Midpeninsula Regional
Open Space District

R-15-72
Meeting 15-13
May 13, 2015

AGENDA ITEM 7

AGENDA ITEM

Resolution Approving Documents Relating to Issuance of General Obligation Bonds, Series 2015A

GENERAL MANAGER'S RECOMMENDATION

Adopt a Resolution of the Board of Directors of the Midpeninsula Regional Open Space District authorizing the issuance and sale of General Obligation Bonds, Series 2015A, approving an Official Statement, and providing other matters properly related thereto.

SUMMARY

The resolution authorizes the District to issue up to $45 million of General Obligation Bonds, Series 2015A, and approves the Official Statement, other required legal and sale documents, and agreements with bond counsel, municipal advisor, and, if needed, underwriter. The objective is to finance Measure AA capital improvements made in fiscal year 2015 and to be made in fiscal years 2016-2018. The Board may delegate to the General Manager and the Controller the decision of whether to sell the General Obligation Bonds, Series 2015A at a competitive sale or by negotiated sale; the General Manager and the Controller would select the method of sale that would produce the lowest borrowing cost, after consultation with the District's municipal advisor and bond counsel.

DISCUSSION

As specified in Policy 3.06, Initial and Continuing Disclosures Related to Bond Issuances, adopted on November 25, 2014, this report relates to the proposed issuance of $45 million of General Obligation Bonds, Series 2015A (2015 Bonds), by the District. The Board is asked to approve issuance of the 2015 Bonds and all related documents. The current versions of these documents are attached.

The attached Preliminary Official Statement (POS) has been reviewed and approved for transmittal to the Board by the District's Disclosure Working Group. The distribution of the POS by the District is subject to federal securities laws, including the Securities Act of 1933 and the Securities Act of 1934. These laws require the POS to include all facts that would be material to an investor in the 2015 Bonds. Material information is information that there is a substantial likelihood would have actual significance in the deliberations of the reasonable investor when deciding to buy or sell the 2015 Bonds. If the Board concludes that the POS includes all the facts that would be material to an investor in the 2015 Bonds, it must adopt a resolution that authorizes staff to execute a certificate to the effect that the POS has been "deemed final."

The Securities and Exchange Commission (SEC), the agency with regulatory authority over the District's compliance with the federal securities laws, has issued guidance as to the duties of the elected body with respect to its approval of the POS. In its "Report of Investigation in the Matter of County of Orange, California, California as it Relates to the Conduct of the Members of the Board of Supervisors (Release No. 36761/January 24, 1996) (the Release)," the SEC stated that, if a member of the elected body has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the 2015 Bonds, whether relating to their repayment, tax-exempt status, undisclosed conflicts of interest with interested parties, or otherwise, he or she should endeavor to discover whether such facts are adequately disclosed in the POS. In the Release, the SEC stated that the steps that a member of the elected body take include becoming familiar with the POS and questioning staff and consultants about the disclosure of such facts.

<u>Purpose of Financing</u>. By virtue of the successful Measure AA election in June 2014, the District is authorized to issue up to $300 million of general obligation (GO) bonds over thirty years, in order to finance Measure AA capital projects. By law, the amount of tax-exempt GO bonds which can be sold at this time cannot exceed the sum of [a] the amount reasonably expected to be spent on Measure AA projects over the next three years and [b] the amount of Measure AA spending made from the general fund since May 9, 2014, which the Board previously indicated in its Resolution 14-26 would be eligible for reimbursement from proceeds of the 2015 Bonds. According to the recently adopted Capital Improvement Plan (CIP), this totals approximately $60 million. However, a detailed review of the cost and schedule estimates in the CIP indicates that a 25% discount is reasonable, down to $45 million. When this amount is fully committed, staff will present the Board with a request for approval of the next tranche of GO bonds, sized pursuant to the then latest CIP.

<u>Documents for Approval; Security for the 2015 Bonds</u>. The original plan envisioned that the 2015 Bonds would be sold pursuant to a competitive sale process, without the hiring of an underwriter. However, because some of the 2016-2018 Measure AA projects involve spending on property that will be leased to third parties, e.g. grazing and horse stable tenants, it may be necessary to sell a portion of the 2015 Bonds as taxable bonds. Currently, the interest cost of taxable municipal bonds is only slightly greater than tax-exempt bonds so the economic difference would likely be tiny. However, should staff and bond counsel, after further detailed review, decide that some portion of the 2015 Bonds be sold as taxable bonds, then it is advisable that the District add an underwriter to its team and sell the 2015 Bonds under a negotiated sale process, as all prior District debt has been sold. If so, the selected underwriter would present a Purchase Contract for approval. Otherwise, the list below summarizes the documents needing approval.

[1] <u>Preliminary Official Statement</u>: Explains the 2015 Bonds to prospective buyers.
[2] <u>Fiscal Agent Agreement</u>: The fiscal agent administers the bonds for the benefit of the bond holders, holds the bond proceeds pending requisition by the District, makes reimbursement to the District for Measure AA spending, and makes debt service payments. Following a competitive bid process, the District selected Zions First National Bank as its fiscal agent for the 2015 Bonds.
[3] <u>Municipal Advisor Agreement</u>: Following a competitive bid process, the District selected Sohail Bengali of BPF Capital LLC to advise the District on the structuring, rating and sale of the 2015 Bonds. This agreement was executed by the General Manager on February 26, 2015.

[4] Official Notice of Sale: This document would be used if 2015 Bonds are sold in a competitive sale.

As on our recent successful 2015 Refunding Notes, Jones Hall is serving both as Bond Counsel and Disclosure Counsel for the 2015 Bonds.

Unlike all prior District debt issues, the 2015 Bonds are general obligation bonds of the District, payable solely from property taxes, which Santa Clara, San Mateo, and Santa Cruz counties are obligated to levy on all property within the District, each year, in the amount necessary to pay all principal and interest due on the GO bonds. The District must notify the assessors of each county of the amount required. The District is currently in the process of soliciting proposals from consultants to serve as the District's Dissemination Agent, both to coordinate with the county assessors and to properly file the annual continuing disclosure documents.

Risks Relating to Repayment and Tax-Exempt Status of the 2015 Bonds. All risks identified by bond counsel and the Disclosure Working Group are described in the POS. Bond counsel will issue its opinion confirming the tax-exempt status of the 2015 Bonds, or the tax-exempt portion if some taxable bonds are required.

Structure and Schedule. The $45 million of 2015 Bonds are proposed to be structured as thirty year, current interest bonds, with approximately equal annual debt service. The current estimate for annual debt service is $2.5 million. For the first full tax year, the estimated tax rate is $1.08, well within the $3.18 commitment.

The District will be seeking bond ratings from Standard & Poor's and Fitch, which recently rated our 2015 Refunding Notes at AA and AA+, respectively. It is logical that, with stronger security, our GO bonds would rate one notch higher. However, there is no AAA- rating and AAA ratings are tightly held. Fortunately, the economic difference between AAA and AA+ is miniscule.

The estimated Sources and Uses of the proposed 2015 Bonds, assuming a sale of only tax-exempt bonds, are shown below. There will be no debt service reserve fund. Because, in the current market, bond buyers strongly prefer bonds with a high coupon interest rate (e.g. 5%) that is above the market yield, the 2015 Bonds will be sold at a large premium. If the 2015 Bonds were sold at this time, Sohail Bengali estimates a true interest cost of approximately 3.8%.

SOURCES:	
Bond Proceeds: Par Amount	$39,400,000
Bond Proceeds: Original Issue Premium	5,600,000
Total Sources	$45,000,000
USES:	
Project Fund: New Money	$44,830,000
Underwriters Discount	0
Other Cost of Issuance	170,000
Total Uses	$45,000,000

If approved by the board, the estimated schedule is to make credit presentations to the rating agencies on July 9. The schedule skips June because of the vacations of the General Manager and Controller. Credit ratings should be received by July 17. Assuming a competitive sale, the POS and Notice of Sale would be circulated on July 20. Competitive bids would be received on July 29, closing documents, including the final official statement would be circulated on August 3 and the proceeds would be received at a closing on August 13.

FISCAL IMPACT

Sale of the proposed $45 million of 2015 Bonds, and related debt service, is included in the fiscal 2016 budget, approved by the Board on March 25, 2015, and is consistent with the District's long-term financial plans.

BOARD COMMITTEE REVIEW

The sale of the proposed 2015 Bonds was reviewed by the Budget and Action Plan Committee in February 2015, as part of its review of the fiscal 2016 budget.

PUBLIC NOTICE

Notice was provided pursuant to the Brown Act. No additional notice is necessary.

CEQA COMPLIANCE

No compliance is required as this action is not a project under CEQA.

NEXT STEPS

If approved by the Board, staff will proceed with finalization of the documentation and sell the 2015 Bonds.

Attachments**:**

1. Resolution of the Midpeninsula Regional Open Space District Authorizing the Issuance
2. Preliminary Official Statement
3. Fiscal Agent Agreement
4. Official Notice of Sale

Prepared by:
Michael Foster, Controller

RESOLUTION NO. 15-XX

A RESOLUTION OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AUTHORIZING THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS, SERIES 2015, APPROVING A FISCAL AGENT AGREEMENT AND A PRELIMINARY AND FINAL OFFICIAL STATEMENT, AND APPROVING RELATED DOCUMENTS AND ACTIONS

WHEREAS, a special bond election was duly and regularly held in the Midpeninsula Regional Open Space District (the "District") on June 3, 2014, for the purpose of submitting a ballot measure to the qualified electors of the District (the "2014 Authorization"), and more than two-thirds of the votes cast at the election approved the issuance of up to $300 million of general obligation bonds to finance certain projects specified in the 2014 Authorization; and

WHEREAS, the District is empowered to issue general obligation bonds that are authorized by two-thirds of the qualified electors of the District pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the "Act"); and

WHEREAS, for the purpose of financing the projects authorized by the 2014 Authorization (the "Projects"), the District has determined at this time to issue its General Obligation Bonds, Series 2015 in the aggregate principal amount of not to exceed $45,000,000 (the "Bonds") pursuant to the Act; and

WHEREAS, the Bonds will be issued under and pursuant to a Fiscal Agent Agreement (the "Fiscal Agent Agreement"), between the District and Zions First National Bank, as fiscal agent (the "Fiscal Agent"); and

WHEREAS, the Board of Directors wishes to delegate to the General Manager and the Controller the decision of whether to sell the Bonds at a public sale or by negotiated sale to an underwriter; and

WHEREAS, the Board of Directors wishes to delegate to the General Manager and the Controller the decision of whether to issue the Bonds as a single series of Bonds, the interest on which is exempt from federal income taxation ("tax-exempt bonds"), or as two series, with one series being issued as tax-exempt bonds and the other series being issued with interest that is subject to federal income taxation ("taxable bonds"); and

WHEREAS, the Board of Directors wishes at this time to take the necessary actions to approve the issuance and sale of the Bonds and documents and actions relating thereto;

NOW, THEREFORE, BE IT RESOLVED by the Midpeninsula Regional Open Space District, as follows:

Section 1. Issuance of Bonds; Approval of Fiscal Agent Agreement. The Bonds are hereby authorized to be issued by the District under and subject to the terms of the Act and the Fiscal Agent Agreement, in the maximum aggregate principal amount of $45,000,000, for the purpose of financing the Projects and paying certain legal, financial and contingent costs in connection therewith. The Bonds may be issued as a single series of tax-exempt bonds, or as two series of Bonds, with one series being tax-exempt bonds and the other series being taxable bonds. The Bonds shall be issued upon the terms and conditions set forth in the Fiscal Agent Agreement, and shall be executed as provided in the Fiscal Agent Agreement. The Fiscal Agent Agreement, in substantially the form on file with the Secretary, is hereby approved. Each of the President, the Secretary, the General Manager, the Assistant General Manager or the Controller of the District (each, a "District Officer"), acting alone, is hereby authorized and directed to make such changes as are necessary to finalize the Fiscal Agent Agreement, including, but not limited to, providing for the issuance of a series of tax-exempt bonds and a series of taxable bonds, and to execute and deliver the Fiscal Agent Agreement on behalf of the District. The execution and delivery of the Fiscal Agent Agreement by a District Officer shall be conclusive evidence of the approval of any changes or modifications to the form on file with the Secretary.

Section 2. Sale of Bonds. The Board hereby authorizes and directs the General Manager and the Controller to decide, after consulting with the District's municipal advisor, BPF Capital LLC, and bond counsel, Jones Hall, A Professional Law Corporation, whether the District should sell the Bonds at a public sale or negotiated sale; the General Manager and the Controller shall select the method of sale that they conclude will result in the lowest borrowing cost for the District.

The Board hereby approves, in substantially the form presented to this meeting, the Official Notice of Sale, which would be utilized by the District in connection with a public sale. Each of the District Officers acting alone, is hereby authorized and directed to distribute the Official Notice of Sale, with such changes, insertions and omissions as may be approved by a District Officer, to potential bidders for the Bonds, and to sell the Bonds by competitive sale in accordance with the terms thereof. Notwithstanding the foregoing, the best conforming bid for the Bonds will not be accepted if it results in a true interest cost for the Bonds in excess of 5.5% for a tax-exempt series of Bonds and 6.5% for a taxable series of Bonds.

The District Officers are hereby authorized and directed to publish a notice of intention to sell the Bonds at a public sale as required by Section 53692 of the California Government Code.

If the General Manager and the Controller decide that the District should sell the Bonds at a negotiated sale, they are hereby authorized and directed to select a bond underwriter and to negotiate, execute and deliver on behalf of the District a bond purchase agreement with the bond underwriter. The execution and delivery of the bond purchase agreement by a District Officer shall be conclusive evidence of the approval by this Board of Directors of the bond purchase agreement. If the General Manager and the Controller decide that the District should sell the Bonds at a negotiated sale, the Board will disclose the identity of the underwriter at the public meeting first occurring after the underwriter has been selected.

Section 3. Official Statement. The Board hereby approves the Preliminary Official Statement describing the Bonds in substantially the form presented to this meeting. The Board of Directors hereby authorizes each of the District Officers, acting alone, on behalf of the Board of Directors, to deem the Preliminary Official Statement near final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, and to execute an appropriate certificate to that effect. Distribution of the Preliminary Official Statement and the final Official Statement in connection with the sale of the Bonds is hereby approved. In addition, the District approves the form of Continuing Disclosure Certificate attached as an Appendix to the Official Statement, and authorizes and directs each of District Officers, acting alone, to execute said Continuing Disclosure Certificate.

Section 4. Consultants. In connection with the issuance and sale of the Bonds, the Board hereby approves the selection of BPF Capital LLC, as municipal advisor to the District, Jones Hall, A Professional Law Corporation, as bond and disclosure counsel to the District, and Zions First National Bank, as fiscal agent to the District. Each of the District Officers, acting alone, is hereby authorized and directed to execute professional services agreements with each such entity.

Section 5. Execution of Documents; Official Actions. The District Officers, and any and all other appropriate staff of the District, are authorized and directed in the name and on behalf of the District to do any and all things and take any and all actions and to execute and deliver any and all certificates, requisitions, agreements, notices, consents, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate the lawful issuance, sale and delivery of the Bonds. Whenever in this Resolution any officer of the District is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer shall be absent or unavailable.

Section 6. Costs of Issuing the Bonds. The estimated costs of issuing the Bonds are $200,000, which include bond counsel and disclosure counsel fees and costs, municipal advisor fees and costs, fiscal agent fees and costs, costs of printing the Official Statement, tax consultant fees and expenses and rating agency fees, but which do not include the underwriter's compensation (which will vary depending upon the method of sale selected by the General Manager and the Controller, but may not exceed 1% of the principal amount of the Bonds (excluding original issue discount)).

Pursuant to Section 53507.9 of the Government Code, after the sale of the Bonds, the Board shall do both of the following: (i) present actual cost information for the sale of the Bonds at its next scheduled public meeting and (ii) cause the District's bond counsel to submit an itemized summary of the costs of the Bond sale to the California Debt and Investment Advisory Commission.

Section 7. Effective Date of Resolution. This Resolution shall take effect from and after the date of its passage and adoption.

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ASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on May XX, 2015, at a Regular Meeting thereof, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Secretary
Board of Directors

APPROVED:

President
Board of Directors

APPROVED AS TO FORM:

General Counsel

I, the Interim District Clerk of the Midpeninsula Regional Open Space District, hereby certify that the above is a true and correct copy of a resolution duly adopted by the Board of Directors of the Midpeninsula Regional Open Space District by the above vote at a meeting thereof duly held and called on the above day.

Interim District Clerk

OFFICIAL NOTICE OF SALE

Relating to:

$______________*
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
GENERAL OBLIGATION BONDS
SERIES 2015A

Notice is Hereby Given that electronically submitted proposals will be received by the Midpeninsula Regional Open Space District (the "District") for the purchase of $______________* aggregate principal amount of Midpeninsula Regional Open Space District General Obligation Bonds, Series 2015A (the "Bonds"), which will be issued and delivered pursuant to a Fiscal Agent Agreement dated as of ____________, 2015 (the "Fiscal Agent Agreement") between the District and Zions First National Bank, as fiscal agent (the "Fiscal Agent").

Bidders are referred to the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement") for additional information regarding the District, the Bonds, and the source of repayment therefor. See "Closing Procedures and Documents - Official Statement" below.

The bids on the Bonds will be received at the place, in the manner and up to the time and date specified below, subject to postponement or cancellation.

DATE AND TIME:	Tuesday, ___________, 2015 at 9:30 A.M. Pacific Time
ELECTRONIC BIDDING:	Bid proposals must be submitted electronically through i-Deal LLC's BiDCOMP™/PARITY® as provided in this Official Notice of Sale (the "Official Notice of Sale").
ELECTRONIC POSTING:	This Official Notice of Sale and the Preliminary Official Statement may be obtained through www.i-dealprospectus.com or from ___________, acting as financial advisor to the District (the "Financial Advisor").
NO SEALED OR FAXED BIDS:	Sealed or faxed bids will not be accepted.

*Preliminary; subject to change

Right To Modify or Amend: The District reserves the right to modify or amend this Official Notice of Sale in any respect; provided, however, that any such modification or amendment shall be communicated to potential bidders by publishing notice through any of *Thomson Financial*, *The Bond Buyer* wire or the *Bloomberg News* wire (the "News Service") no later than 3:00 p.m. Pacific Time on the business day preceding the date prescribed for receipt of bids. Failure of any bidder to receive notice of any modification or amendment shall not affect the sufficiency of any such notice or the legality of the sale.

Cancellation or Postponement of Sale; Change in Principal Amount: The District reserves the right to cancel or postpone the public sale to a later date or other time or to change the principal amount by announcing such postponement or change through the News Service, no later than 3:00 p.m. Pacific Time on the business day preceding the date prescribed for receipt of bids. Notice of a new time, or of a new date and time, if any, will be given through the News Service as soon as practicable following a postponement, but in no event less than 24 hours prior to the date and time set for the sale. In the event of a postponement of the sale only, any subsequent bid submitted by the bidder will supersede any prior bid made.

Accommodation to Bidders. As an accommodation to bidders, telephonic, facsimile or electronic mail notice of any modification or amendment of this Official Notice of Sale and notice of cancellation or postponement of the sale date or time will be given by the Financial Advisor to any bidder requesting such notice, such request for notice to be submitted to _______, Attention: Sohail Bengali, Telephone ______, Fax: ______, E-mail: sohailbengali@gmail.com. Failure of any bidder to receive such telephonic, facsimile or electronic mail notice shall not affect the sufficiency of such notice or the legality of the sale.

Terms of the Bonds

Purpose and Application of Proceeds: The Bonds are being issued to provide the District with funds for the acquisition and improvement of regional parks, trails and recreation facilities; the purchase and restoration of open space and wildlife corridors; and acquisition and development of local parklands by cities and local park and recreation districts.

Interest Rate: Interest on the Bonds is payable on March 1 and September 1 in each year, commencing March 1, 2016. Interest is calculated on the basis of a 30-day month, 360-day year from the date of issuance and delivery of the Bonds. Each Bond shall bear interest at the specified rate from its date of issue to its stated maturity date, and all Bonds maturing on any one date shall bear the same rate of interest.

Bidders must specify the rate or rates of interest that the Bonds hereby offered for sale shall bear. Bidders will be permitted to bid different rates of interest; but (i) the maximum interest rate shall not exceed ______% (ii) each interest rate specified in any bid must be in a multiple of one-eighth or one-twentieth of one percent per annum and a zero rate of interest cannot be specified; (iii) no Bond shall bear more than one rate of interest; (iv) each Bond shall bear interest from its date of issue to its stated maturity date at the interest rate specified in the bid; (v) all Bonds payable at any one time shall bear the same rate of interest; and (vi) any premium bid must be paid as part of the purchase price, and no bid will be accepted which contemplates the cancellation or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price.

Purchase Price: Bids for the Bonds shall specify a price of not less than _____% nor more than _____% of the principal amount of the Bonds.

Maturities: The final aggregate principal amount of the Bonds and the maturity schedule will be determined following award to the successful bidder. For the purpose of calculating the winning bid for the Bonds, the maturity schedule set forth below shall be used.

Maturity Date (September 1)	Principal Amount*

Adjustment of Principal Amounts. Each principal amount listed in the maturity schedule set forth above is subject to increase or decrease in $5,000 increments. The Financial Advisor will promptly recalculate the aggregate principal amount of the Bonds following award to the successful bidder, for the purpose of maintaining certain funding requirements, and the Financial Advisor will promptly inform the successful bidder of any such adjustment to the maturity schedule set forth above. Subsequent to the adjustment of principal amounts, the proposed purchase price will be adjusted to the level necessary to maintain the successful bidder's proposed Purchaser's spread.

By offering a bid for the Bonds, a bidder will be obligated, if it is the successful bidder, to purchase the Bonds with any changes described above. The successful bidder may not withdraw its bid or change its interest rate bids as a result of any changes made to the principal amounts set forth above.

Term Bonds; Mandatory Sinking Fund Payments: Any bidder may, at its option, specify that one or more maturities of the Bonds will consist of a term bond payable at or before its specified maturity date from mandatory sinking fund payments in consecutive years immediately preceding the maturity date thereof, as designated in the bid of such bidder. If the bid of the successful bidder specifies that any maturity of the Bonds will be a term bond, such term bond will be subject to mandatory sinking fund redemption on September 1 in each year so designated in the bid, in the respective amounts for such year as set forth above under the

*Preliminary, subject to change.

heading "Maturities," at a redemption price equal to the principal amount represented thereby, together with accrued interest thereon to the redemption date, without premium.

Optional Redemption:* The Bonds maturing on or before September 1, _____ are not subject to redemption prior to their respective maturity dates. Bonds maturing on or after September 1, _______, shall be subject to redemption prior to their respective maturity dates as a whole, or in part, on any date, from any moneys provided at the option of the District, in each case on and after September 1, _____, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Security: General: The Bonds are general obligation bonds of the District, payable solely from *ad valorem* property taxes levied by the District and collected by Santa Clara, San Mateo and Santa Cruz Counties (the "Counties"). The Boards of Supervisors of the Counties are empowered and are obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Tax-Exempt Status: In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, bond counsel to the District, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal individual and corporate alternative minimum taxes. In the event that prior to the issuance and delivery of the Bonds (a) the interest represented by other obligations of the same type and character shall be declared to be taxable (either at the time of such declaration or at any future date) under any federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official which is followed by the Internal Revenue Service, or by decision of any federal court, or (b) any federal income tax law is adopted which will have a substantial adverse effect upon owners of the Bonds as such, the successful bidder for the Bonds may, at its option, prior to the issuance and delivery of the Bonds, be relieved of its obligation under the contract to purchase the Bonds, and in such case the deposit accompanying its proposal will be returned.

Book-Entry Only: The Bonds, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases will be made in book-entry form only, in the denominations of $5,000 and integral multiples thereof. Purchasers will not receive bond certificates representing their interest in the Bonds purchased. Principal and interest are payable in lawful money of the United States of America and will be paid to DTC, which in turn will remit such amounts to the beneficial owners of the Bonds through its participants, as described in the Preliminary Official Statement. Delivery of the Bonds will be made through the facilities of DTC in New York, New York, or through the facilities of the Fiscal Agent via FAST transfer, and is presently expected to occur on ___________, 2015.

*Preliminary; subject to change

Terms of Sale

Best Bid: The Bonds will be awarded to the bidder offering to purchase the Bonds at the lowest true interest cost to the District. The true interest cost (the "TIC") for each bid will be determined on the basis of the aggregate present value of each semiannual payment. The present value will be calculated to the expected date of delivery of the Bonds, being ___________, 2015, and will be based on the bid amount (par value plus premium). If two or more bids specify the same lowest TIC, then the selection for the award of the Bonds will be made among such bidders by the District in its sole discretion. All interest will be computed on a 360-day year, 30-day month basis from ___________, 2015, the expected date of issuance and delivery of the Bonds.

By submission of its bid, a bidder shall be deemed to have made the following representations:

(1) The bidder has received and reviewed the Preliminary Official Statement and, as a condition to bidding on the Bonds, has determined that it can comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

(2) As of the date of its bid and as of the date of delivery of the Bonds, all members of the bidder's syndicate either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in said depository.

Form of Bid: All bids must be for all, but not less than all, of the Bonds offered for sale, plus such premium as is specified in the bid. All bids must be unconditional. Each bid must be delivered by electronic transmission as described below and be received by 9:30 a.m., Pacific Time, on Tuesday, ________________________, 2015, or such other date, time or date and time as the District may establish upon postponement of the sale of the Bonds pursuant to the terms and conditions set forth in this Official Notice of Sale. All bids shall be deemed to incorporate all of the terms of this Official Notice of Sale.

Electronic Bids: The District will receive bids delivered electronically through Parity. For further information about Parity, potential bidders may contact Parity by telephone at (212) 849-5021.

If any provision of this Official Notice of Sale conflicts with information provided by Parity, this Official Notice of Sale shall control. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with (including any charges by) Parity, and that Parity is not acting as an agent of the District. Instructions and forms for submitting electronic bids must be obtained from Parity. Acceptance of electronic bids shall be subject to the limitations set forth in **"WARNINGS REGARDING ELECTRONIC BIDS"** below.

WARNINGS REGARDING ELECTRONIC BIDS: *The District assumes no responsibility for ensuring or verifying bidder compliance with Parity's procedures. The District shall be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder. The District, the Financial Advisor, Bond Counsel and Disclosure Counsel assume no responsibility for any malfunction of the Parity system, any failure of a bid to be received at the official time for receipt of bids, or any error contained in any bid submitted electronically. The official time for receipt of bids will be determined by the District at the place of bid receipt,* *and the District shall not be required to accept the time kept by Parity as the official time. The District assumes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete or not received.*

If a bidder submits an electronic bid for the Bonds, such bidder thereby agrees to the following terms and conditions: (i) if any provision in this Official Notice of Sale with respect to the Bonds conflicts with information or terms provided or required by Parity, this Official Notice of Sale, including any amendments issued as described herein, shall control; (ii) each bidder shall be solely responsible for making necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale; (iii) the District shall not have any duty or obligation to provide or assure access to Parity to any bidder, and the District shall not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of Parity or any incomplete, inaccurate or untimely bid submitted by any bidder through Parity; (iv) the District is using Parity as a communication mechanism, and not as an agent of the District, to conduct the electronic bidding for the Bonds; (v) Parity is acting as an independent contractor, and is not acting for or on behalf of the District; (vi) the District is not responsible for ensuring or verifying bidder compliance with any procedures established by Parity; (vii) the District may regard the electronic transmission of a bid through Parity (including information regarding the purchase price for the Bonds and interest rates for any maturity of the Bonds) as though the information were submitted and executed on the bidder's behalf by a duly authorized signatory; (viii) if the bidder's bid is accepted by the District, this Official Notice of Sale and the information that is transmitted electronically through Parity shall form a contract, and the bidder shall be bound by the terms of such contract; and (ix) information provided by Parity to bidders shall form no part of any bid or any contract between the successful bidder and the District unless that information is included in this Official Notice of Sale provided by the District.

Multiple Bids: If multiple bids are received from a single bidder by any means or combination thereof, the District shall accept the bid representing the lowest true interest cost to the District, and each bidder agrees by submitting any bid to be bound by such best bid.

Good Faith Deposit: Deposit: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check, a wire transfer, or a bid bond ("Financial Surety Bond") in the amount of $________ payable to the order of the District, must be provided by the purchaser of the Bonds (the "Purchaser") not later than 10:00 a.m., California time, on the next business day following the award, as a guaranty that the Purchaser will accept and pay for the Bonds in accordance with the terms of the bid. If a check is used, it must be drawn on a bank or trust company having an office in San Francisco or Los Angeles, California. If the Deposit is made by wire transfer, such wire transfer must be in immediately available funds and to the account at the wire address specified by the District to the Purchaser. If a Financial Surety Bond is used, it must be from a pre-qualified insurance company that has a claims paying ability rated in the highest rating category by Moody's Investors Service or Standard & Poor's and that is licensed to issue such a bond in the State of California. The form of such Financial Surety Bond is subject to prior approval by Jones Hall, A Professional Law Corporation, San Francisco, California, bond counsel, and such form must be submitted to _________, the District's financial advisor, a minimum of 24 hours prior to the time bids are to be received. Such Financial Surety Bond must provide that the surety shall make payment of the full amount of the Deposit by wire transfer to the District within 24 hours of the receipt of written notice from either the District or the Financial Advisor that the bidder has failed to submit the Deposit as required by this Official Notice of Sale. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder utilizing a

Financial Surety Bond, then the Purchaser is required to submit its Deposit to the District in the form of a certified or cashier's check or wire transfer not later than 3:30 p.m., California time, on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the District to satisfy the Deposit requirement. The Deposit will be applied to the purchase price of the Bonds. If after the award of the Bonds the Purchaser fails to complete its purchase on the terms stated in its proposal, the Deposit will be retained by the District. No interest on the Deposit will accrue to any bidder.

Statement of True Interest Cost: Each bidder is requested, but not required, to state in its bid the total percentage true interest cost (TIC), which shall be considered as informative only and not binding on either the bidder or the District.

Reoffering Price Certification: Upon notification of award of the bid, the successful bidder for the Bonds shall provide initial offering prices for each maturity of the Bonds. Prior to delivery of the Bonds, the successful bidder shall provide to the District a reoffering price certification in form and substance substantially identical to the certificate attached hereto as Exhibit A.

Qualification for Sale; Blue Sky: Compliance with Blue Sky laws shall be the sole responsibility of the successful bidder, and the successful bidder shall indemnify and hold harmless the District and its officers and officials from any loss or damage resulting from any failure to comply with any such laws. The District will furnish such information and take such action not inconsistent with law as the successful bidder may request and the District shall deem necessary or appropriate to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the successful bidder; provided, however, that the District shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. **The successful bidder will not offer to sell, or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for such successful bidder to make such offer, solicitation or sale, and the successful bidder shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions in which the successful bidder sells the Bonds.**

Right of Rejection: The District reserves the right, in its discretion, to reject any and all bids, to waive any irregularity or informality in any bid and to reoffer the Bonds for sale. The District retains absolute discretion to determine whether any bid is timely. The District takes no responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete or not received.

Prompt Award: The District will take action awarding the Bonds or rejecting all bids not later than twenty-four (24) hours after the expiration of the time herein prescribed for the receipt of bids unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

Closing Procedures And Documents

Delivery and Payment: DELIVERY OF THE CERTIFICATES WILL BE MADE TO THE SUCCESSFUL BIDDER THROUGH DTC AND IS EXPECTED TO OCCUR ON ___________, 2015. Payment for the Bonds must be made by wire transfer in immediately available funds. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the successful bidder. The cost of preparing the Bonds will be borne by the District.

Right of Cancellation: The successful bidder shall have the right, at the bidder's option, to cancel the contract of purchase if the District shall fail to issue the Bonds and tender the same for delivery within sixty (60) days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of such bidder's Deposit.

California Debt And Investment Advisory Commission Fee: Attention of bidders is directed to California Government Code Section 8856, which provides that the lead underwriter or the purchaser of the Bonds will be charged the California Debt and Investment Advisory Commission fee payable with respect to the Bonds.

CUSIP Numbers, DTC Fees and Other Fees: It is expected that the successful bidder will apply for CUSIP identification numbers for the Bonds and will furnish such CUSIP identification numbers to Bond Counsel within two (2) business days after notice of award. It is anticipated that such CUSIP identification numbers will be printed on the Bonds being delivered to DTC, but neither the failure to print a CUSIP identification number nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Bonds in accordance with the terms and provisions of its bid and this Official Notice of Sale. CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder. All expenses in relation to the printing of the CUSIP identification numbers on the Bonds shall be paid by the District. The successful bidder shall also be required to pay all fees required by DTC, the Securities Industry and Financial Markets Association, the Municipal Securities Rulemaking Board and any other similar entity imposing a fee in connection with the issuance of the Bonds.

No Litigation: There is no litigation pending concerning the validity of the Bonds, the corporate existence of the District, or the entitlement of the officers thereof to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Bonds.

Legal Opinion - Bond Counsel: The legal opinion of Jones Hall, A Professional Law Corporation, Bond Counsel to the District, addressed to the District, approving the validity of the Bonds and opining on the tax-exempt status of the Bonds will be furnished to the successful bidder upon delivery of the Bonds. A copy of the proposed form of the opinion of Bond Counsel is set forth in Appendix C of the Preliminary Official Statement.

Legal Opinion - Disclosure Counsel: The legal opinion of Jones Hall, A Professional Law Corporation, Disclosure Counsel to the District, regarding the Official Statement, will be furnished to the successful bidder upon delivery of the Bonds.

Official Statement: A Preliminary Official Statement has been prepared, copies of which may be obtained upon request made to the Financial Advisor, [**contact information to come**]. The Preliminary Official Statement is also available at www.i-dealprospectus.com. The

Preliminary Official Statement shall be "deemed final" by the District prior to or on the date of sale of the Bonds for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but the Preliminary Official Statement is subject to revision, amendment and completion in a final Official Statement. A copy of the certificate executed by the District indicating that the Preliminary Official Statement has been deemed final as of its date will be provided to potential bidders upon request to the Financial Advisor at the address provided above. The District will furnish to the successful bidder, at no expense to the successful bidder, up to 25 copies of the Official Statement no later than the business day prior to the date of delivery of the Bonds or, if later, within seven (7) business days of the award date. Additional copies will be made available upon request, submitted to the Financial Advisor no later than twenty-four (24) hours after the time of receipt of bids, at the purchaser's expense, for use in connection with any resale of the Bonds.

Certificate of District Relating to Official Statement: The District will provide to the successful bidder for the Bonds a certificate, signed by an authorized officer of the District, confirming to the successful bidder that, as of the date of the final Official Statement, to the best of such officer's knowledge and belief, the Official Statement (excluding therefrom the information provided by the successful bidder regarding the underwriting, reoffering and CUSIP identification numbers for the Bonds, and the information set forth in Appendix F -"DTC and the Book Entry Only System," such information being hereinafter referred to as the "Excluded Information") does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Such Certificate of the District will further certify: (i) that there has been no material adverse change in the condition or affairs of the District, financial or otherwise, whether or not arising from transactions in the ordinary course of the operations of the District, as such operations are described in the Official Statement, which would make it unreasonable for such successful bidder to rely upon the Official Statement in connection with the resale of the Bonds; (ii) that to the best of such officer's knowledge, excluding therefrom the Excluded Information as to which no certification will be provided, no event has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date of delivery of the Bonds any statement of a material fact or is not reflected in the Official Statement but should be reflected therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (iii) authorizing the successful bidder to distribute copies of the Official Statement in connection with the resale of the Bonds.

By making a bid for the Bonds, the successful bidder agrees: (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements prepared by the District; (ii) to promptly file a copy of the final Official Statement, including any supplements prepared by the District, with the Nationally Recognized Municipal Securities Information Repositories; and (iii) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

Continuing Disclosure: In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), the District will undertake, pursuant to a continuing disclosure undertaking, to provide certain annual financial information relating to the District and notices of the occurrence of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. See "Continuing Disclosure" in the Preliminary Official Statement.

Dated: __________________________, 2015

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

By: ___________________________________

Secretary, Board of Directors

EXHIBIT A

FORM OF REOFFERING PRICE CERTIFICATE*

$______________
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
GENERAL OBLIGATION BONDS
SERIES 2015A

The undersigned, on behalf of _________________________, as purchaser (the "Purchaser") of the above-captioned bonds (the "Bonds"), hereby confirms our advice:

(i) Based upon reasonable expectations and actual facts that existed on _______________, being the date upon which the Midpeninsula Regional Open Space District (the "Issuer") sold the Bonds to the Purchaser (the "Sale Date"), the Purchaser reasonably expected that the first prices at which a substantial amount of each maturity of the Bonds (being at least 10% of each maturity) would be offered and sold to the general public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) (the "General Public") in a bona fide public offering at the prices, or in the case of obligations sold on a yield basis, at the respective yields set forth in Schedule A attached hereto and by this reference incorporated herein and shown on the cover or inside cover of the Official Statement (together the "Initial Offering Prices").

(ii) The aggregate of the Initial Offering Prices is $____________________.

(iii) The Initial Offering Prices of the Bonds of each maturity (and stated interest rate) reflected the assessment by the Purchaser of not more than the fair market prices of the Bonds as of the Sale Date and such offering prices were established by a bona fide public offering by the Purchaser to the General Public.

(iv) As of the date hereof, 100% of the Bonds of each maturity were actually offered to the general public in a bona fide public offering for the Initial Offering Prices.

(v) As of the Sale Date, the Purchaser, taking into account market conditions, had no reason to believe any of the Bonds would be initially sold to the general public at prices greater than the Initial Offering Prices.

(vii) As of the Sale Date, at least 10% of the principal amount of each maturity of the Bonds initially was sold at the respective Initial Offering Price for that maturity shown in Exhibit A except for the Bonds with the following maturities and stated interest rates.

Maturity	Rate

Preliminary; subject to change

The Purchaser understands that Bond Counsel will rely upon this certificate, among other things, in reaching its conclusion that the Bonds do not constitute “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under Section 148 of the Internal Revenue Code.

Dated: ________ __, 2015

______________________________,
as Purchaser

By: ___________________________
Authorized Officer

SCHEDULE A

Maturity Date (September 1)	Principal Amount	Interest Rate	Reoffering Price*

*Stated as a Percentage of Par.

ATTACHMENT 3

FISCAL AGENT AGREEMENT

Between the

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

and

ZIONS FIRST NATIONAL BANK,
as Fiscal Agent

Dated as of _____________, 2015

Relating to

$______________
Midpeninsula Regional Open Space District
General Obligation Bonds
Series 2015A

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FISCAL AGENT AGREEMENT

This Fiscal Agent Agreement (this “Agreement”) is made and entered into and dated as of _____________, 2015, between the Midpeninsula Regional Open Space District, a regional open space district organized and existing under the laws of the State of California (the “District”) and ZIONS FIRST NATIONAL BANK, a national banking association duly organized and existing under the laws of the United States of America, as Fiscal Agent (the “Fiscal Agent”)

W I T N E S S T H:

WHEREAS, a special bond election was duly and regularly held in the Midpeninsula Regional Open Space District (the “District”) on June 3, 2014, for the purpose of submitting a ballot measure to the qualified electors of the District (the "2014 Authorization"), and more than two-thirds of the votes cast at the election approved the issuance of up to $300 million of general obligation bonds to finance certain projects specified in the 2014 Authorization; and

WHEREAS, the District is empowered to issue general obligation bonds that are authorized by two-thirds of the qualified electors of the District pursuant to Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the “Act”); and

WHEREAS, for the purpose of financing the projects authorized by the 2014 Authorization (the “Projects”), the District has determined at this time to issue its General Obligation Bonds, Series 2015A in the aggregate principal amount of not to exceed $______________ (the “Bonds”) pursuant to the Act; and

WHEREAS, the Board of Directors hereby finds and determines that the issuance of the Bonds at this time is in the best interest of the residents of the District;

NOW THEREFORE, the District and the Fiscal Agent agree as follows:

ARTICLE I

DEFINITIONS; AUTHORITY

Section 1.01. Definitions. The terms defined in this Section 1.01, as used and capitalized herein, shall, for all purposes of this Agreement, have the meanings ascribed to them below, unless the context clearly requires some other meaning.

"**Act**" means, collectively, Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of the Public Resources Code, and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California.

"**Agreement**" means this Fiscal Agent Agreement, as now or hereafter amended in accordance with its terms.

"**Articles, Sections**" All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement, and the words "herein," "hereof," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

"**Beneficial Owner**" means any person who has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds, including persons holding Bonds through nominees or depositories including, but not limited to, through the Nominee.

"**Board**" means the Board of Directors of the District.

"**Bond Counsel**" means Jones Hall, A Professional Law Corporation, and any other attorney or firm of attorneys nationally recognized as expert in matters pertaining to the legality and tax exempt status of securities issued by public entities.

"**Bond Proceeds Fund**" means the fund by that name established by Section 4.01 hereof.

"**Bond Service Fund**" means the fund by that name established by Section 4.02 hereof.

"**Bond Year**" means the one-year period beginning on September 2 in each year and ending on the following September 1, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2015.

"**Bonds**" means the bonds of the District designated "Midpeninsula Regional Open Space District General Obligation Bonds, Series 2015A," dated the Closing Date, at any time Outstanding under this Agreement.

"**Business Day**" means a day that is not a Saturday or Sunday or legal holiday on which a banking institution in California or any state in which a Principal Office of the Fiscal Agent is located.

"**Capitalized Interest Account**" means the account by that name within the Bond Service Fund established by Section 4.02 hereof.

“**Chief Financial Officer**” means the primary, appointed financial officer of the District.

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

“**Contractor**” means any contractor(s) or vendor(s) from whom the District or any Participating Entity has ordered or caused to be ordered or with whom the District or any Participating Entity has contracted or caused to be contracted with respect to the construction of any Project, or any portion of any Project.

“**Continuing Disclosure Certificate**” shall mean that certain Continuing Disclosure Certificate, executed by a District Officer for the District and dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“**Costs of Issuance Account**” means the account within the Bond Proceeds Fund by that name established by Section 4.01 hereof.

“**Debt Service**” means, during any period of computation, the amount obtained for such period by totaling (a) the principal amount of all Outstanding Bonds coming due and payable by their terms in such period, and (b) the interest which would be due during such period on the Bonds which would be Outstanding in such period if the Bonds are retired as scheduled, but deducting and excluding from such aggregate amount the amount of Bonds no longer Outstanding.

“**Debt Service Fund**” means the fund by that name established by Section 4.02 hereof.

“**Defeasance Obligations**” means any of the following that at the time acquired or made are legal investments for the District (under applicable State of California laws and the investment policy of the District) for the moneys held hereunder then proposed to be invested therein:

(a) cash;

(b) Federal Securities;

(c) Direct obligations of the Treasury which have been stripped by the Treasury itself, CATS, TIGRS and similar securities;

(d) The interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form; and

(e) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself): (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Rural Economic Community Development Administration (formerly the Farmers Home Administration); (iii) obligations of the Federal Financing Bank; (iv) debentures of the Federal Housing Administration; (v) participation certificates of the General Services Administration; (vi) guaranteed Title XI financings of the U.S. Maritime Administration; and (vii) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development.

"**Depository**" means any securities depository appointed to act as Depository under Section 2.11 hereof.

“**District**” means the Midpeninsula Regional Open Space District, a regional open space district duly organized and existing under and pursuant to California law, and having the office of its Board of Directors in Santa Clara County, California.

“**District Officer**” means the President of the Board, General Manager, Assistant General Manager, Controller, Treasurer, General Counsel or the Secretary or any other officer or person authorized by resolution of the Board of Directors of the District to act on behalf of the District with respect to this Agreement and the Bonds.

"**Event of Default**" shall have the meaning assigned to such term in Section 7.01.

“**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 Tax 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 Tax 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 Tax Code, (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, or (iv) any commingled investment fund in which the District and related parties do not own more than a ten percent (10%) beneficial interest therein if the return paid by the fund is without regard to the source of the investment.

“**Federal Securities**” means United States Treasury notes, bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

“**Fiscal Agent**” means Zions First National Bank, the fiscal or paying agent appointed by the District for the Bonds, its successors and assigns, and any other corporation or association which may at any time be substituted in its place, all as provided in this Agreement.

“**General Fund**” means the general fund of the District.

“**Interest Payment Dates**” means each March 1 and September 1, commencing on March 1, 2016.

“**Issuance Expenses**” means each of the legal and other fees incidental to or connected with the authorization, issuance and sale of the Bonds, as set forth in the Ordinance, including, but not limited to, filing and recording costs, settlement costs, printing costs, reproduction and binding costs, legal fees and charges, initial fees and expenses of the Fiscal Agent, financial and other professional consultant fees, costs of obtaining credit ratings, costs of obtaining bond insurance, fees for execution, transportation and safekeeping of the Bonds and charges and fees in connection with the foregoing. For purposes of the Tax Code, the Issuance Expenses shall constitute “costs of issuance” for the Bonds.

"**Nominee**" means the nominee of the Depository as determined from time to time in accordance with Section 2.11.

“**Official Notice of Sale**” means the Official Notice of Sale dated _______________, 2015 relating to the sale of the Bonds.

“**Officer’s Certificate**” means a written certificate, order, requisition or statement signed by a District Officer

“**Ordinance**” means Ordinance No. 2014-02, adopted by the Board of Directors of the District on February 26, 2014.

“**Original Purchaser**” means the first purchaser of the Bonds pursuant to the Official Notice of Sale.

“**Outstanding**” means, when used as of any particular time with reference to Bonds, all Bonds except:

(i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation;

(ii) Bonds paid or deemed to have been paid within the meaning of Section 9.02 hereof; and

(iii) Bonds in lieu of or in substitution for which other Bonds shall have been authorized, executed, issued and delivered by the District pursuant to the Agreement.

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

“**Participant**” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as a securities depository.

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

“**Permitted Investments**” means any of the following which at the time acquired or made are legal investments for the District (under applicable State of California laws and the District’s investment policy) for the moneys held hereunder then proposed to be invested therein:

(i) Federal Securities;

(ii) obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America: (A) Export-Import Bank, (B) Farm Credit System Financial Assistance Corporation, (C) Rural Economic Community Development Administration (formerly the Farmers Home Administration), (D) General Services Administration, (E) U.S. Maritime Administration, (F) Small Business Administration, (G) Government National Mortgage Association (GNMA), (H) U.S. Department of Housing & Urban Development (PHA's), (I) Federal Housing Administration, and (J) Federal Financing Bank;

(iii) direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: (A) senior debt obligations rated Aaa by Moody's and AAA by S&P issued by Fannie Mae, the Federal Home Loan Mortgage Corporation (FHLMC) or the Student Loan Marketing Association (SLMA), (B) obligations of the Resolution Funding Corporation (REFCORP), (C) senior debt obligations of the Federal Home Loan Bank System, (D) consolidated systemwide bonds and notes of the Farm Credit System, and (E) senior debt obligations of other government-sponsored agencies;

(iv) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of A-1 or A-1+ by S&P and P-1 by Moody's or which are fully insured by FDIC and maturing no more than 360 days after the date of purchase, provided that a rating on a holding company is not considered to be the rating of the bank;

(v) commercial paper which is rated at the time of purchase in the single highest classification, A-1+ by S&P and P-1 by Moody's and which matures not more than 270 days after the date of purchase;

(vi) investments in a money market fund registered under the Federal Investment Company Act of 1940, whose shares are registered under the Securities Act of 1933, comprised of investments described in clauses (i), (ii) or (iii) or of repurchase agreements comprised of such investments, and having a rating of "AAAm-G" or "AAAm" by S&P or "AAA" by Moody's, which fund may include a fund for which the Fiscal Agent, its affiliates or subsidiaries provide investment, advisory or other services;

(vii) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local government unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and (A) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P and Moody's or any successors thereto; or (B) with the prior written consent of S&P, which are fully secured as to principal and interest and redemption premiums, if any, by an escrow consisting only of cash or obligations described in paragraph (ii) of this definition, above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(viii) municipal obligations with a rating of at least A2/A or higher by both Moody’s and S&P;

(ix) investment agreements, supported by appropriate opinions of counsel, with notice to S&P and Moody's;

(x) the Local Agency Investment Fund of the State of California, created pursuant to 11429.1 of the California Government Code, but only, in the case of funds held by the Fiscal Agent, to the extent any monies invested by the Fiscal Agent are subject to deposit and withdrawal solely by the Fiscal Agent;

(xi) obligations with a maximum remaining maturity of not more than five years issued by any corporation organized and operating within the United States of America having assets in excess of $500,000,000, which obligations are rated in one of the two highest rating categories (without regard to numeric or other modifier) by Moody's and S&P;

(xii) shares in a California common law trust (including the California Asset Management Program) established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of the State of California, as it may be amended; and

(xiii) other forms of investments (including repurchase agreements) with notice to S&P and Moody's.

"**Person**" means an individual, corporation, firm, association, partnership, trust or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

“**Principal Office**” means the corporate trust office of the Fiscal Agent in Los Angeles, California, or such other office as the Fiscal Agent may from time to time designate.

“**Project**” means any authorized use of the Bond proceeds pursuant to the Ordinance and the 2014 Authorization.

“**Project Costs**” means (i) all eligible costs of the Projects, including, but not limited to the payment of, or reimbursement for, acquisition, construction, installation and equipment of any Project including, but not limited to, architect and engineering fees, contractor payments, costs of feasibility and other reports, inspection costs, performance bond premiums and permit fees, provided that any such costs are directly related to the acquisition or improvement of real property, (ii) Issuance Expenses, and (iii) costs directly related to the administration of the funds and accounts created under this Agreement.

"**Record Date**" means the fifteenth (15th) calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

"**Project Account**" means the Account within the Bond Proceeds Fund by that name established by Section 4.01 hereof.

"**Secretary**" means the Secretary of the Board.

"**Supplemental Agreement**" means any agreement supplemental to or amendatory of this Agreement, entered into in accordance with Article VIII hereof.

"**Tax 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 Tax Code.

"**Treasurer**" means the officer of the Board who is an elected member who acts as the treasurer of the District.

Section 1.02. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Agreement; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.03. Authority for this Agreement. This Agreement is being entered into pursuant to the authority set forth in the Act and this Agreement constitutes a continuing agreement with the Owners of all of the Bonds issued or to be issued hereunder and then Outstanding to secure the full and final payment of principal of and premiums, if any, and the interest on all the Bonds pursuant to the provisions of the Act.

ARTICLE II

THE BONDS

Section 2.01. Authorization. Bonds in the combined initial aggregate principal amount of $______________ are hereby authorized to be issued by the District under and subject to the terms of the Act and which may from time to time be executed and delivered hereunder, subject to the covenants, agreements, provisions and conditions herein contained. The Bonds shall be designated as "Midpeninsula Regional Open Space District General Obligation Bonds, Series 2015A", in the initial aggregate principal amount of $______________.

Section 2.02. Terms of Bonds.

(a) Denominations; Numbering. The Bonds shall be issued as fully registered Bonds, without coupons, in the denomination of $5,000 each or any integral multiple thereof. Bonds shall be lettered and numbered as the Fiscal Agent shall prescribe.

(b) Date of Bonds. The Bonds shall be dated their date of delivery.

(c) CUSIP Identification Numbers: “CUSIP” identification numbers shall be imprinted on the Bonds, but such numbers shall not constitute a part of the contract evidenced by the Bonds and any error or omission with respect thereto shall not constitute cause for refusal of any purchaser to accept delivery of and pay for the Bonds. In addition, failure on the part of the District to use such CUSIP numbers in any notice to Owners of the Bonds shall not constitute an event of default or any violation of the District's contract with such Owners and shall not impair the effectiveness of any such notice.

(d) Maturities; Interest. The Bonds shall bear interest at the rate or rates set forth below, payable on each Interest Payment Date, and shall mature and become payable as to principal on September 1 of the years and in the amounts as set forth below.

Maturity Date (September 1)	Principal Amount	Interest Rate

Each Bond shall bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is registered and authenticated as of an Interest Payment Date, in which event it shall bear interest from such date, or (ii) it is registered and authenticated prior to an Interest Payment Date and after the close of business on the fifteenth day of the month preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is registered and authenticated on or prior to February 15, 2016, in which event it shall bear interest from the date of original issuance and authentication of the Bonds; provided, however, that if at the time of registration and authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

(e) Payment. Interest on the Bonds (including the final interest payment upon maturity) is payable by check mailed on the applicable Interest Payment Date to the Owner thereof at his or her address as it appears on the registration books maintained by the Fiscal Agent at the close of business on each Record Date, or at such other address as the Owner may have filed with the Fiscal Agent for that purpose; provided that an Owner of $1,000,000 or more aggregate principal amount of Bonds, or the Owner of all of the Bonds at the time Outstanding, shall, at his or her option, receive payment of interest by wire transfer to an account in the United States of America designated by such Owner to the Fiscal Agent no later than the fifteenth (15) day of the month immediately preceding the applicable Interest Payment Date. Principal of the Bonds is payable in lawful money of the United States of America at the Office of the Fiscal Agent.

Section 2.03. Redemption.

(a) Optional Redemption. The Bonds maturing on or before September 1, ____ are not subject to redemption prior to their respective maturity dates. Bonds maturing on or after September 1, ____, shall be subject to redemption prior to their respective maturity dates as a whole, or in part, on any date, from any moneys provided at the option of the District, in each case on and after September 1, ____, at a redemption price equal to the principal amount of Bonds called for redemption, plus accrued interest to the date fixed for redemption, without premium.

The District shall provide notice to the Fiscal Agent of any such optional redemption at least forty-five (45) days (or such lesser number of days acceptable to the Fiscal Agent, in the sole discretion of the Fiscal Agent) prior to the date set for redemption. In the case of a redemption in part, a District Officer shall designate to the Fiscal Agent, in writing from a District Officer, those maturities to be redeemed in whole or in part (including as a maturity, for such purposes, principal due on the Bonds on a particular September 1 as a result of a scheduled mandatory sinking fund redemption). In the event a District Officer does not designate the maturities of the Bonds to be redeemed, the Fiscal Agent shall select Bonds for redemption on a proportionate basis among maturities. In the event a particular maturity of Bonds is to be redeemed in part only, the Fiscal Agent shall select the Series Bonds of such maturity to be redeemed by lot.

(c) Redemption Procedure. Regardless of whether the District has deposited funds sufficient for any redemption with the Fiscal Agent, the Fiscal Agent shall cause notice of any redemption to be mailed, first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books maintained by the Fiscal Agent and to the Securities Depositories and to the Municipal Securities Rulemaking Board as provided in the Continuing Disclosure Certificate; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such Bonds. Each notice relating to an optional redemption will further state that such optional redemption may be rescinded by the District on or prior to the date set for redemption. The Fiscal Agent shall send any notice of cancellation of an optional redemption in the same manner as it sent the related notice of redemption.

Such notice shall state the redemption date, the redemption price and the CUSIP numbers of the Bonds to be redeemed, and, if less than all of the then Outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the Office of the Fiscal Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date. Any notice of optional redemption shall also state that it is subject to cancellation on or prior to the date set for redemption.

Upon surrender of Bonds redeemed in part only, the District shall execute and the Fiscal Agent shall authenticate and deliver to the Owner, at the expense of the District, a new Bond or

Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

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

All Bonds redeemed pursuant to this Section 2.03 shall be canceled by the Fiscal Agent, and a certificate of cancellation shall be submitted by the Fiscal Agent to the District.

Section 2.04. Form of Bonds. The Bonds, the form of the Fiscal Agent's certificate of authentication and registration and the form of assignment to appear thereon shall be substantially in the form, respectively, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, as are set forth in Exhibit A attached hereto and hereby made a part hereof.

Section 2.05. Execution of Bonds. The Bonds shall be executed on behalf of the District by the facsimile signatures of its President of the Board and Treasurer and countersigned by the facsimile of its Secretary who are in office on the date hereof or at any time thereafter. If any officer whose signature appears on any Bond ceases to be such officer before delivery of the Bonds to the purchaser, such signature shall nevertheless be as effective as if the officer had remained in office until the delivery of the Bonds to the purchaser. Any Bond may be signed and countersigned on behalf of the District by such persons as at the actual date of the execution of such Bond shall be the proper officers of the District although at the nominal date of such Bond any such person shall not have been such officer of the District.

Only such Bonds as shall bear thereon a certificate of authentication and registration in the form set forth in Exhibit A executed and dated by the Fiscal Agent, shall be valid or obligatory for any purpose or entitled to the benefits of this Agreement, and such certificate of the Fiscal Agent shall be conclusive evidence that the Bonds so registered have been duly authenticated, registered and delivered hereunder and are entitled to the benefits of this Agreement.

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 hereof, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the Principal Office at the Fiscal Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Fiscal Agent, duly executed. The District may charge a reasonable sum for each new Bond issued upon any transfer and the Fiscal Agent shall require the payment by the Owner requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer.

Whenever any Bond or Bonds shall be surrendered for transfer, the District shall execute and the Fiscal Agent shall authenticate and deliver a new Bond or Bonds of the same series and maturity, for like aggregate principal amount.

The Fiscal Agent is not required to register the transfer of any Bond during the period the Fiscal Agent is selecting Bonds for redemption or any Bond selected for redemption.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity and series. The District may charge a reasonable sum for each new Bond issued upon any exchange (except in the case of any exchange of temporary Bonds for definitive Bonds) and the Fiscal Agent shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Fiscal Agent is not required to register the exchange of any Bond during the period the Fiscal Agent is selecting Bonds for redemption or any Bond selected for redemption.

Section 2.08. Bond Register. The Fiscal Agent shall keep or cause to be kept sufficient books for the registration and transfer of the Bonds, which shall at all times be open to inspection by the District upon reasonable notice; and, upon presentation for such purpose, the Fiscal Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, Bonds as herein before provided.

Section 2.09. Temporary Bonds. The Bonds may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the District, and may contain such reference to any of the provisions of this Agreement as may be appropriate. Every temporary Bond shall be executed by the District upon the same conditions and in substantially the same manner as the definitive Bonds. If the District issues temporary Bonds it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Principal Office of the Fiscal Agent and the Fiscal Agent shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits pursuant to this Agreement as definitive Bonds executed and delivered hereunder.

Section 2.10. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated the District, at the expense of the Owner of such Bond, shall execute, and the Fiscal Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Fiscal Agent of the Bond so mutilated. Every mutilated Bond so surrendered to the Fiscal Agent shall be canceled by it and delivered to, or upon the order of, the District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to the District and indemnity satisfactory to it shall be given, the District, at the expense of the Owner, shall execute, and the Fiscal Agent shall thereupon authenticate and deliver, a new Bond of like maturity and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The District may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the District and the Fiscal Agent in the premises. Any Bond issued under the provisions of this Section 2.10 in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

Section 2.11. Book-Entry; Limited Obligation of District. The Bonds may be issued in the form of a separate single fully registered Bond (which may be typewritten) for each maturity. The ownership of such Bond shall be registered in the registration books kept by the Fiscal Agent in the name of the Nominee, as nominee of the Depository. The initial Depository is The Depository Trust Company and the initial Nominee is Cede & Co.

With respect to Bonds registered in the registration books kept by the Fiscal Agent in the name of the Nominee, the District and the Fiscal Agent shall have no responsibility or obligation to such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Fiscal Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than as shown in the registration books kept by the Fiscal Agent, of any notice with respect to the Bonds or (iii) the payment to any Participant or any other Person, other than a Nominee as shown in the registration books kept by the Fiscal Agent, of any principal of, premium, if any, or interest on the Bonds. The District and the Fiscal Agent may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Fiscal Agent as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on such Bond, for the purpose of giving notices of matters with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes whatsoever.

The Fiscal Agent shall pay all principal, premium, if any, and interest with respect to the Bonds, only to or upon the order of the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive a Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to this Fiscal Agent Agreement. Upon delivery by the Depository to the Nominee, the Fiscal Agent and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions regarding the payment of the principal of and interest on the Bonds set forth in Section 2.02(e), the word Nominee in this Agreement shall refer to such new nominee of the Depository.

Section 2.12. Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the District has executed, or shall execute, and deliver to such Depository a letter from the District representing such matters as shall be necessary to so qualify the Bonds (the "Representation Letter"). The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.11 hereof or in any other way impose upon the District or the Fiscal Agent any obligation whatsoever with respect to Persons having interests in the Bonds other than the Owners. In the written acceptance of the Fiscal Agent, such Fiscal Agent shall agree to take all actions necessary for all representations of the District in the Representation Letter with respect to the Fiscal Agent to at all times be complied with. In addition to the execution and delivery of the Representation Letter, the District shall take any other actions, not inconsistent with this Agreement, to qualify the Bonds for the Depository's book-entry system.

Section 2.13. Transfers Outside Book-Entry System. The District may, by written request, at any time or for any reason, remove the Depository and appoint a successor or successors thereto. In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the District determines that the Depository shall no longer so act, then the District will discontinue the book-entry system with the Depository. If the District fails to identify another qualified securities depository to replace the Depository then the Bonds shall no longer be restricted to being registered in the registration books kept by the Fiscal Agent in the name of the Nominee, but shall be registered in whatever name or names Owners of such Bonds transferring or exchanging such Bonds shall designate, in accordance with the provisions of Section 2.06.

Section 2.14. Payments and Notices to the Nominee. Notwithstanding any other provision of this Agreement to the contrary, so long as any Bond is registered in the name of the Nominee, all payments of principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed in writing by the Depository.

ARTICLE III

ISSUE AND SALE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance and Delivery of Bonds. At any time after the execution of this Agreement the District may issue and deliver Bonds in the initial aggregate principal amount of $______________.

A District Officer shall cause the Bonds substantially in the form attached hereto as Exhibit A to be printed and signed, and to be delivered to the Underwriter through the Depository on receipt of the purchase price therefor and upon performance of the conditions contained in the Official Notice of Sale. The District Officers shall take any and all action any of them deem reasonable in order to enable the District to issue and deliver the Bonds.

The Fiscal Agent shall deliver the Bonds to or upon the order of the Underwriter, upon receipt of a Written Request of the District.

Section 3.02. Application of Proceeds of Sale of Bonds. Upon the receipt of payment for the Bonds being $______________ (comprising the par amount of the Bonds, plus original issue premium of $________________, less the discount of the Original Purchaser of $________________), the proceeds thereof shall be paid to the Fiscal Agent who shall forthwith set aside, pay over and deposit such proceeds as follows:

(a) Deposit in the Capitalized Interest Account of the Bond Service Fund the amount of $_______________, representing a portion of the premium on the Bonds;

(b) Deposit in the Costs of Issuance Account of the Bond Proceeds Fund $______________; and

(c) Deposit in the Project Account of the Bond Proceeds Fund an amount equal to $________________, representing the remainder of the proceeds of the Bonds.

ARTICLE IV

FUNDS AND ACCOUNTS

Section 4.01. Bond Proceeds Fund.

(a) Creation of Fund. There is hereby created a separate fund to be known as the "Midpeninsula Regional Open Space District General Obligation Bonds 2015A Bond Proceeds Fund" (the "Bond Proceeds Fund"), and within such fund separate accounts designated the "Project Account" and the "Costs of Issuance Account", both of which shall be maintained by the Fiscal Agent as a separate account, distinct from all other funds and accounts of the District, into which shall be paid on receipt thereof, the portion of the Bond proceeds designated in Section 3.02 of this Agreement.

(b) Disbursements. Amounts in the Project Account shall be disbursed for Project Costs and amounts in the Costs of Issuance Account shall be disbursed for Issuance Expenses. Disbursements from the Bond Proceeds Fund shall be made by the Fiscal Agent upon receipt of a certificate requesting disbursement executed or approved by a District Officer along with a completed W-9 for each payee that has not previously provided a completed W-9. Subject to the provisions of this Section 4.01, each such certificate shall be in substantially the form set forth in Exhibit B hereto and shall:

(i) set forth the amounts to be disbursed for payment or reimbursement of previous payments of Issuance Expenses and/or Project Costs and the person or persons to whom said amounts are to be disbursed and the Account from which the disbursement is to be made;

(ii) state that the amounts to be disbursed constitute Issuance Expenses or Project Costs, that such amounts are required to be disbursed pursuant to a contract entered into therefor by or on behalf of the District, or were necessarily and reasonably incurred and that such amounts are not being paid in advance of the time, if any, fixed for payment; and

(iii) state that no amount set forth in the certificate was included in any certificate requesting disbursement previously filed with the Fiscal Agent pursuant to this Section 4.01. It is specifically intended that Issuance Expenses shall be paid out not later than six months from the date of date of delivery of the Bonds and any amounts remaining on deposit in the Costs of Issuance Account representing proceeds of the Bonds shall be transferred to the Capitalized Interest Account and applied to pay interest on the Bonds.

(c) Certificates. Each certificate requesting disbursement which is submitted pursuant to subsection (b) and which relates to disbursement for a construction portion of any Project the contract for which was awarded by the District, shall certify that insofar as such certificate relates to payment for work, materials, equipment or supplies, such work was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the construction of the Project or delivered to the appropriate site for such purpose, or delivered for storage or fabrication at a place approved by the District.

(d) No Liens. Each certificate requesting disbursement which is submitted pursuant to subsection (b) and which relates to payment to a Contractor shall be accompanied by a certificate of said Contractor stating that no liens have been imposed on the Project which is the subject of the contract as a result of said construction except liens that have not yet ripened or that would attach by operation of law.

(e) Use of Funds Remaining. Amounts, if any, remaining in the Project Account of the Bond Proceeds Fund on the date of receipt of an Officer's Certificate certifying, with respect to any such Project Account, that no further amounts are required to be disbursed for costs and expenses of any Project shall be transferred by the Fiscal Agent to the Chief Financial Officer for deposit in the Debt Service Fund to be applied to the payment of principal of any Outstanding Bonds as the same become due and payable. Amounts, if any, remaining in the Costs of Issuance Account of the Bond Proceeds Fund six months from the date of date of delivery of the Bonds shall be transferred by the Fiscal Agent to the Capitalized Interest Account without further direction.

Section 4.02. Debt Service Fund.

(a) Creation of Fund. There is hereby created a separate fund to be known as the "Midpeninsula Regional Open Space District General Obligation Bonds, Series 2015A, Debt Service Fund" (the "Debt Service Fund"), which shall be maintained by the Chief Financial Officer as a separate fund, distinct from all other funds and accounts of the District.

(b) Payment of Interest. On or before the last day of February and August in each year the Bonds are Outstanding, commencing in February, 2016, the Chief Financial Officer shall transfer from the General Fund and set aside in the Debt Service Fund an amount which, when added to the amount contained in the Debt Service Fund on that date, if any (and the amount on deposit in the Capitalized Interest Account with respect to the Bonds), will be equal to the aggregate amount of the interest becoming due and payable on the Outstanding Bonds on the next succeeding Interest Payment Date.

(c) Payment of Principal. On or before the last day of August in each year the Bonds are Outstanding, commencing on August 31, 2016, the Chief Financial Officer shall also transfer from the General Fund and set aside in the Debt Service Fund an amount which, when added to the amount contained in the Debt Service Fund on that date, if any, and after accounting for any interest payment also due and payable on the next succeeding September 1 pursuant to paragraph (a), will be equal to the principal becoming due and payable on the next succeeding September 1.

(d) Disbursements. All moneys in the Debt Service Fund shall be used and withdrawn by the Chief Financial Officer solely for the purpose of paying the principal of and interest on the Bonds as the same shall become due and payable. On the last day of February and August in each year commencing February 28, 2016, the Chief Financial Officer shall transfer to the Fiscal Agent for deposit in the Bond Service Fund (which is hereby established as a separate fund to be held by the Fiscal Agent into which all moneys received by the Fiscal Agent from the District pursuant to this Section be deposited and which shall be used solely to pay principal and interest on the Bonds when due) moneys on deposit in the Debt Service Fund for application by the Fiscal Agent on the next succeeding Interest Payment Date to the payment of principal of and interest on the Bonds.

Within the Bond Service Fund there is hereby established the Capitalized Interest Account, into which the amount required by Section 3.02(a) shall be deposited. Amounts on deposit in the Capitalized Interest Account shall be used only to pay interest on the Bonds through September 1, 2015.

Section 4.03. Deposit and Investment of Moneys in Funds. All moneys held by the Fiscal Agent in the Bond Proceeds Fund and the Bond Service Fund and not invested pursuant to the second paragraph of this Section shall be deposited in money market funds meeting the requirements of clause (vi) of the definition of "Permitted Investments".

Moneys in the Project Account, the Bond Service Fund and the Costs of Issuance Account shall be invested by the Fiscal Agent, at the written direction of the Chief Financial Officer, in Permitted Investments maturing prior to the date on which such moneys are required to be paid out hereunder. Moneys in the Debt Service Fund shall be invested by the Chief Financial Officer in Permitted Investments that by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any of such funds and accounts shall at all times be deemed to be part of each such respective fund and account so invested, and all interest, gain or loss on the investment of moneys in such respective fund and accounts shall be credited or charged thereto.

The Fiscal Agent or an affiliate may act as principal or agent of the District in the making or disposing of any investment. Subject to Section 6.07, the Fiscal Agent shall not be responsible for any loss in the disposing of any investment or any other consequences for investments made in accordance with this Section.

The District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The Fiscal Agent will furnish the District periodic cash transaction statements which shall include detail for all investment transactions made by the Fiscal Agent hereunder.

Section 4.04. Acquisition, Disposition and Valuation of Investments. The District covenants that all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Tax Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Tax Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Code shall be valued at their present value (within the meaning of section 148 of the Tax Code).

ARTICLE V

COVENANTS OF THE DISTRICT

Section 5.01. Punctual Payment. The District will punctually pay, or cause to be paid, the principal of and interest on the Bonds, in strict conformity with the terms of the Bonds and of this Agreement, and it will faithfully observe and perform all of the conditions, covenants and requirements of this Agreement and of the Bonds. Nothing herein contained shall prevent the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Section 5.02. Extension of Time for Payment. In order to prevent any accumulation of claims for interest after maturity, the District will 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 will not, directly or indirectly, approve 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 District, such claim for interest so extended or funded shall not be entitled, in case of default hereunder, to the benefits of this Agreement, 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 so extended or funded.

Section 5.03. Protection of Security and Rights of Bondowners. The District will preserve and protect the security of the Bonds and the rights of the Bondowners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the District, the Bonds shall be incontestable by the District.

Section 5.04. Further Assurances. The District 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 this Agreement, and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in this Agreement.

Section 5.05. No Arbitrage. The District shall not take, nor permit nor suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the 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 Bonds would have caused the Bonds to be “arbitrage bonds” within the meaning of section 148 of the Tax Code.

Section 5.06. Federal Guarantee Prohibition. The District 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 Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Tax Code and Regulations promulgated thereunder.

Section 5.07. Private Activity Bond Limitation. The District shall assure that the proceeds of the Bonds are not used as to cause the Bonds to satisfy the private business use tests of section 141 (b) or the private loan financing test of section 141 (c) of the Tax Code as in effect on the date of issuance of the Bonds or as it may be amended to apply thereafter.

Section 5.08. Rebate Requirement. The District shall take any and all actions necessary to assure compliance with section 148(f) of the Tax Code, relating to rebate of excess investment earnings, if any, to the federal government.

Section 5.09. Maintenance of Tax Exemption. The District shall take all actions necessary to assure the exclusion of interest on the Bonds from gross income of the Owners of the Bonds to the same extent as such interest is permitted to be excluded from gross income under the Tax Code as in effect on the date of issuance of the Bonds.

Section 5.10. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificates for the Bonds. Notwithstanding any other provision of this Agreement, failure of the District to comply with any Continuing Disclosure Certificate shall not be considered an Event of Default; however, the Fiscal Agent , at the written request of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, to the extent indemnified to its satisfaction from and against any costs, claims, expenses and liabilities related thereto, including, without limitation, fees and expenses of its attorneys, or any Bondowner may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Section.

Section 5.11. Collection of Taxes. At the time of making the general tax levy after the issuance of the Bonds, and annually thereafter until the Bonds are paid or until there is a sum in the treasury set apart for that purpose sufficient to meet all payments of principal and interest on the Bonds as they become due, the Board shall and hereby covenants to cause to be levied and collected a tax sufficient to pay interest on the Bonds and such part of the principal as will become due before the proceeds of a tax levied at the next general tax levy will be available. To this end, the Board covenants with the Owners of the Bonds that it will cause to be levied taxes upon all taxable property within the District, without limitation as to rate or amount, for the payment of the Bonds and the interest thereon. All of the proceeds of such taxes shall be deposited in a special account of the General Fund of the District before the transfer thereof to the Debt Service Fund.

ARTICLE VI

THE FISCAL AGENT

Section 6.01. Appointment of Fiscal Agent. The Fiscal Agent, at its Principal Office is hereby appointed Fiscal Agent for the Bonds to act as the agent and depository of the District for the purpose of receiving all moneys required to be paid to the Fiscal Agent hereunder, to allocate, use and apply the same, to hold, receive and disburse funds held in the Bond Proceeds Fund, and otherwise to hold all the offices and perform all the functions and duties provided in this Agreement to be held and performed by the Fiscal Agent. The Fiscal Agent shall signify its acceptance of the duties and obligations imposed upon it by this Agreement by executing and delivering to the District a written acceptance thereof; and by executing and delivering such acceptance, the Fiscal Agent shall be deemed to have accepted such duties and obligations, but only upon the terms and conditions set forth in this Agreement.

Section 6.02. Compensation. The District shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements including those of its attorneys, agents, and employees, incurred in and about the performance of their powers and duties under this Agreement and the Fiscal Agent shall have a prior lien therefor on any and all funds at any time held by it under this Agreement. The District further agrees, to the extent permitted by law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless from and against all costs, claims, expenses or liabilities which it may incur in the exercise and performance of its powers, functions and duties under this Agreement which are not due to its own negligence or willful misconduct including but not limited to costs, claims, liabilities or expenses arising out of, resulting from or in any way connected with (1) any Project or the conditions, occupancy, use, possession, conduct or management of, or work done in or about, or from the planning, design, acquisition, installation, operation or construction of any Project, or any part hereof; (2) the sale of any Bonds and the carrying out of any of the transactions contemplated by the Bonds and this Agreement; (3) any untrue statement or alleged untrue statement or any material fact or omission or alleged omission to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading in any official statement or other disclosure document utilized in connection with the sale of the Bonds. The District further agrees, to the extent permitted by law, to pay or to reimburse the Fiscal Agent and its officers, directors, employees and agents for any and all costs, reasonable attorneys fees, liabilities or expenses incurred in connection with any such liabilities or expenses. The District's obligations in Section 6.02 shall remain valid and binding notwithstanding maturity and payment (whether by maturity, prepayment, acceleration, defeasance or otherwise) of the Bonds.

Section 6.03. Resignation of Fiscal Agent. The Fiscal Agent may at any time resign and be discharged of the duties and obligations created by this Agreement by giving not fewer than sixty (60) days written notice to the District. Such resignation shall take effect on the date on which the appointment of a successor Fiscal Agent under Section 6.05 becomes effective.

Section 6.04. Removal of Fiscal Agent. The Fiscal Agent shall be removed by the District if at any time so requested by an instrument or concurrent instruments, in writing, filed with the Fiscal Agent and the District, and signed by the Owners of a majority in principal amount of the Bonds then Outstanding or their attorneys-in-fact duly authorized, excluding any Bonds held by or for the account of the District. The District may remove the Fiscal Agent at any time, except during the existence of an Event of Default as defined in Section 7.01 hereof, by filing with the Fiscal Agent an instrument signed by a District Officer. Such removal shall take effect on the date on which the appointment of a successor Fiscal Agent under Section 6.05 becomes effective.

Section 6.05. Appointment of Successor Fiscal Agent. In case at any time the Fiscal Agent shall resign or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Fiscal Agent, or of its property or affairs is appointed, the District covenants and agrees that it will thereupon appoint a successor Fiscal Agent. The District shall mail notice of any such appointment made by it to all Owners of Bonds, such mailing to be made within twenty (20) days after such appointment.

If in a proper case no appointment of a successor Fiscal Agent shall be made pursuant to the foregoing provisions of this Section within forty-five (45) days after the Fiscal Agent shall have given to the District written notice, as provided in Section 6.03, or upon removal as provided in Section 6.04 after a vacancy in the office of the Fiscal Agent shall have occurred by reason of its inability to act or other reason set forth in this Section, the Fiscal Agent or the Owner of any Bond may apply to any court of competent jurisdiction to appoint a successor Fiscal Agent. Said court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Fiscal Agent. Any successor Fiscal Agent shall have a capital and surplus balance aggregating at least fifty million dollars ($50,000,000).

Section 6.06. Transfer of Rights and Property to Successor Fiscal Agent. Any successor Fiscal Agent appointed under this Agreement shall execute, acknowledge and deliver to its predecessor Fiscal Agent, and also to the District, an instrument accepting such appointment, and thereupon such successor Fiscal Agent, without any further act, deed or reconveyance, shall become fully vested with all moneys, estates, properties, rights, powers, duties and obligations of such predecessor Fiscal Agent, with like effect as if originally named as Fiscal Agent; but the Fiscal Agent ceasing to act shall nevertheless, on the written request of the District, or of the successor Fiscal Agent, execute, acknowledge and deliver such instruments of conveyance and further assurance and do such other things as may reasonably be required for more fully and certainly vesting and confirming in such successor Fiscal Agent all right, title and interest of the predecessor Fiscal Agent in and to any property held by it under this Agreement, and shall pay over, assign and deliver to the successor Fiscal Agent any money or other property subject to the trusts and conditions herein set forth. Should any deed, conveyance or instrument in writing from the District be required by such successor Fiscal Agent for more fully and certainly vesting in and confirming to such successor Fiscal Agent any estates, rights, powers and duties, any and all such deed, conveyances and instruments in writing shall, on request, and so far as may be authorized by law be executed, acknowledged and delivered by the District.

Any corporation into which the Fiscal Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Fiscal Agent shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Fiscal Agent, shall be the successor of the Fiscal Agent hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

Section 6.07. Liability of Fiscal Agent. The recitals of facts, covenants and agreements herein and in the Bonds contained shall be taken as statements, covenants and agreements of the District, and the Fiscal Agent assumes no responsibility for the correctness of the same, or makes any representations as to the validity or sufficiency of this Agreement, or of the Bonds, or shall incur any responsibility in respect thereof, other than in connection with the duties or obligations herein or in the Bonds assigned to or imposed upon it. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

The Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority of aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Fiscal Agent or the Bondowners, or exercising any power conferred upon the Fiscal Agent under this Agreement.

The permissive right of the Fiscal Agent to do things or omit to do things under this Agreement shall not be construed as a duty.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts. The Fiscal Agent shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Agreement.

Except as otherwise provided herein, the Fiscal Agent shall not be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein, or in any of such agreements, documents or certificates executed in connection with the Bonds, or as to the existence of an Event of Default hereunder of thereunder. The Fiscal Agent shall not be deemed to have notice of any event of default hereunder or in any such document or certificate until it shall have actual knowledge thereof, or shall have received written notice thereof at its Principal Office. The Fiscal Agent shall not be responsible for the validity of any collateral given to or held by it.

The Fiscal Agent has no obligation or liability to the Bondowners for the payment of interest or principal with respect to the Bonds; but rather the Fiscal Agent's sole obligations are to administer, for the benefit of the District and the Bondowners, the various funds and accounts established in the Agreement and to perform the other duties expressly provided for herein.

The Fiscal Agent shall have no responsibility for or liability in connection with assuring that all of the procedures or conditions to closing set forth herein have been met on the Closing Date or, that all documents required to be delivered on the Closing Date to the parties are actually delivered, except its own responsibility to receive the Bond proceeds and other sums required to be delivered to it and to authenticate and deliver the Bonds and other certificates expressly required to be delivered by it and its counsel. The Fiscal Agent may assume that the District and the Underwriter have waived their rights to receive documents or to require the performance of procedures if the parties to whom such documents are to be delivered or for whom such procedures are to be performed do not require delivery or performance on or prior to the Closing Date.

Section 6.08. Notice to Fiscal Agent. The Fiscal Agent shall be protected in 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 Fiscal Agent may consult with counsel, who may be of counsel to the District, 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 hereunder in good faith and in accordance therewith.

The Fiscal Agent 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 the Owner's title thereto satisfactorily established, if disputed.

Whenever in the administration of its duties under this Agreement the Fiscal Agent shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a written certificate signed by a District Officer and such certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions of this Agreement or any Supplemental Agreement upon the faith thereof, but in its discretion the Fiscal Agent may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BONDOWNERS

Section 7.01. Events of Default. The following shall constitute Events of Default under this Agreement:

(a) if default shall be made by the District in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by declaration or otherwise; and

(b) if default shall be made by the District in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable.

Section 7.02. Remedies of Bondowners. Upon the occurrence of an Event of Default, any Bondowner shall have the right, for the equal benefit and protection of all Bondowners similarly situated:

(a) by mandamus, suit, action or proceeding, to compel the District and its members, officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the District and the fulfillment of all duties imposed upon it; or

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Bondowners' rights.

Section 7.03. Non-Waiver. Nothing in this Article VII or in any other provision of this Agreement, or in the Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, or affect or impair the right of action, which is also absolute and unconditional, of such Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Bondowner shall not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Bondowners by this Article VII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Owners of the Bonds.

If a suit, action or proceeding to enforce any right or exercise any remedy be abandoned or determined adversely to the Bondowners, the District and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 7.04. Remedies Not Exclusive. No remedy herein conferred upon the Owners of Bonds shall be exclusive of any other remedy and that each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or thereafter conferred on the Bondowners.

ARTICLE VIII

SUPPLEMENTAL AGREEMENTS

Section 8.01. Supplemental Agreements Effective Without Consent of the Owners. For any one or more of the following purposes and at any time or from time to time, the District may enter into a Supplemental Agreement, which, without the requirement of consent of the Owners of the Bonds, shall be fully effective in accordance with its terms:

(a) To add to the covenants and agreements of the District in this Agreement, other covenants and agreements to be observed by the District which are not contrary to or inconsistent with this Agreement as theretofore in effect;

(b) To add to the limitations and restrictions in this Agreement, other limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Agreement as theretofore in effect;

(c) To confirm, as further assurance, any pledge under, and the subjection to any lien or pledge created or to be created by, this Agreement, of any moneys, securities or funds, or to establish any additional funds or accounts to be held under this Agreement;

(d) To cure any ambiguity, supply and omission, or cure or correct any defect or inconsistent provision in this Agreement; or

(e) To make such additions, deletions or modifications as may be necessary to assure compliance with section 148(f) of the Tax Code relating to required rebate of any amounts to the United States or otherwise as may be necessary to assure exemption from federal income taxation of interest on the Bonds.

Section 8.02. Supplemental Agreements Effective With Consent of the Owners. Any modification or amendment of this Agreement and of the rights and obligations of the District and of the Owners of the Bonds, in any particular, may be made by a Supplemental Agreement, with the written consent of the Owners of at least a majority in aggregate principal amount of the Bonds Outstanding at the time such consent is given. No such modification or amendment shall permit a change in the terms of maturity of the principal of any Outstanding Bonds or of any interest payable thereon or a reduction in the principal amount thereof or in the rate of interest thereon, or shall reduce the percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment, or shall change any of the provisions in Section 7.01 hereof relating to Events of Default, or shall reduce the amount of moneys pledged for the repayment of the Bonds without the consent of all the Owners of such Bonds, or shall change or modify any of the rights or obligations of any Fiscal Agent without its written assent thereto.

Section 8.03. Owners' Meetings. The District may at any time call a meeting of the Owners. In such event the District is authorized to fix the time and place of said meeting and to provide for the giving of notice thereof, and to fix and adopt rules and regulations for the conduct of said meeting.

Section 8.04. Procedure for Amendment with Written Consent of Owners. The District and the Fiscal Agent may at any time adopt a Supplemental Agreement amending the provisions of the Bonds or of this Agreement or any Supplemental Agreement, to the extent that such amendment is permitted by Section 8.01, to take effect when and as provided in this Section. A copy of such Supplemental Agreement, together with a request to Owners for their consent thereto, shall be mailed by first class mail, by the Fiscal Agent to each Owner of Bonds Outstanding, but failure to mail copies of such Supplemental Agreement and request shall not affect the validity of the Supplemental Agreement when assented to as in this Section provided.

Such Supplemental Agreement shall not become effective unless there shall be filed with the Fiscal Agent the written consents of the Owners of at least a majority in aggregate principal amount of the Bonds then Outstanding (exclusive of Bonds disqualified as provided in Section 8.04) and a notice shall have been mailed as hereinafter in this Section provided. Each such consent shall be effective only if accompanied by proof of ownership of the Bonds for which such consent is given, which proof shall be such as is permitted by Section 9.04. Any such consent shall be binding upon the Owner of the Bonds giving such consent and on any subsequent Owner (whether or not such subsequent Owner has notice thereof) unless such consent is revoked in writing by the Owner giving such consent or a subsequent Owner by filing such revocation with the Fiscal Agent prior to the date when the notice hereinafter in this Section provided for has been mailed.

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the District shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.04 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the District and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Section 8.05. Disqualified Bonds. Bonds owned or held for the account of the District, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII.

Section 8.06. Effect of Supplemental Agreement. From and after the time any Supplemental Agreement becomes effective pursuant to this Article VIII, this Agreement shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations under this Agreement of the District and all owners of Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such Supplemental

Agreement shall be deemed to be part of the terms and conditions of this Agreement for any and all purposes.

Section 8.07. Endorsement or Replacement of Bonds Issued After Amendments. The District may determine that Bonds issued and delivered after the effective date of any action taken as provided in this Article VIII shall bear a notation, by endorsement or otherwise, in form approved by the District, as to such action. In that case, upon demand of the Owner of any Bond Outstanding at such effective date and presentation of his Bond for that purpose at the Office of the Fiscal Agent or at such other office as the District may select and designate for that purpose, a suitable notation shall be made on such Bond. The District may determine that new Bonds, so modified as in the opinion of the District is necessary to conform to such Owners' action, shall be prepared, executed and delivered. In that case, upon demand of the Owner of any Bonds then Outstanding, such new Bonds shall be exchanged at the Office of the Fiscal Agent without cost to any Owner, for Bonds then Outstanding, upon surrender of such Bonds.

Section 8.08. Amendatory Endorsement of Bonds. The provisions of this Article VIII shall not prevent any Owner from accepting any amendment as to the particular Bonds held by him or her.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Benefits of Agreement Limited to Parties. Nothing in this Agreement, expressed or implied, is intended to give to any person other than the District, the Fiscal Agent and the Owners of the Bonds, any right, remedy, claim under or by reason of this Agreement. Any covenants, stipulations, promises or agreements in this Agreement contained by and on behalf of the District shall be for the sole and exclusive benefit of the Owners of the Bonds.

Section 9.02. Defeasance.

(a) Discharge of Agreement. Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable hereunder by the District:

(i) by paying or causing to be paid the principal of and interest on Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing, at or before maturity, money or securities in the necessary amount (as provided in Section 9.02(c) to pay Bonds Outstanding; or

(iii) by delivering to the Fiscal Agent, for cancellation by it, Bonds Outstanding.

If the District shall pay all Bonds Outstanding and shall also pay or cause to be paid all other sums payable hereunder by the District, then and in that case, at the election of the District (evidenced by a certificate of a District Officer, filed with the Fiscal Agent, signifying the intention of the District to discharge all such indebtedness and this Agreement), and notwithstanding that any Bonds shall not have been surrendered for payment, this Agreement and all covenants, agreements and other obligations of the District under this Agreement shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in Section 9.02(b) and the obligation of the District to assure that no action is taken or is found to be taken that would adversely affect the exclusion of interest on the Bonds from gross income and the Tax Code. In such event, upon request of the District, the Fiscal Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Fiscal Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to this Agreement which are not required for the payment of Bonds not theretofore surrendered for such payment.

(b) Discharge of Liability on Bonds. Upon the deposit at or before maturity, of money or securities in the necessary amount (as provided in Section 9.02(c) to pay any Outstanding Bond upon its maturity, then all liability of the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited with the

Fiscal Agent or an escrow holder as aforesaid for such payment, provided further, however, that the provisions of Section 9.02(d) shall apply in all events.

The District may at any time surrender to the Fiscal Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

(c) Deposit of Money or Securities with Fiscal Agent. Whenever in this Agreement it is provided or permitted that there be deposited with or held by the Fiscal Agent or an escrow holder money or securities in the necessary amount to pay any Bonds, the money or securities so to be deposited or held may include money or securities held by the Fiscal Agent in the funds and accounts established pursuant to this Agreement and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity; or

(ii) Defeasance Obligations (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal of and all unpaid interest to maturity on the Bonds to be paid, as such principal and interest become due;

provided, in each case, that the Fiscal Agent shall have been irrevocably instructed (by the terms of this Agreement or by request of the District) to apply such money to the payment of such principal and interest with respect to such Bonds.

(d) Payment of Bonds After Discharge of Agreement. Notwithstanding any provisions of this Agreement, any moneys held by the Fiscal Agent for the payment of the principal or redemption price of, or interest on, any Bonds and remaining unclaimed for two years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in this Agreement), if such moneys were so held at such date, or two years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the District outright, and all liability of the Fiscal Agent with respect to such moneys shall thereupon cease.

Section 9.03. Execution of Documents and Proof of Ownership by Bondowners. Any request, declaration or other instrument which this Agreement may require or permit to be executed by Bondowners may be in one or more instruments of similar tenor, and shall be executed by Bondowners in person or by their attorneys appointed in writing.

Except as otherwise herein expressly provided, the fact and date of the execution by any Bondowner or his attorney of such request, declaration or other instrument, or of such writing appointing such attorney, may be proved by the certificate of any notary public or other officer authorized to take acknowledgments of deeds to be recorded in the state in which he purports to act, that the person signing such request, declaration or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before such notary public or other officer.

Except as otherwise herein expressly provided, the ownership of registered Bonds and the amount, maturity, number and date of holding the same shall be proved by the registry books.

Any request, declaration or other instrument or writing of the Owner of any Bond shall bind all future Owners of such Bond in respect of anything done or suffered to be done by the District, the Fiscal Agent or the Chief Financial Officer in good faith and in accordance therewith.

Section 9.04. Waiver of Personal Liability. No Boardmember, District Officer, agent or employee of the District shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such Boardmember, District Officer, agent or employee from the performance of any official duly provided by law.

Section 9.05. Destruction of Canceled Bonds. Whenever in this Agreement provision is made for the surrender to the District of any Bonds which have been paid or canceled pursuant to the provisions of this Agreement, a certificate of destruction duly executed by the Fiscal Agent shall be deemed to be the equivalent of the surrender of such canceled Bonds and the District shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to.

Section 9.06. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The District hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable. If, by reason of the judgment of any court, the District is rendered unable to perform its duties hereunder, all such duties and all of the rights and powers of the District hereunder shall be assumed by and vest in the Fiscal Agent in trust for the benefit of the Bondowners.

Section 9.07. Unclaimed Moneys. Subject at all times to applicable unclaimed property law and anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent for the payment and discharge of the principal of, and the interest on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal and interest have become payable, if such moneys was held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the District as its absolute property, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of the principal of, and interest on, such Bonds.

Section 9.08. Notices to and Demands on District and Fiscal Agent. Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the Fiscal Agent to or on the District may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the District with the Fiscal Agent) or by facsimile to:

Chief Financial Officer
Midpeninsula Regional Open Space District
330 Distel Circle
Los Altos, CA 94022
650-691-0485 (Fax)

Any notice or demand which by any provision of this Agreement is required or permitted to be given or served by the District to or on the Fiscal Agent may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Fiscal Agent with the District) or by facsimile to:

Zions First National Bank
Attn.: Corporate Trust Department
550 S. Hope Street, Suite 2875
Los Angeles, CA 90071
Fax: (866) 870-0209

Section 9.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10. Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.11. Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the ad valorem taxes securing the payment of the Bonds.

Section 9.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal of the Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal or the action need not be made on such date but may be made on the next succeeding day which is a Business Day with the same force and effect as if made on the date required and no interest shall accrue for the period on and after such date.

Section 9.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

By:________________________________
General Manager

ZIONS FIRST NATIONAL BANK,
as Fiscal Agent

By:________________________________
Authorized Officer

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
GENERAL OBLIGATION BOND,
SERIES 2015A

INTEREST RATE: MATURITY DATE: ISSUE DATE: CUSIP:

REGISTERED OWNER:

PRINCIPAL SUM: DOLLARS

The MIDPENINSULA REGIONAL OPEN SPACE DISTRICT, a public corporation and special district, duly organized and existing under and by virtue of the Constitution and laws of the State of California (the “District”), for value received, hereby promises to pay to the Registered Owner stated above, or registered assigns (the “Owner”), on the Maturity Date stated above, the Principal Sum stated above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless (i) this Bond is authenticated on an interest payment date, in which event it shall bear interest from such date of authentication, or (ii) this Bond is authenticated prior to February 15, 2016, in which event it shall bear interest from the Issue Date stated above; provided however, that if at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond) until payment of such Principal Sum in full, at the rate per annum stated above, payable on March 1 and September 1 in each year, commencing March 1, 2016, calculated on the basis of 360-day year composed of twelve 30-day months. Principal hereof is payable at the corporate trust office of Zions First National Bank (the “Fiscal Agent”), in Los Angeles, CA. Interest hereon (including the final interest payment upon maturity) is payable by check or draft of the Fiscal Agent mailed by first class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Fiscal Agent as of the close of business on the fifteenth day of the month next preceding such interest payment date, or at such other address as the Owner may have filed with the Fiscal Agent for that purpose.

This Bond is one of a duly authorized series of Bonds of the District designated as “Midpeninsula Regional Open Space District General Obligation Bonds, Series 2015A” (the “Bonds”), in an aggregate principal amount of $______________, all of like tenor and date (except for such variation, if any, as may be required to designate varying numbers, maturities, interest rates or other provisions) and all issued pursuant to the provisions of Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (collectively, the “Act”), and pursuant to a Fiscal Agent Agreement, dated as of _____________, 2015, (the "Fiscal Agent Agreement") by and between the District and the Fiscal Agent. Reference is hereby made to the Fiscal Agent

Agreement (copies of which are on file at the office of the Secretary of the Board) and the Act for a description of the terms on which the Bonds are issued and the rights thereunder of the owners of the Bonds and the rights, duties and immunities of the Fiscal Agent and the rights and obligations of the District thereunder, to all of the provisions of which Fiscal Agent Agreement the Owner of this Bond, by acceptance hereof, assents and agrees.

The issuance of the Bonds was authorized by a vote of more than two-thirds of the qualified electors of the District voting at an election held on June 3, 2014. The Bonds are the initial series of bonds to be issued pursuant to such authorization.

This Bond and the interest hereon and on all other Bonds and the interest thereon (to the extent set forth in the Fiscal Agent Agreement) are general obligations of the District and the District has the power and is obligated to levy taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District.

The Bonds maturing on or before September 1, ____ are not subject to redemption prior to their respective maturity dates. Bonds maturing on or after September 1, ____, shall be subject to redemption prior to their respective maturity dates as a whole, or in part, on any date, from any moneys provided at the option of the District, in each case on and after September 1, ____, at a redemption price equal to the principal amount of Bonds that are called for redemption, plus accrued interest to the date fixed for redemption, without premium.

Regardless of whether the District has deposited funds sufficient for any redemption with the Fiscal Agent, the Fiscal Agent shall cause notice of any redemption to be mailed, first class mail, postage prepaid, at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books maintained by the Fiscal Agent and to the Securities Depositories and the Information Services; but such mailing shall not be a condition precedent to such redemption and failure to mail or to receive any such notice shall not affect the validity of the proceedings for the redemption of such Bonds. The District shall have the right to cancel the notice of any optional redemption by providing written notice of such cancellation to the Fiscal Agent not less than five (5) days prior to the date set for redemption.

The Bonds are issuable as fully registered Bonds, without coupons, in denominations of $5,000 and any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Fiscal Agent Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations and of the same maturity.

This Bond is transferable by the Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Fiscal Agent in Los Angeles, CA, but only in the manner and subject to the limitations provided in the Fiscal Agent Agreement, and upon surrender and cancellation of this Bond. Upon registration of such transfer a new Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor.

The District and the Fiscal Agent may treat the Owner hereof as the absolute owner hereof for all purposes, and the District and the Fiscal Agent shall not be affected by any notice to the contrary.

The Fiscal Agent Agreement may be amended without the consent of the Owners of the Bonds to the extent set forth in the Fiscal Agent Agreement.

It is hereby certified that all of the things, conditions and acts required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time and manner as required by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the District, does not exceed any limit prescribed by any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Fiscal Agent Agreement.

This Bond shall not be entitled to any benefit under the Fiscal Agent Agreement or become valid or obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Fiscal Agent.

IN WITNESS WHEREOF, the Midpeninsula Regional Open Space District has caused this Bond to be executed in its name and on its behalf with the facsimile signatures of its President and Treasurer and countersigned by its Secretary of the Board of Directors and its seal to be reproduced hereon, all as of the Issue Date stated above.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

By: ________________________________
President of the Board

By: ________________________________
Treasurer

Attest:

By: ________________________________
Secretary of the Board

[FORM OF FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION]

CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Fiscal Agent Agreement.

Authentication Date:

ZIONS FIRST NATIONAL BANK,
as Fiscal Agent

____
Authorized Signatory

EXHIBIT B

FORM OF ACCOUNT REQUISITION

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

$______________
General Obligation Bonds,
Series 2015A

WRITTEN REQUISITION NO. _____
FOR DISBURSEMENT FROM THE
[COSTS OF ISSUANCE ACCOUNT]
[PROJECT ACCOUNT]
OF THE BOND PROCEEDS FUND

The undersigned hereby states and certifies:

(i) that the undersigned is the _________________ of the Midpeninsula Regional Open Space District (the "District"), a regional open space district organized and existing under the laws of the State of California, and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(ii) that pursuant to Section 4.01(b) of that certain Fiscal Agent Agreement, dated as of _____________, 2015 (the "Fiscal Agent Agreement"), by and between the District and Zions First National Bank, as fiscal agent (the "Fiscal Agent"), the undersigned hereby authorizes the disbursement from the [Costs of Issuance Account][Project Account] of the Bond Proceeds Fund (the "Account") established under the Fiscal Agent Agreement, to the payee or payees set forth on Schedule A attached hereto and by this reference incorporated herein, the amount set forth opposite such payee for the purposes set forth on Schedule A (which purpose may include reimbursement of the District for previous payments), and all such payments shall be made by check or wire transfer in accordance with payment instructions contained in Schedule A and the Fiscal Agent shall have no duty or obligation to authenticate such payment instructions or the authorization thereof;

(iii) that the amounts to be disbursed constitute [Issuance Expenses][Project Costs];

(iv) that such amounts are required to be disbursed pursuant to a contract entered into by or on behalf of the District, or were necessarily and reasonably incurred and such amounts are not being paid in advance of the time, if any, fixed for payment;

(v) that no amount set forth in Schedule A was included in any certificate requesting disbursement previously filed with the Fiscal Agent pursuant to Section 4.01 of the Fiscal Agent Agreement;

(vi) [include this representation when requisition is for construction costs] that payment for work, materials, equipment or supplies identified on Exhibit A was actually performed, or such materials, equipment or supplies were actually installed in furtherance of the construction of the Project, or were delivered to the appropriate site for such purpose, or delivered for storage or fabrication at a place approved by the District;

(vii) [include this representation when requisition is for payment to a Contractor] that accompanying this Certificate is a certificate of [Contractor] stating that no liens have been imposed on the Project as a result of said construction except liens that have not yet ripened or that would attach by operation of law;

(viii) [include this representation when requisition is for reimbursement to the District] that the requested reimbursement is consistent with Resolution 14-26 adopted by the District on July 9, 2014;.

Capitalized terms not otherwise defined shall have the meanings ascribed to them in the Fiscal Agent Agreement.

Dated: ____________

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

By:____________________________
District Officer

SCHEDULE A

DISBURSEMENTS FROM
[COSTS OF ISSUANCE ACCOUNT]
[PROJECT ACCOUNT]
OF THE BOND PROCEEDS FUND

Payee Name and Address	Purpose of Obligation	Amount

PRELIMINARY OFFICIAL STATEMENT DATED ________, 2015

NEW ISSUE — BOOK-ENTRY ONLY **RATINGS: Fitch: "___"**
S&P: "___"
(See "CONCLUDING INFORMATION — Ratings" herein.)

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

[insert new MidPen logo]

$______________*

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Counties of Santa Clara, San Mateo and Santa Cruz, California)
General Obligation Bonds, Series 2015A
(Election of 2014)

Dated: Date of Delivery **Due: September 1; see inside cover**

Authorization and Purpose. The above-captioned Bonds (the "Bonds") will be issued by the Midpeninsula Regional Open Space District (the "District"). The Bonds were authorized (i) at an election of the registered voters of the District held on June 3, 2014 (the "2014 Authorization"), which authorized the issuance of $300,000,000 principal amount of general obligation bonds to finance certain projects authorized by the voters and (ii) by a resolution adopted by the Board on ____________, 2015 (the "Resolution"). The Bonds are being issued pursuant to (i) the Constitution and laws of the State of California (the "State"), including the provisions of Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "Act") and (ii) a Fiscal Agent Agreement, dated as of _________, 2015 (the "Fiscal Agent Agreement"), between the District and Zions First National Bank, as fiscal agent (the "Fiscal Agent"). See "THE BONDS - Authority for Issuance; Purpose."

The Bonds are being issued (i) for the purpose of financing certain projects authorized by voters in the District, as more fully described herein, and (ii) to pay costs of issuing the Bonds. See "THE BONDS - Authority for Issuance; Purpose."

Security. The Bonds are general obligation bonds of the District, payable solely from *ad valorem* property taxes levied by the District and collected by Santa Clara County, San Mateo County and Santa Cruz County (the "Counties"). The Boards of Supervisors of the Counties are empowered and are obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has no other general obligation bonds outstanding. The Bonds and all future series of general obligation bonds under the 2014 Authorization are payable from *ad valorem* taxes levied on parcels in the District. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

Book-Entry Only. The Bonds will be issued in book-entry form only, initially registered in the name of Cede & Co., New York, New York, as nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the Bonds will be in principal amounts of $5,000 or in any integral multiples of $5,000. Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. Interest on the Bonds accrues from the date of delivery at the rates set forth on the maturity schedule on the inside cover of this Official Statement (as calculated on the basis of a 360-day year of twelve 30-day months) and is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2016, by check mailed to the person in whose name the Bond is registered. Payments of principal and interest on the Bonds will be paid by the Fiscal Agent to DTC for subsequent disbursement to DTC Participants, which will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS - Payment of Principal and Interest" and "- Book-Entry System."

Redemption. The Bonds are subject to redemption prior to their stated maturity as described in this Official Statement. See "THE BONDS - Redemption of the Bonds."

MATURITY SCHEDULE
(See inside cover)

THIS COVER PAGE CONTAINS INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT FOR A DISCUSSION OF SPECIAL 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. CAPITALIZED TERMS USED ON THIS COVER PAGE AND NOT OTHERWISE DEFINED SHALL HAVE THE MEANINGS SET FORTH IN THIS OFFICIAL STATEMENT.

The Bonds are offered when, as and if sold and issued, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Jones Hall is also serving as Disclosure Counsel to the District. Certain legal matters will be passed upon for the District by its General Counsel. It is anticipated that the Bonds in book-entry form, will be available for delivery through the facilities of DTC in New York, New York, on or about ________, 2015.

Dated: _______, 2015.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Counties of Santa Clara, San Mateo and Santa Cruz, California)
General Obligation Bonds, Series 2015A
(Election of 2014)

MATURITY SCHEDULE
(Base CUSIP†: _______)

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2014					
2015					
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					
2045					

$_______ ___% Term Bond due September 1, 20__; Yield ___%; Price ___; CUSIP† ___

C: Priced to first par call on September 1, 20__.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Santa Clara, San Mateo and Santa Cruz Counties, California)

DISTRICT BOARD OF DIRECTORS

Pete Siemens, *Ward 1 Board President*
Yoriko Kishimoto, *Ward 2 Board Vice President*
Jed Cyr, *Ward 3 Board Secretary*
Curt Riffle, *Ward 4 Board Treasurer*
Nonette Hanko, *Ward 5 Board Member*
Larry Hassett, *Ward 6 Board Member*
Cecily Harris, *Ward 7 Board Member*

DISTRICT STAFF

Steve Abbors, *General Manager*
Mike Foster, *Controller*
Sheryl Schaffner, Esq., *General Counsel*

PROFESSIONAL SERVICES

Financial Advisor

Sohail Bengali
San Mateo, California

Bond Counsel and Disclosure Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Fiscal Agent

Zions First National Bank
Los Angeles, California

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement*.* No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations*.* This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties described in this Official Statement.

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

Preparation of this Official Statement. The information contained in this Official Statement has been obtained from sources that are believed to be reliable, but this information is not guaranteed as to accuracy or completeness.

Document References and Summaries. All references to and summaries of the Fiscal Agent Agreement or other documents contained in this Official Statement are subject to the provisions of those documents and do not purport to be complete statements of those documents.

Bonds are Exempt from Securities Laws Registration. The issuance and sale of the Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exemptions for the issuance and sale of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(12) of the Securities Exchange Act of 1934.

Stabilization of Prices**.** In connection with this offering, the Underwriter may overallot 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.

Estimates and Projections. Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THOSE FORWARD-LOOKING STATEMENTS IF OR WHEN ITS EXPECTATIONS, OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

District Website. The District maintains a website. However, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

TABLE OF CONTENTS

Location Map

Vista Point picture

$______________[*]

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Counties of Santa Clara, San Mateo and Santa Cruz, California)
General Obligation Bonds, Series 2015A
(Election of 2014)

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the Bonds being offered, and a brief description of the Official Statement. All statements contained in this introduction are qualified in their entirety by reference to the entire Official Statement.

General

The purpose of this Official Statement (which includes the cover page, inside cover page and the Appendices) is to provide information concerning the issuance of the above-captioned Bonds (the "**Bonds**").

The District

The Midpeninsula Regional Open Space District (the "**District**") was formed in 1972 to acquire and preserve public open space land in northern and western portions of Santa Clara County. In June 1976, the southern and eastern portions of San Mateo County were annexed to the District. The District annexed a small portion of the northern tip of Santa Cruz County in 1992, but presently no property taxes on this land go to the District. In September 2004, the District completed the Coastside Protection Program, which extended the District boundaries to the Pacific Ocean in San Mateo County, from the southern borders of Pacifica to the San Mateo/Santa Cruz County line. The District now encompasses over 550 square miles of land in Santa Clara County, San Mateo County and Santa Cruz County (the "**Counties**"). Approximately 705,500 people live in the District based on 2010 census data.

Governing Board and Management

The seven-member Board of Directors, elected by ward, establishes policies for the District. Specifically, the Board sets general operating objectives for the District, monitors financial and long-range planning, establishes policies governing conditions of employment, and sets policies to protect and enhance the natural and cultural resources of the District. Members of the Board are elected for staggered four-year terms.

For additional information about the District's operations and finances, see "APPENDIX A - DISTRICT FINANCIAL AND OPERATING INFORMATION; ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES."

[*] Preliminary; subject to change.

Authority for the Bonds

The Bonds are being issued pursuant to (i) the Constitution and laws of the State of California (the "**State**"), including the provisions of Article 3 (commencing with Section 5500) of Chapter 3 of Division 5 of the Public Resources Code and Article 4.5, commencing with Section 53506, of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (the "**Act**") and (ii) a Fiscal Agent Agreement, dated as of _________, 2015 (the "**Fiscal Agent Agreement**"), between the District and Zions First National Bank, as fiscal agent (the "**Fiscal Agent**"). The Bonds were authorized (i) at an election of the registered voters of the District held on June 3, 2014 (the "**2014 Authorization**"), which authorized the issuance of $300,000,000 principal amount of general obligation bonds, and (ii) by a resolution adopted by the Board on _________, 2015 (the "**Resolution**").

Purpose

The proceeds of the sale of the Bonds will be used to (i) finance certain projects specified in the 2014 Authorization, and (ii) pay costs of issuing the Bonds. See "THE BONDS - Authority for Issuance; Purpose."

Security for the Bonds

The Bonds are general obligations of the District payable from *ad valorem* taxes assessed within the District pursuant to the 2014 Authorization. The Boards of Supervisors of the Counties are empowered and are obligated to levy *ad valorem* taxes upon all property subject to taxation by the District in each year that the Bonds or other general obligation debt are outstanding, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), in order to receive amounts sufficient to pay debt service on the Bonds and other general obligation bonds of the District. Such taxes are in addition to other taxes levied upon property within the District.

The Bonds are the first series of bonds to be issued under the 2014 Authorization. Any future series of general obligation bonds issued pursuant to the 2014 Authorization shall be payable on a parity with the Bonds from *ad valorem* taxes levied on parcels in the District. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS, General." "- Direct and Overlapping Debt" and "- General Obligation Debt and Long-Term Obligations of the District," below.

The District is not funding a debt service reserve fund for the Bonds.

See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

Redemption

The Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity, as described in this Official Statement. See "THE BONDS – Redemption of the Bonds."

Summaries Not Definitive

The summaries and references of documents, statutes, reports and other instruments referred to in this Official Statement do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each document, statute, report, or instrument. The capitalization of any word not conventionally capitalized, or otherwise defined in this Official Statement, indicates that such word is defined in a particular agreement or other document and, as used in this Official Statement, has the meaning given it in such agreement or document. See "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT" for summaries of certain of such definitions.

Copies of the documents described in this Official Statement will be available at the General Manager's office, Midpeninsula Regional Open Space District, 330 Distel Circle, Los Altos, California 94022, telephone: (650) 691-1200. The District may impose a charge for copying and mailing.

[*End of Introduction*]

THE BONDS

Authority for Issuance; Purpose

The Bonds are issued pursuant to (i) the Constitution and laws of the State, including the Act, and (ii) the Fiscal Agent Agreement. The Bonds are the first series of general obligation bonds being issued pursuant to the 2014 Authorization. The Bonds are authorized to be issued by the Resolution. For additional information about the provisions of the Fiscal Agent Agreement, see "APPENDIX D - SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT".

The District will use the proceeds of the Bonds to finance the improvements authorized by the voters under the 2014 Authorization.

Estimated Sources and Uses of Funds

The proceeds to be received from the sale of the Bonds are anticipated to be applied as follows:

SOURCES OF FUNDS:

Principal Amount of Bonds
Original Issue Premium

Total Sources:

USES OF FUNDS:

Project Account
Costs of Issuance Account(1)
Underwriter's Discount

Total Uses:

(1) Includes legal fees, financial advisory fees, Fiscal Agent fees, printing expenses, rating fees and other costs of issuing the Bonds.

Form and Registration

The Bonds will be issued in the form of fully registered Bonds, without coupons, in denominations of $5,000 or any integral multiple of $5,000, and will be dated the date of issuance to the original purchaser. The Bonds will mature on the dates and in the amounts set forth on the inside front cover of this Official Statement.

The Bonds, when issued, will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("**DTC**"). So long as DTC, or Cede & Co. as its nominee, is the registered owner of all Bonds, all payments on the Bonds will be made directly to DTC, and disbursement of such payments to the DTC "**Participants**" (as defined in APPENDIX F) will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners (as defined in APPENDIX F) will be the responsibility of the Participants, as more fully described in "– Book-Entry System."

Payment of Principal and Interest

The Bonds will mature on September 1 in the years indicated on the inside cover page hereof and will bear interest at the rates set forth on the inside cover page hereof on March 1 and September 1 of each year, commencing on March 1, 2016 (each, an "**Interest Payment Date**"), computed using a year of 360 days comprising twelve 30-day months.

Bonds authenticated and registered on any date prior to the close of business on February 15, 2016, will bear interest from the date of their delivery. Bonds authenticated during the period between the 15th day of the calendar month immediately preceding an Interest Payment Date (the "**Record Date**") and the close of business on that Interest Payment Date will bear interest from that Interest Payment Date. Any other Bond will bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is then in default on outstanding Bonds, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Payment of Interest. Payment of interest on any Bond on each Interest Payment Date (or on the following business day, if the Interest Payment Date does not fall on a business day) will be made to the person appearing on the registration books of the Fiscal Agent as the registered owner thereof (the "**Owner**") on each Record Date, such interest to be paid by check or draft mailed to such Owner at such Owner's address as it appears on such registration books or at such other address as the Owner may have filed with the Fiscal Agent for that purpose on or before the Record Date. The Owner of an aggregate principal amount of $1,000,000 or more of Bonds may request in writing to the Fiscal Agent that such Owner be paid interest by wire transfer to the bank and account number on file with the Fiscal Agent as of the applicable Record Date. So long as the Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer.

Payment of Principal. Principal will be payable at maturity, or upon redemption prior to maturity, upon surrender of Bonds at the principal office of the Fiscal Agent. The interest, principal and premiums, if any, on the Bonds will be payable in lawful money of the United States of America from moneys on deposit in the Debt Service Fund of the District under the Fiscal Agent Agreement, consisting of *ad valorem* taxes collected by the County Treasurer of the respective Counties, together with any premium and accrued interest received upon issuance of the Bonds. So long as all outstanding Bonds are held in book-entry form and registered in the name of a securities depository or its nominee, all payments of principal of, premium, if any, and interest on the Bonds and all notices with respect to such Bonds will be made and given, respectively, to such securities depository or its nominee and not to Beneficial Owners. See "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM".

Transfer of Bonds

Any Bond may be transferred upon the registration books kept by the Fiscal Agent by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of the Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Fiscal Agent, duly executed and the payment of such reasonable transfer fees as the Fiscal Agent may establish.

Bonds may be exchanged at the corporate trust office of the Fiscal Agent for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

The Fiscal Agent shall collect any tax or other governmental charge on the exchange of any Bonds required to be paid with respect to such exchange. The Fiscal Agent is not required to register the transfer or exchange of any Bond during the period the Fiscal Agent is selecting Bonds for redemption or any Bond selected for redemption.

Redemption of the Bonds

Optional Redemption. The Bonds maturing on or before September 1, 20__ shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after September 1, 20__ shall be subject to redemption at the option of the District in whole or in part on any date on or after September 1, 20__ from such maturities as are selected by the District (and by lot within a maturity) from any available source of funds, at a redemption price equal to the principal amount of Bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium.

The District shall give the Fiscal Agent written notice of its intention to redeem Bonds under the Fiscal Agent Agreement, and the manner of selecting such Bonds for redemption from among the maturities thereof and the amount of the redemption premium thereon, at least thirty (30) but not more than sixty (60) days prior to the date set for redemption to enable the Fiscal Agent to give notice of such redemption in accordance with the Fiscal Agent Agreement.

Mandatory Sinking Fund Redemption. The Bonds maturing on September 1, 20__ (the "**Term Bonds**") are subject to redemption prior to their stated maturity dates, without a redemption premium, in part by lot, from mandatory sinking fund payments on each September 1, on and after September 1, 20__ in the principal amounts as set forth in the following table:

Term Bond Due September 1, 20__

Payment Date (September 1)	Payment Amount
20__ (maturity)	

Selection of Bonds for Redemption. Whenever less than all of the outstanding Bonds of any one maturity are to be redeemed, the Fiscal Agent shall determine by lot by such method as the Fiscal Agent shall deem fair and appropriate, the Bonds or portions thereof to be redeemed, and shall notify the District thereof. For purposes of such selection, Bonds shall be deemed to be composed of $5,000 multiples and any such multiple may be separately redeemed. All Bonds redeemed pursuant to the Fiscal Agent Agreement shall be canceled and shall, upon Written Request of the District, thereupon be delivered to the District**.** In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the District shall execute and the Fiscal Agent shall authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same series and maturity of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

So long as the Bonds are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered Owner of the Bonds, partial redemptions will be done in accordance with DTC procedures. It is the District's intent that redemption allocations made by DTC be made in accordance with the provisions described herein. However, neither the District nor the Fiscal Agent has a duty to assure, and can provide no assurance, that DTC will allocate redemptions among Beneficial Owners on such a proportional basis, and neither the District nor the Fiscal Agent shall have any liability whatsoever to Beneficial Owners in the event redemptions are not done on a proportionate basis for any reason. The portion of any registered Bonds of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or any integral multiple thereof. See "– Book Entry System," below.

Notice of Redemption. The Fiscal Agent on behalf and at the expense of the District shall mail (by first class mail) notice of any redemption at least thirty (30) but not more than sixty (60) days prior to the redemption date, to (i) the respective Owners of any Bonds designated for redemption at their addresses appearing on the Registration Books, and (ii) DTC and 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 compliance with Securities Exchange Commission Rule 15c2 12(b)(5); but such mailing shall not be a condition precedent to such redemption and neither failure to receive any such notice nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the redemption date and the redemption price, shall designate the CUSIP number of the Bonds to be redeemed, state the individual number of each Bond to be redeemed or state that all Bonds between two stated numbers (both inclusive) or all of the Bonds Outstanding are to be redeemed, and shall require that such Bonds be then surrendered at the stated office of the Fiscal Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue after the redemption date. Each notice relating to an optional redemption pursuant to the Fiscal Agent Agreement will further state that such optional redemption may be rescinded by the District on or prior to the date set for redemption.

Defeasance

The Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable under the Fiscal Agent Agreement by the District:

(i) by paying or causing to be paid the principal of and interest on Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing, at or before maturity, money or securities in the necessary amount to pay Bonds Outstanding; or

(iii) by delivering to the Fiscal Agent, for cancellation by it, Bonds Outstanding.

If the District pays all Bonds Outstanding and also pays or causes to be paid all other sums payable by the District pursuant to the Fiscal Agent Agreement, then and in that case, at the election of the District, and notwithstanding that any Bonds shall not have been surrendered for payment, the Fiscal Agent Agreement will cease, terminate, become void and be completely discharged and satisfied.

Investment of Bond Proceeds

Moneys in the Project Account, the Bond Service Fund and Costs of Issuance Account (as such are established by and defined in the Fiscal Agent Agreement) will be invested by the Fiscal Agent, at the written direction of the Chief Financial Officer of the District, in Permitted Investments (as such are established by and defined in the Fiscal Agent Agreement) maturing prior to the date on which such moneys are required to be paid out under the Fiscal Agent Agreement. Moneys in the Debt Service Fund will be invested by the Chief Financial Officer in Permitted Investments that by their terms mature prior to the date on which such moneys are required to be paid out hereunder. Obligations purchased as an investment of moneys in any of such funds and accounts will at all times be deemed to be part of each such respective fund and account so invested, and all interest, gain or loss on the investment of moneys in such respective fund and accounts will be credited or charged thereto.

Book-Entry System

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. See "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The District and the Fiscal Agent cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal, interest or premium, if any, with respect to the Bonds paid to DTC or its nominee as the registered owner, or will distribute any redemption notices or other notices, to the Beneficial Owners, or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The District and the Fiscal Agent are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner with respect to the Bonds or an error or delay relating thereto.

DEBT SERVICE SCHEDULE

The following table shows the debt service schedule with respect to the Bonds (assuming no optional redemptions).

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Counties of Santa Clara, San Mateo and Santa Cruz, California)
General Obligation Bonds, Series 2015A
(Election of 2014)

Bond Year Ending September 1	Bonds Principal	Bonds Interest	Total Bonds Debt Service
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
Total			

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the Bonds and other outstanding general obligation bonds of the District, the Boards of Supervisors of the Counties of Santa Clara, San Mateo and Santa Cruz are empowered and are obligated to levy *ad valorem* taxes upon all property subject to taxation by the District in each year that the Bonds or other general obligation debt are outstanding, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. All of the proceeds of such taxes will be deposited in a special account of the General Fund of the District before the transfer thereof to the Debt Service Fund under the Fiscal Agent Agreement, for the Bonds, or as set forth in the applicable governing agreements for other general obligation debt, which taxes are to be used solely for the payment of the Bonds and such other general obligation debt.

Debt Service Fund

Pursuant to the Fiscal Agent Agreement, the District will transfer an amount of legally available funds to the Fiscal Agent for deposit in the debt service fund established pursuant to the Fiscal Agent Agreement (the **"Debt Service Fund"**) at the times and in the amounts sufficient to pay debt service on the Bonds.

The Debt Service Fund will be held by the Fiscal Agent and so long as any Bonds are outstanding, the amounts on deposit therein will be used to pay principal of, premium, if any, and interest on the Bonds.

On or before the first (1st) Business Day preceding each Interest Payment Date, the District is required to transfer to the Fiscal Agent for deposit in the Debt Service Fund an amount which, when added to the amount contained in the Debt Service Fund on the date of such transfer, equals the aggregate amount of the principal of and interest on the Outstanding Bonds becoming due and payable on such Interest Payment Date, including pursuant to mandatory sinking fund redemption (as such is provided for in the Fiscal Agent Agreement).

No Debt Service Reserve Fund

The Fiscal Agent Agreement does not require the District to establish a reserve fund for the Bonds. Accordingly, in the event that the amounts described herein are insufficient for the timely payment of debt service on the Bonds, the District will not have other funds available therefor.

Ad Valorem Property Taxation Within the District

Taxes are levied by the Counties for each Fiscal Year on taxable real and personal property which is situated in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the County Assessors of the Counties, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each Fiscal Year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the Fiscal Year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid by 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk of a County specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office of the applicable County in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Allocation of Property Taxes

The allocation of *ad valorem* property taxes to local governments and, accordingly, the District, is subject to certain State statutes, which may change from time to time. However, such allocation of *ad valorem* property taxes has received new constitutional protection in recent years, and the District believes that any such change will not adversely affect its ability to pay debt service on the Bonds or any other bonds issued pursuant to the 2014 Authorization. See "APPENDIX A - DISTRICT FINANCIAL AND OPERATING INFORMATION; ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SAN MATEO AND SANTA CLARA COUNTIES, CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS, Proposition 1A; Proposition 22" for further information.

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessors of the Counties, except for public utility property, which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. The full value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area, or to reflect declines in property value caused by substantial damage, destruction or other factors, including assessment appeals filed by property owners. Prior to 1981-82, assessed valuations were reported at 25 percent of the full value of property. For a discussion of how properties currently are assessed, see "APPENDIX A - DISTRICT FINANCIAL AND OPERATING INFORMATION; ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SAN MATEO AND SANTA CLARA COUNTIES, CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS."

Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

The 2014-15 assessed valuation of the District in Santa Clara County increased 6.3% over 2013-14. The 2014-15 assessed valuation in San Mateo County increased 5.3% from 2013-14. The greatest majority of assessed valuation within the District is located in Santa Clara County and San Mateo County. Although *ad valorem* taxes will be levied on the four parcels of District property located in Santa Cruz County, assessed valuation of these Santa Cruz parcels is not included in this table.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Summary of Assessed Valuation
Fiscal Years 2009-10 through 2014-15

	Local Secured	Utility	Unsecured	Total Before Rdv. Increment	Total After Rdv. Increment
			Santa Clara County Portion Only		
2009-10	$108,749,899,010	$5,136,776	$7,220,172,257	$115,975,208,043	$110,945,626,876
2010-11	108,672,176,967	5,136,776	6,448,240,993	115,125,554,736	110,403,735,361
2011-12	110,480,450,873	5,192,456	6,843,136,528	117,328,779,857	112,337,678,583
2012-13	115,665,767,418	5,192,456	7,574,405,026	123,245,364,900	117,796,453,103
2013-14	125,816,313,137	5,192,456	8,032,679,682	133,854,185,275	128,261,359,652
2014-15	134,293,818,913	3,616,356	8,134,278,301	142,431,713,570	136,364,265,861
			San Mateo County Portion Only		
2009-10	$51,288,838,067	$6,652,036	$2,039,518,086	$53,335,008,189	$49,431,098,412
2010-11	51,197,325,804	6,652,820	2,006,682,450	53,210,661,074	49,373,928,453
2011-12	51,670,520,965	2,464,668	1,952,159,401	53,625,145,034	49,913,049,371
2012-13	53,793,234,014	2,464,745	1,948,563,396	55,744,262,155	51,977,724,339
2013-14	57,513,572,325	2,335,966	2,180,554,159	59,696,462,450	55,714,674,355
2014-15	60,798,836,807	2,343,298	2,087,352,630	62,888,532,735	58,641,317,894
			Total District		
2009-10	$160,038,737,077	$11,788,812	$ 9,259,690,343	$169,310,216,232	$160,376,725,288
2010-11	159,869,502,771	11,789,596	8,454,923,443	168,336,215,810	159,777,663,814
2011-12	162,150,971,838	7,657,124	8,795,295,929	170,953,924,891	162,250,727,954
2012-13	169,459,001,432	7,657,201	9,522,968,422	178,989,627,055	169,774,177,442
2013-14	183,329,885,462	7,528,422	10,213,233,841	193,550,647,725	183,976,034,007
2014-15	195,092,655,720	5,959,654	10,221,630,931	205,320,246,305	195,005,583,755

Source: California Municipal Statistics, Inc.

Pursuant to the Act, the District may issue bonds in an amount up to 5% of the assessed valuation of taxable property within its boundaries. Prior to the issuance of the Bonds and based on Fiscal Year 2014-15 assessed valuation, the District's gross bonding capacity is approximately $9.2 billion. The Bonds are the first and only series of general obligation bonds outstanding as of the date of issuance of the Bonds.

Taxation of State-Assessed Utility Property

A small portion (less than 1%) of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization ("**SBE**"). Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "**unitary property**", a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation by Land Use

The following table describes a distribution of taxable real property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
2014-15 Assessed Valuation and Parcels by Land Use

	2014-15 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	$ 466,276,675	0.24%	639	0.325
Commercial/Office	24,012,890,730	12.31	6,135	3.12
Industrial	13,827,815,919	7.09	2,354	1.20
Recreational	404,081,158	0.21	109	0.06
Government/Social/Institutional	1,210,386,952	0.62	1,145	0.58
Miscellaneous	451,724,691	0.23	826	0.42
Subtotal Non-Residential	$40,373,176,125	20.69%	11,208	5.70%
Residential:				
Single Family Residence	$124,464,295,137	63.80%	139,150	70.71%
Condominium/Townhouse	14,985,342,369	7.68	29,688	15.09
Mobile Home	212,382,927	0.11	3,737	1.90
2-4 Residential Units	3,413,989,834	1.75	5,978	3.04
5+ Residential Units/Apartments	9,413,853,404	4.83	2,654	1.35
Miscellaneous Residential	27,795,222	0.01	65	0.03
Subtotal Residential	$152,517,658,893	78.18%	181,272	92.12%
Vacant Parcels	$2,201,820,702	1.13%	4,298	2.18%
Total	$195,092,655,720	100.00%	196,778	100.00%

(1) Total Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Residential Properties

The following table focuses on single-family residential properties only, which comprise approximately 64% of the assessed value of taxable property in the District. The table provides a distribution of single-family residences in the District by assessed value. The average assessed value is $894,461, and the median assessed value is $648,128.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Per Parcel 2014-15 Assessed Valuation of Single Family Homes

	No. of Parcels	2014-15 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	139,150	$124,464,295,137	$894,461	$648,128

2014-15 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	12,139	8.724%	8.724%	$ 899,420,017	0.723%	0.723%
$100,000 - $199,999	16,307	11.719	20.443	2,318,013,697	1.862	2.585
$200,000 - $299,999	10,250	7.366	27.809	2,561,762,521	2.058	4.643
$300,000 - $399,999	8,926	6.415	34.223	3,118,494,254	2.506	7.149
$400,000 - $499,999	9,011	6.476	40.699	4,054,029,650	3.257	10.406
$500,000 - $599,999	8,962	6.441	47.140	4,924,404,391	3.956	14.362
$600,000 - $699,999	8,129	5.842	52.982	5,276,041,609	4.239	18.601
$700,000 - $799,999	7,793	5.600	58.582	5,842,600,643	4.694	23.296
$800,000 - $899,999	7,838	5.633	64.215	6,663,692,475	5.354	28.650
$900,000 - $999,999	7,057	5.072	69.286	6,695,729,603	5.380	34.029
$1,000,000 - $1,099,999	5,710	4.103	73.390	5,979,475,605	4.804	38.833
$1,100,000 - $1,199,999	4,597	3.304	76.693	5,268,231,112	4.233	43.066
$1,200,000 - $1,299,999	3,980	2.860	79.554	4,968,497,145	3.992	47.058
$1,300,000 - $1,399,999	3,524	2.533	82.086	4,750,943,995	3.817	50.875
$1,400,000 - $1,499,999	2,997	2.154	84.240	4,334,106,864	3.482	54.357
$1,500,000 - $1,599,999	2,816	2.024	86.264	4,356,939,166	3.501	57.858
$1,600,000 - $1,699,999	2,278	1.637	87.901	3,754,844,438	3.017	60.875
$1,700,000 - $1,799,999	2,119	1.523	89.424	3,703,894,191	2.976	63.851
$1,800,000 - $1,899,999	1,751	1.258	90.682	3,232,727,552	2.597	66.448
$1,900,000 - $1,999,999	1,474	1.059	91.741	2,871,412,502	2.307	68.755
$2,000,000 and greater	11,492	8.259	100.000	38,889,033,707	31.245	100.000
Total	139,150	100.000%		$124,464,295,137	100.000%	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Largest Secured Property Taxpayers in District

The twenty taxpayers in the District with the greatest combined secured assessed valuation of taxable property on the 2014-15 tax roll, and the assessed valuations thereof, are shown below.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Largest Local Secured Taxpayers
Fiscal Year 2014-15

	Property Owner	Primary Land Use	2014-15 Assessed Valuation	% of Total (1)
1.	Board of Trustees, Leland Stanford Jr. University	Various Property Holdings	$4,704,665,559 (2)	2.41%
2.	Google Inc.	Office Building	1,647,049,380	0.84
3.	Apple Computer Inc.	Office Building	919,902,506	0.47
4.	Campus Holdings Inc.	Manufacturing	654,540,067	0.34
5.	Lockheed Missiles and Space Co. Inc.	Manufacturing	635,029,323	0.33
6.	Oracle Corporation	Office Building	580,921,307	0.30
7.	Network Appliance Inc.	Office Building	564,700,634	0.29
8.	Sobrato Interests	Apartments	434,886,921	0.22
9.	VII Pac Shores Investors LLC	Office Building	410,057,593	0.21
10.	Yahoo Inc.	Office Building	384,728,781	0.20
11.	Intuitive Surgical Inc.	Office Building	352,794,364	0.18
12.	Menlo & Juniper Networks LLC	Office Building	341,130,138	0.17
13.	Applied Materials Inc.	Research and Development	337,985,697	0.17
14.	HCP Life Science REIT Inc.	Research and Development	332,893,961	0.17
15.	Wells REIT II-University Circle LP	Office Building	326,635,338	0.17
16.	SPF Mathilda LLC	Office Building	291,450,039	0.15
17.	The Irvine Company	Apartments	281,055,461	0.14
18.	MT SPE LLC	Office Building	276,453,512	0.14
19.	Westport Office Park LLC	Office Building	267,216,689	0.14
20.	Tishman Speyer Archstone-Smith	Apartments	251,078,164	0.13
			$13,995,175,434	7.17%

(1) Based on 2014-15 Total Secured Assessed Valuation: $195,092,655.720.
(2) Net taxable value.
Source: California Municipal Statistics, Inc.

Tax Rate Areas

Contained within the District's boundaries are numerous overlapping local agencies. The following tables show *ad valorem* property tax rates for the 2014-15 tax year in the two largest Tax Rate Areas of the District in each of San Mateo County and Santa Clara County (representing approximately 14.42% of the assessed valuation of property within the District).

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Assessed Valuation and Parcels by Land Use
Typical Total Tax Rates per $100 of Assessed Valuation[(1)]

Santa Clara County (Tax Rate Area 6-001)[(2)]

	2010-11	2011-12	2012-13	2013-14	2014-15
General	$1.00000	$1.00000	$1.00000	$1.00000	$1.00000
County Retirement Levy	.03880	.03880	.03880	.03880	.03880
County Hospital Bond	.00950	.00470	.00510	.00350	.00910
City of Palo Alto	.01711	.01550	.01290	.01770	.01594
Palo Alto Unified School District	.04450	.04560	.09510	.09140	.08510
Foothill-De Anza Community College District	.03260	.02970	.02870	.02900	.02760
Total All Property	$1.14251	$1.13430	$1.18060	$1.18040	$1.17654
Santa Clara Valley Water District - State Water Project	.00700	.00630	.00690	.00700	.00650
Total Land and Improvement	.00700	.00630	.00690	.00700	.00650

San Mateo County (Tax Rate Area 9-001)[(3)]

	2010-11	2011-12	2012-13	2013-14	2014-15
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Redwood City School District	.0249	.0255	.0256	.0240	.0230
Sequoia Union High School District	.0311	.0358	.0356	.0313	.0433
San Mateo Community College District Bond	.0193	.0199	.0194	.0194	.0190
Total	$1.0753	$1.0812	$1.0806	$1.0747	$1.0853

(1) Due to the District's size and that it is located in two counties (Santa Cruz County excluded), there is no tax rate area that represents the typical total tax rate for the District. The above tax rate areas are the largest in terms of assessed valuation for each county's portion of the district.
(2) 2014-15 assessed valuation of TRA 6-001 is $22,172,491,492, which is 10.80% of the District's total assessed valuation.
(3) 2014-15 assessed valuation of TRA 9-001 is $7,440,799,747, which is 3.62% of the District's total assessed valuation.
Source: California Municipal Statistics, Inc.

Appeals of Assessed Value

General. There are two types of appeals of assessed values that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "APPENDIX A - DISTRICT FINANCIAL AND OPERATING INFORMATION; ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SAN MATEO AND SANTA CLARA COUNTIES, RISKS AFFECTING THE DISTRICT," and "-CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS."

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the applicable County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the applicable County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "APPENDIX A - DISTRICT FINANCIAL AND OPERATING INFORMATION; ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SAN MATEO AND SANTA CLARA COUNTIES, CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS."

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

Property Tax Collections

The District's total secured tax collections and delinquencies are apportioned on a County-wide basis, according to the District's designated tax rate amount. Therefore, the total secured tax levies, as well as collections and delinquencies reported, do not represent the actual secured tax levies, collections and delinquencies of taxpayers within the tax areas of the District. In addition, the District's total secured tax levy does not include special assessments, supplemental taxes or other charges that have been assessed on property within the District or other tax rate areas of the Counties.

Each of Santa Clara County and San Mateo County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the **"Teeter Plan"**) as provided for in the State Revenue and Taxation Code, which requires the County to pay 100% of secured property taxes due to local agencies in the Fiscal Year such taxes are due. Under these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met.

The District is a participant in each of Santa Clara Coutny's and San Mateo County's Teeter Plans. Because of this method of tax collection, districts located in counties operating under the Teeter Plan and participating in the Teeter Plan are assured of 100% collection of their secured tax levies if the conditions established under the applicable county's Teeter Plan are met. However, such districts are no longer entitled to share in any penalties due on delinquent payments or in the interest that accrues on delinquent payments.

The Teeter Plan, as applicable to the District, is to remain in effect unless the Board of Supervisors of a County orders its discontinuance or unless, prior to the commencement of any

Fiscal Year (which commences on July 1), the Board of Supervisors of such County has received a petition for its discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts in such County, in which event the Board of Supervisors is required to order discontinuance of the Teeter Plan effective at the commencement of the subsequent Fiscal Year.

A County 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. In the event that the Teeter Plan was terminated, the amount of the levy of *ad valorem* taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

So long as the Teeter Plan remains in effect with respect to each County, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes in the Counties will not be dependent upon actual collections of the *ad valorem* property taxes by the Counties.

The Counties only provide secured tax charges and delinquencies as it relates to general obligation bond debt services levies. As the Bonds are the District's first series of general obligation bonds, the Counties have not yet levied general obligation bond debt service in the District.

See "APPENDIX A - DISTRICT FINANCIAL AND OPERATING INFORMATION; ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES - Long-Term Obligations" for a description of long-term debt payable from the District's General Fund.

Direct and Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. and effective April 1, 2015, for debt issued as of April 1, 2015, prior to the issuance of the Bonds. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District in whole or in part. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by the specified public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the District; (2) the second column shows the percentage of the assessed valuation of the overlapping public agency identified in column 1 which is represented by property located within the District; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt (which amount is not shown in the table) to property in the District, as determined by multiplying the total outstanding debt of each agency by the percentage of the District's assessed valuation represented in column 2.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Statement of Direct and Overlapping Bonded Debt
(April 1, 2015)

2014-15 Assessed Valuation: $205,320,246,305

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 4/1/15	
Santa Clara County	39.885%	$ 318,752,943	
Foothill-De Anza Community College District	93.264	592,291,021	
San Mateo Community College District	37.940	204,064,082	
West Valley-Mission Community College District	29.467	125,162,364	
Palo Alto Unified School District	100.	293,929,249	
Fremont Union High School District	85.109	239,228,725	
Sequoia Union High School District	90.970	394,359,499	
Other High School Districts	Various	159,519,329	
Belmont-Redwood Shores School District and School Facilities Improvement Districts Nos. 1 and 2	8.050-93.749	39,477,272	
Cupertino Union School District	75.157	187,455,433	
Los Altos School District	100.	72,518,760	
Los Gatos Union School District	98.438	97,325,651	
Menlo Park City School District	100.	114,682,624	
San Carlos School District	96.315	85,257,384	
Saratoga Union School District	100.	37,170,075	
Sunnyvale School District	100.	162,610,219	
Other Unified and Elementary School Districts	Various	298,603,495	
Cities	0.020-100.	106,386,265	
El Camino Hospital District	98.611	136,423,388	
Special Districts	100.	3,518,737	
Community Facilities Districts	100.	34,515,000	
Santa Clara Valley Water District Benefit Assessment District	39.885	42,553,307	
1915 Act Bonds (Estimate)	100.	36,610,334	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$3,782,415,156	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Santa Clara County General Fund Obligations	39.885%	$294,271,055	
Santa Clara County Pension Obligations	39.885	148,150,300	
San Mateo County General Fund Obligations	39.885	174,548,591	
County Board of Education Certificates of Participation	37.940-39.885	7,756,046	
Foothill Community College District Certificates of Participation	93.264	10,835,060	
West Valley-Mission Community College District General Fund Obligations	29.467	19,147,657	
Union High School District General Fund Obligations	Various	11,086,417	
Saratoga Union School District Certificates of Participation	100.	4,925,000	
Other Unified and Elementary School District General Fund Obligations	Various	5,232,540	
City of Cupertino General Fund Obligations	92.670	37,049,466	
City of Los Altos General Fund Obligations	100.	1,665,000	
City of Palo Alto General Fund Obligations	100.	1,285,000	
City of Redwood City General Fund Obligations	100.	2,378,400	
City of Sunnyvale General Fund Obligations	99.994	20,858,748	
Other City General Fund Obligations	Various	10,160,606	
Menlo Park Fire Protection District Certificates of Participation	100.	11,270,000	
Santa Clara County Vector Control District Certificates of Participation	39.885	1,306,234	
Midpeninsula Regional Open Space District General Fund Obligations	**100.**	**127,086,851**	(1)
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$889,012,971	
Less: Santa Clara County supported obligations		206,402,056	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$682,610,915	
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	100. %	$185,460,448	
GROSS COMBINED TOTAL DEBT		$4,856,888,575	(2)
NET COMBINED TOTAL DEBT		$4,650,486,519	

(1) Excludes accreted value of capital appreciation bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:

Total Direct and Overlapping Tax and Assessment Debt	1.84%
Combined Direct Debt ($127,086,851)	**0.06%**
Gross Combined Total Debt	2.37%
Net Combined Total Debt	2.26%

Ratios to Redevelopment Incremental Valuation ($10,314,662,550):

Total Overlapping Tax Increment Debt	1.80%

Source: California Municipal Statistics, Inc.

TAX MATTERS

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

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

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

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

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

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

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

CONTINUING DISCLOSURE

The District has covenanted for the benefit of the owners and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District by no later than 210 days after the end of the District's fiscal year (March 31 being the current fiscal year-end) (the "Annual Report"), commencing with the report for the 2013-14 fiscal year, and to provide notice of the occurrence of certain enumerated events either deemed to be material under federal regulations or deemed by the District to be material under the facts and circumstances. The Annual Report will be filed by the Trustee on behalf of the District with the Electronic Municipal Market Access (EMMA) web facility operated by the Municipal Securities Rulemaking Board. The notices of material events will be filed by the Trustee on behalf of the District in the same manner as the Annual Reports. The specific nature of the information to be contained in the Annual Report or the notices of significant events is set forth in the form of Continuing Disclosure Certificate presented in "APPENDIX E."

The District submitted its annual continuing disclosure information to its dissemination agent each year during the past five years. However, the District's continuing disclosure information was not always fully linked to all of the applicable CUSIP numbers when it was posted on EMMA. In addition, certain of the annual reports were missing updates to certain financial data because it was not submitted in a format that could be uploaded, or did not include updates of some of the financial and operating data that was not available to the District and would have needed to be purchased from a third party provider. Also, the District did not file notices of certain rating changes; however, such ratings were discussed in the management's discussion section of the District's annual audited financial statements. The District has made remedial filings to address these instances of non-compliance, and has recently developed policies and procedures to ensure compliance with its continuing disclosure undertakings.

Any failure by the District to comply with the provisions of the Continuing Disclosure Certificate will not be a default under the Indenture or any other document, but Bondowners will have any available remedy at law or in equity. Nevertheless, any failure to comply must be reported as prescribed by Securities and Exchange Commission Rule 15c2-12 and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure could adversely affect the transferability of the Bonds and an investor's ability to sell any Bond prior to its maturity. The Continuing Disclosure Certificate requirements for information in District Annual Reports conforms to the District's practice of including audited financial information of the District and information derived from or based on such audited financial information and other official information. Certain of the District's prior continuing disclosure undertakings provided for the inclusion or incorporation by reference of such reports in District Annual Reports. The Continuing Disclosure Certificate for this issue conforms to District financial reporting practices by limiting the specified content of District Annual Reports to the information presented in "APPENDIX E."

CONCLUDING INFORMATION

Underwriting

The Bonds were offered for purchase pursuant to a competitive bidding process and are being purchased by ______________ (the "Underwriter") at a purchase price of $___________, which represents the par amount of the Bonds ($______________) plus net original issue premium of ($__________) and less an underwriter's discount ($_________).

The Underwriter reserves the right to join with dealers and other underwriters in offering the Bonds to the public. The Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) at prices lower than the public offering prices, and such dealers may re-allow any such discounts on sales to other dealers. In reoffering Bonds to the public, the Underwriter may over-allocate or effect transactions that stabilize or maintain the market prices for Bonds at levels above those that might otherwise prevail. Such stabilization, if commenced, may be discontinued at any time.

Legal Opinion

Bond Counsel, will render an opinion substantially in the form of Appendix C hereto with respect to the validity of the Bonds. Jones Hall, A Professional Law Corporation, San Francisco, California, is also serving as Disclosure Counsel to the District. Certain matters will passed upon for the District by its General Counsel.

Fees payable to Bond Counsel and Disclosure Counsel are contingent upon issuance of the Bonds.

Litigation

The District is not aware of any pending or threatened litigation concerning the validity of the Bonds, or the District's ability to receive *ad valorem* taxes and to collect other revenues, or contesting the District's ability to issue the Bonds. Furthermore, the District is not aware of any pending or threatened litigation to restrain, enjoin, question or otherwise affect the political existence of the District or the validity of the Resolution, or in any way contesting or affecting the validity or enforceability of any of the foregoing or any proceedings of the District taken with respect to any of the foregoing.

The District is routinely subject to lawsuits and claims. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

Ratings

Fitch Ratings ("**Fitch**"), has assigned its municipal bond rating of "___" to the Bonds. Standard & Poor's Financial Services LLC, a subsidiary of The McGraw-Hill Companies, Inc. ("**S&P**"), has assigned its municipal bond rating of "___" to the Bonds.

These ratings reflect only the views of the rating agencies, and explanations of the significance of these ratings, and any outlooks assigned to or associated with these ratings, should be obtained from the respective rating agencies.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The District has provided certain additional information and materials to the rating agencies (some of which does not appear in this Official Statement).

There is no assurance that these ratings will continue for any given period of time or that these ratings will not be revised downward or withdrawn entirely by the rating agencies, if in the judgment of the rating agencies, circumstances so warrant. Any such downward revision or withdrawal of any rating on the Bonds may have an adverse effect on the market price or marketability of the Bonds.

Financial Statements

Chavan & Associates, LLP, Certified Public Accountants (the "**Auditor**"), audited the financial statements of the District for the Fiscal Year ended March 31, 2015. The Auditor's examination was made in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of the United States. See "APPENDIX B – ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED MARCH 31, 2015."

The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the District.

Miscellaneous

All of the descriptions of applicable law, the Resolution, the District, and the agreements and other documents contained 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 District for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The execution and delivery of this Official Statement has been duly authorized by the Board of Directors of the District.

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

By:__________________________________
General Manager

APPENDIX A

DISTRICT FINANCIAL AND OPERATING INFORMATION; ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES

The information in this appendix concerning the operations of the District, the District's finances, risks and Constitutional and statutory limitations affecting the District, and the Counties' economic and demographic characteristics is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District or either of the Counties. ***The Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and Constitutional requirements, and required to be levied on property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" in the Official Statement.***

DISTRICT GENERAL INFORMATION

Objectives and Operations

In 1972, the citizens of northwestern Santa Clara County voted to establish the Midpeninsula Regional Park District. In 1976, voters approved expansion of the District to include southeastern San Mateo County. Later, the District became the "Midpeninsula Regional Open Space District". With the final approval of the Coastside Protection Program in 2004, the District's boundary was extended to the Pacific Ocean in San Mateo County, from the southern borders of Pacifica to the San Mateo County/Santa Cruz County border.

The District's boundaries include approximately 200 square miles in Santa Clara County and 350 square miles in San Mateo County. Since 1992, the District has added 2.6 square miles in Santa Cruz County, but presently no property taxes on this land go to the District. The District's territories appear on the map in the forepart of this Official Statement and vary from flat terraces along the Pacific Ocean to rugged, forested ridges and canyons, to rolling and level areas facing San Francisco Bay. The District includes 17 cities (Atherton, Cupertino, East Palo Alto, Half Moon Bay, Los Altos, Los Altos Hills, Los Gatos, Menlo Park, Monte Sereno, Mountain View, Palo Alto, Portola Valley, Redwood City, San Carlos, Saratoga, Sunnyvale, and Woodside).

The Board originates, guides and enforces District policies, which are administered by a 125-person staff headed by Stephen E. Abbors, the General Manager. Mr. Abbors joined the District in early 2008 after a 24-year career managing watersheds and recreation for the East Bay Municipal Utility District, headquartered in Oakland, California. Prior to that, he was employed for over a decade by the East Bay Regional Park District, also headquartered in Oakland and the largest regional park district in the United States. He holds Bachelors and Masters Degrees in Biological Sciences from California State University, East Bay. Other key staff include Michael L. Foster, who has served as District Controller since 1978. Mr. Foster received an undergraduate degree in economics and a Master of Business Administration degree from Stanford University.

The District's chief method for preserving open space is to buy land, using District revenues as well as State and federal grants, receive gifts of open space land and undertake joint projects with other governmental agencies and private nonprofit corporations. The District also has the power of eminent domain except within the 220 square mile Coastside Protection Area in San Mateo County, but the District cannot regulate land it does not own. The District cannot adopt zoning or other land use restrictions; this power lies mainly with the local jurisdictions within the District's territory.

As part of the District's 2011 Strategic Plan, the Board of Directors unanimously approved the District's revised strategic direction for a more balanced implementation of its three-part mission statement to achieve beneficial impacts in (i) land preservation, (ii) resource restoration and (iii) public access and recreation. This strategic direction served as the policy foundation for the development of the District's 2014 Vision Plan, a 40-year plan that identified 54 projects located across the District's jurisdiction, aiming to expand public access to new areas, improve recreational facilities, protect important open space, scenic, and agricultural lands, and restore sensitive natural habitats.

Of the projects identified in the 2011 Strategic Plan, the highest priority projects were identified to be financed with proceeds of the District's general obligation bonds, including the Bonds.

DISTRICT FINANCIAL INFORMATION

[TO BE UPDATED WITH 2014-15 AUDITED FINANCIALS]

The District keeps its books using the California State Controller's fund accounting principles for special districts, with a modified accrual basis of accounting in which the District generally recognizes revenues when they become both available and measurable and expenditures when it incurs the obligation (except for interest on long-term debt, which the District recognizes when it falls due). The District's fiscal year is April 1 through March 31. The District's certified public accountants are currently Chavan & Associates, LLP. See "APPENDIX B" for the District's audited financial statements for the fiscal year ending March 31, 2015.

Over the last six fiscal years, property taxes comprised 91% to 95% of the District's total revenues, excluding land donations and land acquisition grants. The District's primary expenditures are for debt service, capital expenditures for land and preserve improvements, and land management and administrative expenses. The capital expenditures are made at the District's discretion and a majority of such future capital spending will be funded by up to $300 million of general obligation bonds, including the Bonds, which were approved by the voters on November 4, 2014. Land management and administrative expenses increase subject to changing management policy and controls. Over the last six fiscal years, administrative and land management expenses were 50% to 56% of limited property tax revenue allocated to the District. Over the same period, District employee salaries and benefits comprised, on average, 71% of administrative and land management expenses and 39% of limited property tax revenue.

Driven by the strong economy in Silicon Valley, District property tax revenue increased above its long-term trend line in fiscal 2014, growing by $2.2 million, or 7.1%. Tax revenue also exceeded budget by $0.7 million, or 2.2%. The assessed valuation of secured and unsecured property within the District for fiscal year 2014-15 increased by 6.1% over the prior fiscal year. District tax revenue growth never exactly matches the rate of increase in assessed valuation because the District's hybrid fiscal year spans two tax years and redevelopment-related taxes include some one-time distributions. The District received 67% of its tax revenue from Santa Clara County and 33% from San Mateo County.

The District purchased $3.6 million of land and associated structures in fiscal 2014, highlighted by a 148-acre addition to the Monte Bello Open Space Preserve. Over the last six fiscal years, the District acquired a total of $88.3 million of land.

The District manages its expenditures within the annual budget. Excluding land acquisition transactions and debt service, total District spending of $21.9 million in fiscal 2014 was $3.0 million, or 12.0%, below budget. As in most recent years, a large majority of the budget variance was due to delays and deferrals of capital projects; the District spent 95% of the amount it budgeted for salaries and benefits, and 90% of the amount it budgeted for services and supplies.

Under California law, the District may acquire land or facilities by borrowing money or by purchasing on contract, subject to certain limits (based on tax revenues projected for the five years following the borrowing). The law limits the annual interest rate to 12%. For purchase money financings using District promissory notes, the borrowing term may not exceed 30 years. The District has never defaulted in the payment of any of its debt or other obligations.

The District budget for fiscal year 2015-16, adopted on ________, 2015, is shown in Table 5.

On November 25, 2014, the District's Board of Directors adopted a new reserve policy (the Reserve Policy). The stated purpose of the Reserve Policy is to (i) provide adequate funding to meet the District's short-term and long-term plans, (ii) provide funds for unforeseen expenditures related to emergencies, such as natural disasters, (iii) strengthen the financial stability of the District against present and future uncertainties such as economic downturns and revenue shortfalls, and (iv) maintain an investment-grade bond rating. This policy has been developed, with input from the District auditors, to meet the requirements of GASB 54.

The Reserve Policy contemplates:

- a non-spendable fund balance, which shall be equal to the sum of the District's non-spendable assets;
- a restricted fund balance, which will include amounts reserved for specific, externally imposed purposes;
- a committed fund balance, which will include amounts reserved for specific, internally imposed purposes;
- an assigned fund balance, which included amounts intended for specific purposes that are neither restricted nor unassigned; and
- an unassigned balance for amounts which are not otherwise classified.

Any spending from the unassigned fund will require approval of the board of directors of the District and will be reimbursed from the general fund within two years. The general fund has a minimum balance requirement of $10 million. The Reserve Policy may be changed by the District at any time.

The following two tables present selected audited cash flow, balance sheet and budget information.

TABLE A-1
DISTRICT GENERAL FUND AND DEBT SERVICE FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
2009/10 -2014/15 (AUDITED) – 2015/16 (BUDGETED)
(IN THOUSANDS)

	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16 (budgeted)
REVENUES:							
Property Taxes	$27,631	$27,269	$28,737	$30,270	$32,433	$34,080	$36,305
Development Grants	159	143	450	538	1,676	813	0
Interest	80	294	375	288	150	186	145
Other[(a)]	1,135	1,506	1,560	1,527	1,567	1,584	1,761
TOTAL OPERATING REVENUES	$29,005	$29,211	$31,121	$32,623	$35,826	$36,663	$38,211
EXPENDITURES:							
Salaries and Benefits	9,935	10,910	11,179	11,836	13,079	13,400	14,878
Services and other[(b)]	3,840	3,325	4,613	5,567	5,259	7,000	8,859
SUBTOTAL	$13,774	$14,235	$15,791	$17,403	$18,337	$20,400	$23,737
DEBT SERVICE:							
Principal Repayment	2,900	3,301	4,457	2,843	2,999	3,145	4,361
Interest	4,919	4,786	5,355	6,034	5,859	5,749	5,522
SUBTOTAL DEBT SERVICE	$7,819	$8,087	$9,812	$8,877	$8,858	$8,894	$9,883
SUBTOTAL EXPENDITURES	21,593	22,321	25,603	26,280	27,196	29,294	33,620
OPERATING CASH FLOW	$7,412	$6,890	$5,518	$6,343	$8,630	$7,369	$4,591
OTHER NON-OPERATING ITEMS (NET)				2,520	-1,971		-5,310
STRUCTURES & IMPROVEMENTS	609	1,197	1,398	2,206	3,561	2,950	1,500
PROPERTY ACQUISITION (NET)[(c)]	14,484	8,579	9,066	5,820	3,410	4,003	1,003
EXCESS OF REVENUES OVER EXPENDITURES	(7,681)	(2,886)	(4,946)	(4,202)	3,630	416	7,398
PROCEEDS FROM NOTES PAYABLE	0	850	20,000	0	0	0	0
NET EXCESS	($7,681)	($2,036)	$15,054	($4,202)	$3,630	$416	$7,398
STARTING FUND BALANCE	38,012	30,331	28,295	43,349	39,147	42,776	43,192
ENDING FUND BALANCE	$30,331	$28,295	$43,349	$39,147	$42,776	$43,192	$50,591

(a) Excludes donations of land.
(b) Excludes Structures & Improvements.
(c) Cost of land acquired net of associated grant and gift income
Sources: District audited financial statements and District Controller.

TABLE A-2
DISTRICT STATEMENT OF NET ASSETS
(IN THOUSANDS)

	MARCH 31, 2015	MARCH 31, 2014
ASSETS:		
Cash and Cash Investments		$32,712
Restricted Cash		1,619
Taxes and Other Receivables		10,383
Deferred Charges		1,143
Net OPEB Assets		1,004
Land (at Cost)		383,509
Construction in Progress		4,710
Equipment & Vehicles		2,490
Structures and Improvements		7,202
Infrastructure		7,012
Total Assets		$451,784
LIABILITIES:		
Accounts Payable		$744
Accrued Liabilities/Deposits		2,696
Notes Payable:		
Due within One Year		3,309
Due in more than One Year		133,888
Total Liabilities		$140,637
NET ASSETS:		
Invested in capital assets, net Of related debt		$268,869
Restricted		4,327
Unrestricted		37,951
Total net assets		$311,147

Source: District audited financial statements.

Long-Term Debt of the District

Set forth below is a table presenting the long-term obligations payable from the District's General Fund (each, a "**Long-Term Obligation**") of the District, outstanding at March 31, 2015:

TABLE A-3
DISTRICT GENERAL FUND DEBT OUTSTANDING
(IN THOUSANDS)

	ORIGINAL AMOUNT	OBLIGATION OUTSTANDING 3/31/2015	2015/16 DEBT SERVICE	FINAL PAYMENT
Bear Creek	$1,500	1,500	75	Apr. 2023
Sierra Azul	240	62	25	Oct. 2017
Russian Ridge	850	850	876	Nov. 2015
2012 Refunding Notes [(a)]	31,265	49,935	5,047	Sep. 2041
2007 Notes, Series A	52,415	20,385	1,174	Sep. 2027
2011 Revenue Bonds	20,500	33,230	1,033	Sep. 2041
2015 Refunding Notes	23,630	23,630	1,653	Sep. 2034
Total	$138,670	$129,592	$9,883	

(a) Outstanding balance for 2012 Refunding Notes include accreted interest of $2,924,794 as of March 31, 2015.
Source: District Controller.

Promissory Notes.

Daloai Land Purchase Contract Promissory Note. During the fiscal year ending 2003 the District entered into a land purchase contract promissory note in the amount of $240,000. The promissory note bears interest at a fixed rate of 6.25% and matures October 10, 2017. At March 31, 2015, the outstanding balance of the Daloia Land Contract note was $_______.

Hunt Living Trust Promissory Note. On April 1, 2003, the District entered into a $1,500,000 promissory note with the Hunt Living Trust as part of a lease and management agreement. The note is due in full on April 1, 2023 and bears interest at 5.5% semi-annually through April 1, 2013 and 5.0% per annum until the maturity, or prior redemption, of the note. At March 31, 2015, the outstanding balance on the note was $_______.

2005 Refunding Promissory Note. On June 30, 2005, the District issued $4,630,000 of 2005 Refunding Promissory Notes for the purpose of refunding all of its outstanding 1995 Promissory Notes. The 2005 notes bear interest rates from 3.25% to 5.00%. Principal and interest rates are due semi-annually on March 1 and September 1. At March 31, 2015, the outstanding balance was $______.

2010 Bergman Note. On Nov 30, 2010, the District issued a promissory note with Principal of $850,000 and interest of 4% to finance the purchase of land. Interest is due on a quarterly basis beginning February 28, 2011 and mature on November 30, 2015. The principal is due in full at maturity. At March 31, 2015, the outstanding balance was $_______.

2012 Refunding Promissory Notes. On January 19. 2012, the District advance refunded $34,652,643 in 1999 lease revenue bonds by issuing $31,264,707 in promissory notes. The 2012 notes bear interest rates ranging from 2.00% to 6.04%. The notes are a blend of current interest and capital appreciation notes maturing through 2042. The net proceeds of $33,295,663 (after payment of $278,683 in underwriting fees, insurance, and other issuance costs and a premium of $2,309,638) were used to purchase U.S government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 1999 Series bonds. As a result, the 1999 Series bonds are considered to be defeased and the liability for those bonds has been removed from the long-term debt in the financial statements. At March 31, 2015, the outstanding balance of the notes, including accreted interest of $1,918,995, was $_________.

2015 Refunding Promissory Notes (2004 Project Lease). On January 22. 2015, the District current refunded $31,900,009.95 of the Authority's 2004 Revenue Bonds by issuing $23,630,000 in promissory notes. The 2015 notes bear interest rates ranging from 2.00% to 5.00%. The final maturity of the notes is September 1, 20134. The net proceeds of $30,904,975.22 (after payment of $253,008.62 in underwriting fees, and other issuance costs and a premium of $4,948,499.70) together with $2,326,475.22 of funds related to the 2004 Revenue Bonds, were used to purchase U.S government securities. Those securities were deposited in an irrevocable trust with an escrow agent to redeem the 2004 Revenue Bonds in full on March 1, 2015. At March 31, 2015, the outstanding balance of the notes was $23,630,000.

Revenue Bonds.

2007 Series A Revenue Refunding Bonds and Series B-T Taxable Revenue Refunding Bonds. On December 15, 2006 the District issued six series of promissory notes (2007 District Notes) for the purpose of refunding its 1996 Project Lease, 1996 Promissory Notes, 1999 Project Lease, and 1999 Promissory Notes. On December 15, 2006 the Authority, on behalf of the District, issued $52,415,000 of 2007 Series A Revenue Refunding Bonds and $6,785,000 of 2007 Series B-T Taxable Revenue Refunding Bonds for the purpose of defeasing the aggregate purchase price of the2007 District Notes. The Series A bonds bear interest from 4.0% to 5.0% and Series B-T bonds bear interest at 5.15%. Interest for both series A and B-T are due semiannually on March 1 and September 1. Principal payments for the Series A bonds began September, 2012 and are due annually, thereafter. Principal payments for the Series B-T bonds are due annually on September 1. At March 31, 2015 the outstanding balance of the 2007 Series A Bonds is $_________. There is no remaining balance on the 2007 Series B-T Bonds.

2011 Revenue Bonds. On May 19, 2011, the Authority, on behalf of the District, issued $20,500,000 of 2011 Revenue Bonds for the purpose of acquiring land to preserve and use as open space and pay bond issue and related costs. The Bonds are not general obligations. Each year, the District will appropriate revenues-mainly limited properly tax collections that Santa Clara County and San Mateo County allocate to the District – to pay its obligations under a Lease Agreement for use and occupancy of District land in addition to other District debt and lease obligations unrelated to this financing. The Current Interest Bonds bear interest at 2.0% to 6.0% and are due semi-annually on March 1 and September 1. Principal payments on the Current Interest Bonds are due annually September 1. At March 31, 2015, the outstanding balance of these bonds was $_________.

The following table shows the District's tax receipts for the past ten fiscal years of the State (ended each June 30).

TABLE A-4
DISTRICT TAX RECEIPTS FOR PAST TEN STATE FISCAL YEARS ENDING JUNE 30

DISTRICT SECURED AND UNSECURED TAX RECEIPTS [a,b]

	CURRENT TAX RECEIPTS		
STATE FISCAL YEAR [c]	SANTA CLARA COUNTY	SAN MATEO COUNTY	TOTAL DISTRICT
2004/05	$11,621,394	$6,060,412	$17,681,806
2005/06	12,535,575	6,618,709	19,154,284
2006/07	15,009,587	7,676,989	22,686,576
2007/08	16,161,599	8,146,356	24,307,955
2008/09	17,641,902	8,737,514	26,379,416
2009/10	18,059,222	9,057,026	27,116,248
2010/11	17,836,555	9,020,424	26,856,979
2011/12	18,115,962	9,076,982	27,192,944
2012/13	19,141,070	9,455,338	28,596,408
2013/14	20,866,158	10,059,271	30,925,429

(a) The District also receives a share of delinquent taxes, redemption fees, supplemental taxes and State subvention payments from each County in the District. This revenue totaled $967,353 in 2013/14 and $646,240 in 2012/13.

(b) During 2013/14 and 2012/13, the District received $960,675 and $972,960, respectively, related to the dissolution of redevelopment agencies within the District.

(c) Santa Clara County and San Mateo County both provide property tax receipt based on their fiscal year ending June 30. The District's fiscal year ends March 31.

Source: District Controller.

The following two tables present projected revenues for the District and historical and projected debt service coverage for the District's long-term general fund debt.

TABLE A-5
PROJECTED REVENUES FOR DISTRICT FISCAL YEARS ENDING MARCH 31
(IN THOUSANDS)

FISCAL YEAR	TAX REVENUES [(a)]	OTHER REVENUE [(b)]	OPERATING REVENUE
2014/15	$34,080	$1,770	$35,850
2015/16	36,310	1,910	38,220
2016/17	37,399	1,950	39,349
2017/18	38,521	1,980	40,501
2018/19	39,677	2,020	41,697

(a) Projected revenues reflect report assessed valuation for 2014/15 and 2015/16, and assume 3% annual growth in 2016/17 and thereafter. Projected revenues do not include any future development grants or tax levies for general obligation bonds.
(b) Includes revenues from property management and interest.
Source: District Controller.

TABLE A-6
HISTORICAL AND PROJECTED MAXIMUM ANNUAL DEBT SERVICE COVERAGE
(IN THOUSANDS)

	2014/15	2015/16	2016/17	2017/18	2018/19
Projected Tax Revenues [(a)]	$34,080	$36,310	$37,399	$38,521	$39,677
Senior Debt Service [(b)]*	5,569	8,415	8,415	8,415	8,415
Senior Coverage	6.12	4.31	4.44	4.58	4.72
Operating Revenue after Senior Debt [(c)]	$30,281	$29,805	$30,934	$32,086	$33,282
Subordinate Obligations	3,324	2,149	1,944	1,994	1,944
Net Revenue Coverage	4.03	3.62	3.80	3.91	4.03

(a) From Table A-5.
(b) Includes the 2005 Notes and 2007B Bonds (both no longer outstanding) and the 2007A Bonds, 2012 Promissory Notes and the 2015 Refunding Promissory Notes.
(c) Includes projected Other Revenue from Table A-5.
Source: District Controller.

See "APPENDIX B" for the District's audited financial statements for the fiscal year ended March 31, 2015. The District has not requested, and the auditor has not provided, any update or review of such statements in connection with their presentation in this Official Statement.

Redevelopment Agencies Dissolution

The California Legislature adopted a bill, "ABX1 26," during the Fiscal Year 2011-12 State budget process, that purported to amend the California Community Redevelopment Law to dissolve redevelopment agencies on a State-wide basis. On December 29, 2011, the California Supreme Court upheld ABx1 26 in the face of an expedited legal challenge. As a result, all California redevelopment agencies, including redevelopment agencies of cities located within the District, were dissolved as of February 1, 2012, and such redevelopment agencies were to cease operations and dismantle, and to transfer assets and responsibilities to a successor entity as of the same date.

According to additional "trailer bill" legislation (AB 1484) effective on July 1, 2012, which further amended the Community Redevelopment Law, each County Auditor-Controller, the State Department of Finance and the State Controller may require the return of funds improperly spent or transferred to a public entity in conflict with the provisions of ABx1 26 and AB 1484 (together, the "**Dissolution Law**") and, if funds are not returned within 60 days, the funds may be recovered through an offset of sales and use tax or property tax allocations to the local agency.

As a consequence of the operation of the Dissolution Law, the District, as well as counties, school districts and other special districts, may receive higher amounts of *ad valorem* property tax allocations, due to future receipt of property tax increment amounts that had previously funded redevelopment agencies. However, such tax increment amounts may currently be pledged to secure redevelopment agency bonds or otherwise contractually encumbered, and the District cannot predict when its property tax receipts might increase or by how much.

District Organization and Employee Relations

The District has 125 employees, represented by the following labor organizations: [CONFIRM/UPDATE]

Labor Organization	Represented Employees	Contract Expiration
MROSD Employees Field Assn		

The terms and conditions of all expired Labor Organization contracts remain in full force following the termination date of each agreement, pending renegotiation of subsequent agreements.

Employee Retirement Systems

All permanent District employees are eligible to participate in the pension plan offered by the California Public Employees' Retirement System ("**CALPERS**"), an agent multiple employer defined benefit plan which acts as a common investment and administrative agent for its participating member employers. CALPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefit provisions are established by State statute and District resolution. Benefits are based on years of credited service, equal to one year of full time employment. Funding contributions are determined annually on an actuarial basis as of June 30 by CALPERS; the District must contribute these amounts.

The plan's provisions and benefits in effect at March 31, 2015 are summarized as follows: [update]

Benefit vesting schedule	5 years of service
Benefit payments	Monthly for life
Retirement age	55
Monthly benefits, as a % of annual salary	2.0-2.5%
Required employee contribution rate	7.89%
Required employer contribution rate	17.04%

CALPERS determines contribution requirements using a modification of the Entry Age Normal Method. Under this method, the District's total normal benefit cost for each employee from date of hire to date of retirement is expressed as a level percentage of the related total payroll cost. Normal benefit cost under this method is the level amount the District must pay annually to fund an employee's projected retirement benefit. This level percentage of payroll method is used to amortize any unfunded actuarial liabilities. The actuarial assumptions used to compute contribution requirements are also used to compute the actuarial accrued liability. The District does not have a net pension obligation since it pays these actuarially required contributions bi-weekly.

CALPERS uses the market related value method of valuing the Plan's assets. An investment rate of return of 7.50% is assumed, including inflation at 2.75%. Annual salary increases are assumed to vary by duration of service. Changes in liability due to plan amendments, changes in actuarial assumptions, or changes in actuarial methods are amortized as a level percentage of payroll on a closed basis over twenty years. Investment gains and losses are accumulated as they are realized and ten percent of the net balance is amortized annually.

As required by State law, effective July 1, 2005, the District's Miscellaneous Plan was terminated, and the employees in the plan were required by CALPERS to join new State-wide pools. One of the conditions of entry to these pools was that the District true-up any unfunded liabilities in the former Plans, either by paying cash or by increasing its future contribution rates through a Side Fund offered by CALPERS. The District initially satisfied its Miscellaneous Plan's unfunded liability of $2,510,958 by agreeing to contribute that amount to the Side Fund through an addition to its normal contribution rates over the next 21 years. In 2013, the District made a one-time payment of $2,510,958 to eliminate the liability. The required contributions representing annual pension cost, for the year ended March 31 were as follows: [update for 2015]

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed
3/31/2015	$	%
3/31/2014	1,461,069	100%
3/31/2013	4,298,913	100%

The latest available actuarial values of the State-wide pools (which differs from market value) and funding progress are set forth below. The information presented below relates to the State-wide pools as a whole, of which the District is one of the participating employers:

Valuation Date	Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) Liability as % of Payroll
6/30/2012	$2,254,622,362	$1,837,489,422	$417,132,490	81.5%	$339,282,272	122.97%

Audited annual financial statements are available from CALPERS at PO Box 942709, Sacramento, CA 94229-2709.

Pension Reform Act of 2013 (Assembly Bill 340). On September 12, 2012, the State's Governor signed AB 340, a bill that enacted the California Public Employees' Pension Reform Act of 2013 ("**PEPRA**") and that also amended various sections of the California Education and Government Codes, including the County Employees Retirement Law of 1937. AB 340 (i) increased the retirement age for new State, school, and city and local agency employees depending on job function, (ii) capped the annual CALPERS pension benefit payout, (iii) addressed numerous abuses of the system, and (iv) required State, school, and certain city and local agency employees to pay at least half of the costs of their CALPERS pension benefits. PEPRA applies to all public employers except the University of California, charter cities and charter counties (except to the extent they contract with CALPERS.)

The provisions of AB 340 became effective on January 1, 2013 with respect to State employees hired on that date and after; local government employee associations, including employee associations of the District, will have a five-year window to negotiate compliance with AB 340 through collective bargaining. If no deal is reached by January 1, 2018, a city, public agency or school district could force employees to pay their half of the costs of CALPERS pension benefits, up to 8 percent of pay for civil workers and 11 percent or 12 percent for public safety workers.

CALPERS predicts that the impact of AB 340 on employers, including the District, and employees will vary, based on each employer's current level of benefits. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn. Additionally, CALPERS notes that changes arising from AB 340 could ultimately have an adverse impact on public sector recruitment in areas that have historically experienced recruitment challenges due to higher pay for similar jobs in the private sector.

More information about AB 340 can be accessed through CALPERS's website at www.calpers.ca.gov/index.jsp?bc=/member/retirement/pension-reform-impacts.xml&pst=ACT&pca=ST. The reference to this internet website is shown for reference and convenience only; the information contained within the website may not be current and has not been reviewed by the District and is not incorporated herein by reference.

The District is unable to predict what the amount of PERS liabilities will be in the future or the amount of the CALPERS contributions which the District may be required to make, all as a result of the implementation of AB 340, and as a result of negotiations with its Labor Organizations.

Other Post-Employment Retirement Benefits

The District joined the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS, consisting of an aggregation of single-employer plans. The District Board authorized a deposit of $1,900,000 in CERBT on June 5, 2008, to begin funding its OPEB liability.

By Board resolution and through agreements with its labor unit, the District provides certain health care benefits for retired employees (spouse and dependents are not included) under third-party insurance plans. A summary of eligibility and retiree contribution requirements are shown below:

Eligibility	Service or disability retirement from the District Age 50 and 5 years of service Continue participated in Public Employees Medical and Hospital Care Act (PEMHCA)
Retiree Medical Benefit	District pays retiree premiums up to: $350 per month effective 1/1/2009 Must be at least equal to statutory PEMHCA minimum ($115 in 2013, $119 in 2014)
PEHMCA Administrative Fee	District pays CALPERS administrative fees (0.33% of premiums for 2013-14)
Surviving Spouse Continuation	Retiree benefit continues to surviving spouse if retiree elects survivor annuity under CALPERS retirement plan
Other OPEB	None

As of March 31, 2015, approximately __ active employees and __ retirees were eligible to receive retirement health care benefits.

Funding Policy. In accordance with the District's budget, the Annual Required Contribution (ARC) is to be funded throughout the year as a percentage of payroll. Concurrent with implementing Statement No. 45, the District's Board of Directors passed a resolution to participate in CERBT, an irrevocable trust established to fund OPEB. CERBT is managed by an appointed board not under the control of the District. This Trust is not considered a component unit by the District. Separately issued financial statements for CERBT may be obtained from CALPERS at P.O. Box 942709, Sacramento, CA 94229-2709.

Annual OPEB Cost and Net OPEB Assets. The District's annual OPEB cost (expense) is calculated based on the Annual Required Contribution ("**ARC**") of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any UAAL (or funding excess) over a period not to exceed 30 years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the District's net OPEB obligation at March 31, 2015: [update for 2015]

Annual Required Contribution	
Interest on net OPEB asset	
Adjustment to Annual Required Contribution	
Annual OPEB cost (expense)	
Contributions made (benefit payments)	
Decrease/(Increase) in net OPEB asset	
Net OPEB asset – beginning of year	
Net OPEB asset – end of year	

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three Fiscal Years are as follows:

Fiscal Year Ended March 31	**Annual OPEB Cost**	**Percentage Contributed**	**Net OPEB Asset**
2013	$237,000	0%	$(1,097,306)
2014	265,000	65%	(1,003,925)
2015			

Source: Midpeninsula Regional Open Space District Annual Financial Report for the year ended March 31, 2015.

Funded Status and Funding Progress. Based upon the most recent actuarial valuation for June 30, 2013, the most recent actuarial valuation date, the AAL for OPEB benefits was $2,786,000. The 2013 actuarial value of plan assets was $2,339,701. UAAL was reported at $446,299. The estimated annual covered payroll was $8,043,000, resulting in a UAAL as a percent of payroll of 6%.

Actuarial Methods and Assumptions. The ARC was determined as part of a June 30, 2013 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 6.25% to 7.25% investment rate of return, (b) 3.25% projected annual salary increase, and (c) health inflation increases of 0% for 1 year, 1.5% for the next 5 years, and 3% thereafter. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The District's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll using a 30 year open amortization period.

Joint Powers Agreements

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. Prior to July 1, 2002, the District managed and financed these risks by purchasing commercial insurance. On July 1, 2002, the District joined the California Joint Powers Insurance Authority (CAL JPIA). CAL JPIA is composed of 117 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 6500 et seq. The purpose of CAL JPIA is to arrange and administer programs for the pooling of self-insurance losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. CAL JPIA's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

Self-Insurance Programs Administered by the CAL JPIA.

The District is a pool member of the following insurance programs:

General and Automobile Liability. General Liability (GL) coverage includes bodily injury, personal injury, or property damage to a third party resulting from a member activity, including automobile liability. Members provide pool funding through annual contributions and retrospective deposits. Annual contributions are posted each April; each member's share of cost is determined by their exposure (payroll) and experience (claims) relative to other members. Retrospective adjustments, calculated each October, are based on the on-going claim development of past coverage periods, and can result in either an additional deposit or a refund.

Costs are spread to members as follows: the first $30,000 to $750,000 are pooled based on a member's share of costs under $30,000; costs in excess of $750,000 are shared by the members based upon each member's payroll. Costs of covered claims above $5,000,000 are currently paid by reinsurance. The protection for each member is $50,000,000 per occurrence, and $50,000,000 annual aggregate.

Worker's Compensation. Workers' Compensation (WC) coverage includes benefits to employees who are injured or become ill as a result of their work activities. WC losses are pooled by Cal JPIA members to $2,000,000; coverage above $2,000,000 is purchased with statutory limits. The District is charged for the first $50,000 of each claim. Costs from $50,000 to $100,000 per claim are pooled based on the member's losses under its retention level. Costs between $100,000 and $2,000,000 per claim are pooled based on payroll.

The WC program also includes Employers' Liability of $10,000,000 per occurrence. Employers' Liability costs from $2,000,000 to $5,000,000 are paid by excess insurance purchased by Cal JPIA.

Pollution and Remediation Legal Liability. This policy provides coverage for both first and third party damages, including certain types of cleanups; fuel spill or hazmat incident; member listed non-owned disposal sites; above ground and underground storage tanks; and for sudden and gradual pollution at or from property, streets, sanitary sewer trunk lines and storm drain outfalls owned by the District. Coverage is on a claims-made basis. There is a $50,000 deductible. During the three-year policy period, Cal JPIA has a limit of $50,000,000 and each pool member has a $10,000,000 aggregate limit. The current term is July 1, 2014 through July 1, 2017.

Property Insurance. The property insurance program includes all-risk coverage for real and personal property (such as, scheduled buildings, contents, equipment, vehicles, office furniture, etc.). The insurance is underwritten by several insurance companies. The all-risk deductibles are $5,000 per occurrence for property and $1,000 for non-emergency vehicles. Premiums are paid annually and are not subject to retroactive adjustments.

Mechanical Breakdown Insurance. This optional coverage is purchased separately under the property program. Coverage is for physical damage for sudden and accidental breakdown of boilers and machinery, and electrical injury. There is a $5,000 per accident or occurrence deductible for property damage; and $5,000 extra expense.

Crime Insurance. Coverage is provided for employee dishonesty, failure to faithfully perform duties, forgery, counterfeiting, theft, robbery, burglary and computer fraud. Cal JPIA contracts with Alliant Insurance Services for administering this program. District's coverage limit is $1,000,000 with a $2,500 per occurrence deductible. Premiums are paid annually and are not subject to retroactive adjustments.

Special Event Insurance. This program provides liability insurance when member-owned premises are used for special events or short-term activities (e.g., art festivals, yoga classes, job fairs, etc.). Members administer the program, accept funds, and issue certificates of insurance online with Alliant Insurance Services, with whom the Cal JPIA contracts for the program. There is no deductible, and the member is added as an additional insured. Liability limits are purchased in $1,000,000 per occurrence increments. Medical payments are also available with limits of $5,000, with the option to purchase $5,000 in additional limits.

Vendors/Contractors Insurance. General Liability coverage is provided to vendors/contractors who otherwise could not meet the District's minimum insurance requirements for General Liability, or General Liability and Professional Liability combined. Cal JPIA contracts with Alliant Insurance Services for administering this program. The contract is classified according to a hazard class, and the premium is based on the contract value. The member collects the premium from the vendor/contractor and then remits the premium payment to Alliant Insurance Services.

Investment of District Funds

The District's Investment Policy and the California Government Code allow the District to invest in the following, provided the credit ratings of the issuers are acceptable to the District and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the Government Code or the District's Investment Policy where it is more restrictive:

Authorized Investment Type	Maximum Remaining Maturity	Maximum % of Portfolio	Maximum Investment in One Issuer
Medium Term Notes	5 years	30%	No Limit
Money Market and Mutual Funds	N/A	20%	10%
U.S. Treasury Obligations	5 years	No Limit	No Limit
Federal Agency Securities	5 years	No Limit	No Limit
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	No Limit
Repurchase Agreements	1 year	No Limit	No Limit
Reverse Repurchase Agreements	92 days	20%	No Limit
Local Agency Investment Fund (LAIF)	N/A	$40 million per account	No Limit

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS

Article XIIIA of the State Constitution

Article XIIIA of the State Constitution, known as Proposition 13, was approved by the voters in June 1978 and has been amended on occasions, including most recently on November 7, 2000 to reduce the voting percentage required for the passage of school bonds. Section l(a) of Article XIIIA limits the maximum *ad valorem* tax on real property to 1% of "full cash value," and provides that such tax shall be collected by the counties and apportioned according to State statutes. Section l(b) of Article XIIIA provides that the 1% limitation does not apply to *ad valorem* taxes levied to pay interest or redemption charges on any (1) indebtedness approved by the voters prior to July 1, 1978, (2) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast by the voters voting on the proposition and (3) bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters voting on the proposition.

Under current law, local agencies are no longer permitted to levy directly any ad valorem property tax (except to pay voter-approved indebtedness).

Section 2 of Article XIIIA defines "**full cash value**" to mean the county assessor's valuation of real property as shown on the 1975-76 Fiscal Year tax bill, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. See "Litigation Relating to Two Percent Limitation" below. Legislation implementing Article XIIIA provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except to pay debt service on indebtedness approved by the voters as described above. Such legislation further provides that each county will levy the maximum tax permitted by Article XIIIA, which is $1.00 per $100 of assessed market value.

Since its adoption, Article XIIIA has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when it is purchased, newly constructed or undergoes a change in ownership. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues attributable to the District.

Both the State Supreme Court and the United States Supreme Court have upheld the validity of Article XIIIA.

Article XIIIB of the State Constitution

In addition to the limits Article XIIIA imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual "**appropriations limit**" imposed by Article XIIIB which effectively limits the amount of such revenues those entities are permitted to spend. Article XIIIB, approved by the voters in July 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "**proceeds of taxes**," which consist of tax revenues, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds. Article XIIIB also does not limit appropriation of local revenues to pay debt service on bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990 levels. The appropriations limit may also be exceeded in case of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The following does not apply to the District - per Mike - Cheryl to confirm:

[[The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services.

Proposition 111 requires that each agency's actual appropriations be tested against its limit every two years. If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years.]]

Article XIIIC and XIIID of the State Constitution

General. On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIIC and XIIID to the California Constitution and contains a number of interrelated provisions affecting the ability of the District to levy and collect both existing and future taxes, assessments, fees and charges.

Taxes. Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the District ("**general taxes**") require a majority vote; taxes for specific purposes ("**special taxes**"), even if deposited in the District's General Fund, require a two-thirds vote. The voter approval requirements of Proposition 218 reduce the flexibility of the District to raise revenues for the General Fund, and no assurance can be given that the District will be able to impose, extend or increase such taxes in the future to meet increased expenditure needs.

Property-Related Fees, Charges and Assessments. Article XIIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs. These provisions include, among other things, (i) a prohibition against assessments which exceed the reasonable cost of the proportional special benefit conferred on a parcel, (ii) a requirement that assessments must confer a "special benefit," as defined in Article XIIID, over and above any general benefits conferred, (iii) a majority protest procedure for assessments which involves the mailing of notice and a ballot to the record owner of each affected parcel, a public hearing and the tabulation of ballots weighted according to the proportional financial obligation of the affected party, and (iv) a prohibition against fees and charges which are used for general governmental services, including police, fire or library services, where the service is available to the public at large in substantially the same manner as it is to property owners.

Reduction or Repeal of Taxes, Fees and Charges. Article XIIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the District will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the District's General Fund. If such repeal or reduction occurs, the District's ability to pay debt service on certain of its Long-Term Obligations could be adversely affected.

Burden of Proof. Article XIIIC provides that local government "bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity." Similarly, Article XIIID provides that in "any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance" with Article XIIID.

Proposition 26. On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act." Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIIIA and XIIIC of the State Constitution. The amendments to Article XIIIA limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIIIC define "taxes" that are subject to voter approval as "any levy, charge, or exaction of any kind imposed by a local government," with certain exceptions.

Impact on District's General Fund. The approval requirements of Articles XIIIC and XIIID reduce the flexibility of the District to raise revenues for the General Fund, and no assurance can be given that the District will be able to impose, extend or increase the taxes, fees, charges or taxes in the future that it may need to meet increased expenditure needs.

The District does not believe that any material source of General Fund revenue is subject to challenge under Proposition 218 or Proposition 26.

***Judicial Interpretation*.** The interpretation and application of Articles XIIIC and XIIID will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Proposition 1A; Proposition 22

Proposition 1A of 2004. Proposition 1A of 2004, proposed by the Legislature in connection with the State's Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A of 2004 generally prohibited the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county had to be approved by two-thirds of both houses of the Legislature.

Proposition 1A of 2004 provided, however, that beginning in Fiscal Year 2008-09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaimed that the shift is needed due to a severe state financial hardship, the shift was approved by two-thirds of both houses and certain other conditions were met. The State could also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

As the financial conditions of the State are improving, it is unlikely that the Governor will proclaim a shift of additional local property tax revenue, including tax revenue of the District, is needed due to severe financial hardship in the foreseeable future, and the District currently holds no portions of its general fund in reserve to off-set additional shifts in tax revenues to the State.

Proposition 22. Proposition 22, entitled "The Local Taxpayer, Public Safety and Transportation Protection Act," was approved by the voters of the State in November 2010. Proposition 22 eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("**Unitary Property**"), commencing with the 1988-89 Fiscal Year, are allocated as follows: (i) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (ii) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or benefit of the excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State

Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID, and Propositions 1A of 2004, 22, 26 and 62 were each adopted as measures that qualified for the ballot through California's initiative process. From time to time other initiative measures could be adopted, further affecting the District's revenues.

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES

General

Santa Clara and San Mateo Counties are two of nine counties in the San Francisco-Oakland Bay Area.

Santa Clara County. Santa Clara County covers an area of over 1,300 square miles and is located south of the San Francisco Bay in northern California. There are two distinct valleys in Santa Clara County, which are referred to as North County and South County. South County has more of an agricultural base and is comprised of only two cities, twenty miles apart from each other. As a contrast, North County is densely populated, heavily industrialized and extensively urbanized. This part of Santa Clara County is comprised of 13 cities, each adjacent to another. Due to its high concentration of high-technology industries, the northwestern portion of North County is commonly referred to as "Silicon Valley". Several small lakes and reservoirs are scattered across the County and the highest peak can be found in San José at Mount Hamilton with an elevation of 4,213 feet. Several major highways serve Santa Clara County, including Highway 101 providing access to San Francisco and Los Angeles.

San Mateo County. San Mateo County shares its borders with the City and County of San Francisco to the north and Santa Clara County to the south, the Pacific Ocean to the west and San Francisco Bay to the east, Santa Clara County to the south and San Joaquin County to the east. San Mateo County is a major employment base, accessible to downtown San Francisco approximately 15 miles north, and is also accessible to the San Jose and Silicon Valley areas approximately 30 miles south via Interstate 280 or U.S. Highway 101. San Mateo County has an approximate total area of 741 square miles, of which 448 square miles is land and 293 square miles is water. It is the third-smallest county in California by land area.

Population

The table below shows population estimates for the past six years for Santa Clara and San Mateo Counties, according to the State Department of Finance.

SANTA CLARA COUNTY AND SAN MATEO COUNTY AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2010 through 2014 as of January 1

Calendar Year	Santa Clara County	San Mateo County	State of California
2010	1,781,427	718,614	37,223,900
2011	1,794,337	722,372	37,427,946
2012	1,813,696	727,793	37,668,804
2013	1,840,895	736,647	37,984,138
2014	1,868,558	745,193	38,340,074

Source: State Department of Finance estimates (as of January 1).

Employment and Industry

Santa Clara County. Santa Clara County is part of the San Jose Sunnyvale-Santa Clara Metropolitan Statistical Area ("**MSA**"), which is comprised of Santa Clara and San Benito Counties. The unemployment rate in the San Jose-Sunnyvale-Santa Clara MSA was 4.8 percent in January 2015, up from a revised 4.5 percent in December 2014, but below the year-ago estimate of 6.0 percent. This compares with an unadjusted unemployment rate of 7.3 percent for California and 6.1 percent for the nation during the same period. The unemployment rate was 8.8 percent in San Benito County and 4.7 percent in the County.

The table below lists employment by industry group for the years 2010 through 2014. Annual Figures are not yet available for the calendar year 2015.

SAN JOSE SUNNYVALE SANTA CLARA MSA
(San Benito And Santa Clara Counties)
Annual Average Civilian Labor Force, Employment and Unemployment,
Unemployment by Industry
(March 2014 Benchmark)

	2010	2011	2012	2013	2014
Civilian Labor Force [(1)(2)]	-	-	-	-	1,025,100
Employment	-	-	-	-	970,600
Unemployment	-	-	-	-	54,500
Unemployment Rate	-	-	-	-	5.3%
Wage and Salary Employment: [(3)]					
Agriculture	5,200	5,000	4,900	5,000	5,200
Mining and Logging	200	200	200	300	300
Construction	32,200	31,600	34,600	37,200	39,200
Manufacturing	151,500	155,300	155,900	155,700	159,100
Wholesale Trade	35,000	34,000	35,000	36,300	36,700
Retail Trade	78,900	81,800	84,100	84,900	85,900
Transportation, Warehousing, Utilities	12,000	12,100	13,000	14,200	15,000
Information	46,500	51,300	54,200	58,700	66,400
Finance and Insurance	18,300	19,400	20,400	20,900	21,700
Real Estate and Rental and Leasing	12,800	13,000	12,900	13,000	13,500
Professional and Business Services	160,900	166,700	178,200	191,200	203,800
Educational and Health Services	123,400	125,800	133,700	143,800	150,900
Leisure and Hospitality	74,900	77,400	82,500	87,500	91,800
Other Services	24,300	24,600	24,800	25,400	26,400
Federal Government	10,700	10,100	9,800	9,900	9,900
State Government	6,400	6,400	6,400	6,300	6,400
Local Government	77,300	76,100	75,200	75,600	77,400
Total all Industries [(4)]	870,400	890,900	925,800	965,900	1,009,500

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Civilian Labor Force numbers for years 2006-2008 will be recalculated by the State of California Employment Development Department.
(3) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(4) Totals may not add due to rounding.
Source: State of California Employment Development Department.

San Mateo County. San Mateo County is included in the San Francisco-San Mateo-Redwood City Metropolitan District ("**Metropolitan District**"), which is comprised of Marin, San Francisco, and San Mateo Counties. The unemployment rate in the San Francisco-San Mateo-Redwood City MD was 3.7% in December 2014, down from a revised 4.2% in November 2014, and below the year-ago estimate of 4.6%. This compares with an unadjusted unemployment rate of 6.7% for California and 5.4% for the nation during the same period. The unemployment rate was 3.4% in Marin County, 3.8% in San Francisco County, and 3.5% in San Mateo County.

The table below lists employment by industry group for the Metropolitan District for the years 2009 through 2013. Annual figures are not yet available for calendar year 2014.

SAN FRANCISCO SAN MATEO REDWOOD CITY MD
(Marin, San Francisco, and San Mateo Counties)
Annual Average Civilian Labor Force, Employment and Unemployment
(March 2013 Benchmark)

	2009	2010	2011	2012	2013
Civilian Labor Force (1)	965,900	972,000	989,400	1,018,300	1,032,700
Employment	883,500	884,700	909,300	948,300	975,900
Unemployment	82,400	87,300	80,100	70,000	56,800
Unemployment Rate	8.5%	9.0%	8.1%	6.9%	5.5%
Wage and Salary Employment: (2)					
Agriculture	2,500	2,400	2,200	2,100	2,200
Mining and Lodging	200	200	200	100	100
Construction	35,100	32,300	33,200	35,500	37,900
Manufacturing	38,100	37,000	36,300	36,000	37,200
Wholesale Trade	24,500	23,900	24,600	26,000	27,400
Retail Trade	87,700	86,800	87,200	89,500	92,200
Transportation, Warehousing and Utilities	37,800	36,400	36,000	37,600	40,000
Information	39,600	39,100	43,200	49,100	51,800
Finance and Insurance	57,300	54,900	53,800	54,400	55,000
Real Estate and Rental and Leasing	19,500	19,000	19,500	20,400	21,400
Professional and Business Services	200,600	200,200	213,200	231,600	244,600
Educational and Health Services	127,800	128,400	128,800	133,900	144,000
Leisure and Hospitality	122,200	122,700	127,700	135,100	141,700
Other Services	38,000	37,800	38,800	40,700	42,500
Federal Government	19,000	20,200	19,100	18,700	18,300
State Government	35,300	35,600	35,900	35,200	34,800
Local Government	81,400	80,600	81,400	81,100	81,300
Total All Industries (3)	**966,400**	**957,400**	**980,900**	**1,027,000**	**1,072,300**

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

The following tables list the largest manufacturing and non-manufacturing employers within Santa Clara County as of 2015, in alphabetical order.

COUNTY OF SANTA CLARA
Largest Employers
March 2015

Employer Name	Location	Industry
Adobe Systems Inc	San Jose	Publishers-Computer Software (Mfrs)
Advanced Micro Devices Inc	Sunnyvale	Semiconductor Devices (Mfrs)
Apple Inc	Cupertino	Computers-Electronic-Manufactu
Bon Appetit-Cafe Adobe	San Jose	Restaurant Management
California's Great America	Santa Clara	Amusement & Theme Parks
Christopher Ranch Llc	Gilroy	Garlic (Mfrs)
E Bay Inc	San Jose	Auctioneers
El Camino Hospital	Mountain View	Hospitals
Fine Pitch	Milpitas	Solar Energy Equipment-Manufacturers
Gca Services	Alviso	Janitor Service
General Motors Advanced Tech	Palo Alto	Automobile-Manufacturers
Hewlett-Packard Co	Palo Alto	Computers-Electronic-Manufactu
Intel Corp	Santa Clara	Semiconductor Devices (Mfrs)
Kaiser Permanente Medical Ctr	San Jose	Hospitals
Kaiser Permanente Medical Grp	San Jose	Hospitals
Lockheed Martin Space Systems	Sunnyvale	Satellite Equipment & Systems-Mfrs
Microsoft Corp	Mountain View	Computer Software-Manufacturers
Nasa	Mountain View	Federal Government-Space Research/Tech
Net App Inc	Sunnyvale	Computers-Electronic-Manufactu
Philips Lumileds Lighting Co	San Jose	Lighting Fixtures-Supplies & Parts-Mfrs
Santa Clara Valley Medical Ctr	San Jose	Hospitals
Sap Center	San Jose	Stadiums Arenas & Athletic Fields
Stanford School of Medicine	Stanford	Schools-Medical
Texas Instruments Inc	Santa Clara	Semiconductor Devices (Mfrs)
Va Medical Ctr-Palo Alto	Palo Alto	Hospitals

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2015 1st Edition.

The following table lists the largest employers within the San Mateo County area as of January 2015.

COUNTY OF SAN MATEO
Major Employers
January 2015
(Listed Alphabetically)

Employer Name	Location	Industry
Ab Sciex Llc	Redwood City	Scientific Apparatus & Instruments-Mfrs
Caltrain	San Carlos	Transit Lines
Electronic Arts Inc	Redwood City	Game Designers (Mfrs)
Facebook Inc	Menlo Park	Internet Service
Forced Dump Debris Box Svc	Burlingame	Garbage Collection
Franklin Templeton Instnl Llc	San Mateo	Investments
Gate Gourmet	San Francisco	Caterers
Gilead Sciences Inc	Foster City	Biological Products (Mfrs)
Guckenheimer Inc	Redwood City	Marketing Programs & Services
Hyatt Regency-San Francisco	Burlingame	Hotels & Motels
Kaiser Permanente Medical Ctr	South San Francisco	Hospitals
Kaiser Permanente Medical Ctr	Redwood City	Hospitals
Oracle Corp	Redwood City	Computer Software-Manufacturers
Peninsula Medial Ctr	Burlingame	Hospitals
San Francisco Intl Airport-Sfo	San Francisco	Airline Companies
San Mateo County Behavior	San Mateo	Government Offices-County
San Mateo County Human Svc	Belmont	County Government-Social/Human Resources
San Mateo Medical Ctr	San Mateo	Hospitals
Seton Medical Ctr Health Sci	Daly City	Services NEC
Sri International Inc	Menlo Park	Research Service
Stanford Linear Accelerator	Menlo Park	Research Service
US Interior Dept	Menlo Park	Federal Government-Conservation Depts
Visa Inc	Foster City	Credit Card & Other Credit Plans
Visa International Svc Assn	Foster City	Credit Card & Other Credit Plans
Visa USA Inc	Foster City	Credit Card & Other Credit Plans

Source: America's Labor Market Information System (ALMIS) Employer Database, 2015 1st Edition.

Effective Buying Income

The following table is based on effective buying income, as reported in the annual publication "Survey of Buying Power," published by Sales and Marketing Management. Effective buying income is defined as personal income less personal taxes and non-tax payments. Personal income includes wages and salaries, other labor-related income, proprietor's income, rental income, dividends, personal interest income and transfer payments. Deductions are then made for federal, state and local taxes, non-tax payments (such as fines and penalties) and personal contributions for social insurance. The following items are not included in the definition of effective buying income: (1) employer contributions to private pension funds, supplemental unemployment insurance funds and privately administered workers' compensation programs; (2) imputed personal income, which includes the imputed value of services provided by depository institutions and income earned by life insurance carriers and private noninsured pension funds on the principal amounts contributed by policy holders and pension beneficiaries; and (3) imputed rental income of owner-occupied nonfamily dwellings.

The table below summarizes the total effective buying income and the median household effective buying income for the County of Santa Clara, the County of San Mateo, the State and the United States from 2009 through 2013. Effective Buying Income data is not yet available for calendar year 2014.

COUNTY OF SANTA CLARA AND COUNTY OF SAN MATEO,
STATE OF CALIFORNIA AND UNITED STATES
Effective Buying Income
For Calendar Years 2009 Through 2013

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2009	Santa Clara County	$55,561,405	$71,077
	San Mateo County	23,835,480	69,276
	California	844,823,319	49,736
	United States	6,571,536,768	43,252
2010	Santa Clara County	$53,692,143	$68,047
	San Mateo County	23,489,013	66,508
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	Santa Clara County	$54,491,135	$67,801
	San Mateo County	23,717,578	66,434
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	Santa Clara County	$61,464,868	$68,852
	San Mateo County	26,570,648	68,429
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	Santa Clara County	$61,802,913	$70,595
	San Mateo County	26,846,688	70,427
	California	858,676,636	48,340
	United States	6,982,757,379	43,715

Source: The Nielsen Company (US), Inc.

Construction Activity

The following tables provide a summary of residential building permit valuations and nonresidential building permit valuations, and the total number of all building permit valuations in Santa Clara County and San Mateo County during the past five years. Annual figures are not yet available for calendar year 2014.

COUNTY OF SANTA CLARA
Building Permit Valuation - For Calendar Years 2009 through 2013
(Dollars in Thousands)

	2009	2010	2011	2012	2013
Permit Valuation					
New Single-family	$245,033.4	$307,367.4	$366,126.4	$678,168.8	$694,884.6
New Multi-family	74,466.1	457,923.9	315,853.0	558,544.1	941,420.4
Res. Alterations/Additions	259,190.4	320,582.9	392,229.1	288,105.1	423,739.6
Total Residential	578,689.8	1,085,874.3	1,074,208.5	1,524,818.0	2,060,044.6
New Commercial	215,433.8	267,010.0	228,074.5	745,468.8	1,217,647.4
New Industrial	0.0	33,862.0	68,701.3	22,481.5	72,222.0
New Other	213,976.4	119,682.9	47,728.5	19,197.3	1,749,161.2
Com Alterations/Additions	758,365.7	735,059.6	1,122,235.2	1,115,633.3	1,293,656.1
Total Nonresidential	1,187,775.9	1,155,614.6	1,466,739.5	1,902,780.9	4,332,686.7
New Dwelling Units					
Single Family	667	826	978	1,432	1,859
Multiple Family	450	3,627	2,234	4,245	6,009
TOTAL	1,117	4,453	3,212	5,677	7,868

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF SAN MATEO
Building Permit Valuation
For Calendar Years 2009 through 2013
(Valuation in Thousands of Dollars)

	2009	2010	2011	2012	2013
Permit Valuation					
New Single-family	$147,515.5	$189,296.6	$194,950.1	$245,163.9	$292,893.4
New Multi-family	74,329.6	21,309.0	107,040.0	171,390.4	151,019.5
Res. Alterations/Additions	204,482.0	262,592.1	289,619.5	201,543.1	299,830.5
Total Residential	426,327.0	473,197.6	591,609.6	618,097.4	743,743.4
New Commercial	17,942.0	62,510.5	28,247.6	83,374.0	165,578.7
New Industrial	5,000.0	0.0	3,359.4	2,021.6	15,724.2
New Other	70,410.1	66,274.8	26,029.4	1,975.6	58,726.5
Com. Alterations/Additions	235,373.3	283,752.5	244,089.0	167,438.8	263,460.8
Total Nonresidential	$328,725.5	$412,537.8	301,725.4	254,810.0	503,490.2
New Dwelling Units					
Single Family	236	216	213	264	350
Multiple Family	393	111	545	671	840
TOTAL	629	327	758	935	1,190

Source: Construction Industry Research Board, Building Permit Summary.

Commercial Activity

The following tables show historic taxable sales within Santa Clara County and San Mateo County for calendar years 2009 through 2013. Figures are not yet available for calendar year 2014.

COUNTY OF SANTA CLARA
Annual Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009	26,695	$16,385,238	43,396	$27,427,709
2010	27,215	17,695,858	43,583	30,523,322
2011	27,252	19,419,542	43,390	33,431,217
2012	28,109	21,116,708	43,980	36,220,445
2013	29,545	22,424,641	45,274	37,621,606

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

COUNTY OF SAN MATEO
Taxable Retail Sales
2009 through 2013
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	**Taxable Transactions**	**Number of Permits**	**Taxable Transactions**
2009	11,143	$7,455,767	18,840	$11,327,022
2010	11,340	7,846,274	18,979	11,966,338
2011	11,470	8,536,043	18,995	13,020,643
2012	11,748	9,277,144	19,189	13,906,978
2013	12,438	9,935,641	19,808	14,611,618

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

APPENDIX B

ANNUAL FINANCIAL REPORT
FOR FISCAL YEAR ENDED MARCH 31, 2014

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$______________
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Counties of Santa Clara and San Mateo, California)
General Obligation Bonds, Series 2015A
(Election of 2014)

This CONTINUING DISCLOSURE CERTIFICATE (this "**Disclosure Certificate**") is executed and delivered by the MIDPENINSULA REGIONAL OPEN SPACE DISTRICT (the "**District**") in connection with the issuance of the General Obligation Bonds, Election of 2014, Series 2015A captioned above (the "**Bonds**"). The Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of _________, 2015, between the District and Zions First National Bank, as fiscal agent.

The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District 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 above and in the Fiscal Agent Agreement, 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*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Annual Report Date*" means the date that is 210 days after the end of the District's Fiscal Year.

"*Dissemination Agent*" shall mean, initially, _________________, or any successor Dissemination Agent designed in writing by the District and which has been filed with the then current Dissemination Agent a written acceptance of such designation.

"*Fiscal Year*" means any twelve-month period beginning on January 1 in any year and extending to the next succeeding March 31, both dates inclusive, or any other twelve-month period selected and designated by the District as its official Fiscal Year period under a Certificate of the District filed with the Fiscal Agent.

"*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 that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Participating Underwriter*" means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

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

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing October 27, 2015, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report for the fiscal year ending March 31, 2015, that is consistent with the requirements of Section 4 of this Disclosure Certificate; provided that the first Annual Report shall consist solely of the Official Statement. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's Fiscal Year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

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

(c) With respect to each Annual Report, the Dissemination Agent shall:

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

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

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

(a) The District's audited financial statements 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 District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the District for the preceding Fiscal Year, substantially similar to that provided in the corresponding tables in the Official Statement:

(i) Changes, if any, in the operation of the Teeter Plan of the County of Santa Clara or the County of San Mateo;

(ii) Assessed value of taxable property within the jurisdiction of the District for the current Fiscal Year;

(iii) If and to the extent available from the County of Santa Clara or the County of San Mateo, property tax collection delinquencies for the prior Fiscal Year for the District in the event the Teeter Plan is discontinued in either of such County; and

(iv) Amount of all debt of the District outstanding and payable from the same source of payment as the Bonds, and total scheduled debt service on such general obligation debt as of the preceding March 31 and for the current tax year (July 1 through June 30).

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

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

Section 5. Reporting of Significant Events.

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

(i) Principal and interest payment delinquencies;

(ii) Non-payment related defaults, if material;

(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;

(v) Substitution of credit or liquidity providers, or their failure to perform;

(vi) 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;

(vii) Modifications to rights of security holders, if material;

(viii) Bond calls, if material, and tender offers;

(ix) Defeasances;

(x) Release, substitution, or sale of property securing repayment of the securities, if material;

(xi) Rating changes;

(xii) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person;

(xiii) The consummation of a merger, consolidation, or acquisition involving the District or an obligated person, or the sale of all or substantially all of the assets of the District or an 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, if material; and

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

(c) The District acknowledges that the events described in subparagraphs (a)(ii), (a)(vii), (a)(viii) (if the event is a bond call), (a)(x), (a)(xiii), and (a)(xiv) of this Section 5 contain the qualifier "if material." The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that the District determines the event's occurrence is material for purposes of U.S. federal securities law.

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

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

Section 7. Termination of Reporting Obligation. The District'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 District shall give notice of such termination in the same manner as for a Significant Event under Section 5(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the District. Initially, Willdan Financial Services will act as dissemination hereunder.

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

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

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

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Fiscal Agent Agreement for amendments to the Fiscal Agent Agreement 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 of the Bonds.

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

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative.

A notice of any amendment made pursuant to this Section 9shall be filed in the same manner as for a Significant Event under Section 5(c).

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District 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 Significant Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Significant Event in addition to that which is specifically required by this Disclosure Certificate, the District 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 Significant Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District 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 Fiscal Agent Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. (a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bond holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

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

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

Date: _________, 2015

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

By ________________________________

General Manager

ACCEPTANCE OF APPOINTMENT BY DISSEMINATION AGENT

________________________,

as Dissemination Agent

By:________________________________

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	MIDPENINSULA REGIONAL OPEN SPACE DISTRICT (Counties of Santa Clara and San Mateo, California)
Name of Issue:	$______________ Midpeninsula Regional Open Space District (Counties of Santa Clara and San Mateo, California) General Obligation Bonds, Series 2015A (Election of 2014)
Date of Issuance:	__________, 2015

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate dated ________, 2015. The District anticipates that the Annual Report will be filed by _______________.

Dated: _____________

DISSEMINATION AGENT:

By: ________________________________
Its: ________________________________

APPENDIX F

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 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 District (the "**Issuer**") nor the Fiscal Agent appointed with respect to the Bonds (the "**Fiscal Agent**") takes any responsibility for the information contained in this Appendix.*

*No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the 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 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 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 a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com 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. Principal 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, 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, security certificates are required to be printed and delivered.

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

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