

December 21, 2016

Board of Directors of the
Mid-Peninsula Water District
3 Dairy Lane
Belmont, California 94002

OPINION: \$18,570,000 Certificates of Participation (2016 Financing Project), Evidencing Direct, Undivided Fractional Interests of the Owners Thereof in Installment Payments to be Made by the Mid-Peninsula Water District (San Mateo County, California), As the Purchase Price for Certain Property Pursuant to an Installment Sale Agreement with the Public Property Financing Corporation of California

Members of the Board of Directors of the District:

We have acted as special counsel in connection with the delivery by the Mid-Peninsula Water District (the "District"), of its \$18,570,000 Installment Sale Agreement, dated as of December 1, 2016, by and between the Public Property Financing Corporation of California (the "Corporation") and the District (the "Installment Sale Agreement"), pursuant to the California Water Code. The Corporation has, pursuant to the Assignment Agreement, dated as of December 1, 2016 (the "Assignment Agreement"), by and between the Corporation and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), assigned certain of its rights under the Installment Sale Agreement, including its right to receive installment payments made by the District thereunder (the "Installment Payments"), to the Trustee. Pursuant to the Trust Agreement, dated as of December 1, 2016, by and among the Trustee, the Corporation and the District (the "Trust Agreement"), the Trustee has executed and delivered certificates of participation (the "Certificates") evidencing direct, undivided fractional interests of the owners thereof in the Installment Payments. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Installment Sale Agreement and the Trust Agreement and in the certified proceedings and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

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

1. The District is duly created and validly existing as a water district with the power to enter into the Installment Sale Agreement and the Trust Agreement and to perform the agreements on its part contained therein.

2. The Installment Sale Agreement has been duly authorized, executed and delivered by the District and is an obligation of the District valid, binding and enforceable against the District in accordance with its terms.

3. The Trust Agreement and the Assignment Agreement are valid, binding and enforceable in accordance with their terms.

4. Subject to the terms and provisions of the Installment Sale Agreement, the Installment Payments to be made by the District are payable from a first and prior lien on Net Revenues of the Water System (as such terms are defined in the Installment Sale Agreement) on a parity with certain outstanding obligations. By virtue of the Assignment Agreement, the owners of the Certificates are entitled to receive their fractional share of the Installment Payments in accordance with the terms and provisions of the Trust Agreement.

5. Subject to the District's compliance with certain covenants, the portion of the Installment Payments designated as and comprising interest and received by the owners of the Certificates is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but we express no opinion as to whether the portion of the Installment Payments designated as and comprising interest is taken into account in computing adjusted current earnings which is used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such covenants could cause the portion of the Installment Payments designated as and comprising interest to be includable in gross income for federal income tax purposes retroactively to the date of delivery of the Certificates.

6. The portion of the Installment Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

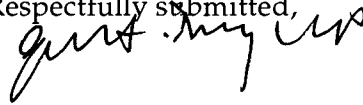
Ownership of the Certificates may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Certificates.

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

With respect to the opinions expressed herein, the enforceability of the Installment Sale Agreement is subject to the limitations on the imposition of certain fees and charges by the District related to the Water System under Articles XIIC and XIID of the California Constitution. In addition, the rights of the owners of the Certificates and the enforceability of the Trust Agreement and the Installment Sale Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Greg. Myer", is written over the typed text "Respectfully submitted,".