

\$18,570,000
CERTIFICATES OF PARTICIPATION
(2016 Financing Project)
Evidencing the 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

CERTIFICATE REGARDING USE OF PROCEEDS

The undersigned does hereby state and certify as follows:

(i) that the undersigned is the General Manager of the Mid-Peninsula Water District, a water district duly organized and existing under the Constitution and laws of the State of California (the "District"), is authorized to execute this certificate on behalf of the District and is knowledgeable with respect to the matters set forth herein;

(ii) that on the date hereof, the District is entering into an Installment Sale Agreement, dated as of December 1, 2016 (the "Agreement"), between Public Property Financing Corporation of California, as seller (the "Seller") and the District, as purchaser, under the terms of which the Seller is selling the certain facilities to the District for a total principal amount of \$18,570,000 and in consideration thereof, the District is agreeing to make purchase payments (the "Purchase Payments");

(iii) that pursuant to (a) an Assignment Agreement, dated as of December 1, 2016, between the Seller and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), the Seller is assigning to the Trustee its rights under the Agreement, including its rights to receive Purchase Payments and (b) a Trust Agreement, dated as of December 1, 2016 (the "Trust Agreement"), among the Seller, the District and the Trustee, the Trustee is executing and delivering to the purchaser thereof certificates of participation (the "Certificates") representing the direct, undivided and fractional interests in the installment payments;

(iv) that of the proceeds of the Certificates received by the Trustee on the date hereof, the Trustee will, pursuant to the Trust Agreement, deposit \$19,143,020.82 in the Project Fund held by the Trustee;

(v) that the proceeds of the Certificates deposited in the Project Fund will be used to finance certain land and improvements (the "Project"), as more particularly described in Part I of Exhibit A hereto attached and by this reference herein incorporated;

(vi) that Part II of Exhibit A hereto attached describes (A) each use to be made by any person of the Project, other than use by the District and other non-federal governmental units and other than use by members of the public generally, and (B) payments (if any) directly or indirectly in respect of such use which are to be made after the date hereof;

(vii) that no portion of the proceeds of the Certificates relating to the Project will be used, directly or indirectly, to make or finance a loan to any person (other than a State or local government unit) or to acquire property which will be sold to any person (other than a State or local government unit) on an installment sale basis except as referenced in Part II of Exhibit A;

(viii) that the District expects to use the Project for the purposes referenced in Exhibit A or for other governmental purposes of the District during the entire term of the Certificates;

(ix) that the above statements are made on the basis of the facts, estimates and circumstances in existence on the date hereof and the undersigned has exercised due diligence to assure that all material facts, estimates and circumstances relating to the above statements were made available to the undersigned and reviewed by the undersigned;

(x) that to the best knowledge of the undersigned the above statements are reasonable and there are no other facts, estimates or circumstances, other than those set forth herein, that would materially affect the statements made herein;

(xi) that the undersigned is aware that Quint & Thimmig LLP, is rendering an opinion on the date hereof substantially to the effect that the interest on the Certificates is excluded from gross income for federal income tax purposes and in rendering such opinion is relying upon the statements made herein and in Exhibit A hereto attached; and

(xii) that capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement.

IN WITNESS WHEREOF, I have hereunto set my name this 21st day of December, 2016.

By 
Tammy A. Rudock,
General Manager

EXHIBIT A

I. Description of Project

The Project includes the following:

<u>Project Component</u>	<u>Projected Cost</u>
Mezes Avenue Improvements	\$ 175,000
El Camino Real Improvements	2,100,000
Folger Drive Improvements	420,000
Karen Road Improvements	425,000
Notre Dame Avenue Loop Closure	910,000
South Road Abandonment	415,000
Arthur Avenue Improvements	475,000
Williams Avenue, Ridge Road, Hillman Avenue Improvements	1,100,000
North Road Cross Country/Davey Glen Road Improvements	680,000
Zone 5 Fire Hydrant Upgrades	150,000
Civic Lane Improvements	800,000
Monte Cresta Drive/Alhambra Drive Improvements	1,075,000
Hillcrest Pressure Regulating Station	345,000
Dekoven Tank Utilization Project	1,035,000
Tahoe Drive Area Improvements	510,000
Belmont Canyon Road Improvements	420,000
Cliffside Court Improvements	220,000
North Road Improvements	220,000
Old County Road Improvements	3,400,000
SR 101 Crossing at PAMF Hospital	1,670,000
Dekoven Tanks Replacement	3,500,000
TOTAL	<u>\$20,045,000</u>

II. Description of Use of Project

A. *Use by any Person Other than Governmental Units or Members of Public Generally*

None

B. *Payments to be Made after Date Hereof in Respect of Above Use*

None