

MEASURE SUBMITTED TO THE VOTERS

DISTRICT

**BEL MARIN KEYS COMMUNITY SERVICES DISTRICT
COMMUNITY FACILITIES DISTRICT NO. 2001-1
SPECIAL TAX FOR
MARINE FACILITIES IMPROVEMENTS
MEASURE E**

E Shall the Bel Marin Keys Community Services District (the "District"), for its Community Facilities District No. 2001-1 (Marine Facilities Improvements) (the "CFD"), issue special tax bonds in an amount not to exceed \$2,600,000 to finance improvements to the District's marine facilities, including related costs (the "Facilities"); shall a special tax be levied each year on all taxable properties in the CFD to finance the Facilities and bond-related costs; and shall the appropriations limit for the CFD be established at \$1,500,000?

**BEL MARIN KEYS COMMUNITY SERVICES DISTRICT
FULL TEXT OF RESOLUTION NO. 01-09
A RESOLUTION OF FORMATION OF
COMMUNITY FACILITIES DISTRICT
Community Facilities District No. 2001-1
(Marine Facilities Improvements)
MEASURE E**

RESOLVED, by the Board of Directors (the "Board") of the Bel Marin Keys Community Services District (the "District"), County of Marin, State of California that:

WHEREAS, on June 28, 2001, this Board adopted a resolution entitled "A Resolution of Intention to Establish a Community Facilities District" (the "Resolution of Intention"), stating its intention to form the Bel Marin Keys Community Services District, Community Facilities District No. 2001-1 (Marine Facilities Improvements) (the "CFD"), of the District pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5, commencing with Section 53311, of the California Government Code (the "Act");

WHEREAS, the Resolution of Intention, incorporating a map of the proposed boundaries of the CFD and stating the facilities to be provided, the cost of providing such facilities, and the rate and method of apportionment of the special tax to be levied within the CFD to pay the principal and interest on bonds proposed to be issued with respect to the CFD, is on file with the District Clerk and the provisions thereof are incorporated herein by this reference as if fully set forth herein;

WHEREAS, the facilities stated in the Resolution of Intention are as set forth in Exhibit A attached hereto and hereby made a part hereof;

WHEREAS, on this date, this Board held a noticed public hearing as required by the Act and the Resolution of Intention relative to the proposed formation of the CFD;

WHEREAS, at the hearing all interested persons desiring to be heard on all matters pertaining to the formation of the CFD, the facilities to be provided therein and the levy of said special tax were heard and a full and fair hearing was held;

WHEREAS, at the hearing evidence was presented to this Board on said matters before it, including a report caused to be prepared by the District Manager (the "Report") as to the facilities to be provided through the CFD and the costs thereof, a copy of which is on file with the District Clerk, and this Board at the conclusion of said hearing is fully advised in the premises;

WHEREAS, written protests with respect to the formation of the CFD, the furnishing of specified types of facilities and the rate and method of apportionment of the special taxes have not been filed with the District Clerk by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or property owners of one-half (1/2) or more of the area of land within the CFD and

not exempt from the proposed special tax;

WHEREAS, the special tax proposed to be levied in the CFD to pay for the proposed facilities to be provided therein, as set forth in Exhibit B hereto, has not been eliminated by protest by fifty percent (50%) or more of the registered voters residing within the territory of the CFD or the owners of one-half (1/2) or more of the area of land within the CFD and not exempt from the special tax.

NOW, THEREFORE, IT IS HEREBY ORDERED as follows:

1. **Recitals Correct.** The foregoing recitals are true and correct.
2. **No Majority Protest.** The proposed special tax to be levied within the CFD has not been precluded by majority protest pursuant to section 53324 of the Act.

3. **Prior Proceedings Valid.** All prior proceedings taken by this District Board in connection with the establishment of the CFD and the levy of the special tax have been duly considered and are hereby found and determined to be valid and in conformity with the Act.

4. **Name of CFD.** The community facilities district designated "Community Services District, Community Facilities District No. 2001-1 (Marine Facilities Improvements)" of the District is hereby established pursuant to the Act.

5. **Boundaries of CFD.** The boundaries of the CFD, as set forth in the map of the CFD heretofore recorded in the Marin County Recorder's Office on July 11, 2001, in Book 2001 at Page 120, Serial No. 2001-0042267, of Maps, are hereby approved, are incorporated herein by reference and shall be the boundaries of the CFD.

6. **Description of Facilities.** The type of public facilities proposed to be financed by the CFD and pursuant to the Act shall consist of those items listed as facilities in Exhibit A hereto and by this reference incorporated herein (the "Facilities").

7. **Special Tax.**

a. Except to the extent that funds are otherwise available to the CFD to pay for the Facilities and/or the principal and interest as it becomes due on bonds of the CFD issued to finance the Facilities, a special tax (the "Special Tax") sufficient to pay the costs thereof, secured by the recordation of a continuing lien against all non-exempt real property in the CFD, is intended to be levied annually within the CFD, and collected in the same manner as ordinary ad valorem property taxes or in such other manner as may be prescribed by this Board.

b. The proposed rate and method of apportionment of the Special Tax among the parcels of real property within the CFD, in sufficient detail to allow each landowner within the proposed CFD to estimate the maximum amount such owner will have to pay, are shown in Exhibit B attached hereto and hereby incorporated herein.

c. In the case of any Special Tax to pay for the Facilities and to be levied against any parcel used for private residential purposes: (i) the maximum special tax shall be specified as a dollar amount which shall be calculated and thereby established not later than the date on which the parcel is first subject to the tax because of its use for private residential purposes and which amount shall not be increased over time over two percent per year; (ii) the tax year after which no further Special Tax subject to this sentence shall be levied or collected shall be as set forth in Exhibit B hereto; and (iii) under no circumstances will the Special Tax levied against any parcel subject to this sentence be increased as a consequence of delinquency or default by the owner of any other parcel within the CFD by more than ten percent. For the purposes hereof, a parcel is used for "private residential purposes" not later than the date on which an occupancy permit for private residential use is issued.

8. **Responsible Official.** The Treasurer of the District, 4 Montego Key, Novato, California 94949, telephone number (415) 883-4222, is the officer of the District who will be responsible for preparing annually a current roll of special tax levy obligations by assessor's parcel number and who will be responsible for estimating future special tax levies pursuant to the Act.

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(Full Text of Measure E Continued)

9. **Tax Lien.** Upon recordation of a notice of special tax lien pursuant to Section 3114.5 of the Streets and Highways Code of California, a continuing lien to secure each levy of the special tax shall attach to all nonexempt real property in the CFD and this lien shall continue in force and effect until the special tax obligation is prepaid and permanently satisfied and the lien canceled in accordance with law or until collection of the tax by the District ceases.

10. **Appropriations Limit.** In accordance with the Act, the annual appropriations limit, as defined by subdivision (h) of Section 8 of Article XIII B of the California Constitution, of the CFD is hereby preliminarily established at \$1,500,000 and said appropriations limit shall be submitted to the voters of the CFD as hereafter provided. The proposition establishing said annual appropriations limit shall become effective if approved by the qualified electors voting thereon and shall be adjusted in accordance with the applicable provisions of the Act.

11. **Election.** Pursuant to the provisions of the Act, the proposition of the levy of the special tax and the proposition of the establishment of the appropriations limit specified above shall be submitted to the qualified electors of the CFD at an election the time, place and conditions of which election shall be as specified by a separate resolution of this Board.

12. **Effective.** This resolution shall take effect upon its adoption.

PASSED AND ADOPTED at the regular meeting of the Board of Directors of the Bel Marin Keys Community Services District, County of Marin, State of California, on this 6th day of August 2001, by the following vote to wit:

AYES: 5
NOES: 0
ABSENT: 0

s/Shirley Graves
President of the Board

ATTEST:
s/James A. Tucker
Secretary

EXHIBIT A

**BEL MARIN KEYS COMMUNITY SERVICES DISTRICT
Community Facilities District No. 2001-1
(Marine Facilities Improvements)**

DESCRIPTION OF FACILITIES TO BE FINANCED BY THE CFD

The Facilities shown below are to be financed by the above-designated community facilities district (the "CFD") of the Bel Marin Keys Community Services District (the "District"). The Facilities shall include the attributable costs of all required or related engineering, design, planning, water quality and dredge spoil testing, circulation studies, hydrographic surveys of marine facilities, environmental approvals, construction contracts, bid solicitations and award costs, plan checking and coordination, together with the expenses related to the formation of the CFD, issuance and sale of any special tax bonds, including financial advisory fees, underwriters' discount, appraisals, reserve fund, capitalized interest, bond counsel, special tax consultant, bond sale expenses, bond insurance, bond and official statement printing and all other expenses incidental thereto. The Facilities shall be constructed pursuant to plans and specifications approved by the District and the officials thereof. The Facilities may be constructed under one or more contracts, as approved by the District. The Facilities shall include the construction of all auxiliary work necessary and/or convenient to the accomplishment thereof in accordance with plans and specifications to be approved by the

District. The Facilities may, at the order of the District, include and the costs, including costs incidental thereto, of removing any outstanding, fixed-lien special assessments against lands within the CFD. The Facilities shall consist of:

Improvements to the District's marine facilities, including, but not limited to, the acquisition of a dredge spoils deposit site, improvements to levees and locks and all appurtenances thereto, water navigational improvements to Novato Creek, North Lagoon and South Lagoon, and improvements to public piers, docks and boat launching areas.

EXHIBIT B

**BEL MARIN KEYS COMMUNITY SERVICES DISTRICT
Community Facilities District No. 2001-1
(Marine Facilities Improvements)**

Section 1. Definitions

The defined terms below shall apply wherever such terms are used in this Rate and Method of Apportionment.

"Act" means the Mello-Roos Community Facilities Act of 1982 (Chapter 2.5, Part 1, Division 2, Title 5 of the California Government Code), as amended from time to time.

"Administrative Expenses" means the actual or estimated costs incurred by the District to determine, levy and collect the Special Taxes, including salaries of District employees and the fees of consultants, corporate bond paying agents, fiscal agents and bond trustees; the costs of collecting installments of the Special Taxes; preparation and maintenance of required records and reports; preparation of financial audits; and any other costs required to administer the CFD.

"Annual Costs" means, for each Fiscal Year, the total of 1) an amount sufficient to pay Debt Service in a timely manner, 2) Administrative Expenses, 3) any amounts needed to replenish bond reserve funds and to make up for any deficit caused by actual or estimated delinquencies in Special Taxes for the previous or current Fiscal Year, and 4) amounts budgeted for appropriation in such Fiscal Year by the District for capitalizable expenditures authorized by the resolution of formation establishing the CFD.

"Annual Tax Revenues" means the amount of Special Taxes collected each Fiscal Year to pay the Annual Costs.

"Auditor" means the Auditor for the County or his or her designee.

"Bond Related Expenses" means for any Fiscal Year, that portion of Annual Costs: 1) budgeted to pay Debt Service in a timely manner, 2) budgeted for bond trustee, paying agent and registrar fees and expenses, and 3) needed to replenish bond reserve funds and to make up for any deficit caused by actual or estimated delinquencies in Special Taxes for the previous or current Fiscal Year.

"CFD" means the Bel Marin Keys Community Services District, Bel Marin Keys Community Facilities District No. 2001-1 (Marine Facilities Improvements).

"Classification Date" means each June 1.

"Commercial Parcel" means a Parcel which is designated for commercial use pursuant to the land use approved for such Parcel by the County. In the event the County has no official land use designation for a Parcel, the land use code on the secured tax rolls of the County may be used to classify such Parcel.

"County" means County of Marin, California.

"Coverage Factor" means a percentage rate equal to ten (10) percent.

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"Debt Service" means the total amount of principal and interest due on outstanding bonds of the CFD that must be collected by the County in any Fiscal Year in order to make timely payments of principal and interest on such outstanding bonds.

"District" means the Bel Marin Keys Community Services District, California.

"District Board" means the elected legislative body of the District.

"District Manager" means the Manager of the District.

"Fiscal Year" means the period beginning July 1 and ending the following June 30.

"Fully Taxable Parcel" means any Residential Parcel that is not a Prepaid Taxable Parcel.

"Maximum Annual Special Tax Rate" means the maximum amount of Special Taxes that may be levied against a Taxable Parcel.

"Parcel" means any Parcel within the boundaries of the CFD that is identified by an Assessor's parcel number on the secured tax rolls of the County as of the January 1 lien date (or such other lien date as may be established by the Assessor) of each Fiscal Year.

"Parcel Classification" means the placement of each Parcel into its respective classification as such parcel exists each Classification Date.

"Prepaid Taxable Parcel" means any Parcel that has prepaid pursuant to this Rate and Method of Apportionment the Special Taxes to be levied against such Parcel in satisfaction of its pro rata share of Annual Costs with respect to any outstanding or authorized but unissued bonds of the CFD.

"Principal Prepayment Amount" means the amount of unpaid outstanding bond principal and authorized but unissued bond principal allocable to each Taxable Parcel as of the date of such calculation.

"Public Parcel" means any Parcel that is, or is intended to be, publicly owned and which is normally exempt from ad valorem taxes under California law, including but not limited to public streets, schools, school district administrative offices, police and fire facilities, parks, and public drainage ways, rights-of-way, landscaping, greenbelts and open space.

"Residential Parcel" means any Parcel zoned for single or multi-family residential use.

"Special Tax" or "Special Taxes" means any tax levy with respect to the CFD under the Act on Taxable Parcels.

"Special Tax Report" means the report prepared annually pursuant to Section 3 hereof.

"Tax Collection Schedule" means the document prepared by, or caused to be prepared by, the District Manager for use by the Auditor in collecting the Special Taxes each Fiscal Year pursuant to Section 6 hereof.

"Taxable Parcel" means any Residential Parcel.

"Tax-Exempt Parcel" means any Parcel that is a Public Parcel. However, Taxable Parcels that are acquired by a public entity shall remain subject to the applicable Special Tax pursuant to Section 53317.4 of the Act.

Section 2. Basis of Special Tax Levy

A Special Tax under the Act applicable to each Taxable Parcel shall be levied and collected according to the tax liability determined by the District through the application of the procedures described below, commencing in the Fiscal Year 2002-2003.

Section 3. Determination and Classification of Parcels Subject to Special Tax

Prior to the first issuance of bonds, and thereafter prior to July 1 of each Fiscal Year, the District Manager shall cause to be prepared a Special Tax Report setting forth: 1) the

classification as of the Classification Date applicable for such Fiscal Year of each Parcel within the boundaries of the CFD, 2) a projected sources and uses of funds for the CFD in such Fiscal Year showing that projected Annual Tax Revenues are sufficient to pay projected Annual Costs, 3) the Special Tax rate necessary to satisfy Annual Costs applicable to each Taxable Parcel for such Fiscal Year, 4) the amount of Special Taxes to be levied on each Taxable Parcel in the next ensuing Fiscal Year, 5) the annual Principal Prepayment Amount allocable to each Taxable Parcel, and 6) a Tax Collection Schedule.

Parcels shall be classified as of their status applicable in the next Fiscal Year on each Classification Date. The secured property tax roll, land use codes and plot map books maintained by the County Assessor of the County, in combination with official records maintained by the County regarding recorded final maps, building permits issued, and other changes in parcel development status, will be the basis for classifying the Parcels in the CFD. If the land use code on the secured property tax roll is incorrect, the District may assign the appropriate code based on its review of the status of the property.

Commercial Parcels shall be classified as Inactive Parcels. Public Parcels shall be classified as Tax-Exempt Parcels. Residential Parcels shall be classified as Taxable Parcels. Taxable Parcels shall be further classified as either Fully Taxable Parcels or Prepaid Taxable Parcels. Prepaid Taxable Parcels shall be subject to the levy of Special Taxes to pay for their pro rata share of annual Administrative Expenses and budgeted current capital expense. Special Taxes may not be levied on Prepaid Taxable Parcels for the payment of Bond Related Expenses.

A Residential Parcel classified as a Taxable Parcel may not be removed from such classification unless the Special Taxes associated with debt service on outstanding and authorized but unissued bonds allocable to such Parcel have been prepaid pursuant to Section 7 hereof, in which case such Parcel shall be reclassified as a Prepaid Taxable Parcel. Prepaid Taxable Parcels shall remain subject to the payment of Special Taxes as provided for herein.

The Special Tax shall be levied for debt service-related Annual Costs only on Fully Taxable Parcels. The Special Tax shall be levied on Prepaid Taxable Parcels only for their pro rata share of Annual Costs related to annual Administrative Expenses and current capital expenses. The amount of the Special Tax for each Taxable Parcel shall be determined in accordance with the provisions of Section 6 hereof. Each Taxable Parcel's Special Tax for the next Fiscal Year shall be levied against such Parcel's assessor's parcel number as it was shown on the County Assessor's records of Parcels in the CFD as of the prior January 1 lien date, or such other lien date established by the County Assessor.

Section 4. Termination of the Special Tax

When all of the CFD's Administrative Expenses and Debt Service obligations are satisfied and no bonds authorized for issuance by the CFD remain either unissued or outstanding, the District Board shall determine that the Special Tax shall cease to be levied. The District Board shall then direct the District Manager to record a Notice of Cessation of Special Tax as provided by law. Notwithstanding the foregoing, in no event shall the Special Tax be levied after the Fiscal Year ending June 30, 2038.

Section 5. Maximum Annual Special Tax Rate

For each Taxable Parcel, the Maximum Annual Special Tax Rate shall be \$385.

Inactive Parcels and Tax-Exempt Parcels shall not be subject to the levy of Special Taxes.

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(Full Text of Measure E Continued)

Section 6. Apportionment, Levy and Selection of Special Tax Rates

For each Fiscal Year, a Special Tax rate shall be established for each Fully Taxable Parcel and for each Prepaid Taxable Parcel. Annual Bond Related Expenses shall be allocated only to Fully Taxable Parcels. Annual Bond Related Expenses shall be allocated equally among Fully Taxable Parcels. Annual Administrative Expenses (excluding bond trustee expenses) shall be allocated equally among all Taxable Parcels. Annual Costs related to current capital expenses shall be allocated equally among all Taxable Parcels.

After each Parcel has been annually classified, the annual Special Tax and Principal Prepayment Amount for each Taxable Parcel has been calculated, and a Special Tax Report for such Fiscal Year has been approved by resolution of the District in July of each Fiscal Year, the District Manager shall forward a Tax Collection Schedule showing the annual Special Tax liability for each Taxable Parcel to the County Auditor, requesting that the Tax Collection Schedule be placed on the secured property tax roll for the applicable Fiscal Year. The Tax Collection Schedule shall be sent not later than August 10 or such other date required by the County Auditor for such placement.

The District shall make every effort to correctly assign the Special Tax rates and calculate the annual Special Tax liability for each Taxable Parcel and the annual Principal Prepayment Amount for each Fully Taxable Parcel. It shall be the burden of the taxpayer to correct any errors in the determination and classification of the Parcels subject to the Special Tax and their respective Special Tax and Principal Prepayment Amount liabilities.

Section 7. Prepayment of Special Taxes

Prepayment Prior to the Initial Sale of Bonds. Prior to the sale of bonds secured by the Special Taxes, the owner of each Taxable Parcel shall have the option to prepay future Special Taxes to be levied against such Taxable Parcel in connection with such bonds with a single cash payment. The amount of such optional cash payment shall be determined as follows:

- Step 1 The maximum approved bonded indebtedness of the CFD shall be determined. From such amount shall be deducted the following bond financing costs: the projected cost of financing bond debt service reserve funds, interest projected to be capitalized from the proceeds of bonds, and any projected underwriter's discount and bond insurance premiums, all as identified in the Report caused to be prepared by the District Manager in connection with the formation of the CFD as required under Sections 53321.5 and 53325 of the Act. All other budgeted costs of creating the CFD and issuing bonds approved by the District Board shall be included as project costs.
- Step 2 The net amount determined in step 1 above shall be divided by the total number of Taxable Parcels.
- Step 3 The quotient resulting from step 2 shall be the optional cash payment amount assigned to each such Taxable Parcel.

Notice shall be given by mail to each owner of Taxable Parcels within the CFD of a 30-day period prior to the initial sale of bonds within which cash payments may be made. Only cash payments in whole may be accepted in lieu of the payment of annual Special Taxes for Bond Related Costs. Parcels for which the prepayment of Special Taxes in whole has been made shall be reclassified as Prepaid Taxable Parcels.

Prepayment Subsequent to the Initial Sale of Bonds. The owner of any Taxable Parcel may prepay the Special Taxes to be levied against such Parcel through the term to maturity of outstanding bonds and authorized but unissued bonds. Special Taxes may not be prepaid in part. Optional prepayment amounts for each Taxable Parcel subsequent to the sale of bonds shall be determined annually for each Fiscal Year at the same time annual Special Taxes are determined as follows:

- Step 1 The total number of Fully Taxable Parcels in the CFD as of the Classification Date for such Fiscal Year shall be determined.
- Step 2 The total amount of unpaid bond principal outstanding at the beginning of each Fiscal Year plus authorized and unissued bond principal shall be determined, from which amount shall be subtracted any principal coming due in such Fiscal Year, the payment of which was provided for in the collection of the prior Fiscal Year's Annual Tax Revenues.
- Step 3 The net amount determined in step 2 above shall be divided by the number of Fully Taxable Parcels as determined in step 1 above to arrive at the unpaid authorized bond principal per Fully Taxable Parcel for such Fiscal Year. Such amount shall be the Principal Prepayment Amount allocable to each such Fully Taxable Parcel.

In each Fiscal Year, the owner of a Fully Taxable Parcel may prepay that portion of the future Special Tax obligations of such Fully Taxable Parcel related to outstanding and authorized but unissued bonds by paying in cash the sum of i) the amount of any delinquent and unpaid installments of Special Taxes levied against such Parcel, together with any penalties, interest and costs due thereon, ii) the Special Taxes levied against such Parcel in such Fiscal Year, iii) the Principal Prepayment Amount allocable to such Taxable Parcel in such Fiscal Year, iv) a prepayment premium in an amount equal to the prepayment premium required under the applicable bond document to be paid on outstanding bonds to be called on the next permissible call date times such Parcel's applicable Principal Prepayment Amount (adjusted for authorized but unissued bonds which shall have no prepayment premium associated with them), v) a reasonable fee, fixed by the District, for the cost of administering the prepayment and the advance redemption of outstanding bonds, and vi) if authorized pursuant to the applicable bond document, a credit for such Taxable Parcel's pro rata share of the reserve fund balance (if any) established under such applicable bond document.

Section 8. Application of Surplus Tax Revenues

Any amounts collected in excess of Annual Costs shall be applied as stipulated in the applicable bond document securing outstanding bonds of the CFD.

Section 9. Administrative Changes

The District Manager has the authority to make necessary administrative adjustments to the Rate and Method of Apportionment in order to remedy any portions of this Rate and Method of Apportionment that require clarification, provided that no such adjustment shall result in a tax levy on any Taxable Parcel in excess of the applicable Maximum Annual Special Tax Rate for such Taxable Parcel.

Any taxpayer that believes that the amount or formula of the Special Tax is in error may file a written notice with the District Manager appealing the Special Tax. Any such notice of appeal must be filed by January 1 of the fiscal year for which the Special Tax in question has been levied. The District Manager or his designee will then promptly review all such timely-filed appeals, and if necessary, meet with the appellant.

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(Full Text of Measure E Continued)

If the findings of the District Manager verify that the Special Tax should be modified, a recommendation at that time will be made to the District and, as appropriate, the Special Tax shall be corrected and, if applicable, a refund shall be granted from such fund or account established under the applicable bond document securing outstanding bonds of the CFD for which the payment of such refunds is authorized. The District Manager, in his sole discretion, may review appeals filed after the January 1 deadline, regardless of the merit of any such appeals. Under no circumstances will the District be obligated to grant refunds for a fiscal year extending beyond the fiscal year immediately preceding the fiscal year in which an appeal was filed.

Interpretations may be made by resolution of the District for purposes of clarifying any vagueness or ambiguity as it relates to the Special Tax or the Maximum Annual Special Tax Rate, the method of apportionment, the classification of properties, or any definition applicable to the CFD.

**IMPARTIAL ANALYSIS BY COUNTY COUNSEL
MEASURE E**

This measure, if approved by two-thirds of those voting thereon, would authorize the issuance of special tax bonds by the Bel Marin Keys Community Services District (the "District"), for its Community Facilities District No. 2001-1 (the "CFD"), in an amount not to exceed \$2,600,000, and the levying of a special tax each year on all taxable properties in the CFD to finance the improvement work and the bond-related costs. The proceeds of the bonds would be used to finance improvements to the District's marine facilities. Passage of the measure would also establish, pursuant to Article XIII B of the California Constitution, an appropriations limit for the CFD of \$1,500,000.

Dated: August 22, 2001

PATRICK K. FAULKNER
County Counsel

ARGUMENT IN FAVOR OF MEASURE E

Your "YES" vote for Measure E will make money available for lock improvements and repairs. The lock system in our community has had virtually no improvements or major repairs since installation. If our locks are not protected, they will become non-operational. Our property values will fall and our water quality will suffer, because we will not have deep water access to the Bay or a way to flush our lagoons.

Your "YES" vote will make money available to take advantage of a unique opportunity to purchase our own dredge disposal site. The cost of dredging is directly related to the distance required to pump the mud. We need to purchase a site close to our community to ensure that money collected in our Parcel Tax is enough to cover the on-going cost of moving mud in the future. Owning a disposal site puts us in control of our destiny with a long-term dredge permit. Any site purchase will be contingent upon our ability to obtain a permit.

Your "YES" vote will make money available for a water quality, circulation, and management study and plan. Our community needs to understand why our water quality has diminished over the years, and what we can do to improve the circulation and on-going settlement of silt deposited in our waterways.

Your "YES" vote will authorize an assessment on every property of up to \$385 annually. Measure E authorizes the sale of low interest cost tax-exempt bonds in an amount up to \$2,600,000 to finance these projects. *Any property owner may prepay the assessment and avoid paying interest costs.* Without your approval of Measure E, these projects will only become more costly later!

A 2/3rds affirmative vote of those voting will preserve one of the most beautiful areas in Marin County. Vote "YES" on E.

s/ Shirley Graves
President BMK CSD

s/ Victoria Williams Clarke
Finance Director BMK CSD

s/ Ernest Furst
Lock Director BMK CSD

s/ C. Martin Gibson
Waterways Director BMK CSD

s/ Vince Lattanzio
President BMK HomeOwners Association

**NO ARGUMENT AGAINST THIS MEASURE
WAS SUBMITTED**

END OF MEASURE E

