Midpeninsula Regional
Open Space District

R-17-132
Meeting 17-30
December 6, 2017

AGENDA ITEM 6

AGENDA ITEM

Resolutions approving the Preliminary Official Statements for the Issuance of the Green Bonds, 2017 Refunding Series A, and Parity Bonds, 2017 Series B and the Measure AA Series 2018 General Obligation Bonds (Green Bonds), and authorizing the contribution of up to $1,000,000 into the refunding escrow. The issuance of the Bonds was authorized at the November 8, 2017 Board meeting. The POS resolutions provide for board approval of the disclosure documents to be used in the marketing of the Bonds.

GENERAL MANAGER AND CONTROLLER'S RECOMMENDATIONS

1. Adopt a Resolution approving the Preliminary Official Statement for the Issuance of the Green Bonds, 2017 Refunding Series A and Parity Bonds, 2017 Series B
2. Adopt a Resolution approving the Preliminary Official Statement for the Issuance of the Measure AA Series 2018 General Obligation Bonds (Green Bonds)
3. Authorize the contribution of up to $1,000,000 into the refunding escrow
4. Adopt a Resolution authorizing a budget adjustment of up to $715,000 for the escrow contribution

SUMMARY

Two Resolutions approve the Preliminary Official Statements for the Green Bonds, 2017 Refunding Series A and Parity Bonds, 2017 Series B and the Measure AA Series 2018 General Obligation Bonds. The purpose of the 2017 Refunding Series A Green Bonds is to refinance the callable portion of the District's 2012 Refunding Promissory Notes ("Prior Bonds") to take advantage of today's very low interest rates and achieve significant debt service savings. The purpose of the 2017 Series B Parity Bonds (non-Measure AA) is to provide sufficient cash available for the acquisition and remodeling of new staffing facilities. The purpose of the 2018 Series General Obligation Bonds (Green Bonds) is to provide the next tranche of funding under Measure AA for capital projects and land acquisitions.

In addition to the approval of the two Preliminary Official Statements, staff requests authorization to contribute up to $1,000,000 to the Series 2017 A Refunding Bonds escrow fund to ensure the entire refunding bonds series can be issued on a tax-exempt basis. The first $285,000 of the escrow contribution can be funded from interest savings from the refunded 2012 Bonds, augmented by a budget amendment transferring an amount not to exceed $715,000 from General Fund Unassigned Reserves to the Debt Service Fund.

DISCUSSION

The Preliminary Official Statements are the disclosure documents necessary for the marketing of the bonds, the proceeds of which will be used to advance refund the 2012 Refunding Promissory Notes, provide new money for facilities and to issue a new tranche of Measure AA Bonds:

- Green Bonds, 2017 Refunding Series A
- Parity Bonds, 2017 Series B
- Measure AA 2018 Series General Obligation Bonds (Green Bonds)

Green Bonds, 2017 Refunding Series A

The 2012 Refunding Promissory Notes were issued by the District to refund the 1999 Revenue Bonds a portion of which had previously advance refunded 1992 Promissory Notes.

An advance refunding of the 2012 Refunding Promissory Notes provides the District the opportunity to generate approximately $17.7 million in cash-flow savings, based on calculations on November 14, 2017. The net present value of these savings would be $8.75 million and reduces the final maturity by five years, from 2041 to 2037. The projected savings and final maturity are subject to change due to market fluctuations.

Principal Amount	Not to exceed $30 million
Debt Service Savings	At least 5.00%
Final Maturity	No later than September 1, 2041

Parity Bonds, 2017 Series B

The District is purchasing staff facilities, including field facilities and a new Administrative Office (AO), which requires remodeling. The District currently has $30 million in committed reserves for infrastructure. The acquisition cost is approximately $35 million and the remodel cost is estimated at approximately $9 million. The 2017 Series B Parity Bonds will provide adequate funds to complete the acquisitions and remodels. This series is expected to have a maturity of 10 years, with an anticipated call feature at 5 years.

Principal Amount	Not to exceed $20 million
Total Interest Cost	Not to exceed 5.00%
Final Maturity	No later than September 1, 2032

Measure AA 2018 Series General Obligation Bonds (Green Bonds)

The first tranche of bonds authorized under Measure AA was issued in 2015 ($40 million tax-exempt Series A and $5 million taxable Series B). The proceeds from the tax-exempt bonds have been expended and need to be replenished by the proposed bond issue in order to continue progress on Measure AA capital projects, as well as potential land acquisitions under Measure AA.

Principal Amount	Not to exceed $60 million
Total Interest Cost	Not to exceed 5.00%
Final Maturity	No later than September 1, 2048

Taxable component

According to current IRS rules, a tax-exempt bond can only be advance refunded once, and a portion of the 2012 Refunding Prommisory Notes can be traced to a prior advance refunding of 1992 Promissory Notes. Based on calculations by tax counsel and the underwriters, the District would need to issue approximately $680,000 in taxable bonds (the amount may fluctuate depending on final pricing and interest rates) in order to refund this portion. This relatively small and separate issue complicates the administration and future tracking of the bonds and is not as easy to sell. This can be mitigated by placing the required amount, not to exceed $1,000,000, in escrow and essentially paying off the amount that would need to be issued as a taxable bond. Based on placing $680,000 in escrow, the savings from refunding the 2012 Promissory Notes increases by approximately $1,500,000, or $800,000 on a Net Present Value basis.

THE DISTRICT'S DISCLOSURE OBLIGATIONS

The attached Preliminary Official Statements have been reviewed and approved for transmittal to the Board of Directors by staff and the District's financing team. The distribution of the Preliminary Official Statements by the District is subject to federal securities laws, including the Securities Act of 1933 and the Securities Exchange Act of 1934. These laws require the Preliminary Official Statements to include all facts that would be material to an investor in making a decision to purchase the 2017 Parity Bonds or the 2018 General Obligation Bonds.

The Securities and Exchange Commission (the "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 Board of Directors with respect to its approval of the Preliminary Official Statement. In its "Report of Investigation in the Matter of County of Orange, 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 Board has knowledge of any facts or circumstances that an investor would want to know about prior to investing in the issuer's bonds being marketed with the Preliminary Official Statement, 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 Preliminary Official Statement. In the Release, the SEC stated that the steps that a member of the Board could take include becoming familiar with the Preliminary Official Statement and questioning staff and consultants about the disclosure of such facts.

FISCAL IMPACT

Based on current rates and calculations, the sale of the proposed 2017 Refunding Series A Green Bonds will reduce overall District debt service payments by approximately $17.7 million over the next twenty-five years. The 2017 Series B Parity Bonds are currently estimated to have a $1.64 million annual debt service for 10 years. The Measure AA 2018 Series General Obligation Bonds are currently estimated to have a $2.6-$2.8 million annual debt service for 30 years.

The callable portion of the 2012 bonds have an interest payment scheduled for March 1, 2018 in the amount of $285,000. This will be applied to the refunding escrow. The balance of the refunding escrow requirement, not to exceed a combined total of $1,000,000, will be transferred from the General Fund Unassigned Reserve.

The proposed bond issuances are consistent with the District's long-term financial model.

BOARD COMMITTEE REVIEW

The sale of the proposed bonds was not reviewed by a committee.

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 documents and sell the 2017 Parity Bonds and the 2018 General Obligation Bonds. Within a month of closing of the transaction, a post-sale evaluation report will be brought to the Board.

Attachments**:**

1. Resolution approving the Preliminary Official Statement for the Issuance of the Green Bonds, 2017 Refunding Series A and Parity Bonds, 2017 Series B
2. Preliminary Official Statement for the Issuance of the Green Bonds, 2017 Refunding Series A and Parity Bonds, 2017 Series B
3. Resolution approving the Preliminary Official Statement for the Issuance of the Measure AA 2018 General Obligation Bonds
4. Preliminary Official Statement for the Issuance of the Measure AA 2018 General Obligation Bonds
5. Resolution Amending the Budget for Fiscal Year 2017-18 to Authorize the Contribution of up to $715,000 to the Refunding Escrow Account

Responsible Manager:
Stefan Jaskulak, Chief Financial Officer

Prepared by:
Stefan Jaskulak, Chief Financial Officer

RESOLUTION NO. 17-____

A RESOLUTION OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF THE GREEN BONDS, 2017 REFUNDING SERIES A AND THE PARITY BONDS, 2017 SERIES B

WHEREAS, pursuant to resolution adopted on November 8, 2017 (the "Authorizing Resolution"), this Board of Directors (the "Board") of the Midpeninsula Regional Open Space District (the "District"), authorized the issuance and sale of two series or such subseries of bonds as shall be convenient, which bonds, due to the potential changes in the tax law relating to the issuance of tax-exempt bonds are to be called the "Midpeninsula Regional Open Space District Green Bonds, 2017 Refunding Series A" (the "2017 Series A Refunding Bonds") and its "Midpeninsula Regional Open Space District Parity Bonds, 2017 Series B" (the "2017 Series B Parity Bonds" and, together with the 2017 Series A Refunding Bonds, the "Bonds");

WHEREAS, there has been submitted, and is on file with the District Clerk, a proposed form of Official Statement (the "Official Statement"), in preliminary form, and the Board hereby desires to authorize the completion, execution and distribution of such document in connection with the sale of the Bonds;

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

Section 1. Recitals. The District hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the District and that the statements, findings and determinations of the District set forth above are true and correct.

Section 2. Official Statement. The Official Statement relating to the Bonds, in substantially the form on file with the District Clerk, is hereby approved with such changes, additions and corrections as any of General Manager or his written designee, the Controller, or the Chief Financial Officer / Director of Administrative Services, (each an "Authorized Officer") may hereafter approve, and the underwriter of the Bonds is hereby authorized to distribute copies of such Official Statement in its preliminary form to persons who may be interested in purchasing the Bonds. Any Authorized Officer is hereby authorized to certify to the underwriters, on behalf of the District, that the preliminary form of the Official Statement is deemed final as of its date within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") (except for the omission of certain final pricing, rating and related information as permitted by said Rule). Any Authorized Officer is hereby authorized and directed to sign said Official Statement in its final form, including the final pricing information, and such execution and delivery shall constitute conclusive evidence of the approval by the District of any changes or revisions to the Official Statement from the form submitted herewith. The underwriter is hereby authorized and directed to deliver copies of such Official Statement in final form to the purchasers of the Bonds.

Section 3. Approval of Further Actions. Any Authorized Officer is hereby authorized and directed, jointly and severally, to execute and deliver any and all certificates and representations concerning the contents of the Official Statement, which any of them deem necessary or desirable.

Section 4. Effective Date: This Resolution shall take effect from and after its date of adoption.

* * * * * * * * * * * * * * * * * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _______, 2017, at a regular meeting thereof, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST:

APPROVED:

Secretary
Board of Directors

President
Board of Directors

APPROVED AS TO FORM:

General Counsel

I, the 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.

District Clerk

CLERK'S CERTIFICATE

I, Jennifer Woodworth, District Clerk of the Board of the Midpeninsula Regional Open Space District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said District duly and regularly held at the regular meeting place thereof on the 6th day of December, 2017, of which meeting all of the members of said Board had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 330 Distel Circle, Los Altos, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand and the seal of the Midpeninsula Regional Open Space District this __ day of December, 2017.

____
District Clerk

SH DRAFT #3
11/30/2017

PRELIMINARY OFFICIAL STATEMENT DATED DECEMBER __, 2017

NEW ISSUE — BOOK-ENTRY ONLY **RATINGS:** Fitch: "___"
S&P: "___"
(See "RATINGS")

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2017 Series Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the 2017 Series Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2017 Series Bonds. See "TAX MATTERS."

[District Logo]

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

$__,___,000*
GREEN BONDS
2017 REFUNDING SERIES A

$__,___,000*
PARITY BONDS
2017 SERIES B

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

Authorization; Purpose. The Midpeninsula Regional Open Space District (the "District") is issuing $__,___,000* principal amount of its Green Bonds, 2017 Refunding Series A (the "2017 Series A Refunding Bonds") and $__,___,000* principal amount of its Parity Bonds, 2017 Series B (the "2017 Series B Parity Bonds," together with the 2017 Series A Refunding Bonds, the "2017 Series Bonds"). The 2017 Series Bonds are issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of Article 3 of Chapter 3 of Division 5 of the Public Resources Code (the "District Act"), and all laws amendatory thereof or supplemental thereto, including Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (together with the District Act, the "Law") and an Indenture, dated as of September 1, 2016 (the "Master Indenture"), as amended and supplemented by a First Supplemental dated as of December 1, 2017 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the District and ZB, National Association dba Zions Bank, as trustee (the "Trustee"). See "PLAN OF FINANCE" and "THE 2017 SERIES BONDS–Authority for Issuance; Purpose."

The 2017 Series A Refunding Bonds are being issued to: (i) provide funds to defease and redeem a portion of the District's outstanding 2012 Refunding Promissory Notes (1999 Project Lease) (Current Interest Notes) (the "2012 Current Interest Notes") currently outstanding in the aggregate principal amount of $13,730,000 and 2012 Refunding Promissory Notes (1999 Project Lease) (Capital Appreciation Notes) (the "2012 Capital Appreciation Notes" and, together with the 2012 Current Interest Notes, the "2012 Notes") currently outstanding in the aggregate principal amount of $15,474,707.20; and (ii) pay costs of issuance of the 2017 Series A Refunding Bonds. See "PLAN OF FINANCE–2017 Series A Refunding Bonds" and "THE 2017 SERIES BONDS–Designation of 2017 Series A Refunding Bonds as Green Bonds."

The 2017 Series B Parity Bonds are being issued to: (i) finance a portion of the cost of acquiring and improving staffing facilities for use by the District; and (ii) pay costs of issuance of the 2017 Series B Parity Bonds. See "PLAN OF FINANCE–2017 Series B Parity Bonds."

Security and Source of Payment. The 2017 Series Bonds are limited obligations of the District and are payable from and secured solely by Revenues of the District (as defined herein), consisting primarily of the District's share of the general 1% *ad valorem* property tax levied in the District by the Board of Supervisors of the County of Santa Clara and by the Board of Supervisors of the County of San Mateo (together, the "Counties") upon all property subject to taxation and allocated to the District. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2017 SERIES BONDS" and "*AD VALOREM* PROPERTY TAXATION WITHIN THE DISTRICT."

No Reserve Fund will be established for the 2017 Series Bonds.

Book-Entry Only. The 2017 Series Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the 2017 Series Bonds will be made in principal amounts of $5,000 and integral multiples thereof under the book-entry only system maintained by DTC. Purchasers of the 2017 Series Bonds will not receive physical certificates representing their interests in the 2017 Series Bonds. So long as DTC, or its nominee for disbursement to DTC Participants, is the registered owner of the 2017 Series Bonds, payments of principal and interest with respect to the 2017 Series Bonds will be made by the Trustee directly to DTC or its nominee, which will in turn remit such payments to the DTC participants for disbursement to the beneficial owners of the 2017 Series Bonds. See APPENDIX G–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. Interest on the 2017 Series Bonds is payable on September 1 and March 1, of each year, commencing March 1, 2018. Principal on the 2017 Series Bonds is payable on September 1 in the amounts and in the years set forth on the inside cover. Payments of principal and interest on the 2017 Series Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, which will remit such payments to the Beneficial Owners of the 2017 Series Bonds. See "THE 2017 SERIES BONDS–Payment of Principal and Interest" and APPENDIX G–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Redemption. The 2017 Series A Refunding Bonds and the 2017 Series B Parity Bonds are all subject to redemption prior to their stated maturities. See "THE 2017 SERIES BONDS–Redemption Provisions."

Maturity Schedule. See inside cover.

Investor Considerations. **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 2017 Series Bonds.**

Legal Matters. *The 2017 Series Bonds are offered when, as and if sold and issued, and accepted by the Underwriter, subject to the approval as to their validity by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District.*

Certain legal matters will be passed upon for the District by its General Counsel and by Schiff Hardin LLP, San Francisco, California, Disclosure Counsel.

Hawkins Delafield & Wood LLP, San Francisco, California is serving as counsel to the Underwriter.

Delivery. *It is anticipated that the 2017 Series Bonds in book-entry form, will be available for delivery through the facilities of DTC in New York, New York, on or about December __, 2017.*

Morgan Stanley

Dated: _______, 2017.

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* Preliminary, subject to change.

MATURITY SCHEDULE
(Base CUSIP†: ________)

$__,__,000*
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
GREEN BONDS
2017 REFUNDING SERIES A

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.†

$__,__,000*
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
PARITY BONDS
2017 SERIES B

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.†

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* Preliminary, subject to change.

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GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No broker, dealer, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2017 Series 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. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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 2017 Series 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 2017 Series 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 2017 Series 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 Indenture 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 2017 Series 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 2017 Series 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 2017 Series 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.

Forward-Looking Statements. Certain statements contained in this Official Statement reflect not historical facts but forecasts and "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," expect," "intend," "believe," "plan," "budget," and similar expressions are intended to identify forward-looking statements. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in this Official Statement.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that 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 events, conditions or circumstances on which such statements are based occur or do not occur.

District Website. The District maintains a website. References to website addresses presented in this Official Statement are for information purposes only and are solely for the convenience of the reader. The information presented on any website is not a part of this Official Statement are not incorporated into, and are not a part of, this Official Statement, and should not be relied upon in making an investment decision with respect to the 2017 Series Bonds.

Regional Map

[To Come]

Regional Map

[To Come]

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

DISTRICT BOARD OF DIRECTORS

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

DISTRICT STAFF

Stephen E. Abbors, *General Manager*(1)
Ana Ruiz, *Assistant General Manager*(2)
Michael L. Foster, *Controller*
Sheryl Schaffner, Esq., *General Counsel*(1)
Hilary W. Stevenson, Esq., *Assistant General Counsel*(3)
Stefan Jaskulak, *Chief Financial Officer/Director of Administrative Services*
Christine Butterfield, *Acting Assistant General Manager*

PROFESSIONAL SERVICES

Orrick, Herrington & Sutcliffe LLP
San Francisco, California
Bond Counsel

Schiff Hardin LLP
San Francisco, California
Disclosure Counsel

Backstrom McCarley Berry & Co., LLC
San Francisco, California
Financial Advisor

ZB, National Association dba Zions Bank
Los Angeles, California
Trustee

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California
Escrow Agent

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(1) This member of the District staff will retire effective December 29, 2017. See APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT GENERAL INFORMATION–Administration."
(2) On December 30, 2017, Ms. Ruiz will be the Acting General Manager of the District.
(3) On December 30, 2017, Ms. Stevenson will be the Acting General Counsel of the District.

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MAPS, CHARTS AND TABLES

APPENDICES

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

$__,___,000*	**$__,___,000***
GREEN BONDS	**PARITY BONDS**
2017 REFUNDING SERIES A	**2017 SERIES B**

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the 2017 Series 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. Capitalized terms used in this Official Statement and not otherwise defined shall have the meanings given to such terms as set forth in the Indenture. See APPENDIX D–"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE–Definitions."

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 $__,___,000* principal amount of Midpeninsula Regional Open Space District Green Bonds, 2017 Refunding Series A (the "2017 Series A Refunding Bonds") and $__,___,000* principal amount of Midpeninsula Regional Open Space District Parity Bonds, 2017 Series B (the "2017 Series B Parity Bonds," together with the 2017 Series A Refunding Bonds, the "2017 Series Bonds").

The District

General. 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 the County of Santa Clara. In June 1976, the southern and eastern portions of the County of San Mateo were annexed to the District. The District annexed three parcels located in the northern tip of Santa Cruz County in 1992, but the 1% *ad valorem* property tax is not levied on this land for the benefit of the District. In September 2004, the District completed the Coastside Protection Program, which extended the District boundaries to the Pacific Ocean in the County of San Mateo County, from the southern borders of Pacifica to the San Mateo/Santa Cruz County line.

The District encompasses over 550 square miles of land located in the County of Santa Clara (approximately 200 square miles), the County of San Mateo (approximately 350 square miles) and the County of Santa Cruz County (approximately 2.6 square miles). The Counties of Santa Clara and San Mateo are referred to together as the "Counties." As of the 2010 decennial census, approximately 720,000 people lived within the boundaries of the District.

A map of the District is located on page ii.

Governing Board and Management. A seven-member Board of Directors, elected by ward (the "Board of Directors"), establishes policies for the District. Specifically, the Board sets general operating objectives for the District, authorized debt, 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 of Directors are elected for staggered four-year terms.

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* Preliminary, subject to change.

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

Authority for Issuance; Purpose

The 2017 Series Bonds are issued pursuant to the Constitution and laws of the State of California (the "State"), including the provisions of Article 3 of Chapter 3 of Division 5 of the Public Resources Code (the "District Act"), and all laws amendatory thereof or supplemental thereto, including Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California (together with the District Act, the "Law") and an Indenture, dated as of September 1, 2016 (the "Master Indenture"), as amended and supplemented by a First Supplemental dated as of December 1, 2017 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), each by and between the District and ZB, National Association dba Zions Bank, as trustee (the "Trustee"). See "PLAN OF FINANCE" and "THE 2017 SERIES BONDS–Authority for Issuance; Purpose."

2017 Series A Refunding Bonds. The 2017 Series A Refunding Bonds are being issued to: (i) provide funds to redeem a portion of the District's outstanding 2012 Refunding Promissory Notes (1999 Project Lease) (Current Interest Notes) (the "2012 Current Interest Notes") currently outstanding in the aggregate principal amount of $13,730,000 and 2012 Refunding Promissory Notes (1999 Project Lease) (Capital Appreciation Notes) (the "2012 Capital Appreciation Notes" and, together with the 2012 Current Interest Notes, the "2012 Notes") currently outstanding in the aggregate principal amount of $15,474,707.20 and (ii) pay costs of issuance of the 2017 Series A Refunding Bonds. See "PLAN OF FINANCE–2017 Series A Refunding Bonds."

2017 Series B Parity Bonds. The 2017 Series B Parity Bonds are being issued to: (i) finance a portion of the cost of acquiring and improving staffing facilities for use by the District; and (ii) pay costs of issuance of the 2017 Series B Parity Bonds. See "PLAN OF FINANCE–2017 Series B Parity Bonds."

Security for the Bonds

General. The 2017 Series Bonds are limited obligations of the District payable from "Revenues," defined in the Indenture as the revenues, income, and investment earnings received by the District, including the District's share of the general 1% *ad valorem* property tax levied in the District by the Board of Supervisors of the County of Santa Clara and by the Board of Supervisors of the County of San Mateo and allocated to the District, except for any revenue restricted to a specified purpose and not legally available to pay Debt Service such as the *ad valorem* property taxes levied for the payment of the District's voter approved general obligation bonds.

The District has debt outstanding and may issue additional bonds or incur additional obligations payable from Revenues on a parity with the 2017 Series Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2017 SERIES BONDS–Additional Bonds and Parity Obligations," and "*AD VALOREM* PROPERTY TAXATION WITHIN THE DISTRICT–Direct and Overlapping Debt Obligations."

No Reserve Fund. No reserve fund will be established as security for the 2017 Series Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2017 BONDS."

Parity Obligations. As of June 30, 2017, the District had outstanding general fund obligations in the aggregate amount of approximately $105.8 million consisting of Green Bonds, 2016 Refunding Series (the "2016 Green Bonds"), notes (the "Promissory Notes"), and lease obligations securing payment of the Midpeninsula Regional Open Space District Financing Authority (the "Authority") lease revenue bonds (collectively, the "Authority Bonds") the payments of which are secured by a pledge of and lien on Revenues on a parity with the payment of the 2017 Series Bonds, inclusive of the $29.6 million 2012 Notes being refunded but excluding the 2017 Series Bonds. See "PLAN OF FINANCE" and "SECURITY AND SOURCE OF PAYMENT FOR THE 2017 SERIES BONDS."

Other Outstanding Debt

The District also has outstanding $43.35 million of general obligation bonds authorized by Measure AA secured by and payable from separately levied *ad valorem* property taxes, excluding $__,___,000* aggregate principal amount of General Obligation (Green Bonds) Series 2018 expected to be issued in 2018. For a description of Measure AA, see APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT FINANCIAL INFORMATION–General."

Redemption

The 2017 Series A Refunding Bonds and the 2017 Series B Parity Bonds are all subject to optional redemption prior to their stated maturities. See "THE 2017 SERIES BONDS–Redemption Provisions."

Continuing Disclosure

The District has covenanted for the benefit of Owners and Beneficial Owners of the 2017 Green Bonds to provide certain financial information and operating data relating to the District not later than 210 days after the end of the fiscal year (ending June 30) of the District, commencing with report due January 26, 2019 (the "Annual Report"), and to provide notices of the occurrence of certain significant events. The Annual Report and the notices of significant events will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access site. The specific nature of the information to be contained in the Annual Report and the notices of significant events is set forth in APPENDIX E–"FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

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.

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.

THE DISTRICT

The District, a special district created by the District Act and voter approval, is located in the San Francisco Bay Area and has boundaries that encompass over 550 square miles of land in the Counties. The District operates 26 open space preserves, which comprise more than 63,000 acres, providing a regional greenbelt preserve system of diverse and natural beauty in one of the largest metropolitan areas in the country. The preserves, ranging from 55 to 1,800 acres, are open to the public, all year, free of charge.

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* Preliminary, subject to change

The mission of the District is to acquire and preserve, or return to its natural state, open space land in perpetuity for scenic beauty and enjoyment, for the protection of natural vegetation, wildlife and agriculture, to establish boundaries for urban growth, and enhance quality of life, for recreation in nature, and for educational opportunities through the creation of a regional greenbelt. For additional information on the District see APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES."

PLAN OF FINANCE

2017 Series A Refunding Bonds

A portion of the proceeds from the sale of the 2017 Series A Refunding Bonds will be used by the District, together with other available moneys, to defease and redeem $___,___,000* principal amount of the District's outstanding 2012 Current Interest Notes maturing after September 1, 2023, and $___,___, 000* principal amount of the District's outstanding 2012 Capital Appreciation Notes that are subject to redemption on September 1, 2022.

The 2012 Notes were issued by the District pursuant to the terms and conditions of an Indenture, dated as of February 1, 2012 (the "2012 Notes Indenture") by and between the District and The Bank of New York Mellon Trust Company, N.A., as trustee. The proceeds from the 2012 Notes were used to prepay certain obligations, the proceeds of which were used to acquire or to refinance the acquisition of "open space" located within the District. "Open space" is defined by the District as land or water area that remains in its natural state, is used for agriculture, or is otherwise essentially undeveloped and the benefits of open space include enhanced survival prospects for endangered plant and animal species, increased public safety through the minimization of flood erosion, landslide, earthquake, and fire hazards, and the creation of more livable urban environments.

An escrow fund (the "2012 Notes Escrow Fund") will be established pursuant to an Escrow Agreement, dated as of December 1, 2017 (the "2012 Escrow Agreement") by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow agent for the 2012 Notes. The amounts deposited in the 2012 Notes Escrow Fund with respect to the 2012 Notes will be invested in noncallable defeasance securities, the principal of and interest on which, when received, will be sufficient to pay interest when due to and the redemption price of the 2012 Notes on the redemption date of September 1, 2022. Upon such deposit, such 2012 Notes will no longer be deemed outstanding under the 2012 Notes Indenture.

The mathematical computations used to determine the sufficiency of the escrow deposit to defease and prepay, as applicable, the 2012 Notes will be verified by Causey Demgen & Moore P.C. (the "Verification Agent") who will deliver a report to such effect upon delivery of the 2017 Series Bonds. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS."

The remaining proceeds of the 2017 Series A Refunding Bonds will be used to pay costs associated with the issuance of the 2017 Series A Refunding Bonds.

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* Preliminary, subject to change.

2017 Series B Parity Bonds

A portion of the proceeds from the sale of the 2017 Series B Parity Bonds will be used by the District to finance a portion of the costs of acquiring and making improvements to an approximately 39,000 square foot, two-story staff facility, located on an approximately 1.45 acre lot at 5050 El Camino Real, Los Altos, California and purchasing and improving an approximately 5,600 square foot building for an additional staff facility located on an approximately 0.68 acre lot at 240 Cristich Lane, Campbell, California (together, the "2017 Project"), and to pay costs associated with the issuance of the 2017 Series B Parity Bonds.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds received from the sale of the 2017 Series Bonds are set forth below:

Table 1
Estimated Sources and Uses of Funds

	2017 Series A Refunding Bonds	2017 Series B Parity Bonds	Total
SOURCES OF FUNDS:			
Principal Amount of Bonds			
Original Issue Premium			
District Equity Contribution(1)			
TOTAL SOURCES			
USES OF FUNDS:			
Deposit into 2012 Notes Escrow Fund(2)			
Deposit into Project Fund(3)			
Costs of Issuance(4)			
TOTAL USES			

(!) To defease and redeem the 2012 Notes that are not subject to refunding with proceeds of tax exempt bonds.
(2) See "PLAN OF FINANCE–2017 Series A Refunding Bonds."
(3) See "PLAN OF FINANCE–2017 Series B Parity Bonds."
(4) Includes legal fees, financial advisory fees, Underwriter's discount, Trustee's fees, Verification Agent Fees, printing expenses, rating agency fees and other costs associated with the issuance of the 2017 Series Bonds.

THE 2017 SERIES BONDS

Authority for Issuance

The 2017 Series Bonds are issued pursuant to the Constitution and laws of the State, including the Law, and the Indenture. The 2017 Series Bonds are authorized to be issued by a resolution of the District adopted on November 8, 2017. For additional information about the provisions of the Indenture, see APPENDIX D–"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

Designation of 2017 Series A Refunding Bonds as Green Bonds

The mission of the District is to acquire and preserve a regional greenbelt of open space land in perpetuity; protect and restore the natural environment; and provide opportunities for ecologically sensitive public employment and education.

The District is issuing the 2017 Series A Refunding Bonds as "Green Bonds," to allow investors to invest directly in bonds which finance such environmentally beneficial projects. The owners of the 2017 Series A Refunding Bonds do not assume any specific project risk or economic benefit related to the projects as a result of the Green Bonds designation.

Use of Proceeds. The proceeds from the 2017 Series A Refunding Bonds will be used to redeem the 2012 Notes, the original proceeds of which were used to acquire or refinance the acquisition of "open space" located within the District, see "PLAN OF FINANCE–2017 Series A Refunding Bonds." See also, "ESTIMATED SOURCES AND USES OF FUNDS." The District acquires and preserves, or returns to its natural state, land, for scenic beauty and enjoyment, to protect natural vegetation, wildlife and agriculture, to establish boundaries for urban growth, enhance quality of life, and to provide opportunities for education and recreation in nature through the creation of a regional greenbelt.

Project Evaluation and Selection. Expansion of open space preserves by the District is based on location and the opportunity to acquire properties to support the creation of a regional greenbelt. The District prioritizes acquisitions based on an evaluation of opportunities to link preserves with federal, State, county, and city parklands, potential public trail uses, and protect wildlife, watersheds, and other natural resources.

Management of Proceeds and Reporting. A portion of the proceeds from the sale of the 2017 Series A Refunding Bonds will be applied to redeem the 2012 Notes and will be deposited into the 2012 Escrow Fund. The amounts deposited in the 2012 Escrow Fund will be invested in noncallable defeasance securities, the principal of and interest on which, when received, will be sufficient to pay interest when due to and the redemption price of the 2012 Notes on the redemption date of September 1, 2022. The proceeds of the 2012 Notes were expended as summarized in "PLAN OF FINANCE–2017 Series A Refunding Bonds." Because all projects financed by the 2012 Notes are complete, the District does not intend to report on the use of proceeds. The District provides information on its open space preserves on its website (http://www.openspace.org/).

Payment of Principal and Interest

The 2017 Series Bonds will mature on September 1 in the principal amounts and 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 payable on March 1 and September 1 of each year, commencing on March 1, 2018 (each, an "Interest Payment Date"), computed using a year of 360 days comprising twelve 30-day months.

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 Trustee 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 Trustee 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 Trustee that such Owner be paid interest by wire transfer to the bank and account number on file with the Trustee as of the applicable Record Date. So long as the 2017 Series Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer to DTC in accordance with its procedures. See APPENDIX G–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payment of Principal. Principal will be payable at maturity, or upon redemption prior to maturity, upon surrender of Bonds by the registered owner thereof at the principal office of the Trustee. The interest, principal and premiums, if any, on the 2017 Series Bonds will be payable in lawful money of the United States of America from Revenues deposited by the District with the Trustee under the Indenture. 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 2017 Series 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 G–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Redemption Provisions

2017 Series A Refunding Bonds Optional Redemption. The 2017 Series A Refunding Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to maturity. The 2017 Series A Refunding Bonds maturing on or after September 1, 20__ are subject to redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, as a whole or in part on any date on or after September 1, 20__, at a redemption price equal to the principal amount of such 2017 Series A Refunding Bonds called for redemption, together with accrued interest thereon to the date fixed for redemption, without premium.

2017 Series A Refunding Bonds Mandatory Sinking Fund Redemption. The 2017 Series A Refunding Bonds maturing on September 1, 20__ (the "Series 2017A Term Bond") are also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date in the respective principal amounts set forth below, at a redemption price equal to 100% of the principal amount to be redeemed, without premium together with accrued interest thereon to the date fixed for redemption.

Series 2017A Term Bond Due September 1, 20__

Mandatory Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed

† Final Maturity.

2017 Series B Parity Bonds Optional Redemption. The 2017 Series B Parity Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to maturity. The 2017 Series B Parity Bonds maturing on or after September 1, 20__ are subject to redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, as a whole or in part on any date on or after September 1, 20__, at a redemption price equal to the principal amount of such 2017

Series B Parity Bonds called for redemption, together with accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The 2017 Series B Parity Bonds maturing on September 1, 20__ (the "2017 Series B Parity Term Bond") are also subject to mandatory sinking fund redemption on each Mandatory Sinking Fund Redemption Date in the respective principal amounts set forth below, at a redemption price equal to 100% of the principal amount to be redeemed, without premium together with accrued interest thereon to the date fixed for redemption.

2017 Series B Parity **Term Bond Due September 1, 20__**

Mandatory Sinking Fund Redemption Date (September 1)	Principal Amount to be Redeemed

† Final Maturity.

Redemption Procedures

Partial Redemption. If less than all of the 2017 Series Bonds are to be redeemed at any one time, the District is required to select the maturities of the 2017 Series Bonds and the principal amount of each such maturity to be redeemed in its sole discretion. If less than all Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee is required to select the 2017 Series Bonds of such maturity to be redeemed by lot and is required to promptly notify the District in writing of the numbers of such 2017 Series A Bonds so selected for redemption. For purposes of such selection, Bonds will be deemed to be composed of $5,000 multiples and any such multiple may be separately redeemed.

Notice of Redemption. Notice of redemption are to be mailed by first-class mail by the Trustee, not less than 20 nor more than 60 days prior to the redemption date to the Owners of the 2017 Series Bonds designated for redemption at their addresses appearing on the registration books of the Trustee. Each notice of redemption is required to state the date of such notice, the redemption price, the place of redemption (including the name and appropriate address of the Trustee), the CUSIP number of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the 2017 Series Bonds of such maturity to be redeemed, the redemption price thereof and, in the case of 2017 Series Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice is also required to state that on said date there will become due and payable on each of said 2017 Series Bonds the redemption price thereof and in the case of a 2017 Series Bond to be redeemed in part only, the specified portion of the principal amount thereof to be redeemed, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such 2017 Series Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Neither failure to receive any such notice nor any defect therein will affect the validity of the proceedings for redemption of such 2017 Series Bonds or the cessation of the accrual of interest on the redemption date.

Effect of Redemption. If notice of redemption has been duly given as required in the Indenture and money for the payment of the redemption price of the 2017 Series Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice 2017 Series Bonds so called for redemption will become due and payable, and from and after the date so designated interest on such 2017 Series Bonds will cease to accrue, and the Owners of such 2017 Series Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

Conditional Notice of Redemption. Any notice of optional redemption of the 2017 Series Bonds may be conditional and if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date, said notice will be of no force and effect, the District will not be required to redeem such 2017 Series Bonds, the redemption will be cancelled, and the Trustee is required within a reasonable time thereafter to give notice to the persons and in the manner in which the notice of redemption was given, that such condition or conditions were not met and that the redemption was cancelled.

Rescission or Cancellation of Redemption. The District has the right to rescind any optional redemption by written notice of rescission. In addition, any notice of optional redemption will be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2017 Series Bonds then called for redemption. Any such rescission or cancellation shall not constitute an Event of Default under the Indenture. The Trustee is required to mail notice of rescission or cancellation of such redemption in the same manner as the original notice of redemption was sent.

Defeasance

All or a portion of the 2017 Series Bonds may be defeased prior to the scheduled maturity dates thereof if the District deposits with the Trustee or escrow agent: (i) either money in an amount which is sufficient or Defeasance Securities which are not subject to redemption prior to maturity, the interest on and the principal of which when paid will provide money which, together with the money, if any, deposited with the Trustee or escrow agent at the same time, is sufficient (as evidenced by a report of an Independent Certified Public Accountant or verification agent obtained by the District and filed with the Trustee) to pay when due the interest to become due on such 2017 Series Bonds on and prior to the maturity dates thereof or the redemption dates thereof and the principal of and the redemption premiums, if any, on such 2017 Series Bonds on the maturity dates thereof or the redemption dates thereof; and (ii) the District has given the Trustee (in form satisfactory to the Trustee) irrevocable instructions to mail, as soon as practicable, a notice to the Owners of such 2017 Series Bonds that the deposit of money and/or Defeasance Securities has been made with the Trustee and that such 2017 Series Bonds are deemed to have been paid in accordance with the Indenture, and stating the maturity dates thereof or the redemption dates thereof upon which money is to be available for the payment of the principal of and the redemption premiums, if any, on such 2017 Series Bonds; *provided*, that no Defeasance Securities or money deposited with the Trustee or escrow agent pursuant to the Indenture (nor any interest on or principal payments of such Defeasance Securities) will be withdrawn or used for any purpose other than, and such Defeasance Securities and money will be held in trust for, the payment of the interest on and the principal of and the redemption premiums, if any, on such 2017 Series Bonds as provided in the Indenture, except that any money received from such interest on or principal payments of such Defeasance Securities deposited with the Trustee or escrow agent which is not then needed for the foregoing purpose is required, to the extent practicable, to be reinvested as specified in a Written Request of the District filed with the Trustee or escrow agent in Defeasance Securities maturing at the times and in the amounts sufficient to pay when due the interest on and the principal of and the redemption premiums, if any, on such 2017 Series Bonds on and prior to such maturity dates thereof or redemption dates thereof, and all interest earned from such reinvestments is required to be deposited in the Revenue Fund.

Any money, deposits, or investments held by the Trustee pursuant to the Indenture which are not required for the payment of the interest and principal and redemption premiums, if any, on the 2017 Series Bonds so defeased will be paid to the District.

See also APPENDIX D–"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE–Defeasance."

DEBT SERVICE SCHEDULES

Table 2A shows the debt service schedule with respect to the 2017 Series Bonds (assuming no optional redemptions).

Table 2B shows the aggregate debt service schedule for all Authority Bonds, Promissory Notes and the 2016 Green Bonds of the District (excluding duplicative debt service securing those Authority Bonds) payable directly or indirectly from the District general fund, excluding the 2017 Series Bonds and the including the 2012 Notes and subordinate obligations of the District. For a summary of outstanding long-term debt of the District see Table A-3–"District Outstanding Debt" in APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES."

Table 2A
Debt Service Schedule

Fiscal Year Ending (June 30)	2017 Series A Refunding Bonds		2017 Series B Parity Bonds		Total Debt Service
	Principal	Interest	Principal	Interest	

Table 2B
Aggregate General Fund Senior Obligations Debt Service Schedule(1)

Fiscal Year Ending (June 30)	2011 Authority Bonds	2012 Notes(2)	2015 Notes	2016 Green Bonds	2017 Series Bonds*	Total
2018	$189,450	$1,034,550.00	$1,821,550	$5,995,108		$9,040,658.00
2019	213,600	1,034,050.00	1,856,725	5,771,850		8,876,225.00
2020	240,700	1,032,950.00	1,884,725	5,275,200		8,433,575.00
2021	266,400	1,031,250.00	1,918,675	5,497,200		8,713,525.00
2022	290,700	1,031,150.00	1,939,375	5,509,200		8,770,425.00
2023	–	1,032,725.00	1,967,125	5,818,575		8,818,425.00
2024	–	1,029,150.00	1,995,750	5,852,325		8,877,225.00
2025	–	1,030,025.00	1,990,875	5,893,575		8,914,475.00
2026	–	1,351,400.00	2,002,750	5,678,075		9,032,225.00
2027	–	1,347,900.00	1,996,250	5,457,200		8,801,350.00
2028	–	1,351,950.00	2,006,250	5,211,700		8,569,900.00
2029	–	4,659,000.00	1,992,750	1,510,825		8,162,575.00
2030	–	4,579,875.00	1,951,875	1,537,200		8,068,950.00
2031	–	4,570,000.00	1,899,500	1,569,575		8,039,075.00
2032	–	4,465,000.00	1,826,375	1,613,400		7,904,775.00
2033	–	4,355,000.00	1,728,625	1,644,200		7,727,825.00
2034	–	4,250,000.00	1,602,625	1,671,800		7,524,425.00
2035	–	3,810,534.00	1,440,125	1,706,000		6,956,659.00
2036	–	6,183,820.80	–	1,751,300		7,935,120.80
2037	–	5,660,252.95	–	1,777,700		7,437,952.95
2038	–	5,135,000.00	–	1,815,200		6,950,200.00
2039	–	5,102,650.00	–	1,030,200		6,132,850.00
2040	–	5,078,158.80	–	–		5,078,158.80
2041	–	5,045,588.10	–	–		5,045,588.10
2042	–	5,510,000.00	–	–		5,510,000.00
TOTAL	$1,200,850	$80,711,979.65	$33,821,925	$79,587,408	$__________*	$195,322,162.65

(1) For a summary of outstanding long-term general fund debt obligations, including subordinate obligations, see Table A-3 in APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT FINANCIAL INFORMATION–Long Term Debt of the District."
(2) Includes the 2012 Notes to be redeemed. See "PLAN OF FINANCE–2017 Series A Refunding Bonds."
* Preliminary, subject to change.

SECURITY AND SOURCE OF PAYMENT FOR THE 2017 SERIES BONDS

Pledge of Revenues

Pursuant to Section 5544.2(f) of the District Act and the Indenture, the District pledges all Revenues to the payment of the 2017 Series Bonds and all bonds executed, issued and delivered by the District under and pursuant to the Law and the Indenture the payments of which are on a parity with each other and which are secured by a pledge of and lien on Revenues (collectively, the "Bonds"); provided that out of Revenues there may be apportioned such sums for such purposes as permitted by the Indenture.

Allocation of Revenues

The District agrees and covenants in the Indenture that all Revenues received by the District will be deposited when and as received in the Midpeninsula Regional Open Space District Revenue Fund (the "Revenue Fund"), which fund the District agrees and covenants to maintain so long as any Bonds remain Outstanding. Based upon the adopted budget of the District, amounts to be received in the Revenue Fund exceeding the deposits for the debt service requirements set forth below for the Bonds, including all Parity Obligations, will be surplus funds, which surplus funds may be budgeted and applied for any lawful purpose of the District.

The District is required to transfer the following amounts from the Revenue Fund into the following respective funds at the times and in the manner and priority summarized below: provided that from the Revenue Fund the District is required, on a parity basis, to set aside or transfer to the respective trustee or owner of Parity Obligations, in accordance with the terms and proceedings of such Parity Obligations, amounts required to be paid or deposited with respect to such Parity Obligations when due, which deposits and amounts are required to be proportionate in the event such Revenues are insufficient to provide for all deposits and amounts required as of any date to be made with respect to the Bonds and such Parity Obligations.

First: To the Interest Fund. On or before the 25th day of the month next preceding each Interest Payment Date (commencing on February 25, 2018), the District shall deposit in the Interest Fund an amount equal to the interest becoming due and payable to but not including such Interest Payment Date. All money in the Interest Fund is required to be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds to but not including their respective Interest Payment Dates.

Second: To the Principal Fund. On or before the 25th day of the month next preceding each Principal Payment Date (commencing on August 25, 2018), the District is required to deposit in the Principal Fund an amount equal to the principal of the Bonds becoming due and payable on such date. All moneys in the Principal Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds on their respective Principal Payment Dates or redemption dates.

Third: To the Bond Redemption Fund. At the time that any payment is due to the Trustee for the purpose of optional or mandatory redemption, the District is required to deposit in the Bond Redemption Fund an amount equal to the principal amount of, and interest on the Bonds being redeemed, plus the redemption premium, if any. All money in the Bond Redemption Fund will be used and withdrawn by the Trustee solely for the purpose of paying the principal of, interest on, and redemption premium, if any due on the Bonds on their respective redemption dates.

***Fourth*:** Excess Funds. Unless the District otherwise directs in writing, any amounts remaining in the Interest, Principal, and Bond Redemption Funds on the Business Day following September 1 of each year will be returned to the District for deposit in the Revenue Fund.

No Debt Service Reserve Fund

The 2017 Series Bonds are secured by and payable solely from Revenues consisting primarily of the District's share of the general one percent *ad valorem* property taxes levied on all taxable property in the District. Therefore, the Indenture does not require the District to establish a reserve fund for the 2017 Series Bonds.

Additional Bonds and Parity Obligations

The District agrees and covenants in the Indenture that, until payment in full of all interest on and principal of the 2017 Series Bonds (or provision satisfactory for such payment has been made), it will incur no additional indebtedness or obligations payable from the Revenues having any priority in payment to the payment of the interest on or principal of the 2017 Series Bonds.

The District further agrees and covenants in the Indenture that it will incur no additional indebtedness or obligations that are secured by a pledge of and lien on or payable from the Revenues received by the District on a parity in payment of the interest on or principal of the 2017 Series Bonds; unless: (i) such issuance is in compliance with the District Act which act currently requires that the aggregate principal amount of the proposed debt and of all Bonds and Promissory Notes that will be outstanding after the issuance of such debt does not exceed an amount equal to the anticipated property tax revenue allocations for the next five-year period; and (ii) the District files a certificate with the Trustee showing that: (A) total Revenues received by the District in its most recent audited fiscal year, as shown by the most recent audited financial statement of the District, (B) the maximum annual Debt Service that will be payable following the proposed additional debt on (1) all outstanding Parity Obligations of the District, (2) the outstanding Bonds, and (3) the proposed additional indebtedness that is to be secured by a pledge of and lien on or payable from the Revenues received by the District on a parity in payment of the interest on or principal of the 2017 Series Bonds, and (C) the total defined in clause (A) above is at least 125% of the total defined in clause (B) above.

Notwithstanding the above, there are no limitations under the Indenture on the ability of the District to: (i) issue any Bonds at any time to refund any outstanding Promissory Notes or other Parity Obligations (provided that such refunding produces at least $1 of net present value savings); or (ii) execute any contract which is payable from Revenues on a subordinate basis to the payment by the District of the 2017 Series Bonds.

AD VALOREM PROPERTY TAXATION WITHIN THE DISTRICT

Taxes are levied by the Counties for each fiscal year (ending June 30) 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 (ending June 30). 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: (i) bringing a civil action against the taxpayer; (ii) 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; (iii) 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 (iv) 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, the District believes that any such change will not adversely affect its ability to pay debt service on the 2017 Series Bonds. See also "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS–Proposition 1A; Proposition 22."

Dissolution of Redevelopment Agencies

The California Legislature adopted a bill, "ABX1 26," during the fiscal year (ending June 30) 2011-12 State budget process that amended 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, in some cases, is pledged to secure redevelopment agency bonds or otherwise contractually encumbered. The result is that the District experienced modest increases in tax revenues as a consequence of the Dissolution Law as shown in the following table.

General Fund Tax Receipts

The following table shows the District's general fund tax receipts for the past 10 fiscal years (ended each June 30).

Table 3
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
General Fund Tax Receipts for Past 10 Fiscal Years
Ending June 30

District Secured and Unsecured Tax Receipts(1)(2)

Fiscal Year(3) (June 30)	Santa Clara County	San Mateo County	Total District
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
2014-15	22,490,410	10,758,474	33,248,884
2015-16	25,090,811	11,649,180	36,739,991
2016-17	26,919,254	12,444,655	39,363,919

(1) The District also receives a share of redemption fees, supplemental taxes and State subvention payments from each County in the District. This revenue totaled $1,281,970 for 2014-15, $1,421,981 for 2015-16 and $1,736,996 for Fiscal Year 2016-17.
(2) During Fiscal Years 2014-15, 2015-16 and 2016-17, the District received $823,458, $1,302,223 and $1,227,089, respectively, related to the dissolution of redevelopment agencies within the District. See also "–Dissolution of Redevelopment Agencies."
(3) The County of Santa Clara and the County of San Mateo each provide property tax receipt based on their fiscal year ending June 30. The District does not receive any general fund taxes levied in the County of Santa Cruz.
Source: District Controller.

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Table 4 presents historic and proforma annual debt service coverage, for the District's long-term general fund debt.

Table 4
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Historical and Proforma Annual General Fund Debt Service Coverage
Fiscal Years Ending March 31, 2013 through 2015, and Ending June 30, 2016 and 2017
($ in Thousands)
[To be Reviewed]

	As of March 31			As of June 30	
	2012-13	2013-14	2014-15	2015-16[4]	2016-17
General Fund Tax Revenues	$30,270	$32,433	$35,082	$43,204	$42,282
Senior Debt Service[1]	6,058	5,607	5,570	7,733	8,273
Senior Coverage Ratio	5.0x	5.8x	6.3x	5.6x	5.1x
Operating Revenue after Senior Debt[2]	26,027	28,543	31,363	37,560	35,802
Lease and Subordinate Obligations[3]	2,819	3,251	3,324	2,162	786
Subordinate Obligations Coverage Ratio	9.2x	8.8x	9.4x	17.4x	45.5x

(1) Includes the 2012 Promissory Notes, the 2015 Refunding Promissory Notes, and 2016 Green Bonds.
(2) Includes "Other Revenue" from property management and interest.
(3) Includes private promissory notes, including a $1,500,000 private note, currently scheduled for repayment in Fiscal Year 2022-23 but the holder can demand repayment at any time. For the fiscal years ending March 31, 2013 through 2015, includes debt service on the Authority's 2011 Revenue Bonds (the "2011 Authority Bonds") issued as lease revenues bonds. A portion of the 2011 Authority Bonds were refunded from proceeds of the 2016 Green Bonds. See APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT FINANCIAL INFORMATION–Long-Term Debt of the District–*Promissory Notes*."
(4) Due to change in fiscal year, 2015-16 results cover the 15 months ending June 30, 2016.
Source: District Controller.

Table 5 presents projected revenues for the District for the next five Fiscal Years. The Fiscal Years 2017-18 estimate reflects assessed valuations announced by County Assessors in July 2017 (an approximately 8.6% increase compared to Fiscal Year 2016-17), partially offset by expected reductions in redevelopment-related revenue and supplemental tax revenue. Based on interim assessed valuation reports since July 2017, tax revenue growth in Fiscal Year 2018-19 is estimated at 6%. Thereafter, the projection assumes tax revenue growth at 3% per year. The projected revenues do not include any future development grants or tax levies for general obligation bonds.

No assurances can be given that the projections summarized below will be achieved. Actual results may differ materially than the projections presented below.

Table 5
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Projected Revenues for General Fund Debt
Fiscal Years Ending June 30
($ in Thousands)

Fiscal Year (June 30)	Tax Revenues	Other Revenue†	Operating Revenue
2017-18	$45,370	$2,119	$47,489
2018-19	48,092	2,151	50,243
2019-20	49,535	2,183	51,718
2020-21	51,021	2,216	53,237
2021-22	52,552	2,249	54,801

† Includes revenues from property management and interest.
Source: District Controller.

Assessed Valuations

The assessed valuation of property in the District is established by the respective County Assessor 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 XIII A 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. For a discussion of how properties currently are assessed, see "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 Fiscal Year 2017-18 assessed valuation of the District in County of Santa Clara increased approximately 8.3% compared to the assessed valuation for Fiscal Year 2016-17. The Fiscal Year 2017-18 assessed valuation in the County of San Mateo increased approximately 7.6% compared to the assessed valuation for Fiscal Year 2016-17. *Ad valorem* taxes levied on the three parcels located in the County of Santa Cruz portion of the District do not benefit the District.

Table 6
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Summary of Assessed Valuation
Fiscal Years 2013-14 Through 2017-18

County of Santa Clara Portion Only

Fiscal Year (June 30)	Local Secured	Utility	Unsecured	Total Before Rdv. Increment	Total After Rdv. Increment
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
2015-16	148,710,117,100	3,616,356	8,236,860,519	156,950,593,975	151,221,560,473
2016-17	161,457,836,934	3,616,356	8,664,926,704	170,126,379,994	163,586,434,289
2017-18	174,219,310,470	3,616,356	9,773,726,170	183,996,652,996	177,153,794,696

County of San Mateo Portion Only

Fiscal Year (June 30)	Local Secured	Utility	Unsecured	Total Before Rdv. Increment	Total After Rdv. Increment
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
2015-16	66,177,632,738	3,085,789	2,363,781,063	68,544,499,590	63,519,108,202
2016-17	72,017,697,589	3,085,096	2,640,434,445	74,661,217,130	68,354,024,615
2017-18	78,506,564,096	3,084,835	2,996,701,078	81,506,350,009	73,565,159,409

Total District

Fiscal Year (June 30)	Local Secured	Utility	Unsecured	Total Before Rdv. Increment	Total After Rdv. Increment
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
2015-16	214,887,749,838	6,702,145	10,600,641,582	225,495,093,565	214,740,668,675
2016-17	233,475,534,523	6,701,452	11,305,361,149	244,787,597,124	231,940,458,904
2017-18	252,725,874,566	6,701,191	12,770,427,248	265,503,003,005	250,718,954,105

Source: California Municipal Statistics, Inc.

Taxation of State-Assessed Utility Property

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.

Table 7
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
2017-18 Assessed Valuation and Parcels by Land Use

	2017-18 Assessed Valuation†	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	$507,783,912	0.20%	629	0.32%
Commercial/Office	38,533,674,656	15.25	6,212	3.13
Industrial	20,970,238,185	8.30	2,414	1.21
Recreational	453,955,556	0.18	123	0.06
Government/Social/Institutional	1,267,705,301	0.50	1,214	0.61
Miscellaneous	506,279,860	0.20	859	0.43
SUBTOTAL NON-RESIDENTIAL	$62,239,637,470	24.63%	11,451	5.76%
Residential:				
Single Family Residence	$152,340,808,457	60.28%	139,979	70.44%
Condominium/Townhouse	18,541,431,741	7.34	30,123	15.16
Mobile Home	231,807,132	0.09	3,769	1.90
2-4 Residential Units	3,950,588,463	1.56	5,974	3.01
5+ Residential Units/Apartments	12,610,299,866	4.99	2,769	1.39
Miscellaneous Residential	29,777,674	0.01	95	0.05
SUBTOTAL RESIDENTIAL	$187,704,713,333	74.27%	182,709	91.95%
Vacant Parcels	2,781,523,763	1.10%	4,555	2.29%
TOTAL	$252,725,874,566	100.00%	198,715	100.00%

† Local 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 60% 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 $1,088,312, and the median assessed value is $784,679.

Table 8
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Per Parcel 2017-18 Assessed Valuation of Single Family Homes
(Ending June 30)

	No. of Parcels	2017-18 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	139,979	$152,340,808,457	$1,088,312	$784,679

2017-18 Assessed Valuation	No. of Parcels†	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	9,335	6.669%	6.669%	$703,268,205	0.462%	0.462%
$100,000 - $199,999	14,638	10.457	17.126	2,090,680,803	1.372	1.834
$200,000 - $299,999	8,929	6.379	23.505	2,229,020,414	1.463	3.297
$300,000 - $399,999	7,870	5.622	29.127	2,742,754,679	1.800	5.098
$400,000 - $499,999	7,761	5.544	34.672	3,495,805,982	2.295	7.392
$500,000 - $599,999	7,886	5.634	40.305	4,336,677,190	2.847	10.239
$600,000 - $699,999	7,438	5.314	45.619	4,822,463,257	3.166	13.405
$700,000 - $799,999	7,217	5.156	50.775	5,412,243,747	3.553	16.957
$800,000 - $899,999	7,061	5.044	55.819	6,000,872,184	3.939	20.896
$900,000 - $999,999	7,014	5.011	60.830	6,653,309,208	4.367	25.264
$1,000,000 - $1,099,999	6,064	4.332	65.162	6,358,216,832	4.174	29.437
$1,100,000 - $1,199,999	5,024	3.589	68.751	5,769,941,044	3.788	33.225
$1,200,000 - $1,299,999	4,257	3.041	71.792	5,317,183,239	3.490	36.715
$1,300,000 - $1,399,999	3,934	2.810	74.603	5,308,192,675	3.484	40.200
$1,400,000 - $1,499,999	3,733	2.667	77.269	5,408,906,697	3.551	43.750
$1,500,000 - $1,599,999	3,365	2.404	79.673	5,210,200,030	3.420	47.170
$1,600,000 - $1,699,999	3,135	2.240	81.913	5,170,715,908	3.394	50.565
$1,700,000 - $1,799,999	2,648	1.892	83.805	4,632,101,078	3.041	53.605
$1,800,000 - $1,899,999	2,447	1.748	85.553	4,524,218,539	2.970	56.575
$1,900,000 - $1,999,999	2,072	1.480	87.033	4,034,514,729	2.648	59.223
$2,000,000 and greater	18,151	12.967	100.000	62,119,522,017	40.777	100.000
TOTAL	139,979	100.000%		$152,340,808,457	100.000%	

† 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 20 taxpayers in the District with the greatest combined secured assessed valuation of taxable property on the 2017-18 tax roll, and the assessed valuations thereof, are shown below.

Table 9
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Largest Local Secured Taxpayers
Fiscal Year 2017-18
(Ending June 30)

	Property Owner	Primary Land Use	2017-18 Assessed Valuation	% of Total
1.	Board of Trustees, Leland Stanford Jr. University	Various Property Holdings	$6,263,480,917	2.48%
2.	Google Inc.	Office Building	3,490,159,677	1.38
3.	Campus Holdings Inc.	Office Building	3,076,341,978	1.22
4.	Apple Computer Inc.	Office Building	1,232,161,815	0.49
5.	Lockheed Missiles and Space Co. Inc.	Manufacturing	996,509,985	0.39
6.	Sobrato Interests	Office Building	784,903,661	0.31
7.	Oracle Corp.	Office Building	627,216,312	0.25
8.	Menlo & Juniper Networks LLC	Office Building	603,926,273	0.24
9.	Network Appliance Inc.	Office Building	504,704,678	0.20
10.	Applied Materials Inc.	Research and Development	491,685,941	0.19
11.	Intuitive Surgical Inc.	Office Building	417,657,237	0.17
12.	Yahoo Inc.	Office Building	413,254,823	0.16
13.	Giant Properties LLC	Office Building	386,735,241	0.15
14.	Essex Portfolio LP	Apartments	362,000,089	0.14
15.	HCP Life Science REIT Inc.	Research and Development	360,169,692	0.14
16.	Americana I LLC	Apartments	357,169,319	0.14
17.	KR 555 Mathilda LLC	Office Building	356,444,517	0.14
18.	MP 521 LLC	Office Building	352,097,380	0.14
19.	Wells REIT II-University Circle LP	Office Building	345,007,058	0.14
20.	LinkedIn Corporation	Office Building	343,702,251	0.14
	SUBTOTAL		$21,765,328,844	8.61%
	All Others	Various	230,960,545,722	91.39
	TOTAL		$252,725,874,566	100.00%

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 last five tax years in the largest Tax Rate Area of the District in the County of Santa Clara and the County of San Mateo.

Table 10
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Typical Total Tax Rates per $100 of Assessed Valuation(1)

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

	2013-14	2014-15	2015-16(3)	2016-17	2017-18
General	$1.00000	$1.00000	$1.00000	$1.00000	1.00000
County Retirement Levy	.03880	.03880	.03880	.03880	.03880
County Hospital Bond	.00350	.00910	.00880	.00860	.00820
County Housing Bond	–	–	–	–	.01266
City of Palo Alto	.01770	.01594	.01477	.01290	.01177
Palo Alto Unified School District	.09140	.08510	.08600	.07930	.07930
Foothill-De Anza Community College District	.02900	.02760	.02400	.02340	.02200
Midpeninsula Regional Open Space District	–	–	.00080	.00060	.00090
TOTAL ALL PROPERTY	$1.18040	$1.17654	$1.17317	$1.16360	$1.17363
Santa Clara Valley Water District – State Water Project	.00700	.00650	.00570	.00860	.00860
TOTAL LAND AND IMPROVEMENT	.00700	.00650	.00570	.00860	.00860

County of Santa Mateo (Tax Rate Area 9-001)(4)

	2013-14	2014-15	2015-16	2016-17	2017-18
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Redwood City School District	.0240	.0230	.0158	.0461	.0412
Sequoia Union High School District	.0313	.0433	.0434	.0391	.0383
San Mateo Community College District	.0194	.0190	.0250	.0247	.0235
Midpeninsula Regional Open Space District	–	–	.0008	.0006	.0009
TOTAL	$1.0747	$1.0853	$1.0850	$1.1105	$1.1039

(1) Due to the District's size and that it is located in two counties (County of Santa Cruz 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) The 2017-18 assessed valuation of Tax Rate Area (TRA) 6-001 is $28,291,652,893, which is 10.66% of the District's total assessed valuation.
(3) Fiscal Year 2015-16 was the first year in which *ad valorem* property taxes authorized by Measure AA were levied. For a description of Measure AA, see APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT FINANCIAL INFORMATION-General."
(4) The 2017-18 assessed valuation of TRA 9-001 is $9,444,516,021, which is 3.56% 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, a constitutional amendment approved by voters in 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 XIII A 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 "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.

In Fiscal Years 2008-09, the Assessor of the County of Santa Clara reduced the assessed values of 90,836 properties in such County as of January 1, 2009, for a reduction in assessed valuation totaling $17.4 billion. In Fiscal Years 2010-11, the Assessor of the County of Santa Clara unilaterally reduced the assessed values of 118,690 properties in such County, for a reduction in assessed valuation of $14.3 billion. In the County of San Mateo, 16% of residential properties had declines in assessed valuations for Fiscal Year (ending June 30) 2010-11.

By Fiscal Year (ending June 30) 2012-13, assessed valuation in the County of Santa Clara had rebounded to a level above that for Fiscal Year 2009-10, which had been the highest valuation in the history of the County of Santa Clara. For the County of San Mateo, assessed valuation in Fiscal Year (ending June 30) 2011-12 recovered to a level above that for Fiscal Year (ending June 30) 2009-10, which had been the highest valuation in the history of the County of San Mateo. No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

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 XIII A. See "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 within each County 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 the County of Santa Clara and the County of San Mateo has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") as provided for in Sections 4701 through 4717 of the State Revenue and Taxation Code. The Teeter Plan requires that a county pay 100% of *ad valorem* secured property taxes due to local agencies in the fiscal year such taxes are due regardless of the actual payments and delinquencies. 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 the Teeter Plan of each County. 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, remains in effect unless the Board of Supervisors of either 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.

The Board of Supervisors of either County 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 is 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 receipt of revenues by the District 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.

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

Direct and Overlapping Debt Obligations

Set forth in Table 11 is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. for debt issued as of November 1, 2017. 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: (i) 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; (ii) the second column shows the percentage of the assessed valuation of the overlapping public agency identified in column one which is represented by property located within the District; and (iii) 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 two.

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Table 11
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Statement of Direct and Overlapping Bonded Debt
(November 1, 2017)

2017-18 Assessed Valuation: $265,503,003,005

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 11/1/17	
Santa Clara County	40.909%	$ 317,408,840	
Foothill-De Anza Community College District	93.713	594,138,525	
San Mateo Community College District	39.390	227,053,441	
West Valley-Mission Community College District	29.259	144,863,950	
Palo Alto Unified School District	100.	258,433,689	
Fremont Union High School District	85.932	372,326,245	
Sequoia Union High School District	91.518	461,763,221	
Other High School Districts	Various	188,201,849	
Belmont-Redwood Shores School District and School Facilities Improvement Districts Nos. 1 and 2	7.975-93.305	53,439,524	
Cupertino Union School District	75.622	204,579,204	
Los Altos School District	100.	62,145,000	
Los Gatos Union School District	98.049	83,513,236	
Menlo Park City School District	100.	115,934,473	
San Carlos School District	96.542	114,306,807	
Mountain View-Whisman School District	100.	213,473,173	
Sunnyvale School District	100.	193,580,820	
Other Unified and Elementary School Districts	Various	364,462,221	
Cities	0.018-100.	92,419,067	
El Camino Hospital District	98.872	216,935,055	
Midpeninsula Regional Open Space District	**100.**	**43,350,000**	
Community Facilities Districts	100.	27,550,000	
Santa Clara Valley Water District Benefit Assessment District	40.909	37,204,690	
1915 Act Bonds (Estimate)	100.	30,602,521	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$4,417,685,551	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Santa Clara County General Fund Obligations	40.909%	$259,972,469	
Santa Clara County Pension Obligation Bonds	40.909	146,268,974	
San Mateo County General Fund Obligations	39.390	151,352,954	
County Board of Education Certificates of Participation	39.390-40.909	6,002,809	
Foothill Community College District Certificates of Participation	93.713	28,382,923	
West Valley-Mission Community College District General Fund Obligations	29.259	18,450,689	
Union High School District General Fund Obligations	Various	8,602,703	
Mountain View-Whisman School District Certificates of Participation	100.	34,020,000	
Other Unified and Elementary School District General Fund Obligations	Various	8,262,824	
City of Cupertino General Fund Obligations	93.368	31,465,016	
City of Los Altos General Fund Obligations	100.	1,355,000	
City of Palo Alto General Fund Obligations	100.	1,400,852	
City of Redwood City General Fund Obligations	100.	692,368	
City of Sunnyvale General Fund Obligations	99.995	17,094,145	
Other City General Fund Obligations	Various	184,232	
Fire Protection Districts Certificates of Participation	100.	13,436,159	
Santa Clara County Vector Control District Certificates of Participation	40.909	1,098,407	
Midpeninsula Regional Open Space District General Fund Obligations	**100.**	**107,294,707**	(1)
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$835,337,231	
Less: Santa Clara County supported obligations		178,379,022	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$656,958,209	
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	100. %	$142,738,002	
GROSS COMBINED TOTAL DEBT		$5,395,760,784	(2)
NET COMBINED TOTAL DEBT		$5,217,381,762	

(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 2017-18 Assessed Valuation:
Direct Debt ($43,350,000)...... 0.02%
Total Direct and Overlapping Tax and Assessment Debt 1.66%
Combined Direct Debt ($150,644,707)...... 0.06%
Gross Combined Total Debt 2.03%
Net Combined Total Debt...... 1.97%

Ratios to Redevelopment Incremental Valuation ($14,784,048,900):
Total Overlapping Tax Increment Debt...... 0.97%

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS

Article XIII A of the State Constitution

Article XIII A of the State Constitution, known as Proposition 13, was approved by the voters in June 1978 and has been amended on occasions, including on November 7, 2000 to reduce the voting percentage required for the passage of school bonds. Section l(a) of Article XIII A 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 XIII A 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% 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 XIII A defines "full cash value" to mean the county assessor's valuation of real property as shown on the 1975-76 fiscal year (June 30) 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. Legislation implementing Article XIII A 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 XIII A, which is $1.00 per $100 of assessed market value.

Since its adoption, Article XIII A 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 XIII A.

Article XIII B of the State Constitution

In addition to the limits Article XIII A 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 XIII B which effectively limits the amount of such revenues those entities are permitted to spend. Article XIII B, 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 XIII B 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.

Article XIII C and XIII D 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 added Articles XIII C and XIII D to the California Constitution and contained a number of interrelated provisions affecting the ability of the District and California local governments in general to levy and collect both existing and future taxes, assessments, fees and charges.

Taxes. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the local government (“general taxes”) require a majority vote; taxes for specific purposes (“special taxes”), even if deposited in the general fund of the local government, 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 XIII D added several provisions making it generally more difficult for local governments 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 XIII D, 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 XIII C also removed 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. 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 XIII C provides that a 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 XIII D 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 XIII D.

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 XIII A and XIII C of the State Constitution. The amendments to Article XIII A 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 XIII C 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.

Judicial Interpretation. The interpretation and application of Articles XIII C and XIII D 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 (ending June 30) 2004-05 Budget Act, and approved by the voters in November 2004, was generally effective in fiscal year (ending June 30) 2006-07. Proposition 1A of 2004 provides 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 generally prohibits 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 must be approved by two-thirds of both houses of the Legislature.

Proposition 1A of 2004 provided, however, that beginning in fiscal year (ending June 30) 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. Such a shift may not occur more than twice in any 10-year period. The State could also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 22. On November 2, 2010, voters in the State approved Proposition 22 known as the "Local Taxpayer, Public Safety, and Transportation Protection Act." 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 fiscal year 1988-89 (ending June 30), 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 XIII A, Article XIII B, Article XIII C, Article XIII D, 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.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on 2017 Series Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on 2017 Series Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. As discussed further below, legislation has been introduced which, if enacted, would repeal the alternative minimum tax for tax years beginning after December 31, 2017. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix F hereto.

To the extent the issue price of any maturity of 2017 Series Bonds is less than the amount to be paid at maturity of such 2017 Series Bonds (excluding amounts stated to be interest and payable at least annually over the term of such 2017 Series Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on 2017 Series Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of 2017 Series Bonds is the first price at which a substantial amount of such maturity of 2017 Series Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of 2017 Series Bonds accrues daily over the term to maturity of such 2017 Series Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such 2017 Series Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such 2017 Series Bonds. Beneficial Owners of 2017 Series 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 Beneficial Owners who do not purchase such 2017 Series Bonds in the original offering to the public at the first price at which a substantial amount of such 2017 Series Bonds is sold to the public.

2017 Series Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as 2017 Series Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on 2017 Series Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on 2017 Series Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of 2017 Series Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of 2017 Series Bonds may adversely affect the value of, or the tax status of interest on, 2017 Series Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on 2017 Series Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, 2017 Series Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on 2017 Series Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Legislation has been introduced in Congress which, if enacted, would significantly change the income tax rates for individuals and corporations and would repeal the alternative minimum tax for tax years beginning after December 31, 2017. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, 2017 Series Bonds. Prospective purchasers of 2017 Series Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of 2017 Series Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to 2017 Series Bonds ends with the issuance of 2017 Series Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the

Beneficial Owners regarding the tax-exempt status of 2017 Series Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of 2017 Series Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, 2017 Series Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

CONTINUING DISCLOSURE

General

The District has covenanted for the benefit of the owners and beneficial owners of the 2017 Series 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 (ending June 30) being the current fiscal year-end) (the "Annual Report"), commencing with the report due January 26, 2019 for fiscal year ending June 30, 2018, and to provide notice of the occurrence of significant 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 and the notices of significant events will be filed by the District or by a dissemination agent on behalf of the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website. 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.

Any failure by the District to comply with the provisions or the Continuing Disclosure Certificate is not an "Event of Default" as defined in the Indenture. The sole remedy upon any failure by the District to comply with the Disclosure Certificate will be an action to compel performance. See APPENDIX E– "FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Past Instances of Non-Disclosure

The District timely submitted its annual continuing disclosure information to its dissemination agent each year from 2009 through 2014. However, the District failed to fully link the continuing disclosure information to all of the applicable CUSIP numbers when it was posted on EMMA; certain of the annual reports were missing updates to certain financial data because those annual reports were 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; and the District did not file notices of certain rating changes; although such ratings were discussed in the management's discussion section of the District's annual audited financial report.

The District made all remedial filings in September 2014 to address those instances of non-compliance, and in November 2014 the Board of Directors adopted policies and procedures to ensure compliance with its continuing disclosure undertakings. Those policies and procedures, became effective April 1, 2015, and include: identifying a disclosure coordinator within the organization to coordinate the preparation of annual reports by a dissemination agent on behalf of the District, file notices of listed events on EMMA and coordinate annual disclosure training sessions; and establishing a disclosure working group comprised of the General Manager, the Controller and the General Counsel to review and approve such annual reports and notices of listed events. On June 25, 2015, the District engaged Goodwin Consulting Group to act as dissemination agent for its continuing disclosure reporting.

UNDERWRITING

The 2017 Series Bonds are being purchased by Morgan Stanley & Co. LLC (the "Underwriter") pursuant to the terms and conditions of a bond purchase agreement between the District and the Underwriter, which provides that the Underwriter will purchase all of the 2017 Series Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter has agreed to purchase the 2017 Series A Refunding Bonds at a price equal to $________, which equals the principal amount of the 2017 Series A Refunding Bonds ($________), plus a net original issue premium of $________, less an Underwriter's discount of $________, and has agreed to purchase the 2017 Series B Parity Bonds at a price equal to $________, which equals the principal amount of the 2017 Series B Parity Bonds ($________), plus a net original issue premium of $________, less an Underwriter's discount of $________.

The Underwriter intends to offer the 2017 Series Bonds to the public initially at the prices set forth on the inside cover page of this Official Statement, which prices may subsequently change without any prior notice.

The Underwriter reserves the right to join with dealers and other underwriters in offering the 2017 Series 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.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, one of the Underwriters, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2017 Series Bonds.

LEGAL MATTERS

Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District, will render the opinion substantially in the form of APPENDIX F hereto with respect to the validity of the 2017 Series Bonds. Certain legal matters will be passed upon for the District by its General Counsel and by Schiff Hardin LLP, San Francisco, California, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Hawkins Delafield & Wood LLP, San Francisco, California.

Fees payable to Bond Counsel, Disclosure Counsel, and Underwriter's Counsel are contingent upon issuance of the 2017 Series Bonds.

FINANCIAL ADVISOR

The District has retained Backstrom McCarley Berry & Co., LLC, as Financial Advisor (the "Financial Advisor") for the sale of the "Bonds." The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

NO MATERIAL LITIGATION

The District is not aware of any pending or threatened litigation concerning the validity of the 2017 Series 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 2017 Series 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.

POST-ISSUANCE COMPLIANCE WITH FEDERAL TAX LAW

The District follows certain post-issuance compliance procedures that are intended to ensure that proceeds of its tax-exempt bonds are invested and expended consistent with applicable federal tax law. In connection with the issuance of the 2016 Green Bonds, the District determined that a small portion of the proceeds of the Authority's 2007 Series A Revenue Refunding Bonds (the "2007 Authority Bonds") may have been applied for purposes that present a tax law compliance issue. The District redeemed the 2007 Authority Bonds and issued a portion of the 2016 Green Bonds as taxable bonds to address the situation. In addition, the District entered into a Closing Agreement on Final Determination Covering Specific Matters dated June 26, 2017 (the "Closing Agreement") with the IRS under its Tax Exempt Bond Voluntary Closing Agreement Program (VCAP) with respect to the 2007 Authority Bonds to confirm their tax-exempt status. Pursuant to Closing Agreement, the District made a payment to the IRS in the amount of $79,545.40.

RATINGS

Fitch Ratings ("Fitch") has assigned its municipal bond rating of "___" to the 2017 Series Bonds. S&P Global Ratings ("S&P") has assigned its municipal bond rating of "___" to the 2017 Series 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 2017 Series Bonds may have an adverse effect on the market price or marketability of the 2017 Series Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

Upon delivery of the 2017 Series A Refunding Bonds, Causey Demgen & Moore P.C., Denver, Colorado (the "Verification Agent"), will deliver a report stating that it has reviewed and confirmed the mathematical accuracy of certain computations relating to the adequacy of the funds and/or securities deposited in the 2012 Escrow Fund and the interest thereon, if any, to pay, when due, interest to accrue on and to, and the redemption price of, the 2012 Notes on the specified redemption date thereof.

FINANCIAL REPORTS

Chavan & Associates, LLP, Certified Public Accountants (the "Auditor"), audited the financial report of the District for the 12 months ended June 30, 2017. 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 JUNE 30, 2017." The District has not requested, and the auditor has not performed, any update or review of such statements in connection with their presentation in this Official Statement.

The Auditor has not performed any post-audit review of the financial condition or operations of the District.

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MISCELLANEOUS

All of the descriptions of applicable law, the Indenture, 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 2017 Series 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 GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES

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APPENDIX A

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

The 2017 Series Bonds are payable solely from Revenues consisting primarily of the District's share of the general one percent ad valorem property tax levied on property within the District by the County of Santa Clara and the County of San Mateo and allocated to the District. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2017 SERIES BONDS" and "AD VALOREM PROPERTY TAXATION WITHIN THE DISTRICT" in the Official Statement.

DISTRICT GENERAL INFORMATION

The Midpeninsula Regional Park District (the "District") was established in 1972, by voters of northwestern Santa Clara County. 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 boundaries of the District 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 the 1% *ad valorem* property tax is not levied on this land for the benefit of the District. *Ad valorem* taxes will be levied on the Santa Cruz parcels for the payment of District general obligation bonds, but the amount is expected to be minimal and is not presented in the tables in the Official Statement. 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). For a map of the District see page ii.

Administration

The Board of Directors originates, guides, and enforces District policies. As of Fiscal Year 2017-18, a 174.45-person budgeted full-time equivalent permanent staff administers the policies, headed by the General Manager, who is appointed by the Board of Directors. The current General Manager is Stephen E. Abbors.

Set forth below are the names and expirations of the current terms for the members of the Board of Directors.

Name	Office	Year First Elected	Expiration of Current Term
Pete Siemens, *Ward 1*	Secretary	1992	December 2018
Yoriko Kishimoto, *Ward 2*	Member	2010	December 2018
Jed Cyr, Ward 3	Treasurer	1996	December 2020
Curt Riffle, Ward 4	Vice President	2008	December 2020
Nonette Hanko, Ward 5	Member	1972	December 2018
Larry Hassett, Ward 6	President	2000	December 2018
Cecily Harris, Ward 7	Member	2008	December 2020

The executive management staff consists of three positions appointed by the Board of Directors; the General Manager, Controller, and General Counsel. Three management staff positions are appointed by the General Manager; the Chief Financial Officer and two Assistant General Managers.

The General Manager and the General Counsel each announced their retirement from the District effective on December 29, 2017. In January 2018, the Board of Directors expects to initiate a recruitment process to fill the General Manager position and conclude these efforts in spring 2018. Following the recruitment of a General Manager, the Board of Directors expects to initiate the recruitment process to fill the position of General Counsel.

Brief resumes for the District executive management staff are set forth below.

***Stephen E. Abbors, 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.

Mr. Abbors has announced that he will retire from the District effective on December 29, 2017.

Ana Ruiz, Assistant General Manager. Ms. Ruiz will become the Acting General Manager of the District on December 30, 2017. Ms. Ruiz joined the District in June 1998 as a Planning Technician in the Planning Department, and progressed through the ranks to Planning Manager in charge of site plans/master plans and large capital projects. In 2013 she was promoted to Assistant General Manager to oversee the Planning and Project Delivery business line and lead the Real Property, Planning, and Engineering and Construction Departments. In 2017, Ms. Ruiz transitioned to the Visitor and Field Services, Land and Facilities, and Natural Resources Departments. Ms. Ruiz has over 19 years of planning, design, permitting, environmental review, public engagement, project/land management, and executive management experience in open space, recreation, and environmental restoration. She earned her bachelor’s degree in Geological and Environmental Sciences from Stanford University, a Masters in Urban and Regional Planning from San Jose State University, and recently completed the Stanford University Local Governance Summer Institute Program. She is a Certified Planner by the American Institute of Certified Planners (AICP), the professional institute of the American Planning Association.

***Michael L. Foster, District Controller*.** Mr. Foster 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.

***Sheryl Schaffner, Esq., General Counsel*.** Ms. Schaffner became the District’s General Counsel in March 2012. Ms. Schaffner has over 20 years of experience representing public agencies, including cities, counties and state agencies, in both public and private sector capacities. Prior to joining the District, she served as City Attorney to the Cities of San Ramon and Eureka. She has experience in the private sector, specializing in CEQA with a leading environmental firm, served as staff counsel to the California Department of Conservation, senior staff counsel to the State Water Resources Control Board and functioned as lead attorney for the San Francisco Bay and North Coast Regional Water Quality Control Boards. She provided pro bono counsel to the Yolo Land Trust and Davis Agricultural Land Trust. Ms. Schaffner received her J.D. from the University of California at Davis.

Ms. Schaffner has announced that she will retire from the District effective on December 29, 2017.

Hilary W. Stevenson, Esq., Assistant General Counsel. Ms. Stevenson will become the Acting General Counsel of the District on December 30, 2017. She has served the District as Assistant General Counsel since 2013 and has more than 10 years of experience practicing municipal law in the public sector. Prior to joining the District, Ms. Stevenson served as Assistant City Attorney in the City of East Palo Alto, Deputy City Attorney in Redwood City, and Deputy County Counsel in Santa Clara County. Before beginning her legal career, Ms. Stevenson worked as a consultant to the U.S. Environmental Protection Agency overseeing Superfund site cleanups. She received her J.D. from Santa Clara University and her B.S. and M.S. in Biological Sciences at Stanford University.

Brief resumes for the District management staff are set forth below:

Stefan Jaskulak, Chief Financial Officer/Administrative Services Manager. Mr. Jaskulak joined the District in January 2016 as the District's first Chief Financial Officer/Director of Administrative Services, overseeing Finance, Budget & Analysis, Human Resources, Procurement, Information Technology, Geospatial Information Systems and Grants Management. Mr. Jaskulak has over 25 years of in-depth financial management experience in both the private and municipal sectors, including financial operations, treasury systems and operations, risk, accounting, financial systems, overseeing budgetary functions and operations, and structured finance including utilizing short and long term debt instruments as part of a comprehensive finance program. He served as a member of the Government Finance Officers Association's (GFOA) Treasury & Investment Management Committee from 2012 to 2017. Mr. Jaskulak earned his bachelor's degree in Business Administration from Loyola Marymount University and his Master in Business Administration from Newport University.

Christine Butterfield, Acting Assistant General Manager. Ms. Butterfield joined the District in July 2017 as the Public Affairs Manager. She was appointed to serve as the Acting Assistant General Manager in October 2017. In this capacity, Ms. Butterfield is responsible for the Planning and Project Delivery business unit that includes the Planning, Construction and Engineering and Real Property Departments. She has 25 years of public sector experience working for and providing consulting services to local units of government in Illinois, Minnesota, Iowa, and California. She has a wide range of experience, including: disaster response and recovery, community development and redevelopment, planning, fiscal impact analyses, economic development, housing policy and development, Housing Choice Voucher and Community Development Block Grant program administration, code enforcement and permitting, communications, information technology, human resources and labor negotiations. Ms. Butterfield earned Bachelor's Degrees in History and Political Science from the University of Minnesota and holds a Master's Degree in Public Policy and Administration from the Robert M. La Follette School of Public Affairs at the University of Wisconsin.

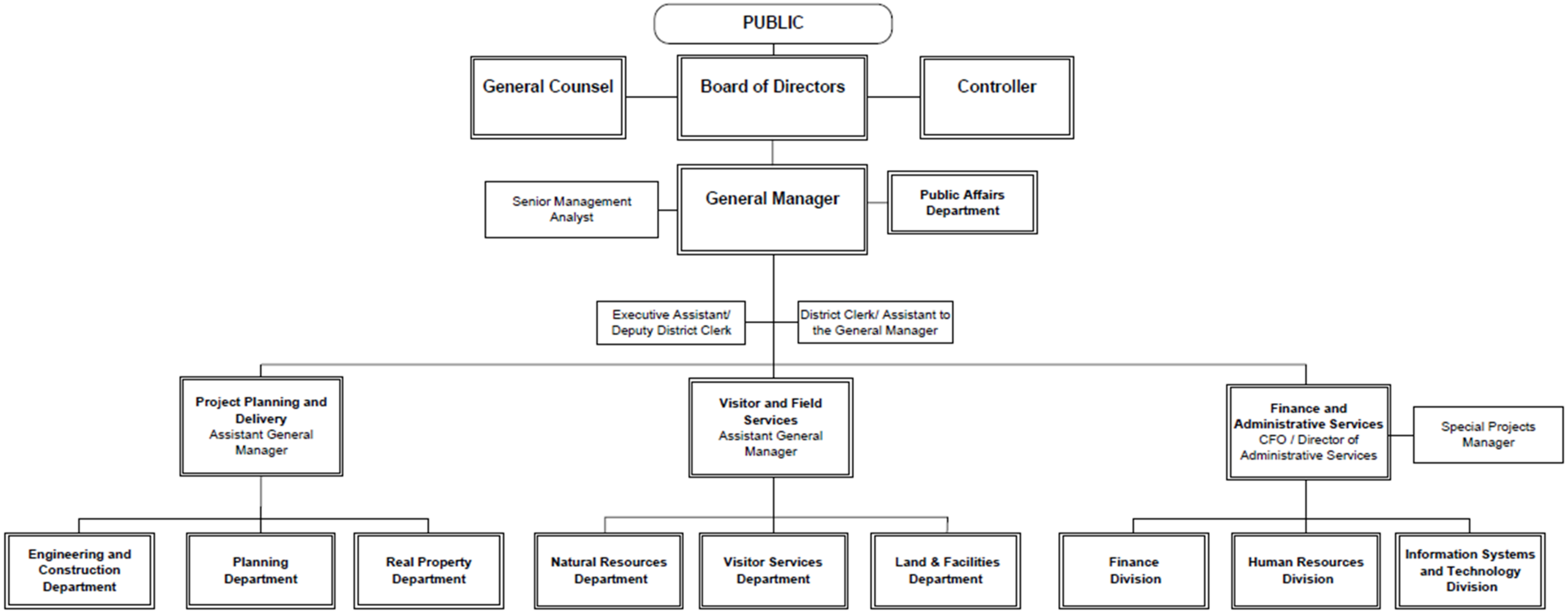
Operations and Planning

The District's chief method for preserving open space is to buy land, using District revenues and debt financing 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, support viable working and agricultural lands, restore sensitive natural habitats, and support cultural and scenic landscape.

Of the projects identified in the 2014 Vision Plan, 25 highest priority projects were identified to be financed with proceeds of general obligation bonds issued by the District.

Midpeninsula Regional Open Space District
Organizational Chart – January 2016



DISTRICT FINANCIAL INFORMATION

General

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).

From 1989 through 2015, the District's fiscal year was April 1 through March 31. On July 22, 2015, in order to improve transparency over reporting financial transactions and overall operations, the Board of Directors adopted Resolution No. 14-000 changing the fiscal year of the District to July 1 through June 30, and extending fiscal year 2015-16 by three months to conclude June 30, 2016.

The District's certified public accountants are currently Chavan & Associates, LLP. See APPENDIX B for the District's audited financial report for the fiscal year ending June 30, 2017. Due to the change in fiscal year, financial information presented in Tables A-1, A-2 and A-3 is *not* comparable to financial information presented in the audited financial reports for the fiscal years ending prior to June 30, 2016.

Over the last six fiscal years, property taxes comprised 90% to 94% of the District's total general fund revenue, 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 approximately 80% of such capital spending in Fiscal Year 2016-17 was funded from proceeds of the issuance of general obligation bonds approved by more than two-thirds of the qualified voters of the District on June 3, 2014 ("Measure AA"). Pursuant to Measure AA, the District may issue $300 million of general obligation bonds to fund 25 key projects. The first series of Measure AA general obligation bonds, in the principal amount of 45 million, was issued in August 2015. The District expects that the great majority of future capital expenditures for land acquisitions and preserve development will be funded from proceeds of future issuances of Measure AA bonds. The one significant planned capital project requiring funding from the general fund is the purchase and refurbishment of a new administrative office building and at least one new field office. The cost of this project is estimated at between $42 and $46 million, which will be funded from existing committed reserves and the proceeds of the 2017 Series B Parity Bonds, partially offset by proceeds from the future sale of the current District-owned administrative office building.

Measure AA funds may be used to fund projects that improve access to hiking and biking opportunities, protect and preserve redwood forests, natural open spaces, the scenic beauty of the region, coastline, and critical wildlife habitat, restore creeks to protect water quality, and reduce forest fire risk, and estimates the levy of an annual tax in an amount not to exceed $3.18 per $100,000 of assessed value of property owned to pay debt service on Measure AA bonds. Measure AA funds are authorized to be used only to fund the 25 key capital projects identified in the 2014 Vision Plan of the District. Expenditures of Measure AA funds are required to be verified by an independent citizen oversight committee that consists of seven at-large members who reside within the District. The Oversight Committee, which is expected to convene at least once a year, reviews the Measure AA expenditures and the Annual Audit and Accountability report of the District, and presents its findings to the Board of Directors.

Land management and administrative expenses increase subject to changing management policy and controls. Since the voter approval of Measure AA, the District has increased staff and outside resources in order to implement the 25 Measure AA funded projects. Operating expenses have since increased from the prior ratio of approximately 50% of general fund tax revenue to over 60% in Fiscal Year 2016-17. The

District anticipates that implementation and maintenance of these capital projects will necessitate a continuing increase in the ratio of operating expenses to general fund tax revenue to an estimated 65% in Fiscal Year 2017-18, to 70% by Fiscal Year 2023-24, and to approximately 80% by Fiscal Year 2031-32.

Driven by the continued strong economy in Silicon Valley, District general fund tax revenue again increased above its long-term trend line in the 12 months ended June 30, 2017, growing by $4.1 million, or approximately 7.2% compared to the 12 months ended June 30, 2016. The District receives approximately 66% of its tax revenue from the County of Santa Clara and 34% from the County of San Mateo.

The District purchased $4.2 million of land and associated structures in Fiscal Year 2016-17, all of which was funded from Measure AA bond proceeds. Total capital spending for 2016-17 was $21.3 million of which $16.9 million was funded by Measure AA bond proceeds, and $4.4 million was funded from the general fund.

The District manages its expenditures within the annual budget. Excluding Measure AA capital projects, total District Fiscal Year 2016-17 spending of $37.9 million was $2.7 million, or 7%, under budget.

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.

Fiscal Management Policies

Fund Balance Policy. On November 25, 2014, the Board of directors adopted a Fund Balance Policy in Accordance with GASB Statement No. 54 (the "Fund Balance Policy"). The stated purpose of the Fund Balance 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. The Fund Balance Policy identifies the required components of fund balance, the level of management authorized to approve or change target balances in each fund, the amounts that the District will strive to maintain in each fund, and the conditions under which fund balances may be spent, reimbursed and reviewed. The Reserve Policy was developed, with input from the District auditors, to meet the requirements of GASB Statement No. 54– "Fund Balance Reporting and Governmental Fund Type Definitions." The components of the Fund Balance Policy of the District are summarized below:

- *Non-Spendable* fund balance includes amounts that cannot be spent either because they are not in spendable form.

- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by constitutional provisions, enabling legislation, creditors, or contracts.

- *Committed* fund balance includes amounts that are constrained for specific purposes that are internally imposed by the District Board of Directors.

- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither restricted nor committed.

- *Unassigned* fund balance includes amounts within the general fund which have not been classified within the above categories. The minimum amount of unassigned fund balance is calculated as 30% of the Budgeted General Fund Tax Revenue.

Restricted Funds are comprised of the following:

- *Retiree Healthcare Plan Fund* - Established in 2008 with a $1.9 million contribution to the California Employers' Retiree Benefit Trust. See also "–Employee Retirement System."

- *Hawthorns Fund* - Established in 2011 with a $2.0 million endowment from the Woods Family Trust, to provide stewardship funding for the Hawthorns property in Portola Valley.

Committed Funds are comprised of the following:

- *Infrastructure Fund* – Established in fiscal year 2015-16 to expand field and office facilities to implement the 2011 Strategic Plan, 2014 Vision Plan, and Measure AA projects.

- *Equipment Replacement Fund* – To replace field and office equipment and vehicles, over time, in connection with the implementation of the 2011 Strategic Plan, 2014 Vision Plan, and Measure AA projects.

- *Natural Disaster Fund* – To permit the District to undertake emergency expenditures required to respond quickly to a major fire, earthquake or flood. Funding for such expenditures is *not* available from general obligation bonds under Measure AA.

The Board of Directors most recently reviewed and updated the list of required reserves and reserve balances on October 26, 2016. The total amount reserved for committed funds was increased by $5 million to $35.4 million.

Any spending from the unassigned fund requires approval of the Board of Directors and reimbursed from the general fund within two years. The general fund has a minimum balance requirement of 30% of budgeted general fund tax revenue, equal to $13.5 million for Fiscal Year 2017-18. The Fund Balance Policy may be changed by the District at any time.

Investment Policy. The District annually adopts an investment policy (the "Investment Policy") governing the investment of District funds. The primary goals of the Investment Policy are: *Capital Preservation* – safeguard the principal of invested funds; *Liquidity* – managing the fund so that normal operating cash needs and scheduled extraordinary cash needs of the District can be met on a same day basis; and *Income* – funds shall earn the highest rate of return that is consistent with capital preservation and liquidity goals and the California Government Code.

Pursuant to the Investment Policy, investments and deposits of funds are limited to those allowed by and subject to the procedures of Government Code Section 53600 *et seq.* and 53635 et *seq.* In the event of any conflict between the terms of the Investment Policy, and the Government Code, the provisions of the Government Code prevail. The Investment Policy does not permit investments to be leveraged or investment in "derivatives" that offer opportunities for significant capital gains and losses.

The Board of Directors is required annually to designate the minimum amount of unassigned fund balance to be held in reserve in consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. Any spending from the minimum general fund reserve requires the approval of the Board of Directors and is expected to be reimbursed within two years.

The current Investment Policy, adopted by the Board of Directors on August 9, 2017 is attached as APPENDIX C.

Debt Management Policy. On July 12, 2017, the Board of Directors adopted a debt management policy (the "Debt Management Policy"). The stated purpose of the Debt Management Policy is to: (i) establish the overall parameters for issuing, structuring, and administering the debt of the District in compliance with applicable federal and State securities laws. The Debt Management Policy was developed in conjunction with the procedures for Initial and Continuing Disclosure Relating to Bond Issuances summarized below.

The Board of Directors is required to annually review and affirm the Debt Management Policy.

Procedures for Initial and Continuing Disclosure Relating to Bond Issuances. On April 1, 2015, the District adopted procedures related to Initial and Continuing Disclosure Relating to Bond Issuances (the "Disclosure Procedures") to ensure that statements or releases of information to the public that are reasonably expected to reach investors and the trading markets relating to the finances of the District are complete, true, and accurate in all material respects, and in compliance with applicable federal and State securities laws.

The current Disclosure Procedures were adopted by the Board of Directors on March 22, 2017.

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Summary of Financial Reports

Table A-1 presents selected audited cash flow, balance sheet and budget information for the fiscal year ended March 31, 2013 through 2015 and for the fiscal years ended June 30, 2016 and 2017. On July 22, 2015, the Board of Directors adopted Resolution No. 14-000 changing the fiscal year of the District to July 1 through June 30, and extending fiscal year 2015-16 by three months to conclude June 30, 2016. Therefore, financial information for fiscal years ending on and after June 30, 2016 is *not* comparable to financial information prior to that date.

Table A-2 presents the Statement of Net Position for the fiscal years ended June 30, 2016 and 2017.

Table A-1
District General Fund, Measure AA and Debt Service Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Years Ending March 31, 2013 through 2015 and June 30, 2016(1) and 2017
($ in Thousands)

	As of March 31			As of June 30			
				General Fund		Debt Service Fund	
	2013	2014	2015	2016(1)	2017	2016(1)	2017
REVENUES:							
Property Taxes(2)	$30,270	$32,433	$35,082	$43,204	$42,282	1,776	1,579
Development Grants	538	1,676	953	223	651		
Property Management	___	___	1,437	1,636	1,479		
Interest	288	150	175	454	313	27	3
Other(3)	1,527	1,567	1,678	644	609		
TOTAL OPERATING REVENUES	32,623	35,826	37,887	46,160	45,334	1,803	1,582
EXPENDITURES:							
Salaries and Benefits	11,836	13,079	13,630	22,077	18,890		
Services and other(4)	5,567	5,259	6,162	6,147	5,613		
SUBTOTAL	17,403	18,337	19,791	28,224	24,503		
DEBT SERVICE(5):							
Principal Repayment	2,843	2,999	3,145			4,367	5,193
Interest	6,034	5,859	5,749			6,478	6,404
Issuance Cost	–	–	–			–	786
SUBTOTAL DEBT SERVICE	8,877	8,858	8,894			10,845	12,383
SUBTOTAL EXPENDITURES	26,280	27,196	28,685	28,224	24,503		
OPERATING CASH FLOW	6,343	8,630	9,202	17,936	20,831	(9,042)	(10,801)
OTHER NON-OPERATING ITEMS (NET)	2,520	(1,971)	–				
STRUCTURES AND IMPROVEMENTS	2,206	3,561	2,209				
PROPERTY ACQUISITION (NET)(6)	5,820	3,410	4,717				
EXCESS OF REVENUES OVER EXPENDITURES	(4,202)	3,630	2,276	17,936			
PROCEEDS FROM NOTES PAYABLE	0	0	(1,620)	0			
NET EXCESS	(4,202)	3,630	656	17,936			
STARTING FUND BALANCE	43,349	39,147	42,776	48,681	54,229		
ENDING FUND BALANCE	$39,147	$42,776	$43,432	$54,229	$61,299		

(1) For the 15 months ending June 30, 2016.
(2) Property taxes under the Debt Service Fund for the Fiscal Years ending June 30, 2015 and 2016 are exclusively the Measure AA tax increment.
(3) Excludes donations of land.
(4) Excludes Structures & Improvements.
(5) Excludes Measure AA general obligation bonds.
(6) Includes cost of land acquired net of associated grant and gift income.
(7) As adjusted.
Sources: District audited financial reports.

Table A-2
District Statement of Net Position

	As of June 30	
	2016†	**2017**
ASSETS		
Current Assets:		
Cash and investments	$81,598,301	$77,020,898
Accounts receivable:		
Deposits	1,537,825	587,047
Rent	3,506	5,278
Interest	168,025	–
Due from other governments:		
Taxes receivable	11,792	221
Other current assets	15,622	55,093
TOTAL CURRENT ASSETS	$83,335,071	$77,668,537
Noncurrent Assets:		
Net OPEB asset	699,015	–
Notes receivable	151,425	134,317
Unamortized issuance costs	1,006,500	772,042
Non-depreciable capital assets	410,996,958	427,006,396
Capital assets, net of depreciation	17,457,931	20,127,443
TOTAL NONCURRENT ASSETS	430,311,829	448,040,198
TOTAL ASSETS	$513,646,900	$525,708,735
Deferred Outflows of Resources		
Pension change to adjustments	$6,990,099	$8,659,986
Deferred loss on early retirement of long-term debt	2,284,028	6,976,997
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$9,274,127	$15,636,983
LIABILITIES		
Current Liabilities:		
Accounts payable	$1,137,971	$5,220,064
Deposits payable	98,770	104,932
Payroll and other liabilities	975,391	1,506,227
Accrued interest	2,284,000	1,956,000
TOTAL CURRENT LIABILITIES	4,496,132	8,787,223
Noncurrent Liabilities:		
Due within one year	5,465,679	7,423,614
Due after one year	188,146,420	186,494,779
TOTAL NONCURRENT LIABILITIES	193,612,099	193,918,393
TOTAL LIABILITIES	$198,108,231	$202,705,616
Deferred Inflows of Resources		
Pension adjustments	$3,352,133	$2,071,424
NET POSITION		
Net investment in capital assets	$276,394,511	$308,600,974
Restricted for:		
Debt service	3,116,266	2,193,934
Hawthorne maintenance	1,971,040	1,971,040
OPEB	699,015	806,023
TOTAL RESTRICTED	$5,786,321	$4,970,997
UNRESTRICTED	39,279,831	23,830,941
TOTAL NET POSITION	$321,460,663	$337,502,912

† For the 15 months ending June 30, 2016.
Source: District audited financial reports.

See APPENDIX B for the District's audited financial report for the period ended June 30, 2017. The District has not requested, and the auditor has not performed, any update or review of such statements in connection with their presentation in this Official Statement.

Long-Term Debt of the District

Set forth below is a table presenting the long-term obligations payable by the District (each, a "Long-Term Obligation"), outstanding at June 30, 2017.

Table A-3
District Outstanding Debt
($ in Thousands)
As of June 30, 2017

Obligation	Original Amount	Obligation Outstanding 6/30/2017	2017-18 Debt Service	Final Payment
PAYABLE FROM THE GENERAL FUND				
Senior Obligations:				
2011 Authority Bonds(1)	$20,500	$1,080	$189	September 2022
2012 Refunding Notes(2)	31,265	34,700	1,035	September 2042
2015 Refunding Notes	23,630	22,550	1,822	September 2034
2016 Green Bonds, Series A	54,490	54,490	3,064	September 2038
2016 Green Bonds, Series B (Taxable)	2,920	2,920	2,931	September 2017
Subtotal Senior Obligations	132,805	115,740	9,041	
Subordinate Obligations:				
Daloia Promissory Note (Sierra Azul)	240	11	11	October 2017
Hunt Promissory Note (Bear Creek)	1,500	1,500	75	April 2023
Subtotal Subordinate Obligations	1,740	1,511	86	
SUBTOTAL GENERAL FUND	134,545	117,251	9,127	
PAYABLE FROM MEASURE AA				
2015 General Obligation Bonds, Series A	40,000	40,000	1,636	September 2045
2015 General Obligation Bonds, Series B (Taxable)	5,000	4,225	957	September 2021
SUBTOTAL MEASURE AA	45,000	44,225	2,593	
TOTAL	$179,545	$161,476	$11,720	

(1) Payable from District Notes pledged to the Authority.
(2) Outstanding balance for 2012 Refunding Notes includes accreted interest of $5,114,953 as of June 30, 2017.
Source: District Controller.

Promissory Notes

Daloia Land Purchase Contract Promissory Note (Sierra Azul). During the fiscal year ending March 31, 2003, the District entered into a land purchase contract promissory note in the amount of $240,000. The promissory note bore interest at a fixed rate of 6.25% and matured October 10, 2017. At June 30, 2017, the outstanding balance on this note was $11,067.

Hunt Living Trust Promissory Note (Bear Creek). 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 repayment of this note is junior and subordinate to all outstanding and subsequent notes, bonds, leases, or other obligations secured by property tax revenues of the District or subsequent pledges of revenues created by the District. The note is due in full on April 1, 2023, but the owner can demand repayment at any time, and bears interest at 5.0% per annum until the maturity or prior redemption of the note. At June 30, 2017, the outstanding balance on the note was $1,500,000.

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. 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 reports. At June 30, 2017, the outstanding balance of the current interest bonds was $15,474,708, and the outstanding balance of the capital appreciation bonds was $15,474,708

2015 Refunding Promissory Notes (2004 Project Lease). On January 22, 2015, the District currently 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, 2034. 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 June 30, 2017, the outstanding balance of these notes was $22,550,000.

General Obligation and Revenue Bonds

2011 Authority Bonds. On May 19, 2011, the Authority, on behalf of the District, issued $20,500,000 of 2011 Revenue Bonds (the "2011 Authority Bonds") for the purpose of acquiring land to preserve and use as open space and pay bond issue and related costs. The 2011 Authority Bonds are lease revenue bonds. Each year, the District appropriates revenues–mainly limited property tax collections that the County of Santa Clara and the County of 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 2011 Authority Bonds bear interest at 2.0% to 6.0% and are due semi-annually on March 1 and September 1. Principal payments on the 2011 Authority Bonds are due annually September 1, and mature on September 1, 2021. At June 30, 2017, the outstanding balance of these bonds was $1,080,000.

2015 General Obligation Bonds. On July 29, 2015, the District, issued $40,000,000 of General Obligation Bonds, Series 2015A and $5,000,000 of General Obligation Bonds, Series 2015B (Federally Taxable) (together, the "2015 General Obligation Bonds") to finance certain projects authorized by the voters of the District, and to pay bond issue and related costs. The 2015 General Obligation Bonds bear interest at 1.5% to 5.0% and are due semi-annually on March 1 and September 1. Principal payments on the 2015 General Obligation Bonds are due annually September 1. At June 30, 2017, the aggregate outstanding balance of these bonds was $44,225,000.

2016 Green Bonds. On September 8, 2016, the District, issued $54,490,000 of Green Bonds, 2016 Refunding Series A and $2,920,000 of Green Bonds, 2016 Refunding Series B (Federally Taxable) (together, the "2016 Green Bonds") to refund its obligations under certain of the 2007 Notes that secured the 2007 Authority Bonds, prepay a portion of its obligations under the lease securing the 2011 Authority Bonds, and pay bond issue and related costs. The 2016 Green Bonds bear interest at 0.73% to 5.00% and are due semi-annually on March 1 and September 1. Principal payments on the 2016 Green Bonds are due annually September 1. At June 30, 2017, the aggregate outstanding balance of these bonds was $57,410,000.

District Organization and Employee Relations

As of June 30, 2017, the District had 135 permanent full-time equivalent employees who received benefits. Certain field employees are represented through a Memorandum of Understanding by and between the District and the Midpeninsula Regional Open Space District ("MROSD") Field Employee Association. Negotiations with MROSD are expected to commence in early 2018, with a new MOU approved by the Board of Directors on or about July 1, 2018.

Labor Organization	Represented Employees	Contract Expiration
MROSD Employees Field Association	46	June 30, 2018

Employee Retirement System

Plan Description. The District provides benefits to eligible employees through cost-sharing multiple employer defined benefit pension plans (the Plan(s)) administered by the California Public Employees' Retirement System (CalPERS). Members of the Plan include all permanent employees working full-time. Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous		
	Tier 1	**Tier 2**	**PEPRA**
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	60	62
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0% to 2.5%	2.00%
Required employees contribution rates	7.944%	7.944%	6.313%
Required employer contribution rates	10.069%	10.069%	6.555%

At June 30, 2017, 306 employees were covered by the Plan, consisting of 134 active, 48 transferred, 62 separated, and 62 retired members.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	2015	2016	2017
Contractually Required Contributions (Actuarially Determined)	$1,461,069	$1,358,520	$1,514,352
Contributions in Relation to Actuarially Determined Contributions	1,461,069	1,350,520	1,514,352
Contribution Deficiency (Excess)	–	–	–
Covered Employee Payroll	$8,994,979	$9,862,578	$11,834,150
Contributions as a Percentage of Covered Payroll	16.24%	13.77%	12.80%

Notes to Schedule:

Valuation Date:	June 30, 2015
Assumptions Used:	Entry Age Method used for Actuarial Cost Method
	Level Percentage of Payroll (Closed) Used Amortization Method
	3.7 Years Remaining Amortization Period
	Inflation Assumed at 2.75%
	Investment Rate of Returns set at 7.5%
	CalPERS mortality table using 20 years of membership data for all funds

** Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions. As of June 30, 2017, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Plan	$10,121,906

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 using standard procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions in to the pension plan relative to the projected contributions of all participating employers, as actuarially determined. The District's proportionate share of net pension liability for the Plan as of June 30, 2015, 2016, and 2017 was as follows:

	2015	2016	2017
Proportion of Net Pension Liability	0.39847%	0.41627%	0.29137%
Proportionate Share of Net Pension Liability	$9,848,203	$11,420,126	$10,121,906
Covered Employee Payroll	$8,994,979	$9,862,578	$11,834,150
Proportionate Share of NPL as a % of Covered Employee Payroll	109.49%	115.79%	85.53%
Plan's Fiduciary Net Pension as a % of the TPL	76.19%	73.93%	80.93%

** Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

Actuarial Assumptions. The total pension liabilities in the June 30, 2016 actuarial evaluations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	(1)
Investment Rate of Return	7.5%(2)
Mortality	(3)

(1) Varies by age and service.
(2) Net of pension plan investments expenses, including inflation.
(3) Derived using CalPERS' membership data for all funds.

Discount Rate. The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS was scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that was scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 Fiscal Year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology. The long-term expected rate of return n pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. For additional information regarding the major asset classes see APPENDIX B–"ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017–Note 8–EMPLOYEE RETIREMENT SYSTEMS–Discount Rate."

On December 21, 2016, the CalPERS Board lowered the discount rate from 7.50% to 7.00% using a three-year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-19 determined in this valuation were calculated using a discount rate of 7.375%. The projected employer contributions are calculated assuming that the discount rate will be lowered to 7.25% for Fiscal Year 2019-20 and to 7.00% for Fiscal Year 2020-21 as adopted by the CalPERS Board. The decision to reduce the discount rate was primarily based on reduced capital market assumptions provided by external investment consultants and CalPERS investment staff. The specific decision adopted by the CalPERS Board reflected recommendations from CalPERS staff and additional input from employer and employee stakeholder groups. Based on the investment allocation adopted by the CalPERS Board and capital market assumptions, the reduced discount rate assumption provides a more realistic assumption for the long term investment return of the fund.

Notwithstanding the decision of the CalPERS Board to phase into a 7.0% discount rate, subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation may result in a change to this three year discount rate schedule. A comprehensive analysis of all actuarial assumptions and methods including the discount rate is being conducted.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.65%
Net Pension Liability	$17,266,599
Current Discount Rate	7.65%
Net Pension Liability	$10,121,906
1% Increase	8.65%
Net Pension Liability	$4,217,172

In June 2016, the District made a $3 million prepayment to CalPERS, to be applied to reduce its unfunded pension liability, and in June 2017, the District made an additional $1 million prepayment to CalPERS.

Pension Reform Act of 2013 (Assembly Bill 340). On September 12, 2012, the Governor of the State 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, 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% of pay for civil workers and 11% or 12% 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. 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 CalPERS 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 organization.

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 Board of Directors authorized a deposit of $1,900,000 in CERBT on June 5, 2008, to begin funding its other post-employment benefits ("OPEB") liability.

By Board of Directors 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	Retire directly from the District under CalPERS (age 50 and 5 years of service) Continue participation in Public Employees Medical and Hospital Care Act (PEMHCA)
Retiree Medical Benefit	District pays retiree premiums up to: =>$300/month effective 1/1/07 =>$350/month effective 1/1/09 Must be at least equal to statutory PEMHCA minimum ($122 in 2015, $125 in 2016)
PEMHCA Administrative Fee	District pays CalPERS administrative fees (0.32% of premiums for Fiscal Year 2015-16)
Surviving Spouse Continuation	Retiree benefit continues to surviving spouse if retiree elects survivor annuity under CalPERS retirement plan
Other OPEB	None

As of June 30, 2017, there were 134 active employees, 48 transferred employees, 62 separated employees, and 62 retirees, who are 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 GASB Statement No. 45, the 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 and is excluded from its financial statements. CERBT 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, California 94229-2709.

Annual OPEB Cost and Net OPEB Assets. The District's annual OPEB cost is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each period and amortize any unfunded actuarial liabilities (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 period, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Description	Balance
Annual Required Contribution	$572,000
Interest on net OPEB asset	(43,000)
Adjustment to Annual Required Contribution	62,000
Annual OPEB cost (expense)	591,000
Contributions made	298,008
Decrease in net OPEB asset	292,992
Net OPEB obligation (asset)–beginning	(699,015)
Net OPEB obligation (asset)–ending	($406,023)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 was as follows:

Period Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation (Asset)
March 31, 2015	$298,000	53%	(863,176)
June 30, 2016	386,000	57	(699,015)
June 30, 2017	591,000	50	(406,023)

Sources: Midpeninsula Regional Open Space District Annual Financial Report for the year ended June 30, 2017.

The District made its budgeted Fiscal Year 2016-17 OPEB contribution of $150,000 in June 2017.

Funded Status and Funding Progress. The most recent actuarial valuation date was June 30, 2015. The following summarizes the funded status of the plan as of June 30, 2017:

Description	Balance
Actuarial accrued liability (AAL)	$5,119,000
Value of plan assets	3,262,927
Unfunded actuarial accrued liability (UAAL)	$1,856,073
Funded ratio (actuarial value of plan assets/AAL)	64%
Projected covered payroll (active Plan members)	$9,789,000
UAAL as a percentage of covered payroll	19%

The District has budgeted a $250,000 OPEB contribution for Fiscal Year 2017-18 to reduce the UAAL in addition to making all benefit payments from the general fund.

The table below is a summary schedule of the funding progress for the District's OPEB plan as stated in each actuarial study. The actuarial studies are based on assumptions and data available at the time each study was completed. The actual funding progress of the plan as noted above may be different than the projections included in the actuarial studies.

Actuarial Valuation Date	**Actuarial Value of Assets (a)**	**Actuarial Accrued Liability (AAL) Entry Age (b)**	**Unfunded AAL (UAAL) (b-a)**	**Funded Ratio (a/b)**	**Covered Payroll (c)**	**UAAL as a Percentage of Covered Payroll ((b-a/c))**
6/30/2011	$2,058,000	$1,844,000	$214,000	111.61%	$7,331,000	(2.92)%
6/30/2013	2,035,000	2,555,000	520,000	79.65	8,043,000	6.47
6/30/2015	2,520,000	4,612,000	2,092,000	54.64	9,182,000	22.78

Actuarial Methods and Assumptions. The ARC was determined as part of the 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: (i) 6.04% to 7.25% investment rate of return, (ii) 3.25% projected annual salary increase, and (iii) health inflation increases of 0% for one year, 1.5% for the next five 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 bi-annually 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.

Risk Management

Self-Insurance Programs of the CAL JPIA. 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 119 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. The CAL JPIA 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 of Directors operates through a nine-member Executive Committee.

During the past three fiscal periods, none of the programs of protection have had settlements or judgments that exceed pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior period.

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

<u>General and Automobile Liability</u>. Each government member pays a primary deposit to cover estimated losses for a fiscal year (claims year). General liability ("GL") coverage includes bodily injury, personal injury, or property damage to a third party resulting from a member activity. The GL program also

provides automobile liability coverage. Six months after the close of a fiscal period, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. 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. The District also participates in the Workers' Compensation program administered by CAL JPIA. Pool deposits and retrospective adjustments are valued in a manner similar to the GL pool. 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. Costs from $2,000,000 to $5,000,000 are paid by excess insurance purchased by CAL JPIA. The excess insurance coverage provides coverage to statutory limits.

Purchased Insurance

Environmental. The District participates in the Pollution and Remediation Legal Liability Program, which is available through CAL JPIA. The policy provides coverage for both first and third party damages, including certain types of cleanups; fuel spill or hazardous materials incidents; 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. CAL JPIA has a limit of $50,000,000 for the three-year coverage period. The current coverage period is July 1, 2017 through June 30, 2020. Each member of CAL JPIA has a $10,000,000 aggregate limit during the three-year period.

Property. The District participates in the All-Risk property program of CAL JPIA which includes all-risk coverage for real and personal property (such as scheduled buildings, office furniture, equipment, vehicles, etc.). This insurance is underwritten by several insurance companies. Property is currently insured according to a schedule of covered property submitted by the District to CAL JPIA. The All-Risk deductible is $5,000 per occurrence; $1,000 for non-emergency vehicles. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Boiler and Machinery. The District participates in the optional coverage for boiler and machinery, which 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.

Crime Insurance. The District participates in the crime program through CAL JPIA in the amount of $1,000,000 per claim, with a $2,500 per occurrence deductible. Insurance provides coverage for employee dishonesty, failure to faithfully perform duties, forgery, counterfeiting, theft, robbery, burglary, and computer fraud. Premiums are paid annually and are not subject to retroactive adjustments.

Special Event Tenant User Liability. The District participates in the special events program through CAL JPIA which provides liability insurance when District premises are used for special events. The insurance premium is paid by the tenant user to the District according to a schedule. The District then pays the insurance arranged through CAL JPIA. There is no deductible and the District is added as additional insured. Liability limits are purchased in $1 million per occurrence increments.

Vendors/Contractors. General Liability coverage with or without professional liability is offered through CAL JPIA to vendors/contractors who otherwise could not meet the District's minimum insurance requirement: $1 million per occurrence, $2 million in aggregate.

<u>Cyber Liability Program</u>. The cyber liability program is partially covered under the liability program, and partially held through a stand-alone coverage program. Cyber liability provides coverage for both first- and third-party claims. First party coverage includes privacy, regulatory claims, security breach response, business income loss, dependent business income loss, digital asset restoration costs, and cyber-extortion threats, while third-party coverage includes privacy liability, network security liability, and multimedia liability. Members work directly with the reinsurer to investigate and respond to claims. There is a $1 million per occurrence limit of coverage, $1 million aggregate limit per policy period per member, and a $10 million aggregate limit of coverage for all members per policy period.

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES

Following is economic and demographic information for Santa Clara and San Mateo Counties. While three District parcels are located in Santa Cruz County, these parcels represent an insignificant amount of assessed valuation, so economic and demographic information regarding Santa Cruz County is not included herein.

General

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

Santa Clara County. The County of Santa Clara 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 the County of Santa Clara, 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 the County of Santa Clara 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 the County of Santa Clara, including Highway 101 providing access to San Francisco and Los Angeles.

San Mateo County. The County of San Mateo shares its borders with the City and County of San Francisco to the north, the County of Santa Clara to the south, the Pacific Ocean to the west and San Francisco Bay to the east. The County of San Mateo 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. The County of San Mateo 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 tables below show population estimates and projections for the past five years for Santa Clara and San Mateo Counties, according to the State Department of Finance.

Table A-4A
SANTA CLARA COUNTY AND SAN MATEO COUNTY AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2013 Through 2017 as of January 1

Calendar Year	Santa Clara County	San Mateo County	State of California
2013	1,856,416	745,639	38,238,492
2014	1,879,196	752,355	38,572,211
2015	1,903,209	759,609	38,915,880
2016	1,922,619	765,895	39,189,035
2017	1,938,180	770,203	39,523,613

Source: State Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties, and State, 2011-2017 with 2010 Benchmark.

Table A-4B
SANTA CLARA COUNTY AND SAN MATEO COUNTY AND STATE OF CALIFORNIA
Population Projections by Age
Calendar Years 2017 Through 2021 as of January 1

	2017	2018	2019	2020	2021
Santa Clara County					
Under 19	497,872	499,809	501,575	502,116	501,375
20-39	527,530	528,860	530,249	531,507	534,024
40-59	546,926	550,046	552,927	556,011	558,841
60 and over	379,958	395,625	411,511	428,623	445,421
San Mateo County					
Under 19	177,913	178,693	179,216	179,546	179,578
20-39	192,644	192,050	191,297	190,509	189,952
40-59	226,479	227,033	227,794	228,625	229,251
60 and over	177,938	183,844	189,14	195,665	201,530
State of California					
Under 19	10,443,769	10,449,286	10,455,219	10,452,951	10,451,946
20-39	10,987,459	11,037,555	11,082,256	11,101,466	11,122,378
40-59	10,303,852	10,297,733	10,300,211	10,315,689	10,340,695
60 and over	7,958,547	8,248,519	8,538,277	8,849,893	9,146,525

Source: State Department of Finance, Table P-2: County Population Projections by Age, 2010-2060.

Employment and Industry

Santa Clara County. The preliminary unemployment rate (not seasonally adjusted) in the County of Santa Clara was 3.5% June 2017, compared to a revised rate of 4.1% for June 2016. This compares with preliminary unemployment rates for June 2017 of 4.9% for the State and 4.5% for the nation.

The table below lists employment by industry group for the County of Santa Clara for the years 2012 through 2016.

Table A-5
COUNTY OF SANTA CLARA
Annual Average Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2016 Benchmark)

	2012	2013	2014	2015	2016
Civil Labor Force[(1)]	958,300	971,800	991,800	1,009,800	1,026,500
Employment	883,000	909,100	940,700	967,800	987,900
Unemployment	75,300	62,700	51,100	41,900	38,600
Unemployment Rate[(2)]	7.9%	6.5%	5.2%	4.2%	3.8%
Wage and Salary Employment:[(3)]					
Agriculture	3,300	3,300	3,500	3,700	3,900
Mining and Logging	200	300	300	200	300
Construction	34,100	36,700	38,800	42,900	47,600
Manufacturing	153,700	153,600	156,700	160,200	161,300
Wholesale Trade	34,600	36,000	36,900	36,800	37,400
Retail Trade	81,900	82,500	83,900	85,100	85,000
Transportation, Warehousing, Utilities	12,500	13,400	13,900	14,100	14,800
Information	54,100	58,600	65,600	74,400	74,500
Finance and Insurance	20,100	20,500	20,600	21,900	21,300
Real Estate, Rental, Leasing	12,800	12,800	13,200	13,400	13,800
Professional and Business Services	177,200	190,100	201,800	215,200	224,100
Educational and Health Services	135,700	142,600	148,700	155,900	160,600
Leisure and Hospitality	81,300	86,300	90,700	94,500	97,600
Other Services	24,400	25,000	26,000	26,500	27,000
Federal Government	9,700	9,800	9,800	9,800	9,900
State Government	6,200	6,100	6,200	6,500	6,500
Local Government	72,800	73,100	74,600	73,800	74,800
TOTAL ALL INDUSTRIES[(4)]	914,800	950,700	991,000	1,028,900	1,060,600

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

San Mateo County. The preliminary unemployment rate (not seasonally adjusted) in the County of San Mateo was 2.9% June 2017, compared to a revised rate of 3.3% in June 2016. This compares with preliminary unemployment rates for June 2017 of 4.9% for the State and 4.5% for the nation.

The table below lists employment by industry group for the County of San Mateo for the calendar years 2012 through 2016.

Table A-6
COUNTY OF SAN MATEO
Annual Average Civilian Labor Force, Employment and Unemployment,
Unemployment by Industry
(March 2016 Benchmark)

	2012	2013	2014	2015	2016
Civil Labor Force(1)	412,100	418,100	427,700	437,700	448,600
Employment	385,700	396,100	409,700	422,9/0	435,200
Unemployment	26,400	22,000	18,000	14,800	13,400
Unemployment Rate(2)	6.4%	5.3%	4.2%	3.4%	3.0%
Wage and Salary Employment:(3)					
Agriculture	1,600	1,700	1,800	1,800	1,800
Mining, Logging, Construction	13,900	14,600	15,700	17,400	18,100
Manufacturing	24,400	25,500	25,500	25,400	25,400
Wholesale Trade	11,500	11,200	11,600	12,200	12,100
Retail Trade	33,200	34,100	34,900	33,700	33,900
Transportation, Warehousing, Utilities	25,600	27,100	27,800	28,200	30,500
Information	20,900	23,800	26,700	27,900	31,600
Finance and Insurance	13,900	14,300	15,400	14,800	15,400
Real Estate, Rental Leasing	6,200	6,300	6,300	6,800	7,100
Professional and Business Services	69,800	71,200	75,200	76,200	81,700
Educational and Health Services	38,100	40,500	43,000	44,100	45,000
Leisure and Hospitality	36,800	39,400	40,900	42,200	42,600
Other Services	12,900	13,400	13,900	14,000	13,900
Federal Government	3,700	3,600	3,700	3,800	3,800
State Government	600	600	600	600	600
Local Government	26,200	26,200	27,000	27,900	28,900
TOTAL ALL INDUSTRIES(4)	339,000	353,500	369,800	376,900	392,300

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

The following tables list the largest manufacturing and non-manufacturing employers within Santa Clara County and San Mateo County as of March 2016 (the most recent annual data available), in alphabetical order.

Table A-7
COUNTY OF SANTA CLARA
Largest Employers
As of March 2016

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-Manufacturers
Applied Materials Inc.	Santa Clara	Semiconductor Manufacturing Equipment (Mfrs)
Bon Appetit-Cafe Adobe	San Jose	Restaurant Management
California's Great America	Santa Clara	Amusement & Theme Parks
Christopher Ranch LLC	Gilroy	Garlic (Mfrs)
Cisco Systems Inc.	San Jose	Computer Peripherals (Mfrs)
E Bay Inc.	San Jose	Auctioneers
Flextronics International	Milpitas	Semiconductor Devices (Mfrs)
HP Inc.	Palo Alto	Computers-Electronic-Manufacturers
Intel Corp.	Santa Clara	Semiconductor Devices (Mfrs)
Kaiser Permanente Medical Ctr Sn	San Jose	Hospitals
Kaiser Permanente Medical Ctr	San Jose	Hospitals
Liberty Tax Svc.	San Jose	Tax Return Preparation and Filing
Lockheed Martin Space Systems	Sunnyvale	Satellite Equipment & Systems-Mfrs
Microsoft Corp.	Mountain View	Computer Software-Manufacturers
NASA	Mountain View	Federal Offices-US
Net App Inc.	Sunnyvale	Computer Storage Devices (Mfrs)
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, 2016 2nd Edition.

Table A-8
COUNTY OF SAN MATEO
Major Employers
As of March 2016
(Listed Alphabetically)

Employer Name	Location	Industry
A R Dental Care	Daly City	Dentists
Electronic Charging Station	Menlo Park	Research Device
Electronic Arts Inc.	Redwood City	Game Designers (Mfrs)
Facebook Inc.	Menlo Park	Social Media
Forced Dump Debris Box Svc	Burlingame	Garbage Collection
Franklin Resources Inc.	San Mateo	Asset Management
Franklin Templeton Investments	San Mateo	Investments
Genentech Inc.	South San Francisco	Pharmaceutical Products-Wholesale
Gilead Sciences Inc.	Foster City	Biological Products (Mfrs)
Guckenheimer Inc.	Foster City	Marketing Programs & Services
Hyatt Regency-San Francisco	Burlingame	Hotels and Motels
Kaiser Permanente Medical Ctr	Redwood City	Hospitals
Kaiser Permanente South Sn	South San Francisco	Hospitals
Lpch	Menlo Park	Health Care Facilities
Motif Inc.	San Mateo	Business Services NEC
Oracle Corp.	Redwood City	Computer Software-Manufacturers
San Francisco Intl Airport-SFO	San Francisco	Airports
San Mateo County Behavior	San Mateo	Government Offices-County
San Mateo Medical Ctr	San Mateo	Hospitals
Sciex LLC	Redwood City	Scientific Apparatus and Instruments-Mfrs
SRI International Inc.	Menlo Park	Research Service
US Interior Dept.	Menlo Park	Government-Offices US
Visa Inc.	Foster City	Credit Card and Other Credit Plans
Visa International Svc Assn	Foster City	Associations
Visa USA Inc.	Foster City	Credit Card and Other Credit Plans

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

Personal Income

The United States Department of Commerce, Bureau of Economic Analysis (the "BEA") produces economic account statistics that enable government and business decision-makers, researchers, and the public to follow and understand the performance of the national economy.

The BEA defines "personal income" as income received by persons from all sources, including income received from participation in production as well as from government and business transfer payments. Personal income represents the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated as the personal income divided by the resident population based upon the Census Bureau's annual midyear population estimates.

The table below summarizes the total personal income and the per capital personal income for the County of Santa Clara, the County of San Mateo, the State and the United States from 2012 through 2016 (the most recent year for which county data is available.

Table A-9
COUNTY OF SANTA CLARA AND COUNTY OF SAN MATEO,
STATE OF CALIFORNIA AND UNITED STATES
Personal Income (Not Adjusted for Inflation)
For Calendar Years 2012 Through 2016

Year and Area	Personal Income (millions of dollars)	Per Capita Personal Income (dollars)
2016		
Santa Clara County	$170,673	$88,920
San Mateo County	80,855	105,721
State	2,212,691	56,374
United States	15,912,777	49,246
2015		
Santa Clara County	158,729	82,756
San Mateo County	74,641	97,553
State	2,103,669	53,741
United States	15,463,981	48,112
2014		
Santa Clara County	141,874	74,883
San Mateo County	68,015	89,659
State	1,939,528	49,985
United States	14,683,147	46,049
2013		
Santa Clara County	133,655	71,431
San Mateo County	64,282	85,653
State	1,849,505	48,125
United States	14,064,468	44,438
2012		
Santa Clara County	131,951	71,670
San Mateo County	63,951	85,798
State	1,812,315	47,614
United States	13,904,485	44,266

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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.

Table A-10
COUNTY OF SANTA CLARA
Building Permit Valuation - For Calendar Years 2012 through 2016
(Dollars in Thousands)†

	2012	2013	2014	2015	2016
New Single-Family	$678,168.8	$694,884.6	$594,472.7	$653,970.2	$660,301.6
New Multi-Family	558,544.1	941,420.4	1,196,127.7	706,781.1	564,761.0
Res. Alterations/Additions	288,105.1	423,739.6	439,747.1	505,844.7	484,820.1
TOTAL RESIDENTIAL	1,524,818.0	2,060,044.6	2,230,347.5	1,866,595.9	1,709,882.8
New Commercial	745,468.8	1,217,647.4	898,270.7	1,428,420.1	2,120,530.9
New Industrial	22,481.5	72,222.0	10,172.2	100,301.2	44,268.9
New Other	19,197.3	1,749,161.2	1,534,213.1	1,697,046.2	2,072,862.8
Com Alterations/Additions	1,115,633.3	1,293,656.1	212,756.4	364,033.1	460,496.2
TOTAL NONRESIDENTIAL	1,902,780.9	4,332,686.7	2,655,412.5	3,589,800.5	4,698,158.9
New Dwelling Units					
Single Family	1,432	1,859	1,602	1,710	1,608
Multiple Family	4,245	6,009	8,310	3,906	3,297
TOTAL	5,677	7,868	9,912	5,616	4,905

† Columns may not total due to independent rounding.
Source: Construction Industry Research Board, Building Permit Summary.

Table A-11
COUNTY OF SAN MATEO
Building Permit Valuation - For Calendar Years 2012 through 2016
(Valuation in Thousands of Dollars)†

	2012	2013	2014	2015	2016
New Single-Family	$245,163.9	$292,893.4	$289,903.2	$374,275.5	$660,301.6
New Multi-Family	171,390.4	151,019.5	168,859.4	259,181.0	564,761.0
Res. Alterations/Additions	201,543.1	299,830.5	348,231.1	408,011.2	484,820.1
TOTAL RESIDENTIAL	618,097.4	743,743.4	2,230,347.5	1,041,467.7	1,709,882.8
New Commercial	83,374.0	165,578.7	432,585.4	427,063.6	683,630.1
New Industrial	2,021.6	15,724.2	9,600.0	0	4,954.8
New Other	1,975.6	58,726.5	490,364.5	489,389.7	728,965.3
Com Alterations/Additions	167,438.8	263,460.8	84,241.0	94,031.8	195,895.4
TOTAL NONRESIDENTIAL	$254,810.0	$503,490.2	$1,016,790.7	$228,961.0	$1,613,445.6
New Dwelling Units					
Single Family	264	350	315	521	458
Multiple Family	671	840	1,302	1,386	1,319
TOTAL	935	1,190	1,617	1,907	4,905

† Columns may not total due to independent rounding.
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 2011 through 2015 (the most recent annual data available).

Taxable sales for Santa Clara County were $30.676 billion for the first nine months of calendar year 2016 compared to taxable sales of $30.197 billion for the first nine months of calendar year 2015.

Taxable sales for San Mateo County were $11.427 billion for the first nine months of calendar year 2016 compared to taxable sales of $11.306 billion for the first nine months of calendar year 2015.

Table A-12
COUNTY OF SANTA CLARA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)
Calendar Years 2011 through 2015†

	Retail and Food Services		Total All Outlets	
Year	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
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
2014	30,058	23,271,753	45,852	39,628,655
2015†	30,516	23,700,907	50,573	41,231,759

† Most recent annual data available.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Table A-13
COUNTY OF SAN MATEO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)
Calendar Years 2011 through 2015†

	Retail and Food Services		Total All Outlets	
Year	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
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
2014	12,673	10,278,717	19,999	15,298,434
2015†	12,992	10,301,197	21,825	15,478,010

† Most recent data available.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

APPENDIX B

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017

APPENDIX C

DISTRICT INVESTMENT POLICY

APPENDIX D

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

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

$__,___,000	**$__,___,000**
GREEN BONDS	**PARITY BONDS**
2018 REFUNDING SERIES A	**2018 SERIES B**

CONTINUING DISCLOSURE CERTIFICATE

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 $__,___,000 principal amount of Midpeninsula Regional Open Space District Green Bonds, 2018 Refunding Series A, and the $__,___,000 Midpeninsula Regional Open Space District Parity Bonds, 2018 Series B (together, the "Bonds"). The Bonds are being issued pursuant to an Indenture, dated as of September 1, 2016 (the "Master Indenture"), as amended and supplemented by a First Supplemental dated as of February 1, 2018 (the "First Supplemental Indenture" and together with the Master Indenture, the "Indenture"), between the District and ZB, National Association dba Zions Bank, as Trustee (the "Trustee").

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 Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms shall have the following meanings:

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

"Business Day" means any day (other than a Saturday or a Sunday) on which banks and the Trustee are open for business.

"*Annual Report Date*" means 210 days after the end of each Fiscal Year.

"*Disclosure Coordinator*" means the District Senior Accountant or other individual designated from time to time by the District Controller, as provided in the District Disclosure Policy.

"*Dissemination Agent*" means, initially, Goodwin Consulting Group, 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.

"*EMMA"* means the Electronic Municipal Marketplace Access site maintained by the MSRB, currently located at http://emma.msrb.org.

"*Fiscal Year*" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other 12-month period selected and designated by the District as its official Fiscal Year period under a Certificate of the District filed with the Trustee.

"*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 Morgan Stanley & Co. LLC, 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. <u>Provision of Annual Reports</u>.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing January 26, 2019, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report for the fiscal year ending June 30, 2018, 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 report 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 <u>Exhibit A</u>.

(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 report 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 report is not available by the Annual Report Date, the Annual Report shall contain unaudited financial report in a format similar to the financial report contained in the final Official Statement, and the audited financial report shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial report 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) A maturity schedule for the outstanding Bonds, and a listing of Bonds redeemed prior to maturity;

(ii) Information for the preceding Fiscal Year to update the following tables in the Official Statement:

(A) Table 2B–Aggregate General Fund Senior Obligations Debt Service Schedule;

(B) Table 3–District General Fund Tax Receipts;

(C) Table 4–Historical Annual General Fund Debt Service; and

(D) Table 6–Summary of Assessed Valuation.

(iii) Changes, if any, in the operation of the Teeter Plan of the County of Santa Clara or the County of San Mateo, and if either County discontinues the Teeter Plan, to the extent available, tax collection delinquencies for such County.

(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 EMMA or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. <u>Reporting of Significant Events</u>.

(a) Pursuant to the provisions of this Disclosure Certificate, 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, no later than ten (10) Business Days after the occurrence of such event:

(i) Principal and interest payment delinquencies;

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

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

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

(v) 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;

(vi) Tender offer;

(vii) Defeasances;

(viii) Rating Changes; or

(ix) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person.

Note: This event is considered to occur upon the happening of any of the following: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events described in this <u>Section 5(b)</u> with respect to the Bonds, if material, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in <u>Section 5(a)(v)</u>, adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

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

(iii) Bond calls;

(iv) Release, substitution, or sale of property securing repayment of the Bonds;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(vii) Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The District acknowledges that it is required to make a determination whether a Significant Event described in Section 5(b) is material under applicable federal securities laws in order to determine if a filing with EMMA is required. If the District determines that the occurrence of an event listed in Section 5(b) would be material under applicable federal securities laws, or if the District changes its Fiscal Year, the District shall file, or shall cause the Dissemination Agent to file, within ten (10) business days of occurrence, a notice of such event on EMMA.

(d) Notwithstanding the foregoing, notice of Significant Events described in Section 5(a)(vii) and Section 5(b)(iii) above need not be given any earlier than the notice (if any) of the underlying event is given to Owners of affected Bonds pursuant to the Indenture.

Section 6. Identifying Information for Filings with EMMA. 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 obligations of the District 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 thirty (30) days written notice to the District.

The initial dissemination agent shall be Goodwin Consulting Group.

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 Indenture for amendments to the Indenture 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 reports, the annual financial information for the year in which the change is made shall present a comparison between the financial reports 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 9 shall 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 Trustee may, and at the request of the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds whose Owners are beneficiaries of the Continuing Disclosure Certificate, the Trustee shall (but only to the extent it is indemnified to its satisfaction, including indemnification from and against attorneys' fees), or any Owner or Beneficial Owner (as that term is defined in the Indenture) 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 Indenture, 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 attorney's 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 Owners 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. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

To the District:

Midpeninsula Regional Open Space District
330 Distel Circle
Los Altos, CA 94022
Attention: Disclosure Coordinator
Telephone: 650-691-1200

To the Dissemination Agent:

Goodwin Consulting Group
555 University Avenue, Suite 280
Sacramento, CA 95825
Attention: Victor Irzyk
Telephone: 916-561-0890
Email victor@goodwinconsultinggroup.net

Section 14. 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 15. 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: __________, 2017

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

By ____________________________________
General Manager

AGREED AND ACCEPTED

GOODWIN CONSULTING GROUP,
as Dissemination Agent

By:______________________________
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Midpeninsula Regional Open Space District
Name of Issue:	$__,___,000 Midpeninsula Regional Open Space District Green Bonds, 2017 Refunding Series A
	$__,___,000 Midpeninsula Regional Open Space District Parity Bonds, 2017 Series B
Date of Issuance:	_______, 2017

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 _______, 2017. The District anticipates that the Annual Report will be filed by _______________.

Dated: _____________

DISSEMINATION AGENT:

By: ____________________________________

Its: ____________________________________

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

APPENDIX G

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 2017 Series Bonds, payment of principal, interest and other payments on the 2017 Series Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the 2017 Series 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 Trustee appointed with respect to the 2017 Series Bonds (the "Trustee") 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 2017 Series Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2017 Series Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2017 Series 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 2017 Series Bonds. The 2017 Series 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 2017 Series Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

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 3.5 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.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2017 Series Bonds on DTC's records. The ownership interest of each actual purchaser of each 2017 Series 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 2017 Series 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 2017 Series 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 2017 Series 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 2017 Series 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 2017 Series 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 2017 Series 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 2017 Series 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 2017 Series Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the 2017 Series 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 2017 Series 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.

SF\322023740.1

RESOLUTION NO. 17-____

A RESOLUTION OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICIAL STATEMENT IN CONNECTION WITH THE ISSUANCE OF THE GENERAL OBLIGATION BONDS (GREEN BONDS), SERIES 2018

WHEREAS, pursuant to resolution adopted on November 8, 2017 (the "Authorizing Resolution"), this Board of Directors (the "Board") of the Midpeninsula Regional Open Space District (the "District"), authorized the issuance and sale of its "Midpeninsula Regional Open Space District (Counties of Santa Clara, San Mateo and Santa Cruz, California) General Obligation Bonds (Green Bonds), Series 2018" (the "Bonds");

WHEREAS, there has been submitted, and is on file with the District Clerk, a proposed form of Official Statement (the "Official Statement"), in preliminary form, and the Board hereby desires to authorize the completion, execution and distribution of such document in connection with the sale of the Bonds;

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

<u>Section 1</u>. <u>Recitals</u>. The District hereby specifically finds and declares that the actions authorized hereby constitute and are with respect to public affairs of the District and that the statements, findings and determinations of the District set forth above are true and correct.

<u>Section 2</u>. <u>Official Statement</u>. The Official Statement relating to the Bonds, in substantially the form on file with the District Clerk, is hereby approved with such changes, additions and corrections as any of General Manager or his written designee, the Controller, or the Chief Financial Officer / Director of Administrative Services, (each an "Authorized Officer") may hereafter approve, and the underwriter of the Bonds is hereby authorized to distribute copies of such Official Statement in its preliminary form to persons who may be interested in purchasing the Bonds. Any Authorized Officer is hereby authorized to certify to the underwriters, on behalf of the District, that the preliminary form of the Official Statement is deemed final as of its date within the meaning of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the "Rule") (except for the omission of certain final pricing, rating and related information as permitted by said Rule). Any Authorized Officer is hereby authorized and directed to sign said Official Statement in its final form, including the final pricing information, and such execution and delivery shall constitute conclusive evidence of the approval by the District of any changes or revisions to the Official Statement from the form submitted herewith. The underwriter is hereby authorized and directed to deliver copies of such Official Statement in final form to the purchasers of the Bonds.

<u>Section 3</u>. <u>Approval of Further Actions</u>. Any Authorized Officer is hereby authorized and directed, jointly and severally, to execute and deliver any and all certificates and representations concerning the contents of the Official Statement, which any of them deem necessary or desirable.

Section 4. Effective Date: This Resolution shall take effect from and after its date of adoption.

* * * * * * * * * * * * * * * * * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2017, at a regular meeting thereof, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: **APPROVED:**

Secretary
Board of Directors

President
Board of Directors

APPROVED AS TO FORM:

General Counsel

I, the 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.

District Clerk

CLERK'S CERTIFICATE

I, Jennifer Woodworth, District Clerk of the Board of the Midpeninsula Regional Open Space District, hereby certify as follows:

The foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of the Board of Directors of said District duly and regularly held at the regular meeting place thereof on the 6th day of December, 2017, of which meeting all of the members of said Board had due notice and at which a majority thereof were present; and at said meeting said resolution was adopted by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 330 Distel Circle, Los Altos, California, a location freely accessible to members of the public, and a brief general description of said resolution appeared on said agenda.

I have carefully compared the same with the original minutes of said meeting on file and of record in my office; the foregoing resolution is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes; and said resolution has not been amended, modified or rescinded since the date of its adoption, and the same is now in full force and effect.

WITNESS my hand and the seal of the Midpeninsula Regional Open Space District this __ day of December, 2017.

District Clerk

SH DRAFT #3
11/30/2017

PRELIMINARY OFFICIAL STATEMENT DATED ____________, 2017

NEW ISSUE — BOOK-ENTRY ONLY

RATINGS: Fitch: "___"
S&P: "___"
(See "RATINGS")

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2018 Green Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the 2018 Green Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the 2018 Green Bonds. See "TAX MATTERS."

[District Logo]

$__,___,000*
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Counties of Santa Clara, San Mateo and Santa Cruz, California)
GENERAL OBLIGATION BONDS (GREEN BONDS), SERIES 2018

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

Authorization; Purpose. The Midpeninsula Regional Open Space District (the "District") is issuing $__,___,000* principal amount of its General Obligation Bonds (Green Bonds), Series 2018 (the "2018 Green Bonds"). The 2018 Green Bonds were approved by more than two-thirds of the qualified voters of the District at a special bond election duly and regularly held on June 3, 2014, which authorized the issuance of up to $300,000,000 principal amount of general obligation bonds to finance 25 key projects authorized by the voters ("Measure AA"); and by Resolution No. ______ adopted by a majority of the Board of Directors on _______, 2017.

The 2018 Green Bonds are 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 (the "Act"); and (ii) a Fiscal Agent Agreement, dated as of _______ 1, 2018 (the "Fiscal Agent Agreement"), between the District and ZB, National Association dba Zions Bank, as fiscal agent (the "Fiscal Agent").

The 2018 Green Bonds are being issued by the District to: (i) further finance the 25 key projects specified in Measure AA; and (ii) pay certain costs associated with the issuance of the 2018 Green Bonds. See "THE 2018 GREEN BONDS–Authority for Issuance; Purpose."

Security and Source of Payment. The 2018 Green Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied in the District and collected in the County of Santa Clara, the County of San Mateo, and the County of Santa Cruz (collectively, the "Counties") upon all property subject to taxation and allocated to the District. The Board of Supervisors within each County is empowered and obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the 2018 Green 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 [$44,225,000] aggregate principal amount of General Obligation Bonds, Series 2015 (the "2015 Bonds") outstanding under Measure AA. The 2018 Green Bonds, the 2015 Bonds, and all future series of general obligation bonds under Measure AA are payable from *ad valorem* taxes levied on parcels in the District. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2018 GREEN BONDS" and "*AD VALOREM* PROPERTY TAXATION WITHIN THE DISTRICT."

No Reserve Fund will be established for the 2108 Green Bonds.

Book-Entry Only. The 2018 Green Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. Individual purchases of the 2018 Green Bonds will be made in principal amounts of $5,000 and integral multiples thereof under the book-entry only system maintained by DTC. Purchasers of the 2018 Green Bonds will not receive physical certificates representing their interests in the 2018 Green Bonds. So long as DTC, or its nominee for disbursement to DTC Participants, is the registered owner of the 2018 Green Bonds, payments of principal of and interest on the 2018 Green Bonds will be made by the Trustee directly to DTC or its nominee, which will in turn remit such payments to the DTC participants for disbursement to the beneficial owners of the 2018 Green Bonds. See APPENDIX G–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. Interest on the 2018 Green Bonds is payable on March 1 and September 1, of each year, commencing _______ 1, 2018. Principal on the 2018 Green Bonds is payable on September 1 in the amounts and in the years set forth on the inside cover. Payments of principal and interest on the 2018 Green Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, which will remit such payments to the Beneficial Owners of the 2018 Green Bonds. See "THE 2018 GREEN BONDS–Payment of Principal and Interest" and APPENDIX G–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Redemption. The 2018 Green Bonds are subject to redemption prior to their stated maturities. See "THE 2018 GREEN BONDS–Redemption Provisions."

Maturity Schedule. See inside cover.

Investor Considerations. **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 2018 Green Bonds.**

Legal Matters. *The 2018 Green Bonds are offered when, as and if sold and issued, and accepted by the Underwriter, subject to the approval as to their validity by Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District.*

Certain legal matters will be passed upon for the District by its General Counsel and by Schiff Hardin LLP, San Francisco, California, Disclosure Counsel.

Hawkins Delafield & Wood LLP, San Francisco, California is serving as counsel to the Underwriter.

Delivery. *It is anticipated that the 2017 Green Bonds in book-entry form, will be available for delivery through the facilities of DTC in New York, New York, on or about January __, 2018.*

Morgan Stanley

Dated: _______, 2018.

* Preliminary, subject to change.

MATURITY SCHEDULE
(Base CUSIP†: ________)

$__,__,000*
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Counties of Santa Clara, San Mateo and Santa Cruz, California)
GENERAL OBLIGATION BONDS (GREEN BONDS), SERIES 2018

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP No.†

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* Preliminary, subject to change.

† Copyright © 2018 CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP data are provided by CUSIP Global Services, managed on behalf of the American Bankers Association by S&P Global Market Intelligence, and are provided for convenience of reference only. Neither the District nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2018 Green Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No broker, dealer, salesperson or other person has been authorized to give any information or to make any representations with respect to the 2018 Green 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. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibility to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

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 2018 Green 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 2018 Green 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 2018 Green 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 2018 Green 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 2018 Green 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 2018 Green 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.

Forward-Looking Statements. Certain statements contained in this Official Statement reflect not historical facts but forecasts and "forward-looking statements." In this respect, the words "estimate," "project," "anticipate," expect," "intend," "believe," "plan," "budget," and similar expressions are intended to identify forward-looking statements. Projections, forecasts, assumptions, expressions of opinions, estimates and other forward statements are not to be construed as representations of fact and are qualified in their entirety by the cautionary statements set forth in this Official Statement.

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that 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 events, conditions or circumstances on which such statements are based occur or do not occur.

District Website. The District maintains a website. References to website addresses presented in this Official Statement are for information purposes only and are solely for the convenience of the reader. The information presented on any website is not a part of this Official Statement are not incorporated into, and are not a part of, this Official Statement, and should not be relied upon in making an investment decision with respect to the 2018 Green Bonds.

Regional Map

[To Come]

Regional Map

[To Come]

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

DISTRICT BOARD OF DIRECTORS

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

DISTRICT STAFF

Stephen E. Abbors, *General Manager*[(1)]
Ana Ruiz, *Assistant General Manager*[(2)]
Michael L. Foster, *Controller*
Sheryl Schaffner, Esq., *General Counsel*[(1)]
Hilary W. Stevenson, Esq., *Assistant General Counsel*[(3)]
Stefan Jaskulak, *Chief Financial Officer/Director of Administrative Services*
Christine Butterfield, *Acting Assistant General Manager*

PROFESSIONAL SERVICES

Orrick, Herrington & Sutcliffe LLP
San Francisco, California
Bond Counsel

Schiff Hardin LLP
San Francisco, California
Disclosure Counsel

Backstrom McCarley Berry & Co., LLC
San Francisco, California
Financial Advisor

ZB, National Association dba Zions Bank
Los Angeles, California
Fiscal Agent

(1) This member of the District staff will retire effective December 29, 2017. See APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT GENERAL INFORMATION–Administration."
(2) On December 30, 2017, Ms. Ruiz will be the Acting General Manager of the District.
(3) On December 30, 2017, Ms. Stevenson will be the Acting General Counsel of the District.

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$__,___,000*
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Counties of Santa Clara, San Mateo and Santa Cruz, California)
GENERAL OBLIGATION BONDS (GREEN BONDS), SERIES 2018

INTRODUCTION

This introduction contains only a brief summary of certain of the terms of the 2018 Green 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. Capitalized terms used in this Official Statement and not otherwise defined shall have the meanings given to such terms as set forth in the Fiscal Agent Agreement. See APPENDIX D–"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT–Definitions."

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 $__,___,000* principal amount of Midpeninsula Regional Open Space District General Obligation Bonds (Green Bonds), Series 2018 (the "2018 Green Bonds").

The District

General. 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 the County of Santa Clara. In June 1976, the southern and eastern portions of the County of San Mateo were annexed to the District. The District annexed three parcels located in the northern tip of Santa Cruz County in 1992, but the 1% *ad valorem* property tax is not levied on this land for the benefit of the District. In September 2004, the District completed the Coastside Protection Program, which extended the District boundaries to the Pacific Ocean in the County of San Mateo County, from the southern borders of Pacifica to the San Mateo/Santa Cruz County line.

The District encompasses over 550 square miles of land located in the County of Santa Clara (approximately 200 square miles), the County of San Mateo (approximately 350 square miles) and the County of Santa Cruz County (approximately 2.6 square miles). The Counties of Santa Clara, San Mateo, and Santa Cruz are referred to together as the "Counties." As of the 2010 decennial census, approximately 720,000 people lived within the boundaries of the District.

Governing Board and Management. A seven-member Board of Directors, elected by ward (the "Board of Directors"), 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 of Directors are elected for staggered four-year terms.

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

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* Preliminary, subject to change.

Authority for Issuance; Purpose

The 2018 Green Bonds were approved by more than two-thirds of the qualified voters of the District at a special bond election duly and regularly held on June 3, 2014, which authorized the issuance of up to $300,000,000 principal amount of general obligation bonds, at a tax rate not to exceed $3.18 per $100,000 of assessed value owned, to finance 25 key projects authorized by the voters ("Measure AA"); and by Resolution No. ______ adopted by a majority of the Board of Directors on _______, 2017.

The 2018 Green Bonds are 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 (the "Act"); and (ii) a Fiscal Agent Agreement, dated as of _______ 1, 2018 (the "Fiscal Agent Agreement"), between the District and ZB, National Association dba Zions Bank, as fiscal agent (the "Fiscal Agent").

The 2018 Green Bonds are being issued by the District to: (i) further finance the 25 key projects specified in Measure AA; and (ii) pay certain costs associated with the issuance of the 2018 Green Bonds. See "THE 2018 GREEN BONDS–Authority for Issuance; Purpose."

Security for the Green Bonds

General. The 2018 Green Bonds are general obligations of the District payable from separate *ad valorem* property taxes assessed within the District pursuant to Measure AA. 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 2018 Green 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 2018 Green Bonds and other general obligation bonds of the District. Such taxes are in addition to other taxes levied upon property within the District. For a description of Measure AA, see APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT FINANCIAL INFORMATION–General."

Outstanding Parity Obligations. The 2018 Green Bonds are the third series of general obligation bonds to be issued under Measure AA and are payable on a parity with the District's outstanding $40,000,000 principal amount of General Obligation Bonds, Series 2015A and the outstanding $3,350,000 principal amount of General Obligation Bonds, Series 2015B (Federally Taxable) (together, the "2015 Bonds"). See "SECURITY AND SOURCE OF PAYMENT FOR THE 2018 GREEN BONDS–Additional Bonds and Parity Obligations," and "*Ad Valorem Property Taxation Within the District*–Direct and Overlapping Debt Obligations."

No Reserve Fund. No reserve fund will be established as security for the 2018 Green Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2018 GREEN BONDS."

Redemption

The 2018 Green Bonds are subject to optional redemption prior to their stated maturities. See "THE 2018 GREEN BONDS–Redemption Provisions."

Other Outstanding Debt

The District also has outstanding $105.8 million of general fund obligations consisting of Green Bonds, 2017 Refunding Series A, Parity Bonds, 2017 Series B, Green Bonds, 2016 Refunding Series (the "2016 Green Bonds"), notes (the "Promissory Notes"), and lease obligations securing payment of the Midpeninsula Regional Open Space District Financing Authority (the "Authority") lease revenue bonds (collectively, the "Authority Bonds") payable from a 1% *ad valorem* property tax within County of Santa Clara and the County of San Mateo. See APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT FINANCIAL INFORMATION–General."

Continuing Disclosure

The District has covenanted for the benefit of Owners and Beneficial Owners of the 2018 Green Bonds to provide certain financial information and operating data relating to the District not later than 210 days after the end of the fiscal year (ending June 30) of the District, commencing with report due January 26, 2019 (the "Annual Report"), and to provide notices of the occurrence of certain significant events. The Annual Report and the notices of significant events will be filed with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access site. The specific nature of the information to be contained in the Annual Report and the notices of significant events is set forth in APPENDIX E–"FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

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.

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.***]***

THE DISTRICT

The District, a special district created by the Act and voter approval, is located in the San Francisco Bay Area and has boundaries that encompass over 550 square miles of land in the Counties. The District operates 26 open space preserves, which comprise more than 63,000 acres, providing a regional greenbelt preserve system of diverse and natural beauty in one of the largest metropolitan areas in the country. The preserves, ranging from 55 to 1,800 acres, are open to the public, all year, free of charge.

The mission of the District is to acquire and preserve, or return to its natural state, open space land in perpetuity for scenic beauty and enjoyment, for the protection of natural vegetation, wildlife and agriculture, to establish boundaries for urban growth, and enhance quality of life, for recreation in nature, and for educational opportunities through the creation of a regional greenbelt. For additional information on the District see APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES."

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds received from the sale of the 2018 Green Bonds are set forth below:

Table 1
Estimated Sources and Uses of Funds

	2018 Green Bonds
SOURCES OF FUNDS:	
Principal Amount of Bonds	
Original Issue Premium	
TOTAL SOURCES	
USES OF FUNDS:	
Deposit into Project Account	
Costs of Issuance†	
Underwriter's Discount	
TOTAL USES	

† Includes legal fees, financial advisory fees, Trustee's fees, printing expenses, rating agency fees and other costs associated with the issuance of the 2018 Green Bonds.

THE 2018 GREEN BONDS

Authority for Issuance; Purpose

The 2018 Green Bonds are issued pursuant to the Constitution and laws of the State, including the Act, and the Fiscal Agent Agreement. The 2018 Green Bonds are authorized to be issued pursuant to Measure AA. For additional information about the provisions of the Fiscal Agent Agreement, see APPENDIX D–"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT."

The District will use the proceeds of 2018 Green Bonds to further finance the 25 key projects authorized by the voters under Measure AA. The projects expected to be financed from proceeds of the 2018 Green Bonds include acquisitions of property to protect and preserve natural open space lands, construction of public access improvements such as new trails and parking/staging areas to open public access and recreation and capital enhancements to open space lands to restore disturbed natural areas back to their original condition and function, including forests, streams, watersheds and coastal grassland areas.

Designation of 2018 Green Bonds as Green Bonds

The mission of the District is to acquire and preserve a regional greenbelt of open space land in perpetuity; protect and restore the natural environment; and provide opportunities for ecologically sensitive public employment and education.

The District is issuing the 2018 Green Bonds as "Green Bonds," to allow investors to invest directly in bonds which finance such environmentally beneficial projects. The owners of the 2018 Green Bonds do not assume any specific project risk or economic benefit related to the projects as a result of the Green Bonds designation.

Use of Proceeds. The proceeds from the 2018 Green Bonds will be used to finance certain improvements authorized by the voters under Measure AA. See "–Authority for Issuance; Purpose.", The District acquires and preserves, or returns to its natural state, land, for scenic beauty and enjoyment, to protect natural vegetation, wildlife and agriculture, to establish boundaries for urban growth, enhance quality of life, and to provide opportunities for education and recreation in nature through the creation of a regional greenbelt.

Project Evaluation and Selection. Expansion of open space preserves by the District is based on location and the opportunity to acquire properties to support the creation of a regional greenbelt. The District prioritizes acquisitions based on an evaluation of opportunities to link preserves with federal, State, county, and city parklands, potential public trail uses, and protect wildlife, watersheds, and other natural resources.

Management of Proceeds and Reporting. [The District currently prepares reports providing information on the expenditures and status of the Measure AA projects. Commencing with the report due _____, 201_, and each ____ thereafter, the District will also include in the report expenditures of the proceeds from the 2018 Green Bonds.] Information on the Measure AA projects is available on the District website (http://www.openspace.org/).

Payment of Principal and Interest

The 2018 Green Bonds will mature on September 1 in the principal amounts and 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 payable on March 1 and September 1 of each year, commencing on ________ 1, 2018 (each, an "Interest Payment Date"), computed using a year of 360 days comprising twelve 30-day months.

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 Trustee 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 Trustee 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 Trustee that such Owner be paid interest by wire transfer to the bank and account number on file with the Trustee as of the applicable Record Date. So long as the 2018 Green Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer to DTC in accordance with its procedures. See APPENDIX G–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payment of Principal. Principal will be payable at maturity, or upon redemption prior to maturity, upon surrender of Bonds by the registered owner thereof at the principal office of the Trustee. The interest, principal and premiums, if any, on the 2018 Green Bonds will be payable in lawful money of the United States of America from moneys deposited by the District with the Trustee under the Fiscal Agent Agreement. 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 2018 Green 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 G–"DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Redemption of 2018 Green Bonds

Optional Redemption. The 2018 Green Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to their respective maturity dates.

The 2018 Green Bonds maturing on or after September 1, 20__ are 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 whole or in part on any date on or after September 1, 20__ from such maturities as are selected by the District at a redemption price equal to the principal amount of 2018 Green Bonds to be redeemed, plus accrued but unpaid interest to the redemption date, without premium.

Notice of Optional Redemption. The District is required to provide notice to the Fiscal Agent of any optional redemption of the 2018 Green Bonds at least 45 days prior to the date set for redemption (or such lesser number of days acceptable to the Fiscal Agent, in the sole discretion of the Fiscal Agent) and, in the case of partial redemption of 2018 Green Bonds, a District Officer is required to designate in writing to the Fiscal Agent those maturities to be redeemed in whole or in part (including as a maturity, for such purposes, principal due on 2018 Green 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 2018 Green 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 is required to select 2018 Green Bonds of such maturity to be redeemed by lot.

Mandatory Sinking Fund Redemption. The 2018 Green Bonds maturing on September 1, 20__ and 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__ and on and after September 1, 20__, respectively, in the principal amounts as set forth below, provided in the event that a Term Bond is redeemed in part, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of Term Bonds redeemed, to be allocated among the sinking fund payments in integral multiples of $5,000 as determined by the District (notice of which determination is required to be given by the District to the Trustee) or, absent such direction from the District, pro rata among the sinking fund payments in integral multiples of $5,000.

Term Bond Due September 1, 20__

Payment Date (September 1)	Payment Amount

Term Bond Due Term Bond Due September 1, 20__

Payment Date (September 1)	Payment Amount

Redemption Procedures

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, 2018 Green 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 2018 Green Bonds are registered in book-entry-only form and so long as DTC or a successor securities depository is the sole registered Owner of 2018 Green 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 APPENDIX G–"DTC AND THE BOOK ENTRY ONLY SYSTEM."

Notice of Redemption. Regardless of whether the District has deposited funds sufficient for any redemption with the Fiscal Agent, the Fiscal Agent on behalf of and at the expense of the District shall mail (by first class mail) notice of any redemption at least 30 days but not more than 60 days prior to the redemption date, to the respective Owners of any 2018 Green Bonds designated for redemption at their addresses appearing on the registration books maintained by the Fiscal Agent, to the Securities Depositories, and to the Municipal Securities Rulemaking Board as provided in the Continuing Disclosure Certificate; but such mailing is not a condition precedent to such redemption and failure to failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such 2018 Green Bonds. Each notice relating to an optional redemption is further required to state that such optional redemption may be rescinded by the District on or prior to the date set for redemption. The Fiscal Agent is required to send any notice of cancellation of an optional redemption in the same manner as it sent the related notice of redemption.

Such notice is also required to state the redemption date, the redemption price and the CUSIP numbers of 2018 Green Bonds to be redeemed, and, if less than all of the then Outstanding 2018 Green Bonds are to be called for redemption, is required to designate the serial numbers of the 2018 Green Bonds to be redeemed by giving the individual number of each 2018 Green Bond or by stating that all 2018 Green Bonds between two stated numbers, both inclusive, or by stating that all of the 2018 Green Bonds of one or more maturities have been called for redemption, and require that such 2018 Green 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 2018 Green Bonds will not accrue from and after the redemption date. Any notice of optional redemption is also required to state that it is subject to cancellation on or prior to the date set for redemption.

Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption is duly given and funds available for the payment of the principal of and interest (and premium, if any) on the 2018 Green Bonds so called for redemption has been duly provided, such 2018 Green Bonds so called will cease to be entitled to any benefit under the Fiscal Agent 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.

Defeasance

All or a portion of 2018 Green 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 by: (i) paying or causing to be paid the principal of and interest on Bonds Outstanding, as and when the same become due and payable; (ii) depositing, at or before maturity, money or securities in the necessary amount to pay Bonds Outstanding; or (iii) 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 2018 Green Bonds shall not have been surrendered for payment, the Fiscal Agent Agreement will cease, terminate, become void and be completely discharged and satisfied.

See APPENDIX D–"DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT."

Investment of Bond Proceeds

Moneys in the Project Account, the Series B Project Account, the Bond Service Fund, the Capitalized Interest Account, the Costs of Issuance Account and the Rebate Fund (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 Controller or 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.

DEBT SERVICE SCHEDULES

Table 2A shows the debt service schedule with respect to the 2018 Green Bonds (assuming no optional redemptions).

Table 2B shows the aggregate debt service schedule for all obligations of the District payable directly or indirectly from *ad valorem* property taxes . For a summary of outstanding long-term debt of the District see Table A-3–"District Outstanding Debt" in APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES."

Table 2A
Bonds
Debt Service Schedule

Fiscal Year Ending (June 30)	Principal	Interest	Total Debt Service

Table 2B
Aggregate General Obligation Bonds Debt Service Schedule†

Fiscal Year Ending (June 30)	2015 General Obligation Bonds	2018 General Obligation Green Bonds	Total
2018	$5,995,108.00	$_________	
2019	5,771,850.00	_________	
2020	5,275,200.00	_________	
2021	5,497,200.00	_________	
2022	5,509,200.00	_________	
2023	5,818,575.00	_________	
2024	5,852,325.00	_________	
2025	5,893,575.00	_________	
2026	5,678,075.00	_________	
2027	5,457,200.00	_________	
2028	5,211,700.00	_________	
2029	1,510,825.00	_________	
2030	1,537,200.00	_________	
2031	1,569,575.00	_________	
2032	1,613,400.00	_________	
2033	1,644,200.00	_________	
2034	1,671,800.00	_________	
2035	1,706,000.00	_________	
2036	1,751,300.00	_________	
2037	1,777,700.00	_________	
2038	1,815,200.00	_________	
2039	1,030,200.00	_________	
2040	–	_________	
2041	–	_________	
2042	–	_________	
TOTAL	$79,587,408.00	$___,___,000*	

† For a summary of outstanding long-term general fund debt obligations, including subordinate obligations, see Table A-3 in APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT FINANCIAL INFORMATION–Long Term Debt of the District."

* Preliminary, subject to change.

SECURITY AND SOURCE OF PAYMENT FOR THE 2018 GREEN BONDS

General

Pursuant to Measure AA, in order to provide sufficient funds for repayment of principal and interest when due on the 2018 Green Bonds, the 2015 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 2018 Green Bonds, the 2015 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 Measure AA taxes are deposited in the District's Debt Service Fund under the Fiscal Agent Agreement, for the 2018 Green 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 2018 Green Bonds, the 2015 Bonds, and such other general obligation debt.

Debt Service Fund and Bond Service Fund

Debt Service Fund. Pursuant to the Fiscal Agent Agreement, the District deposit the proceeds of the *ad valorem* tax levied pursuant to Measure AA in the debt service fund (the "Debt Service Fund") established pursuant to the Fiscal Agent Agreement at the times and in the amounts sufficient to pay debt service on the 2018 Green Bonds.

The Debt Service Fund will be maintained by the Chief Financial Officer/Administrative Service Manager of the District as a separate fund, distinct from all other funds and accounts of the District.

All moneys in the Debt Service Fund are required to be used and withdrawn by the Chief Financial Officer/Administrative Service Manager solely for the purpose of paying the principal of and interest on the 2018 Green Bonds as the same shall become due and payable.

Bond Service Fund. Pursuant to the Fiscal Agent Agreement, on the last day of February and August in each year commencing [February 28, 2018], the Chief Financial Officer/Administrative Service Manager is required to transfer to the Fiscal Agent for deposit in the Bond Service Fund 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 2018 Green Bonds.

The Bond Service Fund is a separate fund held by the Fiscal Agent into which all moneys received by the Fiscal Agent from the District will be deposited and which Bond Service Fund is required to be used solely to pay principal and interest on the 2018 Green Bonds when due.

[Within the Bond Service Fund there is established a Capitalized Interest Account which is required to pay a portion of the interest on the 2017 Green Bonds through [March 1, 2021], as directed by the District.]

In the event that the amount in the Bond Service Fund is not sufficient for the Fiscal Agent to pay the full aggregate amount of principal of and interest due and payable on all bonds issued pursuant to Measure AA on the next succeeding Interest Payment Date, the Fiscal Agent is required to apply such amount to all bonds issued pursuant to Measure AA on a *pro rata* basis based on the principal amount of the outstanding bonds of each such series.

No Debt Service Reserve Fund

The 2018 Green Bonds are secured by and payable from *ad valorem* property taxes levied on all taxable property in the District. Therefore, the Fiscal Agent Agreement does not require the District to establish a reserve fund for the 2018 Green Bonds.

***Ad Valorem* Property Taxation Within The District**

Taxes are levied by the Counties for each fiscal year (ending June 30) 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 (ending June 30). 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: (i) bringing a civil action against the taxpayer; (ii) 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; (iii) 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 (iv) 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, the District believes that any such change will not adversely affect its ability to pay debt service on the 2018 Green Bonds. See also "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS–Proposition 1A; Proposition 22."

Dissolution of Redevelopment Agencies

The California Legislature adopted a bill, "ABX1 26," during the fiscal year (ending June 30) 2011-12 State budget process that amended 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 in some cases is currently pledged to secure redevelopment agency bonds or otherwise contractually encumbered, resulting in the District experienced modest increases in tax revenues as a consequence of the Dissolution Law.

Assessed Valuations

The assessed valuation of property in the District is established by the respective County Assessor of the Counties, except for public utility property, which is assessed by the State Board of Equalization ("SBE"). Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIII A 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. For a discussion of how properties currently are assessed, see "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 fiscal year ending June 30, 2017-18 assessed valuation of the District in County of Santa Clara increased approximately 8.3% compared to the assessed valuation for fiscal year 2016-17. The fiscal year 2017-18 assessed valuation in the County of San Mateo increased approximately 7.6% compared to the assessed valuation for fiscal year 2016-17. *Ad valorem* taxes levied on the three parcels located in the County of Santa Cruz portion of the District do not benefit the District.

Table 3
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Summary of Assessed Valuation
Fiscal Years 2013-14 Through 2017-18

County of Santa Clara Portion Only

Fiscal Year (June 30)	Local Secured	Utility	Unsecured	Total Before Rdv. Increment	Total After Rdv. Increment
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
2015-16	148,710,117,100	3,616,356	8,236,860,519	156,950,593,975	151,221,560,473
2016-17	161,457,836,934	3,616,356	8,664,926,704	170,126,379,994	163,586,434,289
2017-18	174,219,310,470	3,616,356	9,773,726,170	183,996,652,996	177,153,794,696

County of San Mateo Portion Only

Fiscal Year (June 30)	Local Secured	Utility	Unsecured	Total Before Rdv. Increment	Total After Rdv. Increment
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
2015-16	66,177,632,738	3,085,789	2,363,781,063	68,544,499,590	63,519,108,202
2016-17	72,017,697,589	3,085,096	2,640,434,445	74,661,217,130	68,354,024,615
2017-18	78,506,564,096	3,084,835	2,996,701,078	81,506,350,009	73,565,159,409

Total District

Fiscal Year (June 30)	Local Secured	Utility	Unsecured	Total Before Rdv. Increment	Total After Rdv. Increment
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
2015-16	214,887,749,838	6,702,145	10,600,641,582	225,495,093,565	214,740,668,675
2016-17	233,475,534,523	6,701,452	11,305,361,149	244,787,597,124	231,940,458,904
2017-18	252,725,874,566	6,701,191	12,770,427,248	265,503,003,005	250,718,954,105

Source: California Municipal Statistics, Inc.

Taxation of State-Assessed Utility Property

Less than 1% of property tax revenue of the District is derived from utility property subject to assessment by the 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.

Table 4
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
2017-18 Assessed Valuation and Parcels by Land Use

	2017-18 Assessed Valuation†	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural/Rural	$507,783,912	0.20%	629	0.32%
Commercial/Office	38,533,674,656	15.25	6,212	3.13
Industrial	20,970,238,185	8.30	2,414	1.21
Recreational	453,955,556	0.18	123	0.06
Government/Social/Institutional	1,267,705,301	0.50	1,214	0.61
Miscellaneous	506,279,860	0.20	859	0.43
SUBTOTAL NON-RESIDENTIAL	$62,239,637,470	24.63%	11,451	5.76%
Residential:				
Single Family Residence	$152,340,808,457	60.28%	139,979	70.44%
Condominium/Townhouse	18,541,431,741	7.34	30,123	15.16
Mobile Home	231,807,132	0.09	3,769	1.90
2-4 Residential Units	3,950,588,463	1.56	5,974	3.01
5+ Residential Units/Apartments	12,610,299,866	4.99	2,769	1.39
Miscellaneous Residential	29,777,674	0.01	95	0.05
SUBTOTAL RESIDENTIAL	$187,704,713,333	74.27%	182,709	91.95%
Vacant Parcels	2,781,523,763	1.10%	4,555	2.29%
TOTAL	$252,725,874,566	100.00%	198,715	100.00%

† Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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Assessed Valuation of Single-Family Residential Properties

The following table focuses on single-family residential properties only, which comprise approximately 60% 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 $1,088,312, and the median assessed value is $784,679.

Table 5
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Per Parcel 2017-18 Assessed Valuation of Single Family Homes
(Ending June 30)

	No. of Parcels	2017-18 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	139,979	$152,340,808,457	$1,088,312	$784,679

2017-18 Assessed Valuation	No. of Parcels†	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	9,335	6.669%	6.669%	$703,268,205	0.462%	0.462%
$100,000 - $199,999	14,638	10.457	17.126	2,090,680,803	1.372	1.834
$200,000 - $299,999	8,929	6.379	23.505	2,229,020,414	1.463	3.297
$300,000 - $399,999	7,870	5.622	29.127	2,742,754,679	1.800	5.098
$400,000 - $499,999	7,761	5.544	34.672	3,495,805,982	2.295	7.392
$500,000 - $599,999	7,886	5.634	40.305	4,336,677,190	2.847	10.239
$600,000 - $699,999	7,438	5.314	45.619	4,822,463,257	3.166	13.405
$700,000 - $799,999	7,217	5.156	50.775	5,412,243,747	3.553	16.957
$800,000 - $899,999	7,061	5.044	55.819	6,000,872,184	3.939	20.896
$900,000 - $999,999	7,014	5.011	60.830	6,653,309,208	4.367	25.264
$1,000,000 - $1,099,999	6,064	4.332	65.162	6,358,216,832	4.174	29.437
$1,100,000 - $1,199,999	5,024	3.589	68.751	5,769,941,044	3.788	33.225
$1,200,000 - $1,299,999	4,257	3.041	71.792	5,317,183,239	3.490	36.715
$1,300,000 - $1,399,999	3,934	2.810	74.603	5,308,192,675	3.484	40.200
$1,400,000 - $1,499,999	3,733	2.667	77.269	5,408,906,697	3.551	43.750
$1,500,000 - $1,599,999	3,365	2.404	79.673	5,210,200,030	3.420	47.170
$1,600,000 - $1,699,999	3,135	2.240	81.913	5,170,715,908	3.394	50.565
$1,700,000 - $1,799,999	2,648	1.892	83.805	4,632,101,078	3.041	53.605
$1,800,000 - $1,899,999	2,447	1.748	85.553	4,524,218,539	2.970	56.575
$1,900,000 - $1,999,999	2,072	1.480	87.033	4,034,514,729	2.648	59.223
$2,000,000 and greater	18,151	12.967	100.000	62,119,522,017	40.777	100.000
TOTAL	139,979	100.000%		$152,340,808,457	100.000%	

† 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 20 taxpayers in the District with the greatest combined secured assessed valuation of taxable property on the 2017-18 tax roll, and the assessed valuations thereof, are shown below.

Table 6
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Largest Local Secured Taxpayers
Fiscal Year 2017-18
(Ending June 30)

	Property Owner	Primary Land Use	2017-18 Assessed Valuation	% of Total
1.	Board of Trustees, Leland Stanford Jr. University	Various Property Holdings	$6,263,480,917	2.48%
2.	Google Inc.	Office Building	3,490,159,677	1.38
3.	Campus Holdings Inc.	Office Building	3,076,341,978	1.22
4.	Apple Computer Inc.	Office Building	1,232,161,815	0.49
5.	Lockheed Missiles and Space Co. Inc.	Manufacturing	996,509,985	0.39
6.	Sobrato Interests	Office Building	784,903,661	0.31
7.	Oracle Corp.	Office Building	627,216,312	0.25
8.	Menlo & Juniper Networks LLC	Office Building	603,926,273	0.24
9.	Network Appliance Inc.	Office Building	504,704,678	0.20
10.	Applied Materials Inc.	Research and Development	491,685,941	0.19
11.	Intuitive Surgical Inc.	Office Building	417,657,237	0.17
12.	Yahoo Inc.	Office Building	413,254,823	0.16
13.	Giant Properties LLC	Office Building	386,735,241	0.15
14.	Essex Portfolio LP	Apartments	362,000,089	0.14
15.	HCP Life Science REIT Inc.	Research and Development	360,169,692	0.14
16.	Americana I LLC	Apartments	357,169,319	0.14
17.	KR 555 Mathilda LLC	Office Building	356,444,517	0.14
18.	MP 521 LLC	Office Building	352,097,380	0.14
19.	Wells REIT II-University Circle LP	Office Building	345,007,058	0.14
20.	LinkedIn Corporation	Office Building	343,702,251	0.14
	SUBTOTAL		$21,765,328,844	8.61%
	All Others	Various	230,960,545,722	91.39
	TOTAL		$252,725,874,566	100.00%

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 last five tax years in the largest Tax Rate Area of the District in the County of Santa Clara and the County of San Mateo.

Table 7
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Typical Total Tax Rates per $100 of Assessed Valuation(1)

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

	2013-14	2014-15	2015-16(3)	2016-17	2017-18
General	$1.00000	$1.00000	$1.00000	$1.00000	1.00000
County Retirement Levy	.03880	.03880	.03880	.03880	.03880
County Hospital Bond	.00350	.00910	.00880	.00860	.00820
County Housing Bond	–	–	–	–	.01266
City of Palo Alto	.01770	.01594	.01477	.01290	.01177
Palo Alto Unified School District	.09140	.08510	.08600	.07930	.07930
Foothill-De Anza Community College District	.02900	.02760	.02400	.02340	.02200
Midpeninsula Regional Open Space District	–	–	.00080	.00060	.00090
TOTAL ALL PROPERTY	$1.18040	$1.17654	$1.17317	$1.16360	$1.17363
Santa Clara Valley Water District – State Water Project	.00700	.00650	.00570	.00860	.00860
TOTAL LAND AND IMPROVEMENT	.00700	.00650	.00570	.00860	.00860

County of Santa Mateo (Tax Rate Area 9-001)(4)

	2013-14	2014-15	2015-16	2016-17	2017-18
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Redwood City School District	.0240	.0230	.0158	.0461	.0412
Sequoia Union High School District	.0313	.0433	.0434	.0391	.0383
San Mateo Community College District	.0194	.0190	.0250	.0247	.0235
Midpeninsula Regional Open Space District	–	–	.0008	.0006	.0009
TOTAL	$1.0747	$1.0853	$1.0850	$1.1105	$1.1039

(1) Due to the District's size and that it is located in two counties (County of Santa Cruz 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) The 2017-18 assessed valuation of Tax Rate Area (TRA) 6-001 is $28,291,652,893, which is 10.66% of the District's total assessed valuation.
(3) Fiscal Year 2015-16 was the first year in which *ad valorem* property taxes authorized by Measure AA were levied. For a description of Measure AA, see APPENDIX A–"DISTRICT GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES–DISTRICT FINANCIAL INFORMATION-General."
(4) The 2017-18 assessed valuation of TRA 9-001 is $9,444,516,021, which is 3.56% 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, a constitutional amendment approved by voters in 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 XIII A 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 "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.

In 2008-09, the Assessor of the County of Santa Clara reduced the assessed values of 90,836 properties in such County as of January 1, 2009, for a reduction in assessed valuation totaling $17.4 billion. In 2010-11, the Assessor of the County of Santa Clara unilaterally reduced the assessed values of 118,690 properties in such County, for a reduction in assessed valuation of $14.3 billion. In the County of San Mateo, 16% of residential properties had declines in assessed valuations for fiscal year (ending June 30) 2010-11.

By fiscal year (ending June 30) 2012-13, assessed valuation in the County of Santa Clara had rebounded to a level above that for fiscal year 2009-10, which had been the highest valuation in the history of the County of Santa Clara. For the County of San Mateo, assessed valuation in fiscal year (ending June 30) 2011-12 recovered to a level above that for fiscal year (ending June 30) 2009-10, which had been the highest valuation in the history of the County of San Mateo. No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District.

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 XIII A. See "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 within each County 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 the County of Santa Clara and the County of San Mateo has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") as provided for in Sections 4701 through 4717 of the State Revenue and Taxation Code. The Teeter Plan requires that a county pay 100% of *ad valorem* secured property taxes due to local agencies in the fiscal year such taxes are due regardless of the actual payments and delinquencies. 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 the Teeter Plan of each County. 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, remains in effect unless the Board of Supervisors of either 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.

The Board of Supervisors of either County 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 is 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 receipt of revenues by the District 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.

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

Direct and Overlapping Debt Obligations

Set forth in Table 11 is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. for debt issued as of _________, 2018. 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: (i) 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; (ii) the second column shows the percentage of the assessed valuation of the overlapping public agency identified in column one which is represented by property located within the District; and (iii) 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 two.

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Table 8
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
Statement of Direct and Overlapping Bonded Debt
(November 1, 2017)
[To be Updated]

2017-18 Assessed Valuation: $265,503,003,005

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 11/1/17	
Santa Clara County	40.909%	$ 317,408,840	
Foothill-De Anza Community College District	93.713	594,138,525	
San Mateo Community College District	39.390	227,053,441	
West Valley-Mission Community College District	29.259	144,863,950	
Palo Alto Unified School District	100.	258,433,689	
Fremont Union High School District	85.932	372,326,245	
Sequoia Union High School District	91.518	461,763,221	
Other High School Districts	Various	188,201,849	
Belmont-Redwood Shores School District and School Facilities Improvement Districts Nos. 1 and 2	7.975-93.305	53,439,524	
Cupertino Union School District	75.622	204,579,204	
Los Altos School District	100.	62,145,000	
Los Gatos Union School District	98.049	83,513,236	
Menlo Park City School District	100.	115,934,473	
San Carlos School District	96.542	114,306,807	
Mountain View-Whisman School District	100.	213,473,173	
Sunnyvale School District	100.	193,580,820	
Other Unified and Elementary School Districts	Various	364,462,221	
Cities	0.018-100.	92,419,067	
El Camino Hospital District	98.872	216,935,055	
Midpeninsula Regional Open Space District	**100.**	**43,350,000**	
Community Facilities Districts	100.	27,550,000	
Santa Clara Valley Water District Benefit Assessment District	40.909	37,204,690	
1915 Act Bonds (Estimate)	100.	30,602,521	
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$4,417,685,551	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Santa Clara County General Fund Obligations	40.909%	$259,972,469	
Santa Clara County Pension Obligation Bonds	40.909	146,268,974	
San Mateo County General Fund Obligations	39.390	151,352,954	
County Board of Education Certificates of Participation	39.390-40.909	6,002,809	
Foothill Community College District Certificates of Participation	93.713	28,382,923	
West Valley-Mission Community College District General Fund Obligations	29.259	18,450,689	
Union High School District General Fund Obligations	Various	8,602,703	
Mountain View-Whisman School District Certificates of Participation	100.	34,020,000	
Other Unified and Elementary School District General Fund Obligations	Various	8,262,824	
City of Cupertino General Fund Obligations	93.368	31,465,016	
City of Los Altos General Fund Obligations	100.	1,355,000	
City of Palo Alto General Fund Obligations	100.	1,400,852	
City of Redwood City General Fund Obligations	100.	692,368	
City of Sunnyvale General Fund Obligations	99.995	17,094,145	
Other City General Fund Obligations	Various	184,232	
Fire Protection Districts Certificates of Participation	100.	13,436,159	
Santa Clara County Vector Control District Certificates of Participation	40.909	1,098,407	
Midpeninsula Regional Open Space District General Fund Obligations	**100.**	**107,294,707**	(1)
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$835,337,231	
Less: Santa Clara County supported obligations		178,379,022	
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$656,958,209	
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):	100. %	$142,738,002	
GROSS COMBINED TOTAL DEBT		$5,395,760,784	(2)
NET COMBINED TOTAL DEBT		$5,217,381,762	

(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 2017-18 Assessed Valuation:
Direct Debt ($43,350,000).. 0.02%
Total Direct and Overlapping Tax and Assessment Debt 1.66%
Combined Direct Debt ($150,644,707)............................ 0.06%
Gross Combined Total Debt 2.03%
Net Combined Total Debt 1.97%

Ratios to Redevelopment Incremental Valuation ($14,784,048,900):
Total Overlapping Tax Increment Debt.............................. 0.97%

Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON DISTRICT TAX REVENUES AND APPROPRIATIONS

Article XIII A of the State Constitution

Article XIII A of the State Constitution, known as Proposition 13, was approved by the voters in June 1978 and has been amended on occasions, including on November 7, 2000 to reduce the voting percentage required for the passage of school bonds. Section l(a) of Article XIII A 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 XIII A 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% 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 XIII A defines "full cash value" to mean the county assessor's valuation of real property as shown on the 1975-76 fiscal year (June 30) 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. Legislation implementing Article XIII A 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 XIII A, which is $1.00 per $100 of assessed market value.

Since its adoption, Article XIII A 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 XIII A.

Article XIII B of the State Constitution

In addition to the limits Article XIII A 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 XIII B which effectively limits the amount of such revenues those entities are permitted to spend. Article XIII B, 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 XIII B 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.

Article XIII C and XIII D 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 added Articles XIII C and XIII D to the California Constitution and contained a number of interrelated provisions affecting the ability of the District and California local governments in general to levy and collect both existing and future taxes, assessments, fees and charges.

Taxes. Article XIII C requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the local government ("general taxes") require a majority vote; taxes for specific purposes ("special taxes"), even if deposited in the general fund of the local government, 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 XIII D added several provisions making it generally more difficult for local governments 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 XIII D, 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 XIII C also removed 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. 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 XIII C provides that a 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 XIII D 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 XIII D.

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 XIII A and XIII C of the State Constitution. The amendments to Article XIII A 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 XIII C 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.

Judicial Interpretation. The interpretation and application of Articles XIII C and XIII D 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 (ending June 30) 2004-05 Budget Act, and approved by the voters in November 2004, was generally effective in fiscal year (ending June 30) 2006-07. Proposition 1A of 2004 provides 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 generally prohibits 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 must be approved by two-thirds of both houses of the Legislature.

Proposition 1A of 2004 provided, however, that beginning in fiscal year (ending June 30) 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. Such a shift may not occur more than twice in any 10-year period. The State could also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

Proposition 22. On November 2, 2010, voters in the State approved Proposition 22 known as the "Local Taxpayer, Public Safety, and Transportation Protection Act." 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 (ending June 30), 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 XIII A, Article XIII B, Article XIII C, Article XIII D, 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.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the 2018 Green Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the 2018 Green Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. As discussed further below, legislation has been introduced which, if enacted, would repeal the alternative minimum tax for tax years beginning after December 31, 2017. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix F hereto.

To the extent the issue price of any maturity of the 2018 Green Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the 2018 Green Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the 2018 Green Bonds is the first price at which a substantial amount of such maturity of the 2018 Green Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the 2018 Green Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the 2018 Green Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2018 Green Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such 2018 Green Bonds in the original offering to the public at the first price at which a substantial amount of such 2018 Green Bonds is sold to the public.

2018 Green Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2018 Green Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the 2018 Green Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the 2018 Green Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the 2018 Green Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the 2018 Green Bonds may adversely affect the value of, or the tax status of interest on, the 2018 Green Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the 2018 Green Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the 2018 Green Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the 2018 Green Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. Legislation has been introduced in Congress which, if enacted, would significantly change the income tax rates for individuals and corporations and would repeal the alternative minimum tax for tax years beginning after December 31, 2017. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the 2018 Green Bonds. Prospective purchasers of the 2018 Green Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the 2018 Green Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the 2018 Green Bonds ends with the issuance of the 2018 Green Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the 2018 Green Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and their appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the 2018 Green Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the 2018 Green Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

CONTINUING DISCLOSURE

General

The District has covenanted for the benefit of the owners and beneficial owners of the 2018 Green 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 (ending June 30) being the current fiscal year-end) (the "Annual Report"), commencing with the report due January 26, 2019 for fiscal year ending June 30, 2018, and to provide notice of the occurrence of significant 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 and the notices of significant events will be filed by the District or by a dissemination agent on behalf of the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website. 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.

Any failure by the District to comply with the provisions or the Continuing Disclosure Certificate is not an "Event of Default" as defined in the Fiscal Agent Agreement. The sole remedy upon any failure by the District to comply with the Disclosure Certificate will be an action to compel performance. See APPENDIX E–"FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Past Instances of Non-Disclosure

The District timely submitted its annual continuing disclosure information to its dissemination agent each year from 2009 through 2014. However, the District failed to fully link the continuing disclosure information to all of the applicable CUSIP numbers when it was posted on EMMA; certain of the annual reports were missing updates to certain financial data because those annual reports were 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; and the District did not file notices of certain rating changes; although such ratings were discussed in the management's discussion section of the District's annual audited financial report.

The District made all remedial filings in September 2014 to address those instances of non-compliance, and in November 2014 the Board of Directors adopted policies and procedures to ensure compliance with its continuing disclosure undertakings. Those policies and procedures, became effective April 1, 2015, and include: identifying a disclosure coordinator within the organization to coordinate the preparation of annual reports by a dissemination agent on behalf of the District, file notices of listed events on EMMA and coordinate annual disclosure training sessions; and establishing a disclosure working group comprised of the General Manager, the Controller and the General Counsel to review and approve such annual reports and notices of listed events. On June 25, 2015, the District engaged Goodwin Consulting Group to act as dissemination agent for its continuing disclosure reporting.

UNDERWRITING

The 2018 Green Bonds are being purchased by Morgan Stanley & Co. LLC (the "Underwriter") pursuant to the terms and conditions of a bond purchase agreement between the District and the Underwriter, which provides that the Underwriter will purchase all of the 2018 Green Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter has agreed to purchase the 2018 Green Bonds at a price equal to $________, which equals the principal amount of the 2018 Green Bonds ($________), plus original issue premium of $________, less an Underwriter's discount of $________.

The Underwriter intends to offer the 2018 Green Bonds to the public initially at the prices set forth on the inside cover page of this Official Statement, which prices may subsequently change without any prior notice.

The Underwriter reserves the right to join with dealers and other underwriters in offering the 2018 Green 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.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, one of the Underwriters, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the 2018 Green Bonds.

LEGAL MATTERS

Orrick, Herrington & Sutcliffe LLP, San Francisco, California, Bond Counsel to the District, will render the opinion substantially in the form of APPENDIX F hereto with respect to the validity of the 2018 Green Bonds. Certain legal matters will be passed upon for the District by its General Counsel and by Schiff Hardin LLP, San Francisco, California, Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by Hawkins Delafield & Wood LLP, San Francisco, California.

Fees payable to Bond Counsel, Disclosure Counsel, and Underwriter's Counsel are contingent upon issuance of the 2018 Green Bonds.

FINANCIAL ADVISOR

The District has retained Backstrom McCarley Berry & Co., LLC, as Financial Advisor (the "Financial Advisor") for the sale of the "2018 Green Bonds." The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification, or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

NO MATERIAL LITIGATION

The District is not aware of any pending or threatened litigation concerning the validity of the 2018 Green 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 2018 Green 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.

POST-ISSUANCE COMPLIANCE WITH FEDERAL TAX LAW

The District follows certain post-issuance compliance procedures that are intended to ensure that proceeds of its tax-exempt bonds are invested and expended consistent with applicable federal tax law. In connection with the issuance of the 2016 Green Bonds, the District determined that a small portion of the proceeds of the Authority's 2007 Series A Revenue Refunding Bonds (the "2007 Authority Bonds") may have been applied for purposes that present a tax law compliance issue. The District redeemed the 2007 Authority Bonds and issued a portion of the 2016 Green Bonds as taxable bonds to address the situation. In addition, the District entered into a Closing Agreement on Final Determination Covering Specific Matters dated June 26, 2017 (the "Closing Agreement") with the IRS under its Tax Exempt Bond Voluntary Closing Agreement Program (VCAP) with respect to the 2007 Authority Bonds to confirm their tax-exempt status. Pursuant to the Closing Agreement, the District made a payment to the IRS in the amount of $79,545.40.

RATINGS

Fitch Ratings ("Fitch") has assigned its municipal bond rating of "___" to the 2018 Green Bonds. S&P Global Ratings ("S&P") has assigned its municipal bond rating of "___" to the 2018 Green 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 2018 Green Bonds may have an adverse effect on the market price or marketability of the 2018 Green Bonds.

FINANCIAL REPORTS

Chavan & Associates, LLP, Certified Public Accountants (the "Auditor"), audited the financial report of the District for the 12 months ended June 30, 2017. 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 JUNE 30, 2017." The District has not requested, and the auditor has not performed, any update or review of such statements in connection with their presentation in this Official Statement.

The Auditor has not performed any post-audit review of the financial condition or operations of the District.

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MISCELLANEOUS

All of the descriptions of applicable law, the Fiscal Agent Agreement, 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 2018 Green 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 GENERAL, FINANCIAL, AND OPERATING INFORMATION; AND ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES

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APPENDIX A

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

The 2018 Green Bonds are payable solely from Revenues consisting primarily of the District's share of the general one percent ad valorem property tax levied on property within the District by the County of Santa Clara and the County of San Mateo and allocated to the District. See "SECURITY AND SOURCE OF PAYMENT FOR THE 2017 SERIES BONDS" and "AD VALOREM PROPERTY TAXATION WITHIN THE DISTRICT" in the Official Statement.

DISTRICT GENERAL INFORMATION

The Midpeninsula Regional Park District (the "District") was established in 1972, by voters of northwestern Santa Clara County. 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 boundaries of the District 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 the 1% *ad valorem* property tax is not levied on this land for the benefit of the District. *Ad valorem* taxes will be levied on the Santa Cruz parcels for the payment of District general obligation bonds, but the amount is expected to be minimal and is not presented in the tables in the Official Statement. 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). For a map of the District see page ii.

Administration

The Board of Directors originates, guides, and enforces District policies. As of Fiscal Year 2017-18, a 174.45-person budgeted full-time equivalent permanent staff administers the policies, headed by the General Manager, who is appointed by the Board of Directors. The current General Manager is Stephen E. Abbors.

Set forth below are the names and expirations of the current terms for the members of the Board of Directors.

Name	Office	Year First Elected	Expiration of Current Term
Pete Siemens, *Ward 1*	Secretary	1992	December 2018
Yoriko Kishimoto, *Ward 2*	Member	2010	December 2018
Jed Cyr, Ward 3	Treasurer	1996	December 2020
Curt Riffle, Ward 4	Vice President	2008	December 2020
Nonette Hanko, Ward 5	Member	1972	December 2018
Larry Hassett, Ward 6	President	2000	December 2018
Cecily Harris, Ward 7	Member	2008	December 2020

The executive management staff consists of three positions appointed by the Board of Directors; the General Manager, Controller, and General Counsel. Three management staff positions are appointed by the General Manager; the Chief Financial Officer and two Assistant General Managers.

The General Manager and the General Counsel each announced their retirement from the District effective on December 29, 2017. In January 2018, the Board of Directors expects to initiate a recruitment process to fill the General Manager position and conclude these efforts in spring 2018. Following the recruitment of a General Manager, the Board of Directors expects to initiate the recruitment process to fill the position of General Counsel.

Brief resumes for the District executive management staff are set forth below.

Stephen E. Abbors, 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.

Mr. Abbors has announced that he will retire from the District effective on December 29, 2017.

Ana Ruiz, Assistant General Manager. Ms. Ruiz will become the Acting General Manager of the District on December 30, 2017. Ms. Ruiz joined the District in June 1998 as a Planning Technician in the Planning Department, and progressed through the ranks to Planning Manager in charge of site plans/master plans and large capital projects. In 2013 she was promoted to Assistant General Manager to oversee the Planning and Project Delivery business line and lead the Real Property, Planning, and Engineering and Construction Departments. In 2017, Ms. Ruiz transitioned to the Visitor and Field Services, Land and Facilities, and Natural Resources Departments. Ms. Ruiz has over 19 years of planning, design, permitting, environmental review, public engagement, project/land management, and executive management experience in open space, recreation, and environmental restoration. She earned her bachelor’s degree in Geological and Environmental Sciences from Stanford University, a Masters in Urban and Regional Planning from San Jose State University, and recently completed the Stanford University Local Governance Summer Institute Program. She is a Certified Planner by the American Institute of Certified Planners (AICP), the professional institute of the American Planning Association.

Michael L. Foster, District Controller. Mr. Foster 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.

Sheryl Schaffner, Esq., General Counsel. Ms. Schaffner became the District’s General Counsel in March 2012. Ms. Schaffner has over 20 years of experience representing public agencies, including cities, counties and state agencies, in both public and private sector capacities. Prior to joining the District, she served as City Attorney to the Cities of San Ramon and Eureka. She has experience in the private sector, specializing in CEQA with a leading environmental firm, served as staff counsel to the California Department of Conservation, senior staff counsel to the State Water Resources Control Board and functioned as lead attorney for the San Francisco Bay and North Coast Regional Water Quality Control Boards. She provided pro bono counsel to the Yolo Land Trust and Davis Agricultural Land Trust. Ms. Schaffner received her J.D. from the University of California at Davis.

Ms. Schaffner has announced that she will retire from the District effective on December 29, 2017.

Hilary W. Stevenson, Esq., Assistant General Counsel. Ms. Stevenson will become the Acting General Counsel of the District on December 30, 2017. She has served the District as Assistant General Counsel since 2013 and has more than 10 years of experience practicing municipal law in the public sector. Prior to joining the District, Ms. Stevenson served as Assistant City Attorney in the City of East Palo Alto, Deputy City Attorney in Redwood City, and Deputy County Counsel in Santa Clara County. Before beginning her legal career, Ms. Stevenson worked as a consultant to the U.S. Environmental Protection Agency overseeing Superfund site cleanups. She received her J.D. from Santa Clara University and her B.S. and M.S. in Biological Sciences at Stanford University.

Brief resumes for the District management staff are set forth below:

***Stefan Jaskulak, Chief Financial Officer/Administrative Services Manager*.** Mr. Jaskulak joined the District in January 2016 as the District's first Chief Financial Officer/Director of Administrative Services, overseeing Finance, Budget & Analysis, Human Resources, Procurement, Information Technology, Geospatial Information Systems and Grants Management. Mr. Jaskulak has over 25 years of in-depth financial management experience in both the private and municipal sectors, including financial operations, treasury systems and operations, risk, accounting, financial systems, overseeing budgetary functions and operations, and structured finance including utilizing short and long term debt instruments as part of a comprehensive finance program. He served as a member of the Government Finance Officers Association's (GFOA) Treasury & Investment Management Committee from 2012 to 2017. Mr. Jaskulak earned his bachelor's degree in Business Administration from Loyola Marymount University and his Master in Business Administration from Newport University.

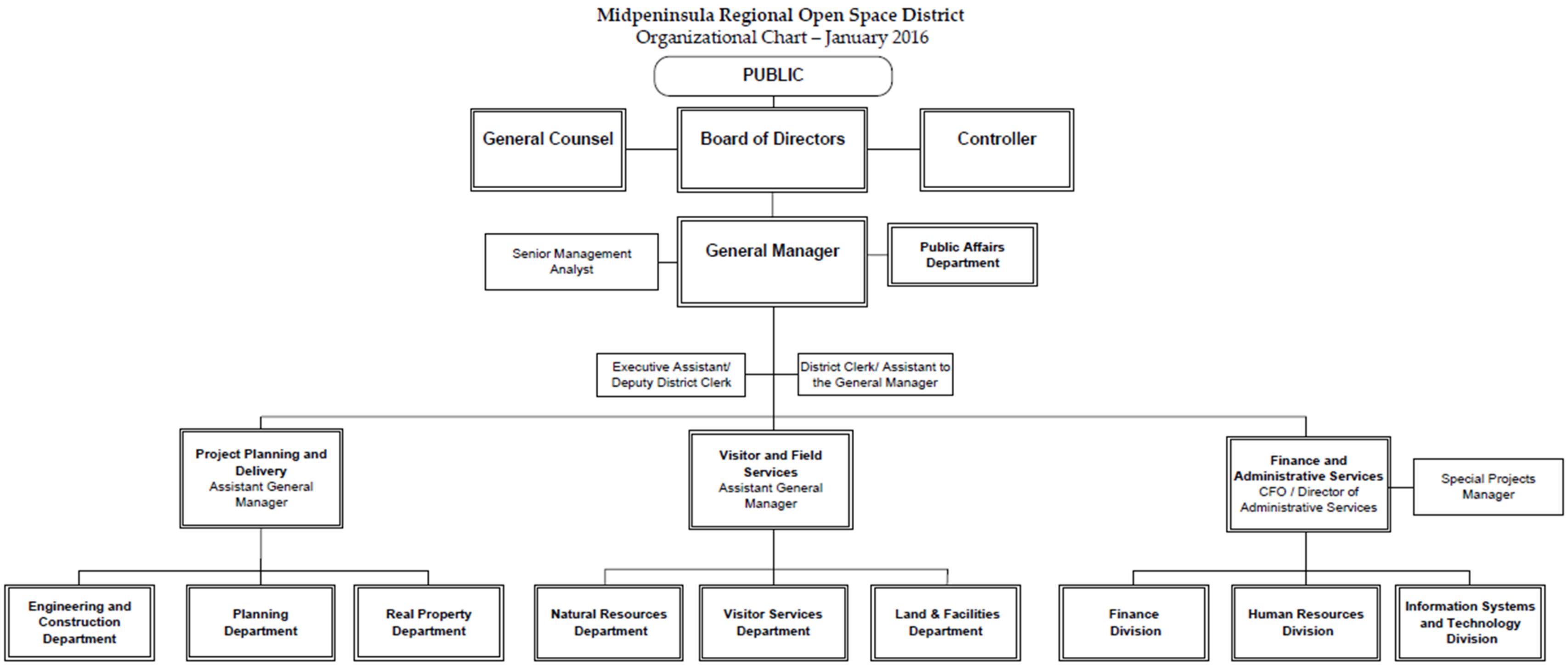
Christine Butterfield, Acting Assistant General Manager. Ms. Butterfield joined the District in July 2017 as the Public Affairs Manager. She was appointed to serve as the Acting Assistant General Manager in October 2017. In this capacity, Ms. Butterfield is responsible for the Planning and Project Delivery business unit that includes the Planning, Construction and Engineering and Real Property Departments. She has 25 years of public sector experience working for and providing consulting services to local units of government in Illinois, Minnesota, Iowa, and California. She has a wide range of experience, including: disaster response and recovery, community development and redevelopment, planning, fiscal impact analyses, economic development, housing policy and development, Housing Choice Voucher and Community Development Block Grant program administration, code enforcement and permitting, communications, information technology, human resources and labor negotiations. Ms. Butterfield earned Bachelor's Degrees in History and Political Science from the University of Minnesota and holds a Master's Degree in Public Policy and Administration from the Robert M. La Follette School of Public Affairs at the University of Wisconsin.

Operations and Planning

The District's chief method for preserving open space is to buy land, using District revenues and debt financing 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, support viable working and agricultural lands, restore sensitive natural habitats, and support cultural and scenic landscape.

Of the projects identified in the 2014 Vision Plan, 25 highest priority projects were identified to be financed with proceeds of general obligation bonds issued by the District.


Midpeninsula Regional Open Space District
Organizational Chart – January 2016
PUBLIC
General Counsel
Board of Directors
Controller
Senior Management Analyst
General Manager
Public Affairs Department
Executive Assistant/ Deputy District Clerk
District Clerk/ Assistant to the General Manager
Project Planning and Delivery Assistant General Manager
Visitor and Field Services Assistant General Manager
Finance and Administrative Services CFO / Director of Administrative Services
Special Projects Manager
Engineering and Construction Department
Planning Department
Real Property Department
Natural Resources Department
Visitor Services Department
Land & Facilities Department
Finance Division
Human Resources Division
Information Systems and Technology Division

DISTRICT FINANCIAL INFORMATION

General

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).

From 1989 through 2015, the District's fiscal year was April 1 through March 31. On July 22, 2015, in order to improve transparency over reporting financial transactions and overall operations, the Board of Directors adopted Resolution No. 14-000 changing the fiscal year of the District to July 1 through June 30, and extending fiscal year 2015-16 by three months to conclude June 30, 2016.

The District's certified public accountants are currently Chavan & Associates, LLP. See APPENDIX B for the District's audited financial report for the fiscal year ending June 30, 2017. Due to the change in fiscal year, financial information presented in Tables A-1, A-2 and A-3 is *not* comparable to financial information presented in the audited financial reports for the fiscal years ending prior to June 30, 2016.

Over the last six fiscal years, property taxes comprised 90% to 94% of the District's total general fund revenue, 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 approximately 80% of such capital spending in Fiscal Year 2016-17 was funded from proceeds of the issuance of general obligation bonds approved by more than two-thirds of the qualified voters of the District on June 3, 2014 ("Measure AA"). Pursuant to Measure AA, the District may issue $300 million of general obligation bonds to fund 25 key projects. The first series of Measure AA general obligation bonds, in the principal amount of 45 million, was issued in August 2015. The District expects that the great majority of future capital expenditures for land acquisitions and preserve development will be funded from proceeds of future issuances of Measure AA bonds. The one significant planned capital project requiring funding from the general fund is the purchase and refurbishment of a new administrative office building and at least one new field office. The cost of this project is estimated at between $42 and $46 million, which will be funded from existing committed reserves and the proceeds of the 2017 Series B Parity Bonds, partially offset by proceeds from the future sale of the current District-owned administrative office building.

Measure AA funds may be used to fund projects that improve access to hiking and biking opportunities, protect and preserve redwood forests, natural open spaces, the scenic beauty of the region, coastline, and critical wildlife habitat, restore creeks to protect water quality, and reduce forest fire risk, and estimates the levy of an annual tax in an amount not to exceed $3.18 per $100,000 of assessed value of property owned to pay debt service on Measure AA bonds. Measure AA funds are authorized to be used only to fund the 25 key capital projects identified in the 2014 Vision Plan of the District. Expenditures of Measure AA funds are required to be verified by an independent citizen oversight committee that consists of seven at-large members who reside within the District. The Oversight Committee, which is expected to convene at least once a year, reviews the Measure AA expenditures and the Annual Audit and Accountability report of the District, and presents its findings to the Board of Directors.

Land management and administrative expenses increase subject to changing management policy and controls. Since the voter approval of Measure AA, the District has increased staff and outside resources in order to implement the 25 Measure AA funded projects. Operating expenses have since increased from the prior ratio of approximately 50% of general fund tax revenue to over 60% in Fiscal Year 2016-17. The

District anticipates that implementation and maintenance of these capital projects will necessitate a continuing increase in the ratio of operating expenses to general fund tax revenue to an estimated 65% in Fiscal Year 2017-18, to 70% by Fiscal Year 2023-24, and to approximately 80% by Fiscal Year 2031-32.

Driven by the continued strong economy in Silicon Valley, District general fund tax revenue again increased above its long-term trend line in the 12 months ended June 30, 2017, growing by $4.1 million, or approximately 7.2% compared to the 12 months ended June 30, 2016. The District receives approximately 66% of its tax revenue from the County of Santa Clara and 34% from the County of San Mateo.

The District purchased $4.2 million of land and associated structures in Fiscal Year 2016-17, all of which was funded from Measure AA bond proceeds. Total capital spending for 2016-17 was $21.3 million of which $16.9 million was funded by Measure AA bond proceeds, and $4.4 million was funded from the general fund.

The District manages its expenditures within the annual budget. Excluding Measure AA capital projects, total District Fiscal Year 2016-17 spending of $37.9 million was $2.7 million, or 7%, under budget.

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.

Fiscal Management Policies

Fund Balance Policy. On November 25, 2014, the Board of directors adopted a Fund Balance Policy in Accordance with GASB Statement No. 54 (the "Fund Balance Policy"). The stated purpose of the Fund Balance 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. The Fund Balance Policy identifies the required components of fund balance, the level of management authorized to approve or change target balances in each fund, the amounts that the District will strive to maintain in each fund, and the conditions under which fund balances may be spent, reimbursed and reviewed. The Reserve Policy was developed, with input from the District auditors, to meet the requirements of GASB Statement No. 54– "Fund Balance Reporting and Governmental Fund Type Definitions." The components of the Fund Balance Policy of the District are summarized below:

- *Non-Spendable* fund balance includes amounts that cannot be spent either because they are not in spendable form.

- *Restricted* fund balance includes amounts that are constrained for specific purposes which are externally imposed by constitutional provisions, enabling legislation, creditors, or contracts.

- *Committed* fund balance includes amounts that are constrained for specific purposes that are internally imposed by the District Board of Directors.

- *Assigned* fund balance includes amounts that are intended to be used for specific purposes that are neither restricted nor committed.

- *Unassigned* fund balance includes amounts within the general fund which have not been classified within the above categories. The minimum amount of unassigned fund balance is calculated as 30% of the Budgeted General Fund Tax Revenue.

Restricted Funds are comprised of the following:

- *Retiree Healthcare Plan Fund* - Established in 2008 with a $1.9 million contribution to the California Employers' Retiree Benefit Trust. See also "–Employee Retirement System."

- *Hawthorns Fund* - Established in 2011 with a $2.0 million endowment from the Woods Family Trust, to provide stewardship funding for the Hawthorns property in Portola Valley.

Committed Funds are comprised of the following:

- *Infrastructure Fund* – Established in fiscal year 2015-16 to expand field and office facilities to implement the 2011 Strategic Plan, 2014 Vision Plan, and Measure AA projects.

- *Equipment Replacement Fund* – To replace field and office equipment and vehicles, over time, in connection with the implementation of the 2011 Strategic Plan, 2014 Vision Plan, and Measure AA projects.

- *Natural Disaster Fund* – To permit the District to undertake emergency expenditures required to respond quickly to a major fire, earthquake or flood. Funding for such expenditures is *not* available from general obligation bonds under Measure AA.

The Board of Directors most recently reviewed and updated the list of required reserves and reserve balances on October 26, 2016. The total amount reserved for committed funds was increased by $5 million to $35.4 million.

Any spending from the unassigned fund requires approval of the Board of Directors and reimbursed from the general fund within two years. The general fund has a minimum balance requirement of 30% of budgeted general fund tax revenue, equal to $13.5 million for Fiscal Year 2017-18. The Fund Balance Policy may be changed by the District at any time.

Investment Policy. The District annually adopts an investment policy (the "Investment Policy") governing the investment of District funds. The primary goals of the Investment Policy are: *Capital Preservation* – safeguard the principal of invested funds; *Liquidity* – managing the fund so that normal operating cash needs and scheduled extraordinary cash needs of the District can be met on a same day basis; and *Income* – funds shall earn the highest rate of return that is consistent with capital preservation and liquidity goals and the California Government Code.

Pursuant to the Investment Policy, investments and deposits of funds are limited to those allowed by and subject to the procedures of Government Code Section 53600 *et seq.* and 53635 et *seq.* In the event of any conflict between the terms of the Investment Policy, and the Government Code, the provisions of the Government Code prevail. The Investment Policy does not permit investments to be leveraged or investment in "derivatives" that offer opportunities for significant capital gains and losses.

The Board of Directors is required annually to designate the minimum amount of unassigned fund balance to be held in reserve in consideration of unanticipated events that could adversely affect the financial condition of the District and jeopardize the continuation of necessary public services. Any spending from the minimum general fund reserve requires the approval of the Board of Directors and is expected to be reimbursed within two years.

The current Investment Policy, adopted by the Board of Directors on August 9, 2017 is attached as APPENDIX C.

Debt Management Policy. On July 12, 2017, the Board of Directors adopted a debt management policy (the "Debt Management Policy"). The stated purpose of the Debt Management Policy is to: (i) establish the overall parameters for issuing, structuring, and administering the debt of the District in compliance with applicable federal and State securities laws. The Debt Management Policy was developed in conjunction with the procedures for Initial and Continuing Disclosure Relating to Bond Issuances summarized below.

The Board of Directors is required to annually review and affirm the Debt Management Policy.

Procedures for Initial and Continuing Disclosure Relating to Bond Issuances. On April 1, 2015, the District adopted procedures related to Initial and Continuing Disclosure Relating to Bond Issuances (the "Disclosure Procedures") to ensure that statements or releases of information to the public that are reasonably expected to reach investors and the trading markets relating to the finances of the District are complete, true, and accurate in all material respects, and in compliance with applicable federal and State securities laws.

The current Disclosure Procedures were adopted by the Board of Directors on March 22, 2017.

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Summary of Financial Reports

Table A-1 presents selected audited cash flow, balance sheet and budget information for the fiscal year ended March 31, 2013 through 2015 and for the fiscal years ended June 30, 2016 and 2017. On July 22, 2015, the Board of Directors adopted Resolution No. 14-000 changing the fiscal year of the District to July 1 through June 30, and extending fiscal year 2015-16 by three months to conclude June 30, 2016. Therefore, financial information for fiscal years ending on and after June 30, 2016 is *not* comparable to financial information prior to that date.

Table A-2 presents the Statement of Net Position for the fiscal years ended June 30, 2016 and 2017.

Table A-1
District General Fund, Measure AA and Debt Service Fund Statement of Revenues, Expenditures and Changes in Fund Balances
Fiscal Years Ending March 31, 2013 through 2015 and June 30, 2016[(1)] and 2017
($ in Thousands)

	As of March 31			As of June 30			
				General Fund		Debt Service Fund	
	2013	2014	2015	2016[(1)]	2017	2016[(1)]	2017
REVENUES:							
Property Taxes[(2)]	$30,270	$32,433	$35,082	$43,204	$42,282	1,776	1,579
Development Grants	538	1,676	953	223	651		
Property Management	___	___	1,437	1,636	1,479		
Interest	288	150	175	454	313	27	3
Other[(3)]	1,527	1,567	1,678	644	609		
TOTAL OPERATING REVENUES	32,623	35,826	37,887	46,160	45,334	1,803	1,582
EXPENDITURES:							
Salaries and Benefits	11,836	13,079	13,630	22,077	18,890		
Services and other[(4)]	5,567	5,259	6,162	6,147	5,613		
SUBTOTAL	17,403	18,337	19,791	28,224	24,503		
DEBT SERVICE[(5)]:							
Principal Repayment	2,843	2,999	3,145			4,367	5,193
Interest	6,034	5,859	5,749			6,478	6,404
Issuance Cost	–	–	–			–	786
SUBTOTAL DEBT SERVICE	8,877	8,858	8,894			10,845	12,383
SUBTOTAL EXPENDITURES	26,280	27,196	28,685	28,224	24,503		
OPERATING CASH FLOW	6,343	8,630	9,202	17,936	20,831	(9,042)	(10,801)
OTHER NON-OPERATING ITEMS (NET)	2,520	(1,971)	–				
STRUCTURES AND IMPROVEMENTS	2,206	3,561	2,209				
PROPERTY ACQUISITION (NET)[(6)]	5,820	3,410	4,717				
EXCESS OF REVENUES OVER EXPENDITURES	(4,202)	3,630	2,276	17,936			
PROCEEDS FROM NOTES PAYABLE	0	0	(1,620)	0			
NET EXCESS	(4,202)	3,630	656	17,936			
STARTING FUND BALANCE	43,349	39,147	42,776	48,681	54,229		
ENDING FUND BALANCE	$39,147	$42,776	$43,432	$54,229	$61,299		

(1) For the 15 months ending June 30, 2016.
(2) Property taxes under the Debt Service Fund for the Fiscal Years ending June 30, 2015 and 2016 are exclusively the Measure AA tax increment.
(3) Excludes donations of land.
(4) Excludes Structures & Improvements.
(5) Excludes Measure AA general obligation bonds.
(6) Includes cost of land acquired net of associated grant and gift income.
(7) As adjusted.
Sources: District audited financial reports.

Table A-2
District Statement of Net Position

	As of June 30	
	2016†	**2017**
ASSETS		
Current Assets:		
Cash and investments	$81,598,301	$77,020,898
Accounts receivable:		
Deposits	1,537,825	587,047
Rent	3,506	5,278
Interest	168,025	–
Due from other governments:		
Taxes receivable	11,792	221
Other current assets	15,622	55,093
TOTAL CURRENT ASSETS	$83,335,071	$77,668,537
Noncurrent Assets:		
Net OPEB asset	699,015	–
Notes receivable	151,425	134,317
Unamortized issuance costs	1,006,500	772,042
Non-depreciable capital assets	410,996,958	427,006,396
Capital assets, net of depreciation	17,457,931	20,127,443
TOTAL NONCURRENT ASSETS	430,311,829	448,040,198
TOTAL ASSETS	$513,646,900	$525,708,735
Deferred Outflows of Resources		
Pension change to adjustments	$6,990,099	$8,659,986
Deferred loss on early retirement of long-term debt	2,284,028	6,976,997
TOTAL DEFERRED OUTFLOWS OF RESOURCES	$9,274,127	$15,636,983
LIABILITIES		
Current Liabilities:		
Accounts payable	$1,137,971	$5,220,064
Deposits payable	98,770	104,932
Payroll and other liabilities	975,391	1,506,227
Accrued interest	2,284,000	1,956,000
TOTAL CURRENT LIABILITIES	4,496,132	8,787,223
Noncurrent Liabilities:		
Due within one year	5,465,679	7,423,614
Due after one year	188,146,420	186,494,779
TOTAL NONCURRENT LIABILITIES	193,612,099	193,918,393
TOTAL LIABILITIES	$198,108,231	$202,705,616
Deferred Inflows of Resources		
Pension adjustments	$3,352,133	$2,071,424
NET POSITION		
Net investment in capital assets	$276,394,511	$308,600,974
Restricted for:		
Debt service	3,116,266	2,193,934
Hawthorne maintenance	1,971,040	1,971,040
OPEB	699,015	806,023
TOTAL RESTRICTED	$5,786,321	$4,970,997
UNRESTRICTED	39,279,831	23,830,941
TOTAL NET POSITION	$321,460,663	$337,502,912

† For the 15 months ending June 30, 2016.
Source: District audited financial reports.

See APPENDIX B for the District's audited financial report for the period ended June 30, 2017. The District has not requested, and the auditor has not performed, any update or review of such statements in connection with their presentation in this Official Statement.

Long-Term Debt of the District

Set forth below is a table presenting the long-term obligations payable by the District (each, a "Long-Term Obligation"), outstanding at June 30, 2017.

Table A-3
District Outstanding Debt
($ in Thousands)
As of June 30, 2017

Obligation	Original Amount	Obligation Outstanding 6/30/2017	2017-18 Debt Service	Final Payment
PAYABLE FROM THE GENERAL FUND				
Senior Obligations:				
2011 Authority Bonds[(1)]	$20,500	$1,080	$189	September 2022
2012 Refunding Notes[(2)]	31,265	34,700	1,035	September 2042
2015 Refunding Notes	23,630	22,550	1,822	September 2034
2016 Green Bonds, Series A	54,490	54,490	3,064	September 2038
2016 Green Bonds, Series B (Taxable)	2,920	2,920	2,931	September 2017
Subtotal Senior Obligations	132,805	115,740	9,041	
Subordinate Obligations:				
Daloia Promissory Note (Sierra Azul)	240	11	11	October 2017
Hunt Promissory Note (Bear Creek)	1,500	1,500	75	April 2023
Subtotal Subordinate Obligations	1,740	1,511	86	
SUBTOTAL GENERAL FUND	134,545	117,251	9,127	
PAYABLE FROM MEASURE AA				
2015 General Obligation Bonds, Series A	40,000	40,000	1,636	September 2045
2015 General Obligation Bonds, Series B (Taxable)	5,000	4,225	957	September 2021
SUBTOTAL MEASURE AA	45,000	44,225	2,593	
TOTAL	$179,545	$161,476	$11,720	

(1) Payable from District Notes pledged to the Authority.
(2) Outstanding balance for 2012 Refunding Notes includes accreted interest of $5,114,953 as of June 30, 2017.
Source: District Controller.

Promissory Notes

Daloia Land Purchase Contract Promissory Note (Sierra Azul). During the fiscal year ending March 31, 2003, the District entered into a land purchase contract promissory note in the amount of $240,000. The promissory note bore interest at a fixed rate of 6.25% and matured October 10, 2017. At June 30, 2017, the outstanding balance on this note was $11,067.

Hunt Living Trust Promissory Note (Bear Creek). 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 repayment of this note is junior and subordinate to all outstanding and subsequent notes, bonds, leases, or other obligations secured by property tax revenues of the District or subsequent pledges of revenues created by the District. The note is due in full on April 1, 2023, but the owner can demand repayment at any time, and bears interest at 5.0% per annum until the maturity or prior redemption of the note. At June 30, 2017, the outstanding balance on the note was $1,500,000.

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. 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 reports. At June 30, 2017, the outstanding balance of the current interest bonds was $15,474,708, and the outstanding balance of the capital appreciation bonds was $15,474,708

2015 Refunding Promissory Notes (2004 Project Lease). On January 22, 2015, the District currently 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, 2034. 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 June 30, 2017, the outstanding balance of these notes was $22,550,000.

General Obligation and Revenue Bonds

2011 Authority Bonds. On May 19, 2011, the Authority, on behalf of the District, issued $20,500,000 of 2011 Revenue Bonds (the "2011 Authority Bonds") for the purpose of acquiring land to preserve and use as open space and pay bond issue and related costs. The 2011 Authority Bonds are lease revenue bonds. Each year, the District appropriates revenues–mainly limited property tax collections that the County of Santa Clara and the County of 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 2011 Authority Bonds bear interest at 2.0% to 6.0% and are due semi-annually on March 1 and September 1. Principal payments on the 2011 Authority Bonds are due annually September 1, and mature on September 1, 2021. At June 30, 2017, the outstanding balance of these bonds was $1,080,000.

2015 General Obligation Bonds. On July 29, 2015, the District, issued $40,000,000 of General Obligation Bonds, Series 2015A and $5,000,000 of General Obligation Bonds, Series 2015B (Federally Taxable) (together, the "2015 General Obligation Bonds") to finance certain projects authorized by the voters of the District, and to pay bond issue and related costs. The 2015 General Obligation Bonds bear interest at 1.5% to 5.0% and are due semi-annually on March 1 and September 1. Principal payments on the 2015 General Obligation Bonds are due annually September 1. At June 30, 2017, the aggregate outstanding balance of these bonds was $44,225,000.

2016 Green Bonds. On September 8, 2016, the District, issued $54,490,000 of Green Bonds, 2016 Refunding Series A and $2,920,000 of Green Bonds, 2016 Refunding Series B (Federally Taxable) (together, the "2016 Green Bonds") to refund its obligations under certain of the 2007 Notes that secured the 2007 Authority Bonds, prepay a portion of its obligations under the lease securing the 2011 Authority Bonds, and pay bond issue and related costs. The 2016 Green Bonds bear interest at 0.73% to 5.00% and are due semi-annually on March 1 and September 1. Principal payments on the 2016 Green Bonds are due annually September 1. At June 30, 2017, the aggregate outstanding balance of these bonds was $57,410,000.

District Organization and Employee Relations

As of June 30, 2017, the District had 135 permanent full-time equivalent employees who received benefits. Certain field employees are represented through a Memorandum of Understanding by and between the District and the Midpeninsula Regional Open Space District ("MROSD") Field Employee Association. Negotiations with MROSD are expected to commence in early 2018, with a new MOU approved by the Board of Directors on or about July 1, 2018.

Labor Organization	Represented Employees	Contract Expiration
MROSD Employees Field Association	46	June 30, 2018

Employee Retirement System

Plan Description. The District provides benefits to eligible employees through cost-sharing multiple employer defined benefit pension plans (the Plan(s)) administered by the California Public Employees' Retirement System (CalPERS). Members of the Plan include all permanent employees working full-time. Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 55 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Miscellaneous		
	Tier 1	**Tier 2**	**PEPRA**
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement age	55	60	62
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0% to 2.5%	2.00%
Required employees contribution rates	7.944%	7.944%	6.313%
Required employer contribution rates	10.069%	10.069%	6.555%

At June 30, 2017, 306 employees were covered by the Plan, consisting of 134 active, 48 transferred, 62 separated, and 62 retired members.

Contributions. Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

	2015	2016	2017
Contractually Required Contributions (Actuarially Determined)	$1,461,069	$1,358,520	$1,514,352
Contributions in Relation to Actuarially Determined Contributions	1,461,069	1,350,520	1,514,352
Contribution Deficiency (Excess)	–	–	–
Covered Employee Payroll	$8,994,979	$9,862,578	$11,834,150
Contributions as a Percentage of Covered Payroll	16.24%	13.77%	12.80%

Notes to Schedule:

Valuation Date:	June 30, 2015
Assumptions Used:	Entry Age Method used for Actuarial Cost Method
	Level Percentage of Payroll (Closed) Used Amortization Method
	3.7 Years Remaining Amortization Period
	Inflation Assumed at 2.75%
	Investment Rate of Returns set at 7.5%
	CalPERS mortality table using 20 years of membership data for all funds

** Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions. As of June 30, 2017, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Plan	$10,121,906

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 using standard procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions in to the pension plan relative to the projected contributions of all participating employers, as actuarially determined. The District's proportionate share of net pension liability for the Plan as of June 30, 2015, 2016, and 2017 was as follows:

	2015	2016	2017
Proportion of Net Pension Liability	0.39847%	0.41627%	0.29137%
Proportionate Share of Net Pension Liability	$9,848,203	$11,420,126	$10,121,906
Covered Employee Payroll	$8,994,979	$9,862,578	$11,834,150
Proportionate Share of NPL as a % of Covered Employee Payroll	109.49%	115.79%	85.53%
Plan's Fiduciary Net Pension as a % of the TPL	76.19%	73.93%	80.93%

** Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

Actuarial Assumptions. The total pension liabilities in the June 30, 2016 actuarial evaluations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	(1)
Investment Rate of Return	7.5%(2)
Mortality	(3)

(1) Varies by age and service.
(2) Net of pension plan investments expenses, including inflation.
(3) Derived using CalPERS' membership data for all funds.

Discount Rate. The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS was scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that was scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 Fiscal Year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology. The long-term expected rate of return n pension plan investments was determined using a building-block method in which best-estimate ranges of expected future rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. For additional information regarding the major asset classes see APPENDIX B–"ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017–Note 8–EMPLOYEE RETIREMENT SYSTEMS–Discount Rate."

On December 21, 2016, the CalPERS Board lowered the discount rate from 7.50% to 7.00% using a three-year phase-in beginning with the June 30, 2016 actuarial valuations. The minimum employer contributions for Fiscal Year 2018-19 determined in this valuation were calculated using a discount rate of 7.375%. The projected employer contributions are calculated assuming that the discount rate will be lowered to 7.25% for Fiscal Year 2019-20 and to 7.00% for Fiscal Year 2020-21 as adopted by the CalPERS Board. The decision to reduce the discount rate was primarily based on reduced capital market assumptions provided by external investment consultants and CalPERS investment staff. The specific decision adopted by the CalPERS Board reflected recommendations from CalPERS staff and additional input from employer and employee stakeholder groups. Based on the investment allocation adopted by the CalPERS Board and capital market assumptions, the reduced discount rate assumption provides a more realistic assumption for the long term investment return of the fund.

Notwithstanding the decision of the CalPERS Board to phase into a 7.0% discount rate, subsequent analysis of the expected investment return of CalPERS assets or changes to the investment allocation may result in a change to this three year discount rate schedule. A comprehensive analysis of all actuarial assumptions and methods including the discount rate is being conducted.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate. The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous
1% Decrease	6.65%
Net Pension Liability	$17,266,599
Current Discount Rate	7.65%
Net Pension Liability	$10,121,906
1% Increase	8.65%
Net Pension Liability	$4,217,172

In June 2016, the District made a $3 million prepayment to CalPERS, to be applied to reduce its unfunded pension liability, and in June 2017, the District made an additional $1 million prepayment to CalPERS.

Pension Reform Act of 2013 (Assembly Bill 340). On September 12, 2012, the Governor of the State 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, 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% of pay for civil workers and 11% or 12% 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. 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 CalPERS 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 organization.

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 Board of Directors authorized a deposit of $1,900,000 in CERBT on June 5, 2008, to begin funding its other post-employment benefits ("OPEB") liability.

By Board of Directors 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	Retire directly from the District under CalPERS (age 50 and 5 years of service) Continue participation in Public Employees Medical and Hospital Care Act (PEMHCA)
Retiree Medical Benefit	District pays retiree premiums up to: =>$300/month effective 1/1/07 =>$350/month effective 1/1/09 Must be at least equal to statutory PEMHCA minimum ($122 in 2015, $125 in 2016)
PEMHCA Administrative Fee	District pays CalPERS administrative fees (0.32% of premiums for Fiscal Year 2015-16)
Surviving Spouse Continuation	Retiree benefit continues to surviving spouse if retiree elects survivor annuity under CalPERS retirement plan
Other OPEB	None

As of June 30, 2017, there were 134 active employees, 48 transferred employees, 62 separated employees, and 62 retirees, who are 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 GASB Statement No. 45, the 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 and is excluded from its financial statements. CERBT 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, California 94229-2709.

Annual OPEB Cost and Net OPEB Assets. The District's annual OPEB cost is calculated based on the ARC, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each period and amortize any unfunded actuarial liabilities (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 period, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Description	Balance
Annual Required Contribution	$572,000
Interest on net OPEB asset	(43,000)
Adjustment to Annual Required Contribution	62,000
Annual OPEB cost (expense)	591,000
Contributions made	298,008
Decrease in net OPEB asset	292,992
Net OPEB obligation (asset)–beginning	(699,015)
Net OPEB obligation (asset)–ending	($406,023)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 was as follows:

Period Ended	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation (Asset)
March 31, 2015	$298,000	53%	(863,176)
June 30, 2016	386,000	57	(699,015)
June 30, 2017	591,000	50	(406,023)

Sources: Midpeninsula Regional Open Space District Annual Financial Report for the year ended June 30, 2017.

The District made its budgeted Fiscal Year 2016-17 OPEB contribution of $150,000 in June 2017.

Funded Status and Funding Progress. The most recent actuarial valuation date was June 30, 2015. The following summarizes the funded status of the plan as of June 30, 2017:

Description	Balance
Actuarial accrued liability (AAL)	$5,119,000
Value of plan assets	3,262,927
Unfunded actuarial accrued liability (UAAL)	$1,856,073
Funded ratio (actuarial value of plan assets/AAL)	64%
Projected covered payroll (active Plan members)	$9,789,000
UAAL as a percentage of covered payroll	19%

The District has budgeted a $250,000 OPEB contribution for Fiscal Year 2017-18 to reduce the UAAL in addition to making all benefit payments from the general fund.

The table below is a summary schedule of the funding progress for the District's OPEB plan as stated in each actuarial study. The actuarial studies are based on assumptions and data available at the time each study was completed. The actual funding progress of the plan as noted above may be different than the projections included in the actuarial studies.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a/c))
6/30/2011	$2,058,000	$1,844,000	$214,000	111.61%	$7,331,000	(2.92)%
6/30/2013	2,035,000	2,555,000	520,000	79.65	8,043,000	6.47
6/30/2015	2,520,000	4,612,000	2,092,000	54.64	9,182,000	22.78

Actuarial Methods and Assumptions. The ARC was determined as part of the 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: (i) 6.04% to 7.25% investment rate of return, (ii) 3.25% projected annual salary increase, and (iii) health inflation increases of 0% for one year, 1.5% for the next five 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 bi-annually 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.

Risk Management

Self-Insurance Programs of the CAL JPIA. 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 119 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. The CAL JPIA 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 of Directors operates through a nine-member Executive Committee.

During the past three fiscal periods, none of the programs of protection have had settlements or judgments that exceed pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior period.

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

General and Automobile Liability. Each government member pays a primary deposit to cover estimated losses for a fiscal year (claims year). General liability ("GL") coverage includes bodily injury, personal injury, or property damage to a third party resulting from a member activity. The GL program also provides automobile liability coverage. Six months after the close of a fiscal period, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. 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. The District also participates in the Workers' Compensation program administered by CAL JPIA. Pool deposits and retrospective adjustments are valued in a manner similar to the GL pool. 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. Costs from $2,000,000 to $5,000,000 are paid by excess insurance purchased by CAL JPIA. The excess insurance coverage provides coverage to statutory limits.

Purchased Insurance

Environmental. The District participates in the Pollution and Remediation Legal Liability Program, which is available through CAL JPIA. The policy provides coverage for both first and third party damages, including certain types of cleanups; fuel spill or hazardous materials incidents; 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. CAL JPIA has a limit of $50,000,000 for the three-year coverage period. The current coverage period is July 1, 2017 through June 30, 2020. Each member of CAL JPIA has a $10,000,000 aggregate limit during the three-year period.

Property. The District participates in the All-Risk property program of CAL JPIA which includes all-risk coverage for real and personal property (such as scheduled buildings, office furniture, equipment, vehicles, etc.). This insurance is underwritten by several insurance companies. Property is currently insured according to a schedule of covered property submitted by the District to CAL JPIA. The All-Risk deductible is $5,000 per occurrence; $1,000 for non-emergency vehicles. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Boiler and Machinery. The District participates in the optional coverage for boiler and machinery, which 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.

Crime Insurance. The District participates in the crime program through CAL JPIA in the amount of $1,000,000 per claim, with a $2,500 per occurrence deductible. Insurance provides coverage for employee dishonesty, failure to faithfully perform duties, forgery, counterfeiting, theft, robbery, burglary, and computer fraud. Premiums are paid annually and are not subject to retroactive adjustments.

Special Event Tenant User Liability. The District participates in the special events program through CAL JPIA which provides liability insurance when District premises are used for special events. The insurance premium is paid by the tenant user to the District according to a schedule. The District then pays the insurance arranged through CAL JPIA. There is no deductible and the District is added as additional insured. Liability limits are purchased in $1 million per occurrence increments.

Vendors/Contractors. General Liability coverage with or without professional liability is offered through CAL JPIA to vendors/contractors who otherwise could not meet the District's minimum insurance requirement: $1 million per occurrence, $2 million in aggregate.

Cyber Liability Program. The cyber liability program is partially covered under the liability program, and partially held through a stand-alone coverage program. Cyber liability provides coverage for both first- and third-party claims. First party coverage includes privacy, regulatory claims, security breach response, business income loss, dependent business income loss, digital asset restoration costs, and cyber-extortion threats, while third-party coverage includes privacy liability, network security liability, and multimedia liability. Members work directly with the reinsurer to investigate and respond to claims. There is a $1 million per occurrence limit of coverage, $1 million aggregate limit per policy period per member, and a $10 million aggregate limit of coverage for all members per policy period.

ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING SANTA CLARA AND SAN MATEO COUNTIES

Following is economic and demographic information for Santa Clara and San Mateo Counties. While three District parcels are located in Santa Cruz County, these parcels represent an insignificant amount of assessed valuation, so economic and demographic information regarding Santa Cruz County is not included herein.

General

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

Santa Clara County. The County of Santa Clara 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 the County of Santa Clara, 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 the County of Santa Clara 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 the County of Santa Clara, including Highway 101 providing access to San Francisco and Los Angeles.

San Mateo County. The County of San Mateo shares its borders with the City and County of San Francisco to the north, the County of Santa Clara to the south, the Pacific Ocean to the west and San Francisco Bay to the east. The County of San Mateo 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. The County of San Mateo 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 tables below show population estimates and projections for the past five years for Santa Clara and San Mateo Counties, according to the State Department of Finance.

Table A-4A
SANTA CLARA COUNTY AND SAN MATEO COUNTY AND STATE OF CALIFORNIA
Population Estimates
Calendar Years 2013 Through 2017 as of January 1

Calendar Year	Santa Clara County	San Mateo County	State of California
2013	1,856,416	745,639	38,238,492
2014	1,879,196	752,355	38,572,211
2015	1,903,209	759,609	38,915,880
2016	1,922,619	765,895	39,189,035
2017	1,938,180	770,203	39,523,613

Source: State Department of Finance, Table 2: E-4 Population Estimates for Cities, Counties, and State, 2011-2017 with 2010 Benchmark.

Table A-4B
SANTA CLARA COUNTY AND SAN MATEO COUNTY AND STATE OF CALIFORNIA
Population Projections by Age
Calendar Years 2017 Through 2021 as of January 1

	2017	2018	2019	2020	2021
Santa Clara County					
Under 19	497,872	499,809	501,575	502,116	501,375
20-39	527,530	528,860	530,249	531,507	534,024
40-59	546,926	550,046	552,927	556,011	558,841
60 and over	379,958	395,625	411,511	428,623	445,421
San Mateo County					
Under 19	177,913	178,693	179,216	179,546	179,578
20-39	192,644	192,050	191,297	190,509	189,952
40-59	226,479	227,033	227,794	228,625	229,251
60 and over	177,938	183,844	189,14	195,665	201,530
State of California					
Under 19	10,443,769	10,449,286	10,455,219	10,452,951	10,451,946
20-39	10,987,459	11,037,555	11,082,256	11,101,466	11,122,378
40-59	10,303,852	10,297,733	10,300,211	10,315,689	10,340,695
60 and over	7,958,547	8,248,519	8,538,277	8,849,893	9,146,525

Source: State Department of Finance, Table P-2: County Population Projections by Age, 2010-2060.

Employment and Industry

Santa Clara County. The preliminary unemployment rate (not seasonally adjusted) in the County of Santa Clara was 3.5% June 2017, compared to a revised rate of 4.1% for June 2016. This compares with preliminary unemployment rates for June 2017 of 4.9% for the State and 4.5% for the nation.

The table below lists employment by industry group for the County of Santa Clara for the years 2012 through 2016.

Table A-5
COUNTY OF SANTA CLARA
Annual Average Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2016 Benchmark)

	2012	2013	2014	2015	2016
Civil Labor Force(1)	958,300	971,800	991,800	1,009,800	1,026,500
Employment	883,000	909,100	940,700	967,800	987,900
Unemployment	75,300	62,700	51,100	41,900	38,600
Unemployment Rate(2)	7.9%	6.5%	5.2%	4.2%	3.8%
Wage and Salary Employment:(3)					
Agriculture	3,300	3,300	3,500	3,700	3,900
Mining and Logging	200	300	300	200	300
Construction	34,100	36,700	38,800	42,900	47,600
Manufacturing	153,700	153,600	156,700	160,200	161,300
Wholesale Trade	34,600	36,000	36,900	36,800	37,400
Retail Trade	81,900	82,500	83,900	85,100	85,000
Transportation, Warehousing, Utilities	12,500	13,400	13,900	14,100	14,800
Information	54,100	58,600	65,600	74,400	74,500
Finance and Insurance	20,100	20,500	20,600	21,900	21,300
Real Estate, Rental, Leasing	12,800	12,800	13,200	13,400	13,800
Professional and Business Services	177,200	190,100	201,800	215,200	224,100
Educational and Health Services	135,700	142,600	148,700	155,900	160,600
Leisure and Hospitality	81,300	86,300	90,700	94,500	97,600
Other Services	24,400	25,000	26,000	26,500	27,000
Federal Government	9,700	9,800	9,800	9,800	9,900
State Government	6,200	6,100	6,200	6,500	6,500
Local Government	72,800	73,100	74,600	73,800	74,800
TOTAL ALL INDUSTRIES(4)	914,800	950,700	991,000	1,028,900	1,060,600

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

San Mateo County. The preliminary unemployment rate (not seasonally adjusted) in the County of San Mateo was 2.9% June 2017, compared to a revised rate of 3.3% in June 2016. This compares with preliminary unemployment rates for June 2017 of 4.9% for the State and 4.5% for the nation.

The table below lists employment by industry group for the County of San Mateo for the calendar years 2012 through 2016.

Table A-6
COUNTY OF SAN MATEO
Annual Average Civilian Labor Force, Employment and Unemployment,
Unemployment by Industry
(March 2016 Benchmark)

	2012	2013	2014	2015	2016
Civil Labor Force[(1)]	412,100	418,100	427,700	437,700	448,600
Employment	385,700	396,100	409,700	422,9/0	435,200
Unemployment	26,400	22,000	18,000	14,800	13,400
Unemployment Rate[(2)]	6.4%	5.3%	4.2%	3.4%	3.0%
Wage and Salary Employment:[(3)]					
Agriculture	1,600	1,700	1,800	1,800	1,800
Mining, Logging, Construction	13,900	14,600	15,700	17,400	18,100
Manufacturing	24,400	25,500	25,500	25,400	25,400
Wholesale Trade	11,500	11,200	11,600	12,200	12,100
Retail Trade	33,200	34,100	34,900	33,700	33,900
Transportation, Warehousing, Utilities	25,600	27,100	27,800	28,200	30,500
Information	20,900	23,800	26,700	27,900	31,600
Finance and Insurance	13,900	14,300	15,400	14,800	15,400
Real Estate, Rental Leasing	6,200	6,300	6,300	6,800	7,100
Professional and Business Services	69,800	71,200	75,200	76,200	81,700
Educational and Health Services	38,100	40,500	43,000	44,100	45,000
Leisure and Hospitality	36,800	39,400	40,900	42,200	42,600
Other Services	12,900	13,400	13,900	14,000	13,900
Federal Government	3,700	3,600	3,700	3,800	3,800
State Government	600	600	600	600	600
Local Government	26,200	26,200	27,000	27,900	28,900
TOTAL ALL INDUSTRIES[(4)]	339,000	353,500	369,800	376,900	392,300

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

The following tables list the largest manufacturing and non-manufacturing employers within Santa Clara County and San Mateo County as of March 2016 (the most recent annual data available), in alphabetical order.

Table A-7
COUNTY OF SANTA CLARA
Largest Employers
As of March 2016

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-Manufacturers
Applied Materials Inc.	Santa Clara	Semiconductor Manufacturing Equipment (Mfrs)
Bon Appetit-Cafe Adobe	San Jose	Restaurant Management
California's Great America	Santa Clara	Amusement & Theme Parks
Christopher Ranch LLC	Gilroy	Garlic (Mfrs)
Cisco Systems Inc.	San Jose	Computer Peripherals (Mfrs)
E Bay Inc.	San Jose	Auctioneers
Flextronics International	Milpitas	Semiconductor Devices (Mfrs)
HP Inc.	Palo Alto	Computers-Electronic-Manufacturers
Intel Corp.	Santa Clara	Semiconductor Devices (Mfrs)
Kaiser Permanente Medical Ctr Sn	San Jose	Hospitals
Kaiser Permanente Medical Ctr	San Jose	Hospitals
Liberty Tax Svc.	San Jose	Tax Return Preparation and Filing
Lockheed Martin Space Systems	Sunnyvale	Satellite Equipment & Systems-Mfrs
Microsoft Corp.	Mountain View	Computer Software-Manufacturers
NASA	Mountain View	Federal Offices-US
Net App Inc.	Sunnyvale	Computer Storage Devices (Mfrs)
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, 2016 2nd Edition.

Table A-8
COUNTY OF SAN MATEO
Major Employers
As of March 2016
(Listed Alphabetically)

Employer Name	Location	Industry
A R Dental Care	Daly City	Dentists
Electronic Charging Station	Menlo Park	Research Device
Electronic Arts Inc.	Redwood City	Game Designers (Mfrs)
Facebook Inc.	Menlo Park	Social Media
Forced Dump Debris Box Svc	Burlingame	Garbage Collection
Franklin Resources Inc.	San Mateo	Asset Management
Franklin Templeton Investments	San Mateo	Investments
Genentech Inc.	South San Francisco	Pharmaceutical Products-Wholesale
Gilead Sciences Inc.	Foster City	Biological Products (Mfrs)
Guckenheimer Inc.	Foster City	Marketing Programs & Services
Hyatt Regency-San Francisco	Burlingame	Hotels and Motels
Kaiser Permanente Medical Ctr	Redwood City	Hospitals
Kaiser Permanente South Sn	South San Francisco	Hospitals
Lpch	Menlo Park	Health Care Facilities
Motif Inc.	San Mateo	Business Services NEC
Oracle Corp.	Redwood City	Computer Software-Manufacturers
San Francisco Intl Airport-SFO	San Francisco	Airports
San Mateo County Behavior	San Mateo	Government Offices-County
San Mateo Medical Ctr	San Mateo	Hospitals
Sciex LLC	Redwood City	Scientific Apparatus and Instruments-Mfrs
SRI International Inc.	Menlo Park	Research Service
US Interior Dept.	Menlo Park	Government-Offices US
Visa Inc.	Foster City	Credit Card and Other Credit Plans
Visa International Svc Assn	Foster City	Associations
Visa USA Inc.	Foster City	Credit Card and Other Credit Plans

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

Personal Income

The United States Department of Commerce, Bureau of Economic Analysis (the "BEA") produces economic account statistics that enable government and business decision-makers, researchers, and the public to follow and understand the performance of the national economy.

The BEA defines "personal income" as income received by persons from all sources, including income received from participation in production as well as from government and business transfer payments. Personal income represents the sum of compensation of employees (received), supplements to wages and salaries, proprietors' income with inventory valuation adjustment and capital consumption adjustment (CCAdj), rental income of persons with CCAdj, personal income receipts on assets, and personal current transfer receipts, less contributions for government social insurance. Per capita personal income is calculated as the personal income divided by the resident population based upon the Census Bureau's annual midyear population estimates.

The table below summarizes the total personal income and the per capital personal income for the County of Santa Clara, the County of San Mateo, the State and the United States from 2012 through 2016 (the most recent year for which county data is available.

Table A-9
COUNTY OF SANTA CLARA AND COUNTY OF SAN MATEO,
STATE OF CALIFORNIA AND UNITED STATES
Personal Income (Not Adjusted for Inflation)
For Calendar Years 2012 Through 2016

Year and Area	Personal Income (millions of dollars)	Per Capita Personal Income (dollars)
2016		
Santa Clara County	$170,673	$88,920
San Mateo County	80,855	105,721
State	2,212,691	56,374
United States	15,912,777	49,246
2015		
Santa Clara County	158,729	82,756
San Mateo County	74,641	97,553
State	2,103,669	53,741
United States	15,463,981	48,112
2014		
Santa Clara County	141,874	74,883
San Mateo County	68,015	89,659
State	1,939,528	49,985
United States	14,683,147	46,049
2013		
Santa Clara County	133,655	71,431
San Mateo County	64,282	85,653
State	1,849,505	48,125
United States	14,064,468	44,438
2012		
Santa Clara County	131,951	71,670
San Mateo County	63,951	85,798
State	1,812,315	47,614
United States	13,904,485	44,266

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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.

Table A-10
COUNTY OF SANTA CLARA
Building Permit Valuation - For Calendar Years 2012 through 2016
(Dollars in Thousands)†

	2012	2013	2014	2015	2016
New Single-Family	$678,168.8	$694,884.6	$594,472.7	$653,970.2	$660,301.6
New Multi-Family	558,544.1	941,420.4	1,196,127.7	706,781.1	564,761.0
Res. Alterations/Additions	288,105.1	423,739.6	439,747.1	505,844.7	484,820.1
TOTAL RESIDENTIAL	1,524,818.0	2,060,044.6	2,230,347.5	1,866,595.9	1,709,882.8
New Commercial	745,468.8	1,217,647.4	898,270.7	1,428,420.1	2,120,530.9
New Industrial	22,481.5	72,222.0	10,172.2	100,301.2	44,268.9
New Other	19,197.3	1,749,161.2	1,534,213.1	1,697,046.2	2,072,862.8
Com Alterations/Additions	1,115,633.3	1,293,656.1	212,756.4	364,033.1	460,496.2
TOTAL NONRESIDENTIAL	1,902,780.9	4,332,686.7	2,655,412.5	3,589,800.5	4,698,158.9
New Dwelling Units					
Single Family	1,432	1,859	1,602	1,710	1,608
Multiple Family	4,245	6,009	8,310	3,906	3,297
TOTAL	5,677	7,868	9,912	5,616	4,905

† Columns may not total due to independent rounding.
Source: Construction Industry Research Board, Building Permit Summary.

Table A-11
COUNTY OF SAN MATEO
Building Permit Valuation - For Calendar Years 2012 through 2016
(Valuation in Thousands of Dollars)†

	2012	2013	2014	2015	2016
New Single-Family	$245,163.9	$292,893.4	$289,903.2	$374,275.5	$660,301.6
New Multi-Family	171,390.4	151,019.5	168,859.4	259,181.0	564,761.0
Res. Alterations/Additions	201,543.1	299,830.5	348,231.1	408,011.2	484,820.1
TOTAL RESIDENTIAL	618,097.4	743,743.4	2,230,347.5	1,041,467.7	1,709,882.8
New Commercial	83,374.0	165,578.7	432,585.4	427,063.6	683,630.1
New Industrial	2,021.6	15,724.2	9,600.0	0	4,954.8
New Other	1,975.6	58,726.5	490,364.5	489,389.7	728,965.3
Com Alterations/Additions	167,438.8	263,460.8	84,241.0	94,031.8	195,895.4
TOTAL NONRESIDENTIAL	$254,810.0	$503,490.2	$1,016,790.7	$228,961.0	$1,613,445.6
New Dwelling Units					
Single Family	264	350	315	521	458
Multiple Family	671	840	1,302	1,386	1,319
TOTAL	935	1,190	1,617	1,907	4,905

† Columns may not total due to independent rounding.
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 2011 through 2015 (the most recent annual data available).

Taxable sales for Santa Clara County were $30.676 billion for the first nine months of calendar year 2016 compared to taxable sales of $30.197 billion for the first nine months of calendar year 2015.

Taxable sales for San Mateo County were $11.427 billion for the first nine months of calendar year 2016 compared to taxable sales of $11.306 billion for the first nine months of calendar year 2015.

Table A-12
COUNTY OF SANTA CLARA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)
Calendar Years 2011 through 2015†

	Retail and Food Services		Total All Outlets	
Year	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
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
2014	30,058	23,271,753	45,852	39,628,655
2015†	30,516	23,700,907	50,573	41,231,759

† Most recent annual data available.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Table A-13
COUNTY OF SAN MATEO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)
Calendar Years 2011 through 2015†

	Retail and Food Services		Total All Outlets	
Year	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
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
2014	12,673	10,278,717	19,999	15,298,434
2015†	12,992	10,301,197	21,825	15,478,010

† Most recent data available.
Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

APPENDIX B

ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017

APPENDIX C

DISTRICT INVESTMENT POLICY

APPENDIX D

DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE FISCAL AGENT AGREEMENT

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$__,___,000*
MIDPENINSULA REGIONAL OPEN SPACE DISTRICT
(Counties of Santa Clara, San Mateo and Santa Cruz, California)
GENERAL OBLIGATION BONDS (GREEN BONDS), SERIES 2017A

CONTINUING DISCLOSURE CERTIFICATE

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 $__,___,000 principal amount of Midpeninsula Regional Open Space District General Obligation Bonds (Green Bonds), Series 2018 (the "Bonds"). The Bonds are being issued pursuant to a Fiscal Agent Agreement, dated as of _______ 1, 2018 (the "Fiscal Agent Agreement"), between the District and ZB, National Association dba Zions Bank, as fiscal agent (the "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.

"*Business Day*" means any day (other than a Saturday or a Sunday) on which banks and the Trustee are open for business.

"*Annual Report Date*" means 210 days after the end of each Fiscal Year.

"*Disclosure Coordinator*" means the District Senior Accountant or other individual designated from time to time by the District Controller, as provided in the District Disclosure Policy.

"*Dissemination Agent*" means, initially, Goodwin Consulting Group, 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.

"*EMMA*" means the Electronic Municipal Marketplace Access site maintained by the MSRB, currently located at http://emma.msrb.org.

"*Fiscal Year*" means any twelve-month period beginning on July 1 in any year and extending to the next succeeding June 30, both dates inclusive, or any other 12-month period selected and designated by the District as its official Fiscal Year period under a Certificate of the District filed with the Trustee.

"*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 Morgan Stanley & Co. LLC, 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. <u>Provision of Annual Reports</u>.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing January 26, 2019, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report for the fiscal year ending June 30, 2018, 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 report 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 <u>Exhibit A</u>.

(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 report 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 report is not available by the Annual Report Date, the Annual Report shall contain unaudited financial report in a format similar to the financial report contained in the final Official Statement, and the audited financial report shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial report 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) A maturity schedule for the outstanding Bonds, and a listing of Bonds redeemed prior to maturity;

(ii) Information for the preceding Fiscal Year to update the following tables in the Official Statement:

(A) Table 2B–Aggregate General Obligation Bond Debt Service Schedule;

(B) Table 3–Summary of Assessed Valuation.

(c) Changes, if any, in the operation of the Teeter Plan of the County of Santa Clara or the County of San Mateo, and if either County discontinues the Teeter Plan, to the extent available, tax collection delinquencies for such County.

(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 EMMA 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) Pursuant to the provisions of this Disclosure Certificate, 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, no later than ten (10) Business Days after the occurrence of such event:

(i) Principal and interest payment delinquencies;

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

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

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

(v) 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;

(vi) Tender offer;

(vii) Defeasances;

(viii) Rating Changes; or

(ix) Bankruptcy, insolvency, receivership or similar event of the District or other obligated person.

Note: This event is considered to occur upon the happening of any of the following: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events described in this Section 5(b) with respect to the Bonds, if material, not later than ten (10) business days after the occurrence of the event:

(i) Unless described in Section 5(a)(v), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

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

(iii) Bond calls;

(iv) Release, substitution, or sale of property securing repayment of the Bonds;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or

(vii) Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The District acknowledges that it is required to make a determination whether a Significant Event described in Section 5(b) is material under applicable federal securities laws in order to determine if a filing with EMMA is required. If the District determines that the occurrence of an event listed in Section 5(b) would be material under applicable federal securities laws, or if the District changes its Fiscal Year, the District shall file, or shall cause the Dissemination Agent to file, within ten (10) business days of occurrence, a notice of such event on EMMA.

(d) Notwithstanding the foregoing, notice of Significant Events described in Section 5(a)(vii) and Section 5(b)(iii) above need not be given any earlier than the notice (if any) of the underlying event is given to Owners of affected Bonds pursuant to the Fiscal Agent Agreement.

Section 6. Identifying Information for Filings with EMMA. 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 obligations of the District 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 thirty (30) days written notice to the District.

The initial dissemination agent shall be Goodwin Consulting Group.

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 reports, the annual financial information for the year in which the change is made shall present a comparison between the financial reports 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 9 shall 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 Trustee may, and at the request of the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds whose Owners are beneficiaries of the Continuing Disclosure Certificate, the Trustee shall (but only to the extent it is indemnified to its satisfaction, including indemnification from and against attorneys' fees), or any Owner or Beneficial Owner (as that term is defined in the Fiscal Agent Agreement) 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 attorney's 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 Owners 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. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

To the District:	Midpeninsula Regional Open Space District 330 Distel Circle Los Altos, CA 94022 Attention: Disclosure Coordinator Telephone: 650-691-1200
To the Dissemination Agent:	Goodwin Consulting Group 555 University Avenue, Suite 280 Sacramento, CA 95825 Attention: Victor Irzyk Telephone: 916-561-0890 Email victor@goodwinconsultinggroup.net

Section 14. 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 15. 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: ___________, 2018

MIDPENINSULA REGIONAL OPEN SPACE DISTRICT

By ____
General Manager

AGREED AND ACCEPTED

GOODWIN CONSULTING GROUP,
as Dissemination Agent

By:________________________________
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Midpeninsula Regional Open Space District
Name of Issue:	$__,___,000 Midpeninsula Regional Open Space District General Obligation Bonds (Green Bonds), Series 2018
Date of Issuance:	_______, 2018

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 _______, 2018. The District anticipates that the Annual Report will be filed by _______________.

Dated: _____________

DISSEMINATION AGENT:

By: ____________________________________

Its: ____________________________________

APPENDIX F

FORM OF OPINION OF BOND COUNSEL

APPENDIX G

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 2018 Green Bonds, payment of principal, interest and other payments on the 2018 Green Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the 2018 Green 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 Trustee appointed with respect to the 2018 Green Bonds (the "Trustee") 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 2018 Green Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2018 Green Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2018 Green 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 2018 Green Bonds. The 2018 Green 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 2018 Green Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

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 3.5 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.

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2018 Green Bonds on DTC's records. The ownership interest of each actual purchaser of each 2018 Green 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 2018 Green 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 2018 Green 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 2018 Green 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 2018 Green 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 2018 Green 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 2018 Green 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 2018 Green 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 2018 Green Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Principal and interest payments on the 2018 Green 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 2018 Green 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.

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RESOLUTION NO. 17-___

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MIDPENINSULA REGIONAL OPEN SPACE DISTRICT AMENDING THE BUDGET FOR FISCAL YEAR 2017-18 TO AUTHORIZE THE CONTRIBUTION OF UP TO $715,000 TO THE REFUNDING ESCROW ACCOUNT

WHEREAS, on June 14, 2017 the Board of Directors of the Midpeninsula Regional Open Space District adopted the Fiscal Year 2017-18 Budget and Action Plan; and

WHEREAS, the General Manager recommends amending the FY 2017-18 Budget to reflect requests for budget increases to contribute into the refunding escrow for the refunding of the 2012 Refunding Promissory Notes, resulting in a net increase not to exceed $715,000;

NOW, THEREFORE, the Board of Directors of the Midpeninsula Regional Open Space District does resolve as follows:

SECTION ONE. Approve the proposed revenue amendments to the FY2017-18 Budget for the Midpeninsula Regional Open Space District by an amount not to exceed $715,000 as follows:

DISTRICT REVENUE BY FUNDING SOURCE	Fund 10 General Fund	Fund 20 Hawthorn	Fund 30 Measure AA Capital	Fund 40 General Fund Capital	Fund 50 Debt Service	Adopted Total	Fund 50 General Fund Unassigned Reserve Adjustment	Amended Total
Revenue								
Property Tax	$45,365,502				$1,960,000	**$46,990,000**		**$47,325,502**
Grants			$581,060	$236,000		**$817,060**		**$817,060**
Interest Income	$621,000	$15,000			$472,000	**$1,108,000**		**$1,108,000**
Rental Income	$1,197,092					**$1,197,092**		**$1,197,092**
Rancho San Antonio Agreement	$364,501					**$364,501**		**$364,501**
Miscellaneous	$100,000					**$100,000**		**$100,000**
Transfer from General Fund Committed Infrastructure Reserve	$3,151,731							**$3,151,731**
Transfer from General Fund Unassigned Reserve							$715,000	**$715,000**
Total Revenues	**$47,648,095**	**$15,000**	**$581,060**	**$236,000**	**$3,146,000**	**$54,063,886**	**$715,000**	**$54,778,886**

SECTION TWO. Approve the recommended budget amendments to the FY2017-18 Budget for the Midpeninsula Regional Open Space District by an amount not to exceed $715,000 as follows:

DISTRICT BUDGET BY FUNDING SOURCE	FY2017-18 Adopted Budget	YTD Approved Budget Amendments	Amended Budget (as of 11/27/17)	Proposed Budget Amendments	FY2017-18 Proposed Amended Budget
General Fund Operating (Fund 10)	$30,344,413	$267,000	$30,611,413	$0	$30,611,413
Hawthorns (Fund 20)	$166,500	$0	$166,500	$0	$166,500
Measure AA Land/Capital (Fund 30)	$12,637,845	($28,800)	$12,609,045	$0	$12,609,045
General Fund Land/Capital (Fund 40)	$6,533,040	$3,101,731	$9,634,771	$0	$9,634,771
Debt Service Fund (Fund 50)	$11,721,637	$0	$11,721,637	$715,000	$12,436,637
TOTAL DISTRICT BUDGET	**$61,403,435**	**$3,339,931**	**$64,743,366**	**$715,000**	**$65,458,366**

SECTION THREE. Monies are hereby appropriated in accordance with said budget by fund.

SECTION FOUR. Except as herein modified, the FY 2017-18 Budget and Action Plan, Resolution No. 17-89 as amended, shall remain in full force and effect.

* * * * * * * * * * * * * * * * * * * *

PASSED AND ADOPTED by the Board of Directors of the Midpeninsula Regional Open Space District on _____, 2017, 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 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.

District Clerk