its equivalent) or better by Moody's and S&P at the time of initial investment. The investment agreement shall be subject to a downgrade provision with at least the following requirements: (1) the agreement shall provide that within five Business Days after the financial institution's long-term unsecured credit rating has been withdrawn, suspended, other than because of general withdrawal or suspension by Moody's or S&P from the practice of rating that debt, or reduced below "AA-" by S&P or below "Aa3" by Moody's (these events are called "rating downgrades") the financial institution shall give notice to the Trustee and, within the five-day period, and for as long as the rating downgrade is in effect, shall (A) deliver in the name of the Trustee to the Trustee federal securities allowed as investments under subdivision (a) of this definition of Permitted Investments with aggregate current market value equal to at least 105 percent of the principal amount of the investment agreement invested with the financial institution at that time, and shall deliver additional allowed federal securities as needed to maintain an aggregate current market value equal to at least 105 percent of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, (B) assign the agreement to another financial institution acceptable to the Trustee and the Authority whose long-term unsecured debt obligations are then rated "A" (or its equivalent) or better by Moody's and S&P, or (C) return all invested funds to the Trustee; and (2) the agreement shall provide that, if the financial institution's long-term unsecured credit rating is reduced below "A3" by Moody's or below "A-" by S&P, the Trustee may, upon not more than five Business Days' written notice to the financial institution, withdraw the investment agreement, with accrued but unpaid interest thereon to the date, and terminate the agreement.

(f) The Local Agency Investment Fund of the State Treasurer of the State of California.

(g) Investments in a money market account (including any accounts of the Trustee or its affiliates) rated in the highest rating category by Moody's or S&P.

(h) Any other lawful investment for Authority funds.

"Principal Office" means the principal corporate trust office of the Trustee set forth in the Indenture, except for the purpose of maintenance of the registration books and presentation

of Bonds for payment, transfer or exchange, such term shall mean the office at which the Trustee conducts its corporate agency business, or such other or additional offices as may be designated by the Trustee.

“Project” means the facilities and equipment eligible to be funded by the District more particularly described in the Resolution of Formation.

“Record Date” means the fifteenth day of the month next preceding the month of the applicable Interest Payment Date, whether or not such day is a Business Day.

“Refunding Bonds” means bonds issued by the Authority for the District the net proceeds of which are used to refund all or a portion of the then Outstanding Bonds; provided that the debt service on the Refunding Bonds in any Bond Year is not in excess of the debt service on the Bonds being refunded and the final maturity of the Refunding Bonds is not later than the final maturity of the Bonds being refunded.

“Refunding Fund” means the fund by that name created by and held by the Escrow Bank pursuant to the Escrow Agreement.

“Refunding Law” means Article 11, commencing with Section 53580, of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code.

“Reserve Fund” means the fund by that name established pursuant to the Indenture.

“Reserve Fund Policy” means the municipal bond debt service reserve insurance policy issued by AGM in the initial face amount specified in the Indenture.

“Reserve Requirement” means, as of any date of calculation an amount equal to the least of (i) the then Maximum Annual Debt Service, (ii) one hundred twenty-five percent (125%) of the then average Annual Debt Service, or (iii) ten percent (10%) of the initial principal amount of the Bonds.

“Resolution” means the resolution authorizing the issuance of the 2015 Bonds, adopted by the Central Marin Police Council on April 30, 2015, as amended by a Resolution adopted by the Central Marin Police Council on May 14, 2015.

“Resolution of Formation” means Resolution No. 14/08, adopted by the Central Marin Police Council (when it was known as the Twin Cities Police Council) on August 6, 2008.

“Resolution of Intention” means Resolution No. 10/08, adopted by the Central Marin Police Council (when it was known as the Twin Cities Police Council) on June 16, 2008.

“S&P” means Standard & Poor’s Ratings Service, a division of McGraw-Hill, and any successor thereto.

“Securities Depositories” means The Depository Trust Company, 55 Water Street, 50th Floor, New York, New York 10041-0099, Attention: Call Notification Department, Fax (212) 855-7232; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the Authority may designate in an Officer’s Certificate delivered to the Trustee.

“Services” means the services authorized to be funded by the District.

“Services Fund” means the fund by that name established by the Indenture.

“Special Tax Fund” means the fund by that name established by the Indenture.

“Special Tax Revenues” means the proceeds of the Special Taxes received by the Authority, including any scheduled payments thereof, interest thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes to the amount of said lien and interest thereon. “Special Tax Revenues” does not include any Special Taxes that may be subject to rebate due to the very low income exemption in the Rate and Method of Apportionment of Special Taxes for the District, or any penalties collected in connection with delinquent Special Taxes.

“Special Taxes” means the special taxes levied within the District pursuant to the Act, the Ordinance and the Indenture.

“Supplemental Indenture” means an agreement the execution of which is authorized by a resolution which has been duly adopted by the Authority under the Act and which agreement is amendatory of or supplemental to the Indenture, but only if and to the extent that such agreement is specifically authorized under the Indenture.

“Tax Consultant” means NBS Government Finance Group or another independent financial or tax consultant retained by the Authority for the purpose of computing the Special Taxes.

“Trust Estate” means the assets pledged and assigned by the Authority to the Trustee pursuant to the Indenture, which are limited to and include only the following: (a) the Special Tax Revenues, and (b) the amounts in the Special Tax Fund, the Bond Fund and the Reserve Fund.

“Trustee” means the Trustee appointed by the Authority and acting as an independent trustee with the duties and powers provided in the Indenture, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, as provided in the Indenture.

“2015 Bonds” means the Bonds so designated in, and at any time Outstanding under, the Indenture.

Funds and Accounts

The Indenture provides for the following funds and accounts:

Costs of Issuance Fund. There is established under the Indenture as a separate fund to be held by the Trustee, the Costs of Issuance Fund, to the credit of which a deposit shall be made as required by the Indenture. Moneys in the Costs of Issuance Fund shall be held in trust by the Trustee, shall be disbursed as described below for the payment or reimbursement of Costs of Issuance, and are not pledged as security for the Bonds.

Amounts in the Costs of Issuance Fund shall be disbursed from time to time to pay Costs of Issuance, as set forth in a requisition containing respective amounts to be paid to the designated payees, signed by the Fiscal Officer and delivered to the Trustee concurrently with the delivery of the Bonds, or otherwise in an Officer’s Certificate delivered to the Trustee after the Closing Date. The Trustee shall pay all Costs of Issuance after receipt of an invoice from any such payee which requests payment in an amount which is less than or equal to the amount set

forth with respect to such payee pursuant to an Officer's Certificate requesting payment of Costs of Issuance. The Trustee shall maintain the Costs of Issuance Fund for a period of 90 days from the date of delivery of the Bonds and then shall transfer any moneys remaining therein, including any investment earnings thereon, to the Fiscal Officer for deposit by the Fiscal Officer in the Administrative Expense Fund.

Moneys in the Costs of Issuance Fund will be invested and deposited in accordance with the Indenture. Interest earnings and profits resulting from said investment shall be retained by the Trustee in the Costs of Issuance Fund to be used for the purposes of such fund.

Reserve Fund. There is established under the Indenture as a separate fund to be held by the Trustee, the Reserve Fund, to the credit of which the Trustee shall hold the Reserve Fund Policy. The amount available to be drawn on the Reserve Fund Policy as of the Closing Date is equal to the Reserve Fund Requirement as of the Closing Date. Future deposits shall be made to the Reserve Fund as required by the Indenture.

Any moneys in the Reserve Fund and the Reserve Fund Policy shall be held in trust by the Trustee for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest on, the Bonds and any such moneys shall also be held for the benefit of AGM as a source of repayment of amounts due by the Authority under the Reserve Fund Policy (including, but not limited to, repayment of any withdrawals under the Reserve Fund Policy which have not theretofore been repaid), and shall be subject to a lien in favor of the Owners of the Bonds and a lien, subordinate to the lien of the Bondowners, in favor of AGM.

Except as otherwise provided in the Indenture, all amounts deposited in the Reserve Fund or drawn under the Reserve Fund Policy shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of, and interest on, the Bonds or, in accordance with the provisions of the Indenture, for the purpose of redeeming Bonds from the Bond Fund.

In any case where the Reserve Fund is funded with a combination of cash and the Reserve Fund Policy, the Trustee shall (i) deplete all cash balances and Permitted Investments in the Reserve Fund before drawing on the Reserve Fund Policy, and (ii) once all cash balances and Permitted Investments have been exhausted, the Trustee shall draw on the Reserve Fund Policy.

In the event of a draw on the Reserve Fund Policy, interest shall accrue on the amount drawn until it is repaid to AGM at the rate and otherwise as provided in the Reserve Fund Policy and the Insurance Agreement.

Whenever, on the Business Day prior to any Interest Payment Date, or on any other date at the request of the Fiscal Officer, the amount in the Reserve Fund (taking into account the amount then available to be drawn under the Reserve Fund Policy for the purposes of the Reserve Fund) exceeds the Reserve Requirement, the Trustee shall provide written notice to the Fiscal Officer of the amount of the excess and shall transfer an amount equal to the excess from the Reserve Fund to (i) to AGM, to the extent any amounts are then owing by the Authority to AGM in respect of amounts drawn under the Reserve Fund Policy (including, but no limited to, repayment of any withdrawals under the Reserve Fund Policy which have not theretofore been repaid), and then (ii) to the Bond Fund to be used for the payment of interest on the Bonds on the next Interest Payment Date.

Whenever (i) the balance in the Reserve Fund (without regard to amounts available to be drawn under the Reserve Fund Policy) equals or exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption, and (ii) no amounts are owing by the Authority to AGM in respect of draws under the Reserve Fund Policy (including, but not limited to, repayment of any withdrawals under the Reserve Fund Policy which have not theretofore been repaid), the Trustee shall notify the Fiscal Officer of such situation, and, upon the written direction of the Fiscal Officer, the Trustee shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, in accordance with the Indenture, as applicable, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the Authority to be used for any lawful purpose of the Authority consistent with the provisions of the Act.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to the Indenture until after (i) the payment to AGM of any amounts owed to it by the Authority in respect of draws under the Reserve Fund Policy, (ii) the calculation of any amounts due to the federal government pursuant to the Indenture following payment of the Bonds and withdrawal of any such amount from the Reserve Fund for purposes of making such payment to the federal government, and (iii) payment of any fees and expenses due to the Trustee.

Any cash amounts in the Reserve Fund may at any time be used, at the written direction of an Authorized Officer, for purposes of paying any rebate liability to the federal government under the Indenture.

Bond Fund. There is established under the Indenture as a separate fund to be held by the Trustee, the Bond Fund, to the credit of which deposits shall be made as required by the Indenture, and any other amounts required to be deposited therein by the Act.

Moneys in the Bond Fund shall be held in trust by the Trustee for the benefit of the Owners of the Bonds, shall be disbursed for the payment of the principal of, and interest on, the Bonds as provided below, and, pending such disbursement, shall be subject to a lien in favor of the Owners of the Bonds.

On each Interest Payment Date, the Trustee shall withdraw from the Bond Fund and pay to the Owners of the Bonds the principal, and interest, then due and payable on the Bonds, including any amounts due on the Bonds by reason of the sinking payments set forth in the Indenture, or a redemption of the Bonds required by the Indenture, such payments to be made in the priority listed in the second succeeding paragraph.

In the event that amounts in the Bond Fund are insufficient for the purposes set forth in the preceding paragraph, the Trustee shall withdraw from the Reserve Fund to the extent of any funds or Permitted Investments therein, and then draw on the Reserve Fund Policy, to the extent amounts are available under the Reserve Fund Policy, amounts to cover the amount of such Bond Fund insufficiency. Amounts so withdrawn from the Reserve Fund or drawn under the Reserve Fund Policy shall be deposited in the Bond Fund.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund to make the payments provided for in the Indenture, the Trustee shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds other than by reason of sinking payments, and then to payment of principal due on the Bonds by reason of sinking payments. Any sinking payment not made as scheduled shall be added to the sinking payment to be made on the next sinking payment date.

Moneys in the Bond Fund shall be invested and deposited in accordance with the Indenture. Interest earnings and profits resulting from the investment and deposit of amounts in the Bond Fund shall be retained in the Bond Fund to be used for purposes of such fund.

Special Tax Fund. There is established under the Indenture as a separate fund to be held by the Fiscal Officer, the Special Tax Fund, to the credit of which the Fiscal Officer shall deposit promptly following receipt thereof, the Special Tax Revenues, and any amounts required by the Indenture to be deposited therein.

Notwithstanding the foregoing, any Special Tax Revenues constituting payment of the portion of the Special Tax levy for Administrative Expenses, as identified by the Fiscal Officer, shall be deposited by the Fiscal Officer in the Administrative Expense Fund.

Moneys in the Special Tax Fund shall be held by the Fiscal Office for the benefit of the Authority and the Owners of the Bonds, shall be disbursed as provided below and, pending disbursement, shall be subject to a lien in favor of the Owners of the Bonds and the Authority.

On or before the fifth Business Day prior to each Interest Payment Date, the Fiscal Officer shall withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority (i) to the Trustee for deposit by the Trustee in the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Reserve Fund to the Bond Fund, such that the amount in the Bond Fund equals the principal (including any sinking payment), and interest due on the Bonds on such Interest Payment Date, (ii) to the Trustee, for payment by the Trustee to AGM, any amounts owed by the Authority to AGM in respect of amounts drawn on the Reserve Fund Policy (including, but not limited to, repayment of any withdrawals under the Reserve Fund Policy which have not theretofore been repaid); and (iii) to the Trustee for deposit by the Trustee in the Reserve Fund an amount, taking into account amounts then on deposit in the Reserve Fund and amounts available to be drawn under the Reserve Fund Policy for purposes of the Reserve Fund (after any amounts paid to AGM under the preceding clause (ii)), such that the amount in the Reserve Fund is equal to the Reserve Requirement.

Each calendar year, following the transfers pursuant to the preceding paragraph for the February 1 debt service payment date occurring in such calendar year, when amounts (including investment earnings) have been accumulated in the Special Tax Fund sufficient to make the transfers pursuant to the preceding paragraph for the August 1 debt service payment date occurring in such calendar year, the Fiscal Officer during the period up to but not including December 10 of such calendar year, may dispose of amounts in the Special Tax Fund in excess of the amounts needed for such August 1 debt service payment date transfers as follows: (i) Special Tax Revenues constituting the portion of the Special Tax levy, if any, for payment of the costs of Services shall be deposited by the Fiscal Officer to the Services Fund; and (ii) Special Tax Revenues constituting the portion of the Special Tax levy, if any, for building replacement purposes shall be deposited by the Fiscal Officer to the Building Replacement Reserve Fund.

Moneys in the Special Tax Fund shall be invested and deposited in accordance with the Indenture. Interest earnings and profits resulting from such investment and deposit shall be retained in the Special Tax Fund to be used for the purposes thereof.

Administrative Expense Fund. There is established under the Indenture, as a separate fund to be held by the Fiscal Officer, the Administrative Expense Fund to the credit of which deposits shall be made as required by the Indenture. Moneys in the Administrative Expense

Fund shall be held by the Fiscal Officer for the benefit of the Authority, shall be disbursed as provided below, and are not pledged as security for the Bonds.

Amounts in the Administrative Expense Fund will be withdrawn by the Fiscal Officer and: (i) paid to an entity upon the receipt by the Fiscal Officer of an invoice in respect of an Administrative Expense or a Cost of Issuance, or (ii) paid to the Authority or its order upon receipt by the Fiscal Officer of an Officer's Certificate stating the amount to be withdrawn, that such amount is to be used to reimburse the Authority for payment of an Administrative Expense or a Cost of Issuance, and the nature of such Administrative Expense or Cost of Issuance. Amounts transferred from the Costs of Issuance Fund to the Administrative Expense Fund pursuant to the Indenture shall be separately identified at all times, and shall be expended for purposes of the Administrative Expense Fund prior to the use of amounts transferred to the Administrative Expense Fund from the Special Tax Fund pursuant to the Indenture.

Annually, on the last day of each Fiscal Year commencing with the last day of Fiscal Year 2015-2016, the Fiscal Officer shall withdraw any amounts then remaining in the Administrative Expense Fund in excess of \$30,000 that have not been allocated to pay Administrative Expenses incurred but not yet paid, and which are not otherwise encumbered, and transfer such amounts to the Special Tax Fund.

Moneys in the Administrative Expense Fund will be invested and deposited in accordance with the Indenture. Interest earnings and profits resulting from said investment shall be retained by the Fiscal Officer in the Administrative Expense Fund to be used for the purposes of such fund.

Services Fund. There is established under the Indenture, as a separate fund to be held by the Fiscal Officer, the Services Fund, to the credit of which deposits shall be made as required by the Indenture. Moneys in the Services Fund shall be held by the Fiscal Officer for the benefit of the District, shall be disbursed for the payment or reimbursement of costs of the Services as provided in the Indenture, and are not pledged as security for the Bonds.

Building Replacement Reserve Fund. It is acknowledged in the Indenture that Sections 6 through 10 of the Agreement for Acquisition of Real Property for Construction of New Central Marin Police Facility, made and entered into on November 28, 2008, by and among the Authority, the Town of Corte Madera and the City of Larkspur, provide for the establishment and administration of a Building Replacement Reserve Fund, as defined therein. Amounts in the Building Replacement Reserve Fund are in no way pledged as security for the Bonds, are not part of the Trust Estate and are not subject to any of the terms and provisions of the Indenture.

The Building Replacement Reserve Fund will be administered in accordance with the agreement referenced in the preceding paragraph, as executed by the parties thereto and as thereafter modified in accordance with its terms. Pursuant to the provisions for the Special Tax Fund in the Indenture, amounts may be remitted by the Trustee to the Fiscal Officer for deposit to the Building Replacement Reserve Fund, and any amounts so remitted shall be free and clear of any lien, pledge or encumbrance imposed under the Indenture.

Parity Bonds

The Authority may issue Parity Bonds, in addition to the 2015 Bonds, by means of a Supplemental Indenture and without the consent of any Bondowners, upon compliance with the provisions described below. Any such Parity Bonds shall be secured by a lien on and

pledge of the Trust Estate on a parity with all other Bonds Outstanding under the Indenture. The Issuer may issue the Parity Bonds subject to the following specific conditions precedent:

(A) Current Compliance. The Authority shall be in compliance on the date of issuance of the Parity Bonds with all covenants set forth in the Indenture and all Supplemental Indentures.

(B) Payment Dates. The Supplemental Indenture providing for the issuance of such Parity Bonds shall provide that interest thereon shall be payable on February 1 and August 1, and principal thereof shall be payable on August 1 in any year in which principal is payable (provided that there shall be no requirement that any Parity Bonds pay interest on a current basis).

(C) Funds and Accounts; Reserve Fund Deposit. The Supplemental Indenture providing for the issuance of such Parity Bonds may provide for the establishment of separate funds and accounts, and shall provide for a deposit to the Reserve Fund in an amount necessary so that the amount on deposit therein, following the issuance of such Parity Bonds, is equal to the Reserve Requirement.

(D) Refunding Bonds. The Parity Bonds must be "Refunding Bonds," as defined in the Indenture.

(E) Officer's Certificate. The Authority shall deliver to the Trustee an Officer's Certificate certifying that the conditions precedent to the issuance of such Parity Bonds described in (A), (B), (C) and (D) above have been satisfied. In delivering such Officer's Certificate, the Authorized Officer that executes the same may conclusively rely upon such certificates of the Trustee, the Tax Consultant and others selected with due care, without the need for independent inquiry or certification.

Nothing in the Indenture prohibits the Issuer from issuing bonds or otherwise incurring debt secured by a pledge of the Trust Estate subordinate to the pledge thereof under the Indenture.

Covenants of the Authority

The Authority will punctually pay or cause to be paid the principal of, and interest on, the Bonds when and as due in strict conformity with the terms of the Indenture and any Supplemental Indenture, and it will faithfully observe and perform all of the conditions, covenants and requirements of the Indenture and all Supplemental Indentures and of the Bonds.

In order to prevent any accumulation of claims for interest after maturity, the Authority may not, directly or indirectly, extend or consent to the extension of the time for the payment of any claim for interest on any of the Bonds and may not, directly or indirectly, be a party to the approval of any such arrangement by purchasing or funding said claims for interest or in any other manner. In case any such claim for interest shall be extended or funded, whether or not with the consent of the Authority, such claim for interest so extended or funded shall not be entitled, in case of default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest which shall not have been so extended or funded.

The Authority will not encumber, pledge or place any charge or lien upon any of the Special Tax Revenues or other amounts pledged to the Bonds superior to or on a parity with the

pledge and lien under the Indenture for the benefit of the Bonds, except as permitted by the Indenture.

The Authority will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Authority, in which complete and correct entries are made of all transactions relating to the expenditure of amounts disbursed from the Special Tax Fund, the Administrative Expense Fund and the Services Fund, and relating to the Special Tax Revenues. Such books of record and accounts will at all times during business hours be subject to the inspection of the Trustee and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

The Trustee will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Trustee, in which complete and correct entries must be made of all transactions relating to the expenditure of amounts disbursed from the Bond Fund, the Reserve Fund, and the Costs of Issuance Fund. Such books of record and accounts must at all times during business hours be subject to the inspection of the Authority and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing upon reasonable prior notice.

The Authority will preserve and protect the security of the Bonds and the rights of the Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the delivery of any of the Bonds by the Authority, the Bonds shall be incontestable by the Authority.

The Authority will comply with all applicable provisions of the Act and law in administering the District.

The Authority shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes. On or within five (5) Business Days of each June 1, the Trustee is required to provide the Fiscal Officer with a notice stating the amount then on deposit in the Bond Fund, the Funded Debt Service Account and the Reserve Fund, and listing any amounts owing to AGM with respect to the Reserve Fund Policy, and informing the Authority of any necessary replenishment of the Reserve Fund so that the balance therein equal the Reserve Requirement or as otherwise needed to pay amounts owing on the Reserve Fund Policy. The receipt of or failure to receive such notice by the Fiscal Officer shall in no way affect the obligations of the Fiscal Officer under the following two paragraphs. Upon receipt of such notice, the Fiscal Officer shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Fiscal Officer shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each July 15 that the Bonds are outstanding, or otherwise such that the computation of the levy is complete before the final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Fiscal Officer shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

The Fiscal Officer shall fix and levy the amount of Special Taxes within the District required for the payment of principal of and interest on any outstanding Bonds of the District

becoming due and payable during the ensuing year, including any necessary replenishment or expenditure of the Reserve Fund for the Bonds, any amounts owed by the Authority under the Reserve Fund Policy (including any amounts drawn under the Reserve Fund Policy and not yet repaid), and an amount estimated to be sufficient to pay the Administrative Expenses (including amounts necessary to discharge any rebate obligation under the Indenture) during such year, taking into account the balances in such funds and in the Special Tax Fund. The Special Taxes so levied shall not exceed the authorized amounts as provided in the proceedings pursuant to the Resolution of Formation.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property; provided that, pursuant to and in accordance with the Ordinance, the Special Taxes may be collected by means of direct billing of the property owners within the District, in which event the Special Taxes shall become delinquent if not paid when due pursuant to said billing.

Pursuant to Section 53356.1 of the Act, the Authority covenants in the Indenture with and for the benefit of the Owners of the Bonds that it will order, and cause to be commenced as described in the text of this Official Statement under the heading "SECURITY FOR THE BONDS—Covenant to Foreclose – Foreclosure Under the Mello-Roos Law," and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as provided in the following paragraph. The Fiscal Officer shall notify the Authority Attorney of any such delinquency of which it is aware, and the Authority Attorney shall commence, or cause to be commenced, such proceedings.

The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture, and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture.

The Authority shall assure that the proceeds of the 2015 Bonds are not so used as to cause the Prior Bonds or the 2015 Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code. The Authority shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Prior Bonds or the 2015 Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

The Authority shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the 2015 Bonds. If necessary, the Authority may use cash or Permitted Investments in the Reserve Fund, amounts on deposit in the Administrative Expense Fund, and any other funds available to the District, including amounts advanced by the Authority, in its sole discretion, to be repaid by the District as soon as practicable from amounts described in the preceding clauses, to satisfy its obligations described in this paragraph. The Fiscal Officer shall take note of any investment of monies under the Indenture in excess of the yield on the 2015 Bonds, and shall take such actions as are necessary to ensure compliance with the rebate provisions of the Indenture, such as increasing the portion of the Special Tax levy for Administration Expenses as appropriate to have funds available in the Administrative Expense Fund to satisfy any rebate liability under the Indenture.

The Authority shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the proceeds of the 2015 Bonds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the date of issuance of the 2015 Bonds would have caused the 2015 Bonds to be “arbitrage bonds” within the meaning of section 148 of the Code.

The Authority shall take all actions necessary to assure the exclusion of interest on the 2015 Bonds from the gross income of the Owners of the 2015 Bonds to the same extent as such interest is permitted to be excluded from gross income under the Code as in effect on the date of issuance of the 2015 Bonds.

The Authority covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of the Indenture, failure of the Authority to comply with the Continuing Disclosure Agreement shall not be considered a default under the Indenture; however, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate to compel performance by the Authority of its obligations thereunder, including seeking mandate or specific performance by court order.

The Authority covenants and agrees to not consent or conduct proceedings with respect to a reduction in the maximum Special Taxes that may be levied in the District below an amount, for any Fiscal Year, equal to 120% of the aggregate of the debt service due on the Bonds in such Fiscal Year.

The Authority covenants not to exercise its rights under the Act to waive delinquency and redemption penalties related to the Special Taxes or to declare Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of the owners of the Bonds and further covenants not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the Authority having insufficient Special Tax revenues to pay the principal of and interest on the Bonds remaining Outstanding following such tender.

The Authority will not bid at a foreclosure sale of property in respect of delinquent Special Taxes, unless it expressly agrees to take the property subject to the lien for Special Taxes imposed by the District.

Investments

Moneys in any fund or account created or established by the Indenture and held by the Trustee is required to be invested by the Trustee (a) as of the Closing Date and until further directed by the Authority as described in the succeeding clause (b), in the Black Rock T-Fund (TSTXX), which is a Permitted Investment of the character described in clause (g) of the definition of Permitted Investments in the Indenture; and (b) otherwise in Permitted Investments which by their terms mature prior to the date on which such moneys are required to be paid out under the Indenture, as directed pursuant to an Officer’s Certificate filed with the Trustee at least two (2) Business Days in advance of the making of such investments. Notwithstanding the foregoing in the absence of an Officer’s Certificate directing the investment of funds by the Trustee, the Trustee shall invest to the extent reasonably practicable any such moneys in the Permitted Investments described in clause (g) of the definition thereof in the Indenture. Moneys in any fund or account created or established by the Indenture and held by the Fiscal Officer shall be invested by the Fiscal Officer in any lawful investment for Authority funds or in any Permitted Investment, which in any event by their terms mature prior to the date on which such moneys are required to be paid out under the Indenture.

Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account, subject, however, to the requirements of the Indenture for transfer of interest earnings and profits resulting from investment of amounts in funds and accounts. Whenever in the Indenture any moneys are required to be transferred by the Authority to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments.

The Trustee and its affiliates or the Fiscal Officer may act as sponsor, advisor, depository, principal or agent in the acquisition or disposition of any investment. Neither the Trustee nor the Fiscal Officer shall incur any liability for losses arising from any investments made pursuant to the Indenture. The Trustee will not be required to determine the legality of any investments.

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to the Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by the Indenture or the Code) at Fair Market Value. The Trustee shall have no duty in connection with the determination of Fair Market Value other than to follow the investment direction of an Authorized Officer in any written direction of any Authorized Officer. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the subaccounts within the Reserve Fund shall be valued at their present value (within the meaning of section 148 of the Code). The Trustee shall not be liable for verification of the application of such sections of the Code.

Investments in any and all funds and accounts may be commingled in a separate fund or funds for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer to or holding in or to the credit of particular funds or accounts of amounts received or held by the Trustee or the Fiscal Officer, provided that the Trustee or the Fiscal Officer, as applicable, shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in the Indenture. The Trustee or the Fiscal Officer, as applicable, shall sell at Fair Market Value, or present for redemption, any investment security whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund or account to which such investment security is credited and neither the Trustee nor the Fiscal Officer shall be liable or responsible for any loss resulting from the acquisition or disposition of such investment security in accordance with the Indenture.

Liability of Authority

The Authority shall not incur any responsibility in respect of the Bonds or the Indenture other than in connection with the duties or obligations explicitly therein or in the Bonds assigned to or imposed upon it, and then only to the extent of the Trust Estate. The Authority shall not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful default. The Authority shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements of the Trustee in the Indenture or of any of the documents executed by the Trustee in connection with the Bonds, or as to the existence of a default or Event of Default thereunder.

In the absence of bad faith, the Authority, including the Fiscal Officer, may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Authority and conforming to the requirements of

the Indenture. The Authority, including the Fiscal Officer, shall not be liable for any error of judgment made in good faith unless it shall be proved that it was negligent in ascertaining the pertinent facts.

No provision of the Indenture shall require the Authority to expend or risk its own general funds or otherwise incur any financial liability (other than with respect to the Trust Estate) in the performance of any of its obligations under the Indenture, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

The Authority and the Fiscal Officer may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or proper parties. The Authority may consult with counsel, who may be the Authority Attorney, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

The Authority shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactory established, if disputed.

Whenever in the administration of its duties under the Indenture the Authority or the Fiscal Officer shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of willful misconduct on the part of the Authority, be deemed to be conclusively proved and established by a certificate of the Trustee, an appraiser, an Independent Financial Consultant or a Tax Consultant, and such certificate shall be full warrant to the Authority and the Fiscal Officer for any action taken or suffered under the provisions of the Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Authority or the Fiscal Officer may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

In order to perform its duties and obligations under the Indenture, the Authority and/or the Fiscal Officer may employ such persons or entities as it deems necessary or advisable. The Authority shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith under the Indenture, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

The Trustee

The Trustee undertakes to perform such duties, and only such duties, as are specifically set forth in the Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee.

Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under the following paragraph, shall be the successor to such Trustee without the execution or filing of any paper or any further act.

The Authority may remove the Trustee initially appointed, and any successor thereto, and may appoint a successor or successors thereto, but any such successor shall be a bank, corporation or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least Fifty Million Dollars (\$50,000,000), and be subject to supervision or examination by federal or state authority. If such bank, corporation or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee may at any time resign by giving written notice to the Authority and by giving to the Owners notice by mail of such resignation. Upon receiving notice of such resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any resignation or removal of the Trustee shall become effective upon acceptance of appointment by the successor Trustee.

If no appointment of a successor Trustee shall be made within forty-five (45) days after the Trustee shall have given to the Authority written notice or after a vacancy in the office of the Trustee shall have occurred by reason of its inability to act, the Trustee or any Owner may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon, after such notice, if any, as such court may deem proper, appoint a successor Trustee.

If, by reason of the judgment of any court, or reasonable agency, the Trustee is rendered unable to perform its duties under the Indenture, all such duties and all of the rights and powers of the Trustee thereunder shall be assumed by and vest in the Fiscal Officer of the Authority in trust for the benefit of the Owners. The Authority covenants for the direct benefit of the Owners that its Fiscal Officer in such case shall be vested with all of the rights and powers of the Trustee under the Indenture, and shall assume all of the responsibilities and perform all of the duties of the Trustee thereunder, in trust for the benefit of the Owners of the Bonds. In such event, the Fiscal Officer may designate a successor Trustee qualified to act as Trustee thereunder.

The recitals of facts, covenants and agreements in the Indenture and in the Bonds contained shall be taken as statements, covenants and agreements of the Authority, and the Trustee assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of the Indenture or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations in the Indenture or in the Bonds assigned to or imposed upon it. The Trustee shall not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct. The Trustee assumes no responsibility or liability for any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

In the absence of bad faith, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee by the Authority and conforming to the requirements of the Indenture; but in the case of any such certificates or opinions by which any provision of the Indenture are specifically required to be furnished to the Trustee, the Trustee shall examine the same to determine whether or not they conform to the requirements of the Indenture. Except as provided above in this paragraph, Trustee shall be protected and shall incur no liability in acting or proceeding, or in not acting or not proceeding, in good faith, reasonably and in accordance with the terms of the Indenture, upon any resolution, order, notice, request, consent

or waiver, certificate, statement, affidavit, or other paper or document which it shall in good faith reasonably believe to be genuine and to have been adopted or signed by the proper person or to have been prepared and furnished pursuant to any provision of the Indenture, and the Trustee shall not be under any duty to make any investigation or inquiry as to any statements contained or matters referred to in any such instrument.

The Trustee shall not be liable for any error of judgment made in good faith unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts. No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Owners pursuant to the Indenture unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The Trustee may become the owner of the Bonds with the same rights it would have if it were not the Trustee.

The Trustee shall have no duty or obligation whatsoever to enforce the collection of Special Taxes or other funds to be deposited with it under the Indenture, or as to the correctness of any amounts received, and its liability shall be limited to the proper accounting for such funds as it shall actually receive.

In order to perform its duties and obligations under the Indenture, the Trustee may employ such persons or entities as it deems necessary or advisable. The Trustee shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

The Trustee may rely and shall be protected in acting or refraining from acting upon any notice, resolution, request, consent, order, certificate, report, warrant, bond or other paper or document believed by it in good faith to be genuine and to have been signed or presented by the proper party or proper parties. The Trustee may consult with counsel, who may be counsel to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith and in accordance therewith.

The Trustee shall not be bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and his title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be in the Indenture specifically prescribed) may, in the absence of willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by an Officer's Certificate, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of the Indenture or any Supplemental Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

Amendment of the Indenture

The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture pursuant to the affirmative vote at a meeting of Owners, or with the written consent without a meeting, of the Owners of at least sixty percent (60%) in aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the Indenture. No such modification or amendment shall (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the Authority to pay the principal of, and the interest on, any Bond, without the express consent of the Owner of such Bond, or (ii) permit the creation by the Authority of any pledge or lien upon the Special Taxes superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as otherwise permitted by the Act, the laws of the State of California or the Indenture), or (iii) reduce the percentage of Bonds required for the amendment of the Indenture. Any such amendment may not modify any of the rights or obligations of the Trustee without its written consent.

The Indenture and the rights and obligations of the Authority and of the Owners may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners, only to the extent permitted by law and only for any one or more of the following purposes:

(A) to add to the covenants and agreements of the Authority in the Indenture contained, other covenants and agreements thereafter to be observed, or to limit or surrender any right or power in the Indenture reserved to or conferred upon the Authority;

(B) to make modifications not adversely affecting any outstanding series of Bonds of the Authority in any material respect;

(C) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in the Indenture, or in regard to questions arising under the Indenture, as the Authority or the Trustee may deem necessary or desirable and not inconsistent with the Indenture, and which shall not adversely affect the rights of the Owners of the Bonds;

(D) to make such additions, deletions or modifications as may be necessary or desirable to assure exemption from gross federal income taxation of interest on the Bonds;

(E) in connection with the issuance of Parity Bonds under and pursuant to the Indenture; and

(F) to the provisions of the Indenture relating to the Services Fund and the Building Replacement Reserve Fund, in any manner in which the Authority shall request in writing delivered to the Trustee, including (but not limited to) removal of all provisions relating to the Services Fund and the Building Replacement Reserve Fund from the Indenture.

Default

Events of Default. Each of the following events shall constitute an “Event of Default” under the Indenture:

(A) failure to pay the principal of on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(B) failure to pay any installment of interest on any Bond when such interest installment shall become due and payable; and

(C) failure by the Authority to perform or observe any other of the covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, and the continuation of such failure for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the holders of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time outstanding.

No default specified in (C) above shall constitute an Event of Default unless the Authority shall have failed to correct such default within the applicable period; provided, however, that if the default shall be such that it cannot be corrected within such period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within the applicable period and diligently pursued until the default is corrected.

Institution of Legal Proceedings by Trustee. If one or more of the Events of Default shall occur and be continuing, the Trustee in its discretion may, and upon the written request of the holders of a majority in principal amount of the Bonds then outstanding and upon being indemnified to its satisfaction therefor the Trustee shall, proceed to protect or enforce its rights or the rights of the holders of Bonds under the Act or under the Indenture, by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained in the Indenture or therein, or in aid of the execution of any power in the Indenture or therein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights or duties under the Indenture; provided that any such request from the Bondholders shall not be in conflict with any rule of law or with the Indenture, expose the Trustee to personal liability or be unduly prejudicial to Bondholders not joining therein.

Application of Moneys Collected by Trustee. Any moneys held by the Trustee, or collected by the Trustee pursuant to the default provisions of the Indenture shall be applied in the order following, at the date or dates fixed by the Trustee and, in the case of distribution of such moneys on account of principal or interest, upon presentation of the Bonds and stamping thereon the payment, if only partially paid, and upon surrender thereof, if fully paid:

First: For payment of all amounts due to the Trustee under the Trustee compensation provisions of the Indenture.

Second: For deposit in the Bond Fund to be applied to payment of the principal of all Bonds then due and unpaid and interest thereon; ratably to the persons entitled thereto without discrimination or preference; except that no payment of principal or interest shall be made with respect to any Bonds registered in the name of the Authority,

or known by the Trustee to be registered in the name of any nominee of the Authority, until all amounts due on all Bonds not so registered have been paid.

Third: For payment of all other amounts due to any person under the Indenture.

Effect of Delay or Omission to Pursue Remedy. No delay or omission of the Trustee or of any holder of Bonds to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every power and remedy given by the Indenture to the Trustee or to the holders of Bonds may be exercised from time to time and as often as shall be deemed expedient. In case the Trustee shall have proceeded to enforce any right under the Indenture, and such proceedings shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely to the Trustee, then and in every such case the Authority, the Trustee and the holders of the Bonds, severally and respectively, shall be restored to their former positions and rights under the Indenture in respect to the Trust Estate; and all remedies, rights and powers of the Authority, the Trustee and the holders of the Bonds shall continue as though no such proceedings had been taken.

Remedies Cumulative. No remedy in the Indenture conferred upon or reserved to the Trustee or to any holder of the Bonds is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Indenture or now or hereafter existing at law or in equity.

Covenant to Pay Bonds in Event of Default. The Authority covenants that, upon the happening of any Event of Default, the Authority will pay to the Trustee upon demand, but only out of Special Tax Revenues, for the benefit of the holders of the Bonds, the whole amount then due and payable thereon for interest or for principal, or both, as the case may be, and all other sums which may be due under the Indenture or secured by the Indenture, including reasonable compensation to the Trustee, its agents and counsel, and any expenses or liabilities incurred by the Trustee under the Indenture. In case the Authority shall fail to pay the same forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, and upon being indemnified to its satisfaction shall be entitled to institute proceedings at law or in equity in any court of competent jurisdiction to recover judgment for the whole amount due and unpaid, together with costs and reasonable attorneys' fees, subject, however, to the condition that such judgment, if any, shall be limited to, and payable solely out of, Special Tax Revenues and any other assets pledged, transferred or assigned to the Trustee under the Indenture as provided in the Indenture and not otherwise. The Trustee shall be entitled to recover such judgment as aforesaid, either before or after or during the pendency of any proceedings for the enforcement of the Indenture, and the right of the Trustee to recover such judgment shall not be affected by the exercise of any other right, power or remedy for the enforcement of the provisions of the Indenture.

Trustee Appointed Agent for Bondholders. The Trustee is appointed in the Indenture as the agent and attorney of the holders of all Bonds outstanding under the Indenture for the purpose of filing any claims relating to the Bonds. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties under the Indenture, whether upon its own discretion or upon the written request of the holders of a majority in principal amount of the Bonds then outstanding, it shall have full power, in the exercise of its discretion for the best interests of the holders of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default under the Indenture, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the

time there has been filed with it a written request signed by the holders of at least a majority in principal amount of the Bonds outstanding under the Indenture opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Limitation on Bondholders' Right to Sue. No holder of any Bond issued under the Indenture shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon the Indenture, unless (a) such holder shall have previously given to the Trustee written notice of the occurrence of an Event of Default under the Indenture; (b) the holders of at least a majority in aggregate principal amount of all the Bonds then outstanding shall have made written request upon the Trustee to exercise the powers granted in the Indenture or to institute such action, suit or proceeding in its own name; (c) said holders shall have tendered to the Trustee indemnity satisfactory to it against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of thirty (30) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are declared in the Indenture, in every case, to be conditions precedent to the exercise by any holder of Bonds of any remedy under the Indenture; it being understood and intended that no one or more holders of Bonds shall have any right in any manner whatever by its or their action to enforce any right under the Indenture, except in the manner therein provided, and that all proceedings at law or in equity to enforce any provision of the Indenture shall be instituted, had and maintained in the manner in the Indenture provided and for the equal benefit of all holders of the outstanding Bonds.

The right of any holder of any Bond to receive payment of the principal of and interest on such Bond out of Special Tax Revenues, as in the Indenture and the Bonds provided, on and after the respective due dates expressed in such Bond, or to institute suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such holder, notwithstanding the foregoing provisions of the Indenture or any other provision of the Indenture.

Limitation of Liability to Trust Estate. Notwithstanding anything in the Indenture contained, the Authority shall not be required to advance any moneys derived from the proceeds of taxes collected by the Authority, by the State of California or by any political subdivision thereof or from any source of income of any of the foregoing other than the Special Tax Revenues, for any of the purposes in the Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of the Indenture. The Bonds are limited obligations of the Authority for the District, and are payable from and secured only by the Trust Estate.

Discharge of the Bonds and the Indenture

The Authority shall have the option to pay and discharge the entire indebtedness on all or any portion of the Bonds Outstanding in any one or more of the following ways:

(A) by well and truly paying or causing to be paid the principal of, and interest on, such Bonds Outstanding, as and when the same become due and payable, and paying all amounts due and owing or to become due and owing by the Authority under the Reserve Fund Policy (including, but not limited to, repayment of any withdrawals under the Reserve Fund Policy which have not theretofore been repaid);

(B) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts (not including the Reserve Fund Policy) then on deposit in certain funds and accounts therein as provided in the Indenture is fully sufficient to pay such Bonds Outstanding, including all principal and interest, and paying all amounts due and owing or to become due and owing by the Authority under the Reserve Fund Policy (including, but not limited to, repayment of any withdrawals under the Reserve Fund Policy which have not theretofore been repaid); or

(C) by irrevocably depositing with the Trustee, in trust, cash and Federal Securities in such amount as the Authority shall determine as confirmed by Bond Counsel or an independent certified public accountant will, together with the interest to accrue thereon and moneys (not including the Reserve Fund Policy) then on deposit in the Reserve Fund and in the Bond Fund and accounts therein as provided in the Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal and interest at or before their respective maturity dates, and paying all amounts due and owing or to become due and owing by the Authority under the Reserve Fund Policy (including, but not limited to, repayment of any withdrawals under the Reserve Fund Policy which have not theretofore been repaid).

If the Authority shall have taken any of the actions specified in (A), (B) or (C) above, and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in the Indenture provided or provision satisfactory to the Trustee shall have been made for the giving of such notice, then, at the election of the Authority, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Trust Estate provided for in the Indenture and all other obligations of the Authority under the Indenture with respect to such Bonds Outstanding shall cease and terminate. Notice of such election shall be filed with the Trustee. Notwithstanding the foregoing, the obligation of the Authority to pay or cause to be paid to the Owners of the Bonds not so surrendered and paid all sums due thereon, to pay all amounts owing to the Trustee pursuant to the Indenture, and otherwise to assure that no action is taken or failed to be taken if such action or failure adversely affects the exclusion of interest on the Bonds from gross income for federal income tax purposes, shall continue in any event.

Upon compliance by the Authority with the foregoing with respect to all Bonds Outstanding, any funds held by the Trustee after payment of all fees and expenses of the Trustee, which are not required for the purposes of the preceding paragraph, shall be paid over to the Authority and any Special Taxes thereafter received by the Authority shall not be remitted to the Trustee but shall be retained by the Authority to be used for any purpose permitted under the Act.

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APPENDIX C

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 to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds 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 Bonds (the “Issuer”) nor the trustee appointed with respect to the Bonds (the “Agent”) take 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 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, 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”), New York, NY, will act as securities depository for the securities (the “Bonds”). The Bonds 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 Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest 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 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation

(NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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 Standard & Poor’s highest rating: AAA. 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 and www.dtc.org.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct 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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds 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 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 the notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Bonds 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 such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC’s 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds 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 nor its nominee, 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 securities depository with respect to the Bonds at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond 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, Bond 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.

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APPENDIX D

FORM CONTINUING DISCLOSURE CERTIFICATE

This CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the Central Marin Police Authority (the "Authority") in connection with the issuance of \$17,255,000 Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) 2015 Special Tax Refunding Bond (the "Bonds"). The Bonds are being issued by the Authority pursuant to an indenture, dated as of June 1, 2015 (the "Indenture"), by and between the Authority and MUFG Union Bank, N.A., as trustee (the "Trustee"). The Authority 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 holders 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 in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

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

"Beneficial Owner" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including persons holding any Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"Disclosure Representative" means the Fiscal Officer, or such person's designee, or such other officer or employee of the Authority as the Authority shall designate as the Disclosure Representative hereunder in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean NBS Government Finance Group, or any successor Dissemination Agent designated in writing by the Authority and which has filed with the Authority a written acceptance of such designation.

"EMMA" or *"Electronic Municipal Market Access"* means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"Listed Events" shall mean any of the events listed in Section 5(a) or 5(b) 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, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

“Official Statement” means the Official Statement, dated June 3, 2015, relating to the Bonds.

“Participating Underwriter” shall mean the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The Authority shall, or shall cause the Dissemination Agent to, not later than nine months after the end of each fiscal year of the Authority, commencing with the report for the 2014-15 fiscal year, which is due not later than March 31, 2016, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that any audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* 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), and subsequent Annual Report filings shall be made no later than six months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b) of this Section 3 for providing the Annual Report to EMMA), the Authority shall provide the Annual Report to the Dissemination Agent (if other than the Authority). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the Authority.

(d) *Report of Non-Compliance.* If the Authority is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the Authority shall send a notice to EMMA substantially in the form attached hereto as Exhibit A. If the Authority is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the Authority, file a report with the Authority certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Agreement, stating the date it was so provided and filed.

(f) *Disclosure Representative.* It is expected that the obligations of the Authority under this Section 3, and under Section 5 below, will be undertaken by the Fiscal Officer of the Authority, with assistance from the Finance Director of the City of Larkspur.

Section 4. Content of Annual Reports. It is acknowledged that the Closing Date for the Bonds occurred just before the end of the 2014-2015 fiscal year of the Authority. In light of the foregoing, submission of the Official Statement shall satisfy the Authority's obligation to file an Annual Report for fiscal year 2014-2015.

The Annual Report for each fiscal year commencing with the Annual Report for the 2015-2016 fiscal year, shall contain or incorporate by reference the following:

(a) *Financial Statements*. Audited financial statements of the Authority 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. If the Authority's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information*. The Annual Report for each fiscal year commencing with fiscal year 2015-2016 shall also include the following information:

- (i) The principal amount of Bonds outstanding.
- (ii) The balance in the reserve fund for the Bonds, including any cash and the value of any investments of funds therein, and the amount available to be drawn on the Reserve Fund Policy.
- (iii) The aggregate assessed value of all parcels in the Community Facilities District subject to the Special Taxes for the most recent year.
- (iv) Special Tax and property tax delinquency rate for parcels in the Community Facilities District for the most recent year for which such information is available.
- (v) Concerning delinquent parcels:
 - number of parcels delinquent in payment of Special Tax,
 - amount of total delinquency and as a percentage of total Special Tax levy, and
 - status of the Authority's actions on covenants to pursue foreclosure proceedings upon delinquent properties.
- (vi) To the extent not otherwise provided pursuant to the preceding items (i)-(v), annual information required to be filed by the District with the California Debt and Investment Advisory Commission pursuant to Section 10.07(A) of the Indenture.

(c) *Cross References*. 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 EMMA. The Authority shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information*. In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, 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.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The Authority shall, or shall cause the Dissemination Agent (if not the Authority) to, give notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (3) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (4) Substitution of credit or liquidity providers, or their failure to perform.
- (5) Defeasances.
- (6) Rating changes.
- (7) Tender offers.
- (8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
- (9) 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 security, or other material events affecting the tax status of the security.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, trustee or similar officer for an obligated person in a proceeding under the U.S. 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 obligated person, or if such jurisdiction has been assumed by leaving the existing governmental 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 obligated person.

(b) *Material Reportable Events.* The Authority shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

- (1) Non-payment related defaults.
- (2) Modifications to rights of security holders.

- (3) Bond calls.
- (4) The release, substitution, or sale of property securing repayment of the securities.
- (5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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.
- (6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* The Authority shall, or shall cause the Dissemination Agent (if not the Authority) to, file a notice of such occurrence with EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of any Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(5) and (b)(3) 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.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Agreement 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.

(a) *Appointment of 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 Agreement and may discharge any such agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be NBS Government Finance Group.

If the Dissemination Agent is not the Authority, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Agreement. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the Authority. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Agreement and has no liability to any person, including any Bond owner, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the Authority shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the Authority.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid compensation by the Authority for its services provided hereunder as agreed to between the Dissemination Agent and the Authority from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder, with payment to be made from any lawful funds of the Community Facilities District. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the Authority, the owners of the Bonds, the Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any written direction from the Authority or a written opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the Authority. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) *Responsibilities of Dissemination Agent.* In addition of the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the Authority to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the Authority under Section 3.

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) or (b), 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 holders of the Bonds in the manner provided in the Indenture for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Agreement is waived, the Authority shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

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 any holder of the Bonds or Beneficial Owner 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 Resolution, 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. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Dissemination Agent, the Participating Underwriter and holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: June 18, 2015

CENTRAL MARIN POLICE AUTHORITY

By: _____
Fiscal Officer

NBS Government Finance Group agrees to act as Dissemination Agent pursuant to the foregoing Continuing Disclosure Certificate

By: _____

Title: _____

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Central Marin Police Authority
Name of Bond Issue: \$17,255,000 Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) 2015 Special Tax Refunding Bonds
Date of Issuance: June 18, 2015

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 5.17 of the indenture, dated as of June 1, 2015, by and between the Authority and MUFG Union Bank, N.A., as trustee. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

NBS GOVERNMENTAL FINANCE
GROUP, as Dissemination Agent

By: _____

Title: _____

cc: MUFG Union Bank, N.A.
475 Sansome Street, 12th Floor
San Francisco, CA 94111
Attention: Corporate Trust Services

Central Marin Police Authority
c/o City of Larkspur
400 Magnolia Avenue
Larkspur, CA 94939
Attention: Finance Director

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

June 18, 2015

Central Marin Police Council
Central Marin Police Authority
250 Doherty Drive
Larkspur, California 94939

OPINION: \$17,255,000 Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) 2015 Special Tax Refunding Bonds

Members of the Central Marin Police Council:

We have acted as bond counsel in connection with the issuance by the Central Marin Police Authority (the "Authority") of its \$17,255,000 Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) 2015 Special Tax Refunding Bonds (the "Bonds") pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.*, of the California Government Code) (the "Act"), Article 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, an Indenture, dated as of June 1, 2015 (the "Indenture"), by and between the Authority for and on behalf of the Twin Cities Police Authority Community Facilities District No. 2008-1 (Public Safety, Police and Emergency Response Facilities and Services) (the "District"), and MUFJ Union Bank, N.A., as Trustee, and Resolution No. 2015/12 adopted by the Central Marin Police Council on April 30, 2015 (the "Resolution").

In connection with this opinion, we have examined the law and such certified proceedings and other documents as we deem necessary to render this opinion. As to questions of fact material to our opinion, we have relied upon representations of the Authority contained in the Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion, under existing law, as follows:

1. The Authority is duly created and validly existing as a joint exercise of powers agency under the laws of the State of California, with the power to adopt the Resolution, enter into the Indenture and perform the agreements on its part contained therein and issue the Bonds.
2. The Indenture has been duly entered into by the Authority and constitutes a valid and binding obligation of the Authority enforceable upon the Authority in accordance with its terms.
3. Pursuant to the Act, the Indenture creates a valid lien on the funds pledged by the Indenture for the security of the Bonds, on a parity with the pledge thereof for the security of any Parity Bonds that may be issued under, and as such term is defined in, the Indenture.

4. The Bonds have been duly authorized, executed and delivered by the Authority and are valid and binding limited obligations of the Authority for the District, payable solely from the sources provided therefor in the Indenture.

5. Subject to the Authority's compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "Code"), but such interest is taken into account in computing adjusted current earnings, which is used as an adjustment in determining the federal alternative minimum tax for certain corporations. Failure by the Authority to comply with certain of such covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds, the Resolution and the Indenture may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering this opinion, we have relied upon certifications of the Authority and others with respect to certain material facts. Our opinion represents our legal judgment based upon such review of the law and facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

GENERAL INFORMATION REGARDING THE CITY OF LARKSPUR, THE TOWN OF CORTE MADERA AND THE COUNTY OF MARIN

The information in this Appendix F is provided as general background data. The Bonds are payable solely from the Trust Estate as described in the body of this Official Statement. The City of Larkspur, the Town of Corte Madera and the County of Marin have no liability whatsoever with respect to the payment of the Bonds or the Authority's obligations under the Indenture. See the section in the Official Statement entitled "SECURITY FOR THE BONDS."

Demographics

The following table sets forth various demographic data for the City of Larkspur, the Town of Corte Madera, the County of Marin and the State of California.

	Land Area (square miles)	Population	Median Household Income	Median House Value
Larkspur	3.1	12,204	\$86,268	\$928,705
Corte Madera	3.2	9,459	79,839	821,160
Marin County	520	256,069	89,019	820,200
California	155,959	38,802,500	58,328	349,400

Source: US Census Bureau; City-Data.com (2013 Data)

Employment and Industry

The following table sets forth labor force and employment information for the City of Larkspur, the Town of Corte Madera, Marin County and the State of California for the month of February, 2015.

	Labor Force	Employment	Unemployment	Unemployment Rate
Larkspur	6,800	6,500	300	4.5%
Corte Madera	5,000	4,900	100	2.5
Marin County	140,700	135,500	5,100	3.7
California	18,910,200	17,618,700	1,291,500	6.8

Source: State of California, Employment Development Department, Labor Market Division

Assessed Valuation

The following tables set forth assessed valuation information for the City of Larkspur and the Town of Corte Madera for the past six fiscal years.

CITY OF LARKSPUR Assessed Valuation Fiscal Years 2009-10 through 2014-15

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Unsecured</u>	<u>Total Assessed Valuation</u>
2009-10	2,720,829,908	87,285,771	2,808,115,679
2010-11	2,666,136,312	86,491,505	2,752,627,817
2011-12	2,714,523,786	81,882,050	2,796,405,836
2012-13	2,794,847,377	82,985,364	2,877,832,741
2013-14	2,931,772,286	80,673,779	3,012,446,065
2014-15	3,137,565,203	84,026,270	3,221,591,473

Source: County of Marin Auditor's Office and Wulff, Hansen & Co.

TOWN OF CORTE MADERA Assessed Valuation Fiscal Years 2009-10 through 2014-15

<u>Fiscal Year</u>	<u>Local Secured</u>	<u>Unsecured</u>	<u>Total Assessed Valuation</u>
2009-10	2,252,837,562	122,446,799	2,375,284,361
2010-11	2,222,007,960	124,198,753	2,346,206,713
2011-12	2,248,057,610	121,961,541	2,370,019,151
2012-13	2,259,571,289	126,228,014	2,385,799,303
2013-14	2,358,017,582	124,989,156	2,483,006,738
2014-15	2,535,978,713	128,146,742	2,664,125,455

Source: County of Marin Auditor's Office, as compiled by Wulff, Hansen & Co.

