

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2018**NEW ISSUE - FULL BOOK-ENTRY****RATING: Standard & Poor's: "___"
See "RATING."**

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Series A Bonds is excluded from gross income for federal income tax purposes, and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, interest on the 2018 Bonds is exempt from California personal income taxes. See "TAX MATTERS."

\$ _____ *

**MOUNTAIN VIEW SHORELINE REGIONAL PARK
COMMUNITY REVENUE BONDS,
2018 SERIES A**

\$ _____ *

**MOUNTAIN VIEW SHORELINE REGIONAL PARK
COMMUNITY REVENUE BONDS,
2018 SERIES B
(Federally Taxable)**

Dated: Date of Delivery**Due: August 1, as shown on inside cover**

Authority for Issuance. The bonds captioned above (the "Series A Bonds," the "Taxable Series B Bonds" and, collectively, the "2018 Bonds") are being issued by the Mountain View Shoreline Regional Park Community (the "Shoreline Community") under the Mountain View Shoreline Regional Park Community Act of California (the "Act") and an indenture of trust dated as of April 1, 1992, by and between the Shoreline Community and Bank of America National Trust and Savings Association (as predecessor to U.S. Bank Trust National Association, which was the predecessor to the current trustee), as supplemented and amended to date, including a Sixth Supplemental Indenture of Trust dated as of December 1, 2018 (together, the "Indenture"), between the Shoreline Community and U.S. Bank National Association, as trustee (the "Trustee"). See "THE 2018 BONDS – Authority for Issuance."

Purpose. The 2018 Bonds are being issued primarily to finance the costs of acquiring and constructing certain public improvements authorized by the Act, including acquisition and construction of a bicycle/pedestrian overcrossing of U.S. Highway 101 at Shoreline Boulevard, a freeway off-ramp at Shoreline Boulevard, a Shoreline Boulevard reversible bus lane, improvements related to realignment of Plymouth Street and *Shoreline Bus Lane Extension*, improvements to Shoreline Lake, and facilities for training of police/fire staff (collectively, the "Project"). In addition, the proceeds of the 2018 Bonds will be used to pay the costs of issuing the 2018 Bonds. See "FINANCING PLAN."

Security. The 2018 Bonds are special obligations of the Shoreline Community and are secured by the Shoreline Community's pledge of "Tax Revenues" (as defined in this Official Statement) received by the Shoreline Community, consisting of a portion of the ad valorem taxes levied upon all taxable property within the Shoreline Community. In addition, the Shoreline Community will deposit certain available funds into the subaccount of the Reserve Account established for the 2018 Bonds and the 2011 Bonds (as defined below). See "SECURITY FOR THE 2018 BONDS."

Parity Bonds. The pledge of Tax Revenues for payment of the 2018 Bonds is on a parity with the pledge of Tax Revenues for payment of certain outstanding bonds previously issued by the Shoreline Community captioned "Mountain View Shoreline Regional Park Community Revenue Bonds, 2011 Series A" (the "2011 Bonds").

Book-Entry Only. The 2018 Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). The 2018 Bonds are issuable as fully registered securities in denominations of \$5,000 or any integral multiple of \$5,000. Purchasers of the 2018 Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the 2018 Bonds. See "THE 2018 BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Payments. Interest on the 2018 Bonds accrues from the date of delivery and is payable semiannually on August 1 and February 1 of each year, commencing February 1, 2019. Payments of principal and interest on the 2018 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 Bonds. See "THE 2018 BONDS - General Provisions."

Redemption. The 2018 Bonds are subject to optional redemption and mandatory sinking fund payment redemption prior to maturity. See "THE 2018 BONDS – Redemption."

THE 2018 BONDS ARE NOT A DEBT OF THE CITY OF MOUNTAIN VIEW, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREFOR NOR IN ANY EVENT SHALL THE 2018 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE SHORELINE COMMUNITY AS SET FORTH IN THE INDENTURE. THE 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION.

**MATURITY SCHEDULE
(see inside cover)**

Cover Page. This cover page contains certain information for general reference only. It is not a summary of all the provisions of the 2018 Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The 2018 Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed upon for the Shoreline Community by Jones Hall, A Professional Law Corporation, as Disclosure Counsel and by the City Attorney of the City of Mountain View, as General Counsel of the Shoreline Community. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, is acting as Underwriter's counsel. It is anticipated that the 2018 Bonds will be delivered in book-entry form through the facilities of DTC on or about _____, 2018.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances will this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor will there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful.

STIFEL

The date of this Official Statement is: _____, 2018

** Preliminary; subject to change.*

MATURITY SCHEDULE*
(Base CUSIP†: 624410)

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
REVENUE BONDS, 2018 SERIES A**

\$ _____ Serial Bonds

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
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\$ _____ % Term Bond Due August 1, 20__, Yield __%, Price: ____, CUSIP†: 624410 ____

**MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
REVENUE BONDS, 2018 SERIES B (Federally Taxable)**

\$ _____ Serial Bonds

<u>Maturity Date (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP†</u>
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\$ _____ % Term Bond Due August 1, 20__, Yield __%, Price: ____, CUSIP†: 624410 ____

* Preliminary; subject to change.

† CUSIP Copyright 2018, CUSIP Global Services, and a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Capital IQ. Neither the Shoreline Community nor the Underwriter takes any responsibility for the accuracy of the CUSIP data.

MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

SHORELINE COMMUNITY BOARD

Leonard M. Siegel, *President*
Lisa Matichak, *Vice President*
Margaret Abe-Koga, *Member*
Christopher R. Clark, *Member*
John McAllister, *Member*
Ken S. Rosenberg, *Member*
Patricia Showalter, *Member*

CITY OF MOUNTAIN VIEW AND SHORELINE COMMUNITY STAFF

Daniel H. Rich, *City Manager and Manager of the Shoreline Community*
Jannie L. Quinn, *City Attorney and General Counsel of the Shoreline Community*
Patty J. Kong, *City Finance and Administrative Services Director and
Treasurer of the Shoreline Community*¹
Michael A. Fuller, *Public Works Director*
Helen Ansted, *Principal Financial Analyst*
Martin Alkire, *Advanced Planning Manager*
Grace Zheng, *Accounting Manager*
Lisa Natusch, *City Clerk and Secretary of the Shoreline Community*

PROFESSIONAL SERVICES

BOND AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

MUNICIPAL ADVISOR

PFM Financial Advisors LLC
San Francisco, California

TRUSTEE

U.S. Bank National Association
San Francisco, California

¹ Ms. Kong has announced her retirement effective December 29, 2018.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the sale of the 2018 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 between any bond owner and the Shoreline Community, or the Underwriter.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the Shoreline Community or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the Shoreline Community or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the 2018 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the Shoreline Community and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the Shoreline Community in any press release and in any oral statement made with the approval of an authorized officer of the Shoreline Community or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project", "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the Shoreline Community or any other entity described or referenced herein since the date hereof.

Involvement of Underwriter. The following statement has been included in this Official Statement on behalf of the Underwriter of the 2018 Bonds: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities 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.

Stabilization of and Changes to Offering Prices. The Underwriter may overallocate or take other steps that stabilize or maintain the market prices of the 2018 Bonds at levels above that which might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the 2018 Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Indenture and other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The 2018 Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The 2018 Bonds have not been registered or qualified under the securities laws of any state.

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 Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the Shoreline Community, the other parties described in this Official Statement, or the condition of the property within the City since the date of this Official Statement.

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OFFICIAL STATEMENT

\$ _____ *
2018 Series A

\$ _____ *
2018 Series B
(Federally Taxable)

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the above-captioned 2018 Series A Bonds (the "Series A Bonds") and 2018 Series B Bonds (the "Taxable Series B Bonds") (collectively, the "**2018 Bonds**") by the Mountain View Shoreline Regional Park Community (the "**Shoreline Community**"). All capitalized terms used in this Official Statement, unless noted otherwise, have the meanings set forth in the Indenture (as defined below).

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the 2018 Bonds to potential investors is made only by means of the entire Official Statement.

Authority for Issuance. The 2018 Bonds will be issued under the Mountain View Shoreline Regional Park Community Act of California (the "**Act**") and an Indenture of Trust dated as of April 1, 1992, by and between the Shoreline Community and Bank of America National Trust and Savings Association (as predecessor to U.S. Bank Trust National Association, which was the predecessor to the current trustee), as supplemented and amended to date, including a Sixth Supplemental Indenture of Trust (the "**Sixth Supplemental Indenture**") dated as of December 1, 2018 (together, the "**Indenture**"), between the Shoreline Community and U.S. Bank National Association, the current trustee (the "**Trustee**"), and a resolution adopted by the Board of the Shoreline Community on November 13, 2018.

The Shoreline Community. The Shoreline Community was created by a statute in 1969 for the purpose of providing for the development of 1,547 acres of bay front lands within the City of Mountain View (the "**City**"), which in turn is located in the County of Santa Clara (the "**County**"), California.

The Shoreline Community is not a redevelopment agency or successor agency and is not governed by the provisions of the California Health and Safety Code concerning redevelopment agency dissolution or successor redevelopment agencies.

In 1977, the Shoreline Community adopted the North Bayshore Area Plan providing for development in the Shoreline Community. In order to finance the public improvements necessary to achieve the North Bayshore Area Plan's objectives, the Shoreline Community has the authority to sell tax allocation bonds secured by a portion of the ad valorem taxes levied

upon taxable property within the Shoreline Community. See “THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY.”

The majority of the Shoreline Community is developed and includes commercial office space, retail and office park complexes, research and development facilities, light manufacturing facilities, some residential development, a major shoreline regional park and recreational facility and certain other existing improvements. See “THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY.”

The Fiscal Year 2018-19 total taxable assessed value of the property in the Shoreline Community is approximately \$3.911 billion, the incremental valuation is approximately \$3.877 billion, and the resulting Tax Revenues are estimated to be approximately \$39.8 million. See “THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY.” The audited financial statements of the Shoreline Community for the Fiscal Year ended June 30, 2018, are attached as APPENDIX C.

For demographic and economic information regarding the City and County, see “APPENDIX A – GENERAL INFORMATION ABOUT THE CITY OF MOUNTAIN VIEW AND SANTA CLARA COUNTY.”

Purpose of the 2018 Bonds. The 2018 Bonds are being issued to finance the acquisition and construction of certain public improvements including acquisition and construction of a bicycle/pedestrian overcrossing of U.S. Highway 101 at Shoreline Boulevard, a freeway off-ramp at Shoreline Boulevard, a Shoreline Boulevard reversible bus lane, improvements related to realignment of Plymouth Street and *Shoreline Blvd. Bus Lane Extension*, improvements to Shoreline Lake, and facilities for training of police/fire staff (collectively, the “**Project**”) and pay the costs of issuing the 2018 Bonds. See “FINANCING PLAN.”

Security for the 2018 Bonds and Pledge of Revenues. The 2018 Bonds are special obligations of the Shoreline Community payable from and secured by certain tax increment revenues (the “**Tax Revenues**”), which consist primarily of those taxes received by the Shoreline Community due to increases in assessed valuation of taxable property within the Shoreline Community's North Bayshore Area Plan above the 1977-78 base year assessment roll. See “SECURITY FOR THE 2018 BONDS.”

Reserve Subaccount. As additional security for the 2018 Bonds, the Shoreline Community will deposit certain available funds into the Subaccount of the Reserve Account established for the 2018 Bonds and the 2011 Bonds (as defined below). See “SECURITY FOR THE 2018 BONDS.”

Outstanding Parity Bonds. The pledge of Tax Revenues for payment of the 2018 Bonds is on a parity with the pledge of Tax Revenues for payment of debt service on the Shoreline Community's Revenue Bonds, 2011 Series A (the “**2011 Bonds**”), which were issued in July 2011 in the principal amount of \$39,030,000 and are currently outstanding in the principal amount of \$27,550,000.

See “SECURITY FOR THE 2018 BONDS – Parity Pledge of Tax Revenues.”

The 2018 Bonds, the 2011 Bonds and any future Parity Bonds issued under the Indenture are referred to collectively in this Official Statement as the “**Bonds**.”

Issuance of Additional Bonds. The Shoreline Community may issue future bonds payable from Tax Revenues on a parity with the 2018 Bonds and the 2011 Bonds, subject to the conditions set forth in the Indenture. See “SECURITY FOR THE 2018 BONDS – Additional Bonds.”

Form of Bonds; Book-Entry Only. The 2018 Bonds will be issued in fully registered form, registered in the name of The Depository Trust Company, New York, New York (“**DTC**”), or its nominee, which will act as securities depository for the 2018 Bonds. Purchasers of the 2018 Bonds will not receive certificates representing the 2018 Bonds that are purchased. See “THE 2018 BONDS - Book-Entry Only System” and “APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM.”

Redemption. The 2018 Bonds are subject to optional redemption and mandatory redemption from sinking fund payments prior to their stated maturity dates. See “THE 2018 BONDS – Redemption.”

Legal Opinion. Upon delivery of the 2018 Bonds, Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel (“**Bond Counsel**”) will release its final approving legal opinion with respect to the 2018 Bonds, regarding the validity and tax-exempt status of the 2018 Bonds, in the form attached hereto as APPENDIX D.

Amendments to Indenture. Under the Sixth Supplemental Indenture, upon issuance of the 2018 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the Owners of the 2018 Bonds to certain amendments to the Indenture, and upon the defeasance of the 2011 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the Owners of the 2018 Bonds to certain additional amendments to the Indenture. See "THE BONDS – Amendments to Indenture" and APPENDIX B.

Risks Associated with Tax Revenues. The Shoreline Community has no power to levy and collect property taxes. Reductions in assessed values, or any property tax limitation, legislative measure, or voter initiative having the effect of reducing the property tax rate, could reduce the amount of the Tax Revenues that would otherwise be available to pay the principal of, and interest on the 2018 Bonds. Likewise, broadened property tax exemptions could have a similar effect. See “RISK FACTORS.”

THE 2018 BONDS ARE NOT A DEBT OF THE CITY OF MOUNTAIN VIEW, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREFOR NOR IN ANY EVENT SHALL THE 2018 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE SHORELINE COMMUNITY AS SET FORTH IN THE INDENTURE. THE 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION.

FINANCING PLAN

The 2018 Bonds are being issued to provide funds to finance the Project and pay the costs of issuing the 2018 Bonds.

The Project

The Shoreline Community will apply a portion of the proceeds of the 2018 Bonds to fund the acquisition and construction of the Project, which is anticipated to generally consist of certain public improvements to Shoreline Boulevard and Plymouth Street, as more specifically described below:

- *Shoreline Boulevard at 101 Pedestrian/Bike Overcrossing Construction:* construction of a bicycle and pedestrian bridge parallel and adjacent to Shoreline Boulevard over Highway 101 as described in the Shoreline Corridor Study.
- *Northbound Shoreline Boulevard at 101 Off-Ramp Realignment and Construction:* realignment of the northbound Shoreline Blvd off-ramp from intersecting with Shoreline Blvd instead to La Avenida to provide for more efficient operations and increased capacity to support the North Bayshore Precise Plan development.
- *Shoreline Boulevard Reversible Bus Lane:* creation of a dedicated center-running reversible bus lane on Shoreline Boulevard between Middlefield Road and Pear Avenue, along with construction of a protected bike lane.
- *Plymouth Street Construction and Shoreline Bus Lane Extension:* realignment of Plymouth Street to directly connect with Space Park Way, improving the flow of traffic through the elimination of an intersection, extending a left turn lane and providing a signalized intersection. The project will also extend the Shoreline Bus Lane from Pear Avenue to the new intersection.
- *Sailing Lake Improvements:* including repairs of the docks, public restrooms and expansion of the kitchen.
- *Fire/Police Training and Classroom:* Construction of a new stand-alone modular training and classroom facility at the back of Fire Station No.5 in the Shoreline Community.

The Taxable Series B Bonds are being issued to finance a portion of the Project due to federal tax considerations. Under the Sixth Supplemental Indenture, the Project may include such other public improvements as may be identified by the Shoreline Community from time to time.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds relating to the 2018 Bonds are as follows:

<u>Sources of Funds:</u>	<u>2018 Series A Bonds</u>	<u>2018 Series B Bonds</u>	<u>Total</u>
Principal Amount of 2018 Bonds	\$	\$	\$
[Plus: Net Original Issue Premium]			
[Less: Net Original Issue Discount]			
TOTAL SOURCES	\$	\$	\$
<u>Uses of Funds:</u>			
Deposit to Costs of Issuance Fund ⁽¹⁾	\$	\$	\$
Underwriter's Discount			
Deposit to Project Fund			
TOTAL USES	\$	\$	\$

(1) Represents funds to be used to pay Costs of Issuance, which include legal fees, printing costs, rating agency fees and other costs of issuing the 2018 Bonds.

THE 2018 BONDS

This section provides summaries of the 2018 Bonds and certain provisions of the Indenture and Sixth Supplemental Indenture. See APPENDIX B for a more complete summary of the Indenture and Sixth Supplemental Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX B.

Authority for Issuance

The 2018 Bonds, are being issued under the Act, the Indenture, and a resolution adopted by the Board of the Shoreline Community on November 13, 2018.

General Provisions

Dated Date and Denominations. The 2018 Bonds will be dated their date of delivery and issued as fully registered bonds in the denomination of \$5,000 each or any integral multiple of \$5,000, so long as no 2018 Bond has more than one maturity date.

Calculation and Payment of Interest. The 2018 Bonds will bear interest at the rates and mature in the amounts and on the dates set forth on the inside cover page of this Official Statement and will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless said date of authentication is after the 15th calendar day of the month immediately preceding such Interest Payment Date, whether or not such day is a Business Day and on or prior to the next Interest Payment Date, in which event interest is payable from such Interest Payment Date, and unless the date of authentication is prior to January 16, 2019, in which case such interest is payable from the date of original delivery; provided, however, that if, as of the date of authentication of any 2018 Bond, interest thereon is in default, that 2018 Bond will bear interest from the date to which interest has previously been paid or made available for payment thereon in full.

Interest on the 2018 Bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2019 (each, an “**Interest Payment Date**”).

Payments of Interest and Principal. Interest on the 2018 Bonds will be payable on each Interest Payment Date to the person whose name appears on the Bond Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check mailed by first class mail on said Interest Payment Date to the Owner or, at the option of any Owner of at least \$1,000,000 aggregate principal amount of the 2018 Bonds and upon written notice received by the Trustee on or prior to the Record Date, by wire transfer, at the address of such Owner as it appears on the Bond Registration Books, or to such account as may be identified by the Owner in the notice requesting payment by wire transfer.

Principal of and premium (if any) on any 2018 Bond will be paid by check upon presentation and surrender thereof at the Trust Office of the Trustee. Both the principal of and interest and premium (if any) on the 2018 Bonds are payable in lawful money of the United States of America.

While the 2018 Bonds are subject to the book-entry system, the principal, interest and any redemption premium with respect to the 2018 Bonds will be paid by the Trustee to DTC for

subsequent disbursement to beneficial owners of the 2018 Bonds. See “– Book-Entry Only System” below.

Record Date. Under the Indenture, "Record Date" is defined as the close of business on the 15th calendar day of the month preceding each Interest Payment Date, whether or not such 15th calendar day is a Business Day.

Redemption*

Optional Redemption. The 2018 Bonds maturing on or after August 1, 20__, are subject to optional redemption in whole or in part, at the option of the Shoreline Community, on any date on or after August 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the 2018 Series A Bonds to be redeemed, plus accrued interest to the redemption date, without premium.

Mandatory Sinking Account Redemption. The 2018 Bonds maturing on August 1, 20__ (the “20__ Term Bonds”), are subject to redemption in part by lot, on August 1 in each year, commencing August 1, 20__, from Sinking Account payments made by the Shoreline Community pursuant to the Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, or in lieu thereof will be purchased as described below, in the aggregate respective principal amounts and on the respective dates as set forth in the following tables; provided, however, that if some but not all of such 20__ Term Bonds have been redeemed through optional redemption as described above, the total amount of all future Sinking Account payments will be reduced by the aggregate principal amount of 2018 Bonds so redeemed, to be allocated among such Sinking Account payments on a pro rata basis in integral multiples of \$5,000 as determined by the Shoreline Community (notice of which will be given by the Shoreline Community to the Trustee in writing).

20__ Term Bonds

Sinking Fund Redemption Date <u>(August 1)</u>	Principal Amount <u>To Be Redeemed</u>
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Purchase in Lieu of Redemption. In lieu of mandatory sinking account redemption of the 20__ Term Bonds as described above, amounts on deposit in the Special Fund or in the Sinking Account may also be used and withdrawn by the Shoreline Community or the Trustee, respectively, at any time, upon the Written Request of the Shoreline Community, for the purchase of the 20__ Term Bonds at public or private sale as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as the Shoreline Community may in its discretion determine. The par amount of any 20__ Term Bonds so purchased by the Shoreline Community in any twelve-month period ending on June 1 in any year will be credited towards and will reduce the par amount of the 20__ Term Bonds required to be redeemed pursuant to the Sixth Supplemental Indenture on August 1 in such year; provided that the 20__ Term Bonds so purchased are be delivered to the Trustee for cancellation by said June 1.

* Preliminary; subject to change.

Redemption Notice. The Trustee, on behalf and at the expense of the Shoreline Community, will send notice of any redemption by first class mail, at least 30 but not more than 60 days before the redemption date, to: (i) the respective Owners of any 2018 Bonds designated for redemption, at their respective addresses appearing on the Registration Books, and (ii) the Securities Depositories and the Information Services.

However, such mailing is not a condition precedent to any redemption of the 2018 Bonds, and neither failure to mail or to receive any such notice nor any defect therein will affect the validity of the proceedings for the redemption of any 2018 Bonds called for redemption or the cessation of the accrual of interest thereon.

So long as the Book-Entry System is used for the 2018 Bonds, the Trustee will give any notice of redemption or any other notices required to be given to registered Owners of 2018 Bonds only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify the Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of the 2018 Bonds called for redemption or any other action premised on such notice. Beneficial Owners may desire to make arrangements with a DTC Participant so that all notices of redemption or other communications to DTC which affect such Beneficial Owners, including notification of all interest payments, will be forwarded in writing by such DTC Participant.

Conditional Redemption Notice; Rescission of Notice of Redemption. The Shoreline Community has the right to send a conditional notice for an optional redemption of the 2018 Bonds and to rescind any notice of the optional redemption of 2018 Bonds given under the Indenture by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2018 Bonds then called for redemption, and such cancellation will not constitute an Event of Default. The Shoreline Community and the Trustee have no liability to the 2018 Bond Owners or any other party related to or arising from such rescission of notice of redemption.

The Trustee will mail notice of such rescission of notice of redemption in the same manner as the original notice of redemption was sent under the Indenture.

Selection of Bonds for Redemption. Whenever any 2018 Bonds are to be selected for redemption and unless otherwise provided in the Indenture, the Trustee will select the 2018 Bonds or portions thereof to be redeemed among maturities so that approximately equal annual debt service results in each succeeding Bond Year, and by lot within a maturity.

Under the Sixth Supplemental Indenture, upon defeasance of the 2011 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the Owners of the 2018 Bonds to certain amendments to this provision of the Indenture. See APPENDIX B.

Partial Redemption. If only a portion of any Bond is called for redemption, then upon surrender of such Bond the Shoreline Community will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Shoreline Community, a new Bond or Bonds of the same series and Principal Payment Date, of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest, and premium, if any, on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date specified in such notice.

Book-Entry Only System

The 2018 Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). While the 2018 Bonds are held in the DTC book-entry system, all payments of principal and interest will be made to Cede & Co., as the registered Owner of the 2018 Bonds, for subsequent transmittal to the Beneficial Owners. See APPENDIX F.

Registration, Transfer and Exchange

The following provisions regarding the exchange and transfer of the 2018 Bonds apply only during any period in which the 2018 Bonds are not subject to DTC’s book-entry system. While the 2018 Bonds are subject to DTC’s book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See APPENDIX F.

Registration Books. The Trustee will keep or cause to be kept, at its Trust Office, sufficient records for the registration and registration of transfer of the 2018 Bonds, which will at all times during normal business hours with prior notice be open to inspection by the Shoreline Community; and, upon presentation for such purpose, the Trustee will, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said records, 2018 Bonds as described below.

Transfer of 2018 Bonds. Any 2018 Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such 2018 Bond to the Trustee at its Trust Office for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any 2018 Bond is or 2018 Bonds are surrendered for registration of transfer, the Shoreline Community will execute and the Trustee will deliver a new 2018 Bond or 2018 Bonds, for like Principal Payment Date and like aggregate principal amount. The Trustee will collect from the person requesting any transfer any tax or other governmental charge on the transfer of any 2018 Bonds.

The Trustee may refuse to transfer (i) any 2018 Bonds during the 15 days prior to the date established by the Trustee for the selection of 2018 Bonds for redemption, or (ii) any 2018 Bonds selected for redemption.

The cost of any printing of any new 2018 Bonds and any services rendered or other expenses incurred by the Trustee in connection with any transfer will be paid by the Shoreline Community.

Exchange of 2018 Bonds. The 2018 Bonds may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount of 2018 Bonds of other authorized denominations of the same Principal Payment Date. The Trustee will collect from the person requesting any exchange, any tax or other governmental charge on the exchange of any 2018

Bonds. The cost of any printing of any new 2018 Bonds and any services rendered or other expenses incurred by the Trustee in connection with any exchange will be paid by the Shoreline Community.

The Trustee may refuse to exchange (i) any 2018 Bonds during the 15 days prior to the date established by the Trustee for the selection of 2018 Bonds for redemption, or (ii) any 2018 Bonds selected for redemption.

Amendments to Indenture

Amendments Effective Upon Closing Date. Under the Sixth Supplemental Indenture, upon issuance of the 2018 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the Owners of the 2018 Bonds to the amendments set forth below. These consents will constitute the approval of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding under the Indenture, and, as a result, the amendments set forth below will take effect immediately.

- The definition of "Information Services" in the Indenture will be amended and restated as follows:

"Information Services" means the Electronic Municipal Market Access (EMMA) system maintained by the Municipal Securities Rulemaking Board, accessible at the emma.msrb.org website, and, in accordance with then current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Shoreline Community may designate in writing to the Trustee.

- The definition of "Qualified Reserve Fund Credit Instrument" in the Indenture will be amended and restated as follows:

"Qualified Reserve Fund Credit Instrument" means an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee pursuant to the Indenture, provided that all of the following requirements are met:

- (a) the long-term credit rating of such bank or insurance company is in the top two rating categories (without reference to modifiers) by Moody's or S&P;

- (b) such letter of credit or surety bond has a term of at least 12 months;

- (c) such letter of credit or surety bond has a stated amount at least equal to the portion of the Reserve Requirement with respect to which funds are proposed to be released pursuant to the Indenture; and

- (d) the Trustee is authorized pursuant to the terms of such letter of credit or surety bond to draw thereunder an amount equal to any deficiencies which may exist from time to time in the Interest Account, the Principal Account or the Sinking Account for the purpose making payments required pursuant to the Indenture.

Amendments Effective Upon Defeasance of 2011 Bonds. Under the Sixth Supplemental Indenture, upon defeasance of the 2011 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the Owners of the 2018 Bonds to certain amendments set forth in more detail in APPENDIX B.

DEBT SERVICE SCHEDULE

Scheduled debt service on the 2018 Bonds and the 2011 Bonds, without regard to any optional or mandatory redemption, is shown in the following table:

Table 1
Annual Debt Service [1]

Year Ending August 1	2011 Bonds	Series A Bonds Principal	Series A Bonds Interest	Series A Bonds Total	Taxable Series B Bonds Principal	Taxable Series B Bonds Interest	Taxable Series B Bonds Total	Total Combined Debt Service
2019	\$3,387,831							
2020	3,388,331							
2021	3,389,081							
2022	1,894,831							
2023	1,895,081							
2024	1,893,581							
2025	1,895,331							
2026	1,895,081							
2027	1,891,775							
2028	1,895,313							
2029	1,891,225							
2030	1,893,550							
2031	1,892,919							
2032	1,892,969							
2033	1,893,281							
2034	1,894,938							
2035	1,892,656							
2036	1,891,438							
2037	1,894,213							
2038	1,892,100							
2039	1,890,100							
2040	1,892,925							
2041	--							
2042	--							
2043	--							
2044	--							
2045	--							
2046	--							
2047	--							
2048	--							
Total:	\$46,138,550							

[1] Rounded to the nearest dollar.

SECURITY FOR THE 2018 BONDS

This section provides summaries of the security for the 2018 Bonds and certain provisions of the Indenture and Sixth Supplemental Indenture. See APPENDIX B for a more complete summary of the Indenture and Sixth Supplemental Indenture. Capitalized terms used but not defined in this section have the meanings given in APPENDIX B.

Pledge of Tax Revenues

General. Under the Indenture, the Bonds (which include the 2018 Bonds, the 2011 Bonds and any future series of Parity Bonds) are secured by a pledge of and lien on:

- (i) that portion of the Tax Revenues which is necessary to pay the Annual Debt Service and redemption premiums on the Bonds, and
- (ii) all of the moneys held from time to time in the Interest Account, the Principal Account, the Sinking Account, the Reserve Account and the Redemption Account.

The Tax Revenues will be allocated solely to the payment of the principal of and interest, and redemption premium, if any, on the Bonds and to replenishment of the Reserve Account; except that out of the Tax Revenues there may be apportioned such amounts for such other purposes as are expressly permitted by the Indenture. The pledge and allocation of Tax Revenues is for the exclusive benefit of the Bonds and will be irrevocable until all of the Bonds have been paid and retired or until moneys have been set aside irrevocably for that purpose.

Other than Parity Bonds and refunding bonds issued solely for the purpose of refunding all of the outstanding Bonds, the Shoreline Community will not issue any obligation or security, or enter into any tax sharing agreements, superior to or on a parity with the Bonds payable in whole or in part from the Tax Revenues, until all of the Bonds (including any Parity Bonds) have been paid and retired or until moneys have been set aside irrevocably for that purpose.

Under the Sixth Supplemental Indenture, upon defeasance of the 2011 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the Owners of the 2018 Bonds to certain amendments to these provisions of the Indenture. See APPENDIX B.

“Tax Revenues” are defined under Sections 154 through 156 of the Act as that portion of taxes levied upon taxable property in the Shoreline Community which is allocated and paid into the Special Fund of the Shoreline Community. Tax Revenues are those taxes received by the Shoreline Community due to increases in assessed valuation of taxable property in the Shoreline Community above the 1977-78 base year assessment roll. Tax Revenues include all payments and reimbursements, if any, to the Shoreline Community specifically attributable to ad valorem taxes lost by virtue of tax exemptions and tax rate limitations, and are net of County collection or administration fees.

Risks Associated with Tax Revenues. The Shoreline Community has no power to levy and collect property taxes. Reductions in assessed values, or any property tax limitation, legislative measure, or voter initiative having the effect of reducing the property tax rate, could reduce the amount of the Tax Revenues that would otherwise be available to pay the principal of, and interest on the 2018 Bonds. Likewise, broadened property tax exemptions could have a similar effect. See “RISK FACTORS.”

Limited Obligation

THE 2018 BONDS ARE NOT A DEBT OF THE CITY, THE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE CITY, THE COUNTY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREFOR NOR IN ANY EVENT SHALL THE 2018 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE SHORELINE COMMUNITY AS SET FORTH IN THE INDENTURE. THE 2018 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION.

Tax Allocation Financing

General. The Act provides a means for financing the North Bayshore Area Plan based upon an allocation of taxes collected within the Shoreline Community.

The taxable valuation of taxable property within the Shoreline Community last equalized prior to the adoption of the North Bayshore Area Plan (1977-78), or roll base, is established and, except for any period during which the taxable valuation drops below the base year level, the Shoreline Community thereafter receives the taxes produced by the levy of the current tax rate upon the base roll less post-1989 tax overrides. Taxes collected upon any increase in taxable valuation over the base roll may be pledged by the Shoreline Community to the repayment of any indebtedness incurred in financing or refinancing the North Bayshore Area Plan's objectives.

The Shoreline Community itself has no authority to levy property taxes and must look specifically to the allocation of taxes produced as indicated above.

Allocation of Taxes Levied in the Shoreline Community. As provided in the North Bayshore Area Plan, and pursuant to the Indenture and the Act, taxes levied upon taxable property in the Shoreline Community each year by or for the benefit of the State of California, the City, the County, and other taxing entities for fiscal years beginning with the effective date of the North Bayshore Area Plan, are divided as follows:

1. The portion equal to the amount of those taxes that would have been produced by the current tax rate, applied to the assessed valuation of taxable property in the Shoreline Community as last equalized prior to the adoption of the North Bayshore Area Plan or base roll will be, when collected, paid into the funds of those respective taxing agencies as taxes by or for taxing agencies.

2. That portion of taxes levied each year in excess of the amount described in paragraph 1 above will be allocated to, and when collected will be paid into, a special fund of the Shoreline Community to pay the principal of and interest on loans, money advanced to, or indebtedness incurred by the North Bayshore Area Plan.

Special Fund; Deposit of Tax Revenues

The Shoreline Community has previously established the "Special Fund," into which the Shoreline Community is required to deposit all of the Tax Revenues received in any Bond Year promptly upon receipt; provided, that the Shoreline Community is not obligated to deposit in the

Special Fund in any Bond Year an amount of Tax Revenues which, together with other available amounts then in the Special Fund, exceeds the amounts required to be transferred to the Trustee for deposit in the Interest Account, Principal Account, Sinking Account, the Reserve Account, and the Redemption Account in such Bond Year. Any Tax Revenues received during such Bond Year at such time during such Bond Year as the amounts on deposit in the Special Fund equal the aggregate amounts required to be transferred to the Trustee for deposit into the Interest Account, the Principal Account, the Sinking Account, the Reserve Account, and the Redemption Account in such Bond Year will be released from the pledge and lien under the Indenture and may be used for any lawful purposes of the Shoreline Community.

All Tax Revenues and any other amounts at any time paid by the Shoreline Community and designated in writing for deposit in the Special Fund will be held by the Shoreline Community solely for transfer to the Trustee for deposit in the Interest Account, Principal Account, Sinking Account, the Reserve Account and the Redemption Account. So long as any of the Bonds are Outstanding, the Shoreline Community will not have any beneficial right or interest in the Tax Revenues, except only as provided in the Indenture.

Transfers to Trustee; Flow of Funds

Moneys in the Special Fund will be transferred by the Shoreline Community to the Trustee in the following amounts at the following times, for deposit by the Trustee in the following respective special accounts (to be held in trust by the Trustee) in the following order of priority:

(a) **Interest Account.** Five days prior to each date on which interest on the Bonds is payable, the Shoreline Community will withdraw from the Special Fund and transfer to the Trustee for deposit by the Trustee in the Interest Account an amount which, when added to the amount contained in the Interest Account on that date, will be equal to the aggregate amount of the interest becoming due and payable on the Bonds on such date. No such deposit need be made to the Interest Account if the amount contained therein is at least equal to the interest to become due on such date. The Trustee will also deposit in the Interest Account any other amounts received by it from the Shoreline Community designated by the Shoreline Community in writing for deposit in the Interest Account. All moneys in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity pursuant to this Indenture).

(b) **Principal Account.** Five days prior to each Principal Payment Date, the Shoreline Community will withdraw from the Special Fund and transfer to the Trustee for deposit by the Trustee in the Principal Account an amount which, when added to the amount then contained in the Principal Account, will be equal to the aggregate amount of principal becoming due and payable on the Bonds on such Principal Payment Date. No such deposit need be made to the Principal Account if the amount contained therein is at least equal to the principal to become due on such Principal Payment Date. The Trustee will also deposit in the Principal Account any other amounts received by it from the Shoreline Community designated by the Shoreline Community in writing for deposit in the Principal Account. All moneys in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal on the Bonds as it becomes due and payable.

(c) **Sinking Account.** Five days prior to each August 1 on which any Bonds are subject to mandatory sinking account redemption pursuant to the Indenture, the Shoreline Community will withdraw from the Special Fund and transfer to the Trustee for deposit by the Trustee in the Sinking Account an amount which, when added to the amount then contained in the Sinking Account, will be equal to the aggregate principal amount of the Term Bonds required to be redeemed on the next succeeding August 1. All moneys on deposit in the Sinking Account will be used and withdrawn by the Trustee for the sole purpose of redeeming or purchasing (in lieu of redemption) Term Bonds.

(d) **Reserve Account.** Five days prior to each Interest Payment Date, the Shoreline Community will withdraw from the Special Fund and transfer to the Trustee for deposit by the Trustee in the Reserve Account an amount of money that is required to maintain in the Reserve Account an amount equal to the Reserve Requirement. No such deposit need be made to the Reserve Account so long as there is on deposit therein an amount at least equal to the Reserve Requirement.

(e) **Redemption Account.** Five days prior to any date on which Bonds are to be optionally redeemed pursuant to the Indenture, the Shoreline Community will withdraw from the Special Fund and transfer to the Trustee for deposit by the Trustee in the Redemption Account an amount required to pay the principal of and premium, if any, on the Bonds to be optionally redeemed on such date, taking into account any funds then on deposit in the Redemption Account. The Trustee will also deposit in the Redemption Account any other amounts received by it from the Shoreline Community designated by the Shoreline Community in writing to be deposited in the Redemption Account. All moneys in the Redemption Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of and premium, if any, on the Bonds to be optionally redeemed on the respective dates set for such redemption.

Under the Sixth Supplemental Indenture, upon defeasance of the 2011 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the Owners of the 2018 Bonds to certain amendments to this provision of the Indenture. See APPENDIX B.

(f) **Surplus.** The Shoreline Community is not obligated to deposit in the Special Fund in any Bond Year an amount of Tax Revenues which, together with other available amounts in the Special Fund, exceeds the amounts required to be transferred from the Special Fund with respect to such Bond Year under the Indenture and any Supplemental Indenture authorizing the issuance of Parity Bonds. In the event that, for any reason whatsoever, any amount remains on deposit in the Special Fund, the Interest Account, the Principal Account, the Sinking Account or the Redemption Account on any Interest Payment Date after making all of the transfers from the Special Fund and such accounts with respect to such Interest Payment Date theretofore required to be made under the Indenture and any Supplemental Indenture authorizing the issuance of Parity Bonds, the Shoreline Community will withdraw such amount from the Special Fund and such accounts to be used for any lawful purpose of the Shoreline Community.

Reserve Account and Subaccounts

Establishment and Reserve Requirement. A debt service reserve account (the "**Reserve Account**") was established under the Indenture in connection with the issuance of the initial series of Bonds in 1992. The Reserve Account is held in trust by the Trustee.

The Reserve Account is required to be maintained at an amount equal to the “**Reserve Requirement**,” which is defined in the Indenture, as of any calculation date as calculated by the Shoreline Community, an amount equal to Maximum Annual Debt Service on the Bonds secured by the Reserve Account; provided that the Reserve Requirement, when applied to the use of proceeds of the issuance of a particular series of Parity Bonds, means the lesser of: (1) Maximum Annual Debt Service; or (2) 10% of the principal amount of such Parity Bonds; (3) Maximum Annual Debt Service on such Parity Bonds; or (4) 125% of Average Annual Debt Service on such Parity Bonds; and provided further, that when a subaccount has been created in the Reserve Account for one or more series of Bonds, and the use of the funds in such subaccount is restricted to the payment of Debt Service on such series of Bonds, the Reserve Requirement for such series of Bonds shall not at any time exceed Maximum Annual Debt Service on such series of Bonds for which such subaccount was created.

Pooled Reserve Subaccount. On the Closing Date, the Shoreline Community will deposit certain available funds into the subaccount of the Reserve Account previously established for the 2011 Bonds, for the benefit of the 2011 Bonds and the 2018 Bonds, to bring the amount on deposit therein up to the Reserve Requirement.

The 2011 Bonds, the 2018 Bonds and such other Parity Bonds that are secured by the Reserve Account pursuant to a Supplemental Indenture will be secured by a pledge and lien of all of the moneys held from time to time in the Reserve Account.

If the Shoreline Community elects to secure additional Parity Debt with the 2018 Series A Bonds Reserve Subaccount, in order to satisfy the Reserve Requirement for the 2018 Bonds and such additional Parity Debt on a combined basis, the Shoreline Community may establish additional sub-subaccounts within the 2018 Series A Bonds Reserve Subaccount as needed (for example, a sub-subaccount for the 2018 Bonds and a separate sub-subaccount for the additional Parity Debt for which such sub-subaccount may be created).

Replenishment of 2018 Series A Bonds Reserve Subaccount. Under the Indenture, if a draw is made on the 2018 Series A Bonds Reserve Subaccount to pay debt service on the 2018 Bonds, such draw will be replenished from Tax Revenues on a proportionate basis with the draws on other subaccounts within the Reserve Account based on the respective Reserve Requirements with respect to each such subaccount without regard to whether a particular subaccount contained cash or a Qualified Reserve Fund Credit Instrument that was drawn upon.

Separate Subaccounts Authorized. The Reserve Account may be maintained in the form of one or more separate subaccounts which are established for the purpose of holding the proceeds of separate issues of the Bonds and any Parity Bonds in conformity with applicable provisions of the Tax Code to the extent directed by the Shoreline Community in a Supplemental Indenture. Additionally, the Shoreline Community may, in its discretion, combine amounts on deposit in the Reserve Account and on deposit in any reserve subaccount relating to any (but not necessarily all) Parity Bonds in order to maintain a combined reserve subaccount for the Bonds and any (but not necessarily all) Parity Bonds.

Application of Reserve Account. The Reserve Account was established under the Indenture and shall be held by the Trustee solely for the benefit of the Owners of the Bonds. If the Shoreline Community fails to deposit with the Trustee on any Interest Payment Date the full

amount of interest or principal required to be deposited under the Indenture, the Trustee will withdraw from the Reserve Account an amount equal to any such deficiency.

The Indenture provides that five days before each Interest Payment Date, the Shoreline Community must withdraw from the Special Fund and transfer to the Trustee for deposit in the Reserve Account the amount necessary to bring the balance in the Reserve Account up to the Reserve Requirement.

If the amount on deposit in the Reserve Account on the next day after any Interest Payment Date exceeds the Reserve Requirement, the Trustee will withdraw from the Reserve Account all amounts in excess of the related Reserve Requirement and, transfer such amounts to the Interest Account.

Reserve Account Surety Bond in Lieu of Cash. The Shoreline Community may at any time release funds from the Reserve Account upon tendering one or more Qualified Reserve Fund Credit Instruments, having a stated amount at least equal to the portion of the Reserve Requirement so released.

The Indenture defines "**Qualified Reserve Fund Credit Instrument**" as an irrevocable standby or direct-pay letter of credit or surety bond issued by a commercial bank or insurance company and deposited with the Trustee, provided that certain requirements are met, as set forth in more detail in the Indenture. See APPENDIX B.

Under the Sixth Supplemental Indenture, upon defeasance of the 2011 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the Owners of the 2018 Bonds to certain amendments to these provisions of the Indenture. See APPENDIX B.

Additional Bonds

Issuance of Additional Parity Bonds. In addition to the 2018 Bonds, the Shoreline Community may, by Supplemental Indenture, issue one or more series of bonds in the future ("**Parity Bonds**") payable from Tax Revenues on a parity with the Bonds, in such principal amount as may be determined by the Shoreline Community. The Shoreline Community may issue and deliver any such other Parity Bonds subject to the specific conditions set forth in the Indenture, including the following (among others):

(a) The Shoreline Community must be in compliance with all covenants set forth in the Indenture.

(b) The Tax Revenues for the then current fiscal year based on the County equalized assessed valuation of taxable property in the Shoreline Community as evidenced in written documentation from the County, plus, at the option of the Shoreline Community, the Additional Allowable Revenues, must at least equal 125% of Maximum Annual Debt Service on all Bonds and Parity Bonds that will be Outstanding following the issuance of the Parity Bonds.

(c) The Supplemental Indenture providing for the issuance of the Parity Bonds must provide that:

(i) interest on the Parity Bonds is payable on February 1 and August 1 in each year of the term of such Parity Bonds except the first twelve month period, during which interest may be payable on any February 1 or August 1, provided that there is no requirement that such Parity Bonds pay current interest;

(ii) the principal of such Parity Bonds is payable on August 1 in any year in which principal is payable; and

(iii) money is deposited in the Reserve Account from the proceeds of the sale of said Parity Bonds in an amount necessary to increase the amount in the Reserve Account to the Reserve Requirement for the Bonds, taking into account the issuance of the Parity Bonds.

Under the Sixth Supplemental Indenture, upon defeasance of the 2011 Bonds, the Shoreline Community will be deemed to have filed with the Trustee written consents of the Owners of the 2018 Bonds to certain amendments to these provisions of the Indenture. See APPENDIX B.

For purposes of the test for issuing Parity Bonds, “**Additional Allowable Revenues**” means, as of the date of calculation, the amount of Tax Revenues which, as shown in the report of an Independent Redevelopment Consultant, are estimated to be receivable by the Shoreline Community within the fiscal year following the fiscal year in which such calculation is made as a result of increases in the assessed valuation of taxable property in the Shoreline Community due to either (i) construction which has been completed but which is not then reflected on the tax rolls, or (ii) transfer ownership or any other interest in real property, which transfer is not then reflected on the tax rolls. For purposes of this definition, the term “**increases in the assessed valuation**” means the amount by which the assessed valuation of taxable property in the Shoreline Community is estimated to exceed the assessed valuation of taxable property in the Shoreline Community (as evidenced in a written document from the County as of the date on which such calculation is made).

Issuance of Subordinate Debt. In addition to the 2018 Bonds, the 2011 Bonds and any future Parity Bonds issued under the Indenture, the Shoreline Community may issue “**Subordinate Debt**,” which is defined in the Indenture as indebtedness issued or incurred by the Shoreline Community that is either (a) payable from, but not secured by a pledge of or lien upon, the Tax Revenues, or (b) secured by a pledge of or lien upon the Tax Revenues that is subordinate to the pledge of and lien upon the Tax Revenues securing the 2018 Bonds, the 2011 Bonds and any future Parity Bonds.

THE CITY OF MOUNTAIN VIEW

The City is located approximately 36 miles southeast of the City of San Francisco and 15 miles northwest of the City of San Jose, in the “Silicon Valley” region of the San Francisco Bay area. The City was incorporated as a general law city in 1902 and became a chartered city in 1952. The City is governed by a seven-member elected City Council and is administered under the Council-Manager form of government.

For general and demographic information regarding the City, see APPENDIX A.

THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY

Background

Establishment of the Shoreline Community. The Shoreline Community was created on August 28, 1969 under the Act, which is a statute adopted by the State Legislature denominated the "Mountain View Shoreline Regional Park Community Act" (stats. 1969, ch. 1109).

Status of the Shoreline Community Under State Law. *The Shoreline Community is not a redevelopment agency or successor agency and is not governed by the provisions of the California Health and Safety Code concerning redevelopment agency dissolution or successor redevelopment agencies.*

Authorization of North Bayshore Area Plan. On December 15, 1977, the Shoreline Community's Board of Directors approved Resolution No. S-55 which adopted the North Bayshore Area Plan. The North Bayshore Area Plan provides for the development and improvement of the property within the Shoreline Community, which consists of 1,547 acres of bay front land located in the northeastern part of the City.

Development in the Shoreline Community includes commercial office space, retail and office park complexes, research and development facilities, light manufacturing facilities, some residential development, a major shoreline regional park and recreational facility and certain other improvements. See "– Location," "– Land Use Profile" and "– Major Existing Development" below.

Powers and Authority

The Shoreline Community is a separate public body and exercises governmental functions in planning and carrying out its projects.

Under the Act, the Shoreline Community can acquire, construct, reconstruct, alter, enlarge, lay, renew and replace facilities and works used or useful for (i) the production, storage, treatment and distribution of water for domestic and fire purposes, (ii) the collection, treatment and disposal of sewage, waste, storm and flood waters, (iii) street and highway lighting, (iv) streets, alleys, curbs, gutters, sidewalks and other public ways, (v) underground power and communication facilities, (vi) off-street parking lots, structures and facilities and (vii) reclamation of public and private lands by levees, bulkheads, breakwaters, fills and other works or structures useful therefor.

In order to finance the public improvements necessary to achieve the North Bayshore Area Plan's objectives, the Shoreline Community has the authority to sell tax allocation bonds secured by a portion of the ad valorem taxes levied upon taxable property within the Shoreline Community.

Staffing and Management

Under the Act, the City Council of the City serves as the Board of Directors of the Shoreline Community and the City Manager is the Shoreline Community's Manager.

The Shoreline Community each year adopts an administrative budget. A portion of salaries and benefits of certain City staff members are budgeted and paid for by the Shoreline Community. The Shoreline Community funds administrative costs out of available revenues.

Short biographies of key staff are as follows:

Daniel H. Rich is currently City Manager and Manager of the Shoreline Community. Mr. Rich has been Mountain View's City Manager since July of 2011. Prior to arriving in Mountain View, Dan served as City Manager of Campbell for six years. Dan has over 25 years of public management experience, including four years in Belmont, nine years in Sunnyvale, and five years working for members of Congress. Dan is a Bay Area native and received a Bachelor's Degree from U.C. Berkeley and a Master's in Public Policy from Harvard's John F. Kennedy School of Government. He is a member of the International City/County Management Association.

Jannie L. Quinn, City Attorney and General Counsel of the Shoreline Community, was appointed in May 2010. Ms. Quinn received a Bachelor of Arts degree in Psychology from the University of San Diego and juris doctorate from University of San Diego. Ms. Quinn has served in the Mountain View City Attorney's office since 1995. Ms. Quinn served as a Deputy City Attorney for the City of San Jose (1994-1995). She was also engaged in the private practice of law, specializing in civil litigation and insurance defense (1989-1994).

Patty J. Kong, the City Finance and Administrative Services Director and Treasurer of the Shoreline Community, has served in this position since September 2008. Prior to being appointed to this position, she served as the City Assistant Finance and Administrative Services Director since 1991. Ms. Kong received a Bachelor of Science degree in Business Administration from San Jose State University and is a certified public accountant. Prior to her current position, Ms. Kong was a manager at KPMG LLP, an international accounting and financial services firm.¹

Financial Statements

The Act requires the Shoreline Community to file periodic reports of all financial transactions pursuant to Article 9 (commencing with Section 53890) of Division 2 of Title 5 of the Government Code, and to have prepared an annual audit of its transactions by a certified public accountant.

Attached as APPENDIX C are the audited financial statements of the Shoreline Community (the "Financial Statements") for Fiscal Year ended June 30, 2018, prepared by the City Finance and Administrative Services Department and audited by Macias Gini & O'Connell LLP, Walnut Creek, California (the "Auditor").

The Financial Statements should be read in their entirety. The Shoreline Community has not requested nor did the Shoreline Community obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the Shoreline Community. In addition, the Auditor has not reviewed this Official Statement.

¹ Ms. Kong has announced her retirement effective December 29, 2018.

Location

The Shoreline Community. The Shoreline Community encompasses 1,547 acres approximately 544 acres of which constitutes the Shoreline Regional Park in the northeastern section of the City, abutting the San Francisco Bay. The Shoreline Community is bounded by San Antonio Road on the west, the Bayshore Freeway (U.S. Highway 101) on the south and the San Francisco Bay on the north. A map of the Shoreline Community appears on the following page.

The City. The City is located approximately 36 miles southeast of the City and County of San Francisco and 15 miles northwest of the City of San Jose. The City is a part of the "Silicon Valley" area of Northern California and high technology and biotechnology firms are located within its boundaries. For certain information with respect to the City, see "THE CITY OF MOUNTAIN VIEW" and APPENDIX A.

SHORELINE COMMUNITY MAP

Land Use Profile and Current Development Summary

Land Use Assessed Value Profile. The Shoreline Community consists of public and private land devoted to a planned mix of light industrial, commercial, residential, open space and recreational uses. The table below summarizes the current assessed values within the Shoreline Community by land uses.

Table 2
MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Fiscal Year 2018-19 Land Use Profile

Land Use Category	Number of Parcels	2018-19 Assessed Value	% of Total
<i>Secured</i>			
Residential	222	\$38,590,534	0.98%
Commercial	33	816,996,823	20.68
Industrial	53	1,605,006,371	40.63
Vacant	6	57,501,636	1.46
Recreational	1	11,492,540	0.29
Exempt	49	0	0.00
Unknown	6	868,005	0.02
Subtotal Secured	370	2,530,455,909	64.05
<i>Unsecured</i>			
Cross Reference [1]	14	453,227,860	11.47
Unsecured	150	<u>967,093,038</u>	<u>24.48</u>
Subtotal Unsecured	164	1,420,320,898	35.95
Total		\$3,950,776,807	100.00%

[1] Represents a taxable use on a non-taxable parcel. The majority of these are leases of City-owned property that are assessed property taxes in the form of possessory interest, which is included on the unsecured roll. Possessory interest properties are not assigned a parcel number.

Source: Santa Clara County Assessor.

Existing Development Over the last several decades, the Shoreline Community has been developed with a variety of industrial, research, retail and office uses, including the corporate headquarters and regional campuses for several major technology companies. Approximately [7.1 million square feet of office, research & development and industrial uses] [TO BE CONFIRMED] and over 225,000 square feet of retail and museum space has been developed to date. Major office areas of the Shoreline Community include the main campus of Google, LLC and affiliated companies, Shoreline Technology Park, and Shoreline Business Park. In addition, the Shoreline Community hosts a variety of entertainment and recreational uses, which include the Shoreline Amphitheatre, the Shoreline sailing lake and boathouse, the Stevens Creek Trail, Charleston Park, a golf course designed by Robert Trent Jones, Jr. and the Computer History Museum.

North Bayshore Precise Plan In December 2017, the City and the Shoreline Community adopted its North Bayshore Precise Plan to guide future development within the Shoreline Community. The Plan envisions higher density, mixed use, development clustered in three neighborhoods – Joaquin, Shorebird and Pear. The City will allow development of up to 9,850 residential housing units, up to 3.6 million square feet of office space, and a mix of retail

and other uses. Building heights of up to 8 stories for offices and 15 stories for residential units will be permitted. The Plan prioritizes innovative, sustainable, pedestrian- and bicycle-friendly development of complete neighborhoods and preservation of sensitive habitats and open space. The City projects that an additional 3.2 million square feet of office/R&D uses, 235,000 square feet of retail/commercial uses, and 9,500 units of residential property could be developed by 2030.

No assurance can be made that future development will occur within the Shoreline Community as allowed under the North Bayshore Precise Plan for the property within the Shoreline Community.

Recently Completed Developments Earlier this year, Intuit completed the first phase of a two-phased expansion project, which added 248,000 square foot to their headquarters office campus. Also this year, Broadreach Capital Partners completed the development of 224,500 square foot of office space to be leased by Google LLC on a formerly vacant lot on Plymouth Street.

Developments Under Construction Current projects underway include the following:

- Google LLC – Google LLC recently began construction of its new campus on the property site known as Charleston East, designed as a two story, 595,000 square foot office development under a canopy structure. The building will be built on 18.6 acres of land, owned by the City and leased to Google LLC. for a 55-year term, with four 10-year optional extensions. Construction is projected to be completed by 2020. A conceptual design for this project is shown below.



- **Microsoft Renovation** - Microsoft has begun a major reconstruction and upgrade of its main Silicon Valley campus. The project includes demolition of three of five existing office buildings, renovation of two existing office buildings and construction of a new building, totaling 643,000 square feet, plus a new four level parking garage.

- **Shashi Hotel** - The Shashi Group has begun construction of a new, five-story, 200-room boutique hotel and five level parking structure. The new hotel will be located a few blocks from the Google main campus and adjacent to the Shoreline Amphitheatre.

Projected Future Development. Intuit plans to develop the second phase of its current expansion effort to include an approximately 185,000 square foot building. The City Council recently conditionally approved plans on October 23, 2018 for a mixed use development on the southeast corner of Pear Avenue, consisting of 230,000 square feet of office space and 635 new multifamily residential units by Sobrato, the first residential development proposed under the City's new North Bayshore Precise Plan.

Sea Level Rise and Flooding. Located on the City's bay frontage, the Shoreline Community is a low-lying area that is vulnerable to flooding from San Francisco Bay and the Palo Alto Flood basin as well as from Permanente and Stevens Creeks. Current Federal Emergency Management Agency (FEMA) maps indicate areas of expected flooding during a 1% (100-year) storm under current conditions. The properties within these "flood zones" are subject to stringent development standards and other requirements.

The Santa Clara Valley Water District's (SCVWD) Permanente Creek Flood Protection Project, currently in construction, includes flood walls along sections of Permanente Creek within the Shoreline Community and detention basins upstream. When completed, this project will reduce the area affected by 1% flooding from Permanente Creek, though some areas in the Shoreline Community will remain subject to flooding in a 1% storm under current conditions.

To evaluate the flood risk associated with sea level rise and potential mitigations, the City contracted with an engineering consultant, Environmental Science Associates Philip Williams & Associates (ESA PWA), to prepare the Shoreline Community Sea Level Rise Study dated December 18, 2012 (the "2012 Study"). Reflecting the uncertainty of future sea level rise projections, the 2012 Study evaluated two sea level rise scenarios to bracket the likely range of impact a low scenario assuming 8 inches of sea level rise and high scenario assuming 31 inches. A considerable amount of developed property in the Shoreline Community would be vulnerable to flooding under both studied scenarios.

The 2012 Study also developed a list of 11 capital improvement projects that could be implemented to protect the Shoreline Community from flooding in the studied sea level rise scenarios along with a proposed schedule for implementation of the projects. The projects include levee raising and armoring, pump station improvements, and drainage improvements. The total cost of these projects was estimated to range from \$43 to \$57 million, with the City's share over the next 10 years estimated to range from \$20 to \$26 million. Several of the projects are already funded in the City's Capital Improvement Program. The City is also working with the California State Coastal Conservancy to complete other improvements as part of the South Bay Salt Pond Restoration Project, with the City reimbursing the State for the cost of the City's sea level rise improvements.

The 2012 Study also recommends a reassessment of the City's sea level rise risks after 10 years, as actual impacts develop and the state of sea level rise research advances.

In 2018, the Shoreline Community approved establishment of a Sea Level Rise Reserve within the Shoreline Community Fund to be initially funded with \$3 million in Fiscal Year 2018-19 and incrementally increased to accumulate approximately \$30 million (the Shoreline Community's projected share of capital improvements) by Fiscal Year 2027-28. The existing funding and the proposed funding are anticipated to be sufficient to fund the Shoreline Community's share of the 11 projects for the next 10 years.

See "RISK FACTORS – Reduction in Tax Revenues – Reduction in Assessed Valuation."

Major Property Tax Payers

The following table lists the ten largest property tax payers within the Shoreline Community for Fiscal Year 2018-19, based on taxable valuation for Fiscal Year 2018-19.

Table 3
MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Top Ten Property Tax Payers
Fiscal Year 2018-19

Property Owner	Land Use	Number of Parcels	Secured Taxable Valuation (\$000s)	Unsecured Taxable Valuation (\$000s)	Total Taxable Valuation (\$000s)	Percent of Total Value [1]
1. Google LLC	Industrial/ Unsecured	103 [2]	\$1,577,301	\$770,687	\$2,347,988	60.0%
2. HCP Life Science REIT Inc. [3]	Industrial	2	367,373	0	367,373	9.4%
3. Baccarat Shoreline LLC	Industrial	2	199,425	0	199,425	5.1
4. Richard T. Peery, Trustee	Commercial	7	145,848	0	145,848	3.7
5. SI 62	Commercial	6	145,024	0	145,024	3.7
6. P.A. Charleston Road LLC	Commercial	1	112,000	0	112,000	2.9
7. Microsoft Corporation	Unsecured	5 [2]	15,606	74,863	90,469	2.3
8.. Charleston Properties	Industrial	5	88,902	0	88,902	2.3
9. Intuit Inc.	Industrial/ Unsecured	10	0	82,803	82,803	2.1
10. Nor Cal Plymouth Realty LLC	Commercial	1	51,159	0	51,159	1.3
Total for Top 10:		189	<u>\$2,702,638</u>	<u>\$928,353</u>	<u>\$3,630,991</u>	92.8%

[1] Based on 2018-19 total net assessed valuation of \$3,911,328,000.

[2] Google LLC has a total of 103 parcels – 53 secured and 50 unsecured. Microsoft has a total of 5 parcels – 2 secured and 3 unsecured.

[3] Real Estate Investment Trust that invests primarily in real estate serving the health care industry in the U.S. [Q.: CAN WE STATE HOW MANY TENANTS?]

Source: *Santa Clara County.*

The top tax payer, Google, LLC is one of the largest companies both internationally and in the Silicon Valley. Google's largest office is the Googleplex located in the Shoreline Community. Google is a technology company that specializes in internet-related services and products, which include online advertising technologies, search engine, cloud computing, software, and hardware.

HCP Life Science REIT Inc., is a self-administered real estate investment trust that invests in real estate serving the healthcare industry across the United States. HCP Life Science REIT Inc. is the largest diversified healthcare REIT and owns parcels across the United States.

See the caption “–Land Use Profile and Current Development Summary” for information regarding the existing Google development, the current construction of the new Google campus, and the reconstruction of the Microsoft campus in the Shoreline Community.

Allocation of Taxes

Collection and Disbursement of Property Taxes. Secured taxes are due in two equal installments. Installments of taxes levied upon secured property become delinquent after December 10 and April 10. Unsecured annual tax bills are mailed in July, are due upon receipt, and become delinquent after August 31.

The County Finance Director is responsible for the aggregation of the taxable values assigned by the Assessor as of the January 1 lien date for property within the boundaries of the Shoreline Community. This results in the reported total Shoreline Community taxable value for the following fiscal year and becomes the basis of determining tax increment revenues due to the Shoreline Community.

Although adjustments to taxable values for property within the Shoreline Community may occur throughout the fiscal year to reflect escaped assessments, appeals, roll corrections, etc., such adjustments are not assumed as part of the tax increment projection.

The County disburses secured tax increment revenue to all tax increment agencies in ten payments, five occurring November through January based on December tax collections and five occurring March through June based on April tax collections.

The unitary roll revenue is remitted with secured tax increment revenue. Tax Revenue from the unsecured roll is distributed in October and April. Tax Revenue from supplemental assessments in the Shoreline Community is separately distributed in installments to the Shoreline Community.

Teeter Plan. The Board of Supervisors of the County adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "**Teeter Plan**") in fiscal year 1992-93, as provided for in Section 4701 et seq. of the California Tax Revenue and Taxation Code.

Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. Unsecured taxes are not covered under the Teeter Plan.

In the County, the Shoreline Community is covered under the so-called "modified Teeter Plan," the modification being that unsecured levies, as well as secured levies, are covered for tax increment revenues. Consequently, the Shoreline Community can expect to receive the full increment of the current year's secured and unsecured assessed valuation, less the base year's secured and unsecured assessed valuation, with no adjustments for delinquencies.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all property taxes and

assessments levied on the secured rolls for that agency. [DO THESE STATUTORY PROVISIONS APPLY TO THE MODIFIED PLAN/UNSECURED ROLL?]]

The Shoreline Community will continue to receive 100% of the annual tax increment without regard to actual collections in the Shoreline Community so long as the Teeter Plan remains applicable to tax increment with respect to the Shoreline Community. However, under the statute creating the Teeter Plan, the Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors could terminate the Teeter Plan as to the Shoreline Community if the delinquency rate for the Shoreline Community in any year exceeds 3%.

Subordinate Tax Sharing Agreements

The Shoreline Community has voluntarily entered into the following collaborative agreements with local governmental agencies. All payments by the Shoreline Community under these agreements are made on a subordinate basis to the payment of debt service on the Bonds.

Education Enhancement Reserve JPA. In January 2006 the Shoreline Community, the Mountain View-Los Altos Union High School District and the Mountain View Whisman School District (collectively, the “**School Districts**”) entered into an agreement entitled “Educational Enhancement Reserve Joint Powers Agreement” (the “**JPA Agreement**”) as a means for the Shoreline Community to benefit local education in order to attract and retain a quality employment base and future supply of quality employees.

In April 2011, the Shoreline Community and the School Districts entered into a 3 year (2010/11-2012/13) amendment to the agreement to provide additional short-term funding to the School Districts in light of significant State cuts to education.

In June 2013, the Shoreline Community and the School Districts approved a new 10 year JPA which established a new minimum annual payment for each School District, totaling \$4.7 million annually. The payments are adjusted by the annual percentage change in property tax revenue in the Shoreline Community.

In Fiscal Year 2017-18, the Shoreline Community paid \$4.0 million and \$2.6 million to the Mountain View Whisman School District and the Mountain View-Los Altos Union High School District, respectively, for a total annual payment of \$6.6 million for Fiscal Year 2016-17.

The Shoreline Community estimates that its payment obligations under the existing 10-year JPA Agreement will be as follows for the current and next four Fiscal Years:

<u>Fiscal Year</u>	<u>Payment Amount</u>
2018-19	\$6,654,000
2019-20	6,129,000
2020-21	6,252,000
2021-22	6,379,000
2022-23	6,507,000

In accordance with the North Bayshore Precise Plan Policy, the Shoreline Community and the School Districts are in discussions regarding providing a great portion of the School Districts' share of the new residential assessed value that would have been allocated to the

School Districts in the absence of the Shoreline Community. Any payment obligations implemented under any future amendments to the JPA Agreement would be subordinate to the payment of debt service on the Bonds.

County Agreement. In June 2005, the Shoreline Community, the City and the County entered into an agreement entitled "Agreement Between the County of Santa Clara, the City of Mountain View and the Mountain View Regional Shoreline Community for Funding the Acquisition of a Property Purchase and the Redistribution of Retirement Tax Levy and Other Funds" (the "**County Agreement**") under which, among other matters, the Shoreline Community agrees to make the following payments to the County each year:

(a) an amount equal to the County's total retirement tax override levy for all property within the Shoreline Community, and

(b) an annual payment based on a formula set forth in the County Agreement, currently equal to 20% of the revenues collected by the Shoreline Community from property tax increment that would have been allocated to the County in the absence of the Shoreline Community.

The Shoreline Community's Fiscal Year 2017-18 and 2018-19 payments under the County Agreement were \$3.7 million each Fiscal Year, for the prior Fiscal Year.

Historic Assessed Value and Tax Revenues

Historic Assessed Values. Resolution 8184, adopted February 10, 1969, endorsed a State law to create the Shoreline Community. Subsequently, State Assembly Bill 1027 (1969) Chapter 1109 created the Shoreline Community. The assessed value base was frozen in 1977-78 at an amount equal to 25% of market value, and beginning in 1981-82, all assessed values are expressed in terms of full market value. Since then the County has periodically made minor adjustments, but the frozen base has remained at its current level, \$33,888,148, since Fiscal Year 2001-02. The Shoreline Community lost the growth portion of revenues to Proposition 13 until 1980-81, when it reached a point where tax increment revenues began to accrue. The Shoreline Community receives tax increment revenues derived from the difference in the frozen base year and the current year assessed value. Property tax revenues vary due to supplemental tax, appeal resolution and reduction of the annual Property Tax Administration fee.

The following table sets forth a history of the total taxable values and incremental values within the Shoreline Community.

Table 4
MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Total Net Taxable Value and Tax Increment Value
Fiscal Years 2001-02 through 2018-19
(\$000s)

Fiscal Year	Local Net Secured Value [1]	Unsecured Value [2]	Total Net Taxable Value	Percent Change	Incremental Valuation [3]
2000-01	\$1,054,108	\$867,346	\$1,921,454	N/A	\$1,887,566
2001-02	1,105,309	1,122,227	2,227,537	16%	2,193,648
2002-03	1,218,547	861,222	2,079,769	(7)	2,045,881
2003-04	1,035,973	842,754	1,878,727	(10)	1,844,839
2004-05	905,807	782,995	1,688,801	(10)	1,654,913
2005-06	1,013,645	732,406	1,746,051	3	1,712,163
2006-07	1,226,454	954,750	2,181,205	25	2,147,316
2007-08	1,392,372	893,262	2,285,634	5	2,251,746
2008-09	1,457,493	671,621	2,129,114	(7)	2,095,226
2009-10	1,553,104	1,134,781	2,687,885	26	2,653,997
2010-11	1,550,432	850,329	2,400,762	(11)	2,366,874
2011-12	1,612,728	1,061,306	2,674,034	11	2,640,146
2012-13	1,593,184	1,487,867	3,081,051	15	3,047,163
2013-14	1,777,936	1,316,737	3,094,673	0	3,060,785
2014-15	2,248,016	1,015,419	3,263,435	5	3,229,547
2015-16	2,374,751	1,004,597	3,379,348	4	3,345,460
2016-17	2,655,774	1,257,892	3,913,666	16	3,879,778
2017-18	2,772,454	1,238,942	4,011,396	2	3,977,508
2018-19	2,955,793	955,535 [4]	3,911,328	(2)	3,877,440

[1] Net of homeowners' exemption.

[2] Unsecured values are self-reported by the taxpayer and can fluctuate over time, as further described below.

[3] Incremental Valuation is net of the \$33,888,148 frozen base which has remained constant over the time period above.

[4] Google LLC unsecured value declined 22.9% potential as a result of movement of assessed value from the unsecured roll to the secured roll and the resolution of pending assessment appeals.

Source: County of Santa Clara.

Unsecured Assessed Valuations and Auditing. The County distributes a business property statement format to all businesses located within the County each January. The statement is to be used to report the cost of new equipment (plus shipping and installation costs), less any depreciation, purchased prior to January 1 (the annual lien date). This report is used to establish the unsecured taxable value tax roll by the County for the upcoming July 1 fiscal year. The statement is completed by each business and is due on April 1. Penalties accrue for statements not received by May 7.

The unsecured taxable value is self-reported and the County conducts mandatory comprehensive audits every four years for companies reporting in excess of \$400,000. If the County discovers any discrepancies reported in the unsecured property statement, it assesses each business retroactively. Companies may appeal this reassessment, which must be heard by the County within two years. If the appeal is successful, a retroactive reduction in assessment and a refund of the unsecured property taxes is granted.

See “–Projected Tax Revenues” and “PROPERTY TAX COLLECTIONS AND LIMITATIONS ON TAX REVENUES–Property Tax Collection Procedures.”

Property Tax Rate Components. The tax rate includes the basic one percent levy, plus override levies (except those that were imposed to repay indebtedness approved by voters on or after January 1, 1989). The Shoreline Community increment is based solely on the tax rate equal to 1.0% of assessed valuation. The total tax rate (including voter-approved tax rates) for Fiscal Year 2017-18 was 1.16380%.

Historic Tax Revenues. Set forth in the following table is a history of property tax revenues received by the Shoreline Community for the past ten Fiscal Years. The revenues shown in this table include supplemental assessments, reflect successful appeals, and reflect a reduction for the annual County administration fee (which was approximately \$359,140 for Fiscal Year 2017-18). Because the County has adopted the Teeter Plan, the Shoreline Community's Tax Revenues reflect actual levies rather than the total amount collected by the County. See “- Allocation of Taxes” above.

**Table 5
MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Historic Tax Revenues**

Fiscal Year	Tax Levy [1]	Tax Revenue Collections [2]	Percent Collected
2008-09	\$20,952,260	\$22,338,885	107%
2009-10	26,539,970	29,101,871 [3]	110
2010-11	23,668,730	24,738,000	105
2011-12	26,401,460	28,715,966	109
2012-13	30,471,630	29,825,423	98
2013-14	30,607,850	30,972,301	101
2014-15	32,295,470	28,821,482 [4]	89
2015-16	33,454,600	31,304,493	94
2016-17	38,797,780 [5]	41,635,453	107
2017-18	39,775,080	42,099,597	106

[1] Represents 1% of Historic Incremental Valuation with no deduction for County Property Tax Administration fees.

[2] Represents actual collections including any supplemental revenues and net of appeal refunds and Property Tax Administration fees.

[3] Collections increased from prior Fiscal Year due to restoration of two parcels temporarily removed from the tax roll by the County for valuation review.

[4] Collections lower due to the County processing the backlog of assessment appeals, occurring from the past recession.

[5] A prior year negative correction of \$3.8 million was processed in Fiscal Year 2015-16, causing the growth to appear significant in Fiscal Year 2016-17.

Source: *Mountain View Shoreline Regional Park Community.*

Appeals of Assessed Values

Appeal Procedure. 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 appropriate county board of equalization or assessment appeals board.

After the applicant and the assessor have presented their arguments, the Appeals Board makes a final decision on the proper assessed value. The Appeals Board may rule in the

assessor's favor, in the applicant's favor, or the Board may set their own opinion of the proper assessed value, which may be more or less than either the assessor's opinion or the applicant's opinion.

Any reduction in the assessment ultimately granted applies to the year for which the application is made and may also affect the values in subsequent years. Refunds for taxpayer overpayment of property taxes may include refunds for overpayment of taxes in years after that which was appealed. Current year values may also be adjusted as a result of a successful appeal of prior year values. Any taxpayer payment of property taxes that is based on a value that is subsequently adjusted downward will require a refund for overpayment.

See "PROPERTY TAX COLLECTIONS AND LIMITATIONS ON TAX REVENUES—Property Assessment Appeals and Reductions" for further information on appeals of assessed values.

Recent Appeals History–All Properties. The tables below provide a summary of assessment appeals activity within the Shoreline Community for the past ten Fiscal Years, based on information obtained from the County Assessor.

**Table 6
MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Resolved Assessment Appeals
Fiscal Years 2008-09 through 2017-18**

	Resolved Appeals							Pending Appeals			
	Total Appeal Filings	Appeals Resolved	County Assessed Value	Applicant Assessed Value	Contested Value	Resolved Value	Percent of Value Retained	Pending Appeals	County Assessed Value	Applicant Assessed Value	Contested Value
2008-09	22	22	\$1,038,537,747	\$630,496,963	\$408,040,784	\$996,091,300	95.91%	0	\$-	\$-	\$-
2009-10	65	64	2,163,129,398	1,273,919,529	889,209,869	2,048,507,148	94.70%	1	332,128,361	135,829,724	196,298,637
2010-11	72	71	2,227,607,732	1,308,932,732	918,675,000	2,033,465,834	91.28%	1	5,439,185	1,250,000	4,189,185
2011-12	59	59	1,841,797,284	1,045,081,678	796,715,606	1,734,239,935	94.16%	0	-	-	-
2012-13	57	56	2,347,318,886	1,219,663,066	1,127,655,820	2,291,994,292	97.64%	1	66,000,000	52,150,000	13,850,000
2013-14	36	35	1,876,585,704	1,082,475,733	794,109,971	1,876,685,704	100.01%	1	44,901	36,879	8,022
2014-15	34	31	931,424,254	347,291,929	584,132,325	925,028,862	99.31%	3	45,444,247	5,110,000	40,334,247
2015-16	25	24	883,280,121	414,785,256	468,494,865	883,280,121	100.00%	1	8,931,828	4,465,914	4,465,914
2016-17	26	16	882,154,007	387,436,225	494,717,782	882,154,007	100.00%	10	184,190,352	71,109,306	113,081,046
2017-18	66	0	-	-	-	-	-	66	2,171,965,903	1,479,943,149	692,022,754
Totals	462	378	\$13,153,297,386	\$7,079,586,148	\$6,073,711,238	\$12,675,355,903	96.33%	84	\$2,814,144,777	\$1,749,894,972	\$1,064,249,805

Source: Mountain View Shoreline Regional Park Community, based on information obtained from the Santa Clara County Assessor.

Recent Appeals History–Major Property Tax Payers. The tables below provide a summary of assessment appeals activity for the top ten property tax payers within the Shoreline Community for the past three Fiscal Years, based on information obtained from the County Assessor. See “–Major Property Tax Payers” above.

**Table 7
MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Resolved Assessment Appeals
Top Ten Property Taxpayers
Fiscal Years 2013-14 through 2017-18**

Year	# of Appeals	Owner	County Valuation	Applicant Opinion of Value	Valuation In Dispute	Reduction
Resolved						
2016-17	12	Google Baccarat	\$747,724,181	\$333,534,314	\$414,189,867	\$ -
2015-16	1	Shoreline LLC	80,246,541	40,123,270	40,123,271	-
2015-16	6	Google	149,910,146	120,344,637	29,565,509	-
2014-15	10	Google	345,337,513	167,846,002	177,491,511	(6,395,392)
	29		\$1,323,218,381	\$661,848,223	\$661,370,158	\$(6,395,392)
Pending						
2017-18	55	Google	2,044,090,756	1,434,008,628	610,082,128	
2017-18	8	Intuit Inc	66,359,500	9,845,000	56,514,500	
2016-17	9	Intuit Inc.	94,982,732	11,046,000	83,936,732	
2016-17	1	Microsoft	89,207,620	60,063,306	29,144,314	
	73		\$2,294,640,608	\$1,514,962,934	\$779,677,674	

Proposition 8 Valuation Reductions. As of Fiscal Year 2017-18, there are 2,645 residential properties in Santa Clara County with Proposition 8 temporary property value reductions representing a total reduction of \$2.0 billion or 0.4% of County-wide property values. This is significantly lower than the 136,000 properties with a Proposition 8 status as of 2012.

The City has 5 properties, with a total decline of \$8.6 million, in Proposition 8 status. [CAN WE STATE HOW MANY OF THESE 5 PARCELS ARE IN THE COMMUNITY?]

See “PROPERTY TAX COLLECTIONS AND LIMITATIONS ON TAX REVENUES–Property Assessment Appeals and Reductions” for a further discussion of assessed valuation reductions under Proposition 8.

Future Appeals. The actual reductions in taxable values resulting from future appeals could be significant. Resolution of appeals are determined by a number of factors including vacancy and rental rates, circumstances of hardship and other real estate comparables, all of which are unique to the individual assessment. See “RISK FACTORS – Reduction in Tax Revenues.”

Projected Impact on Tax Revenues. The projections included in this Official Statement include certain assumptions regarding successful assessment appeals. See “– Projected Tax Revenues” below.

Projected Tax Revenues

The Tax Revenue projections for the Shoreline Community are summarized below, and are based on the following assumptions:

- *Beginning Assessed Values.* The July 1, 2018 tax roll assessed values (AV) are used for the Fiscal Year 2018-19 property tax projection.

- *Revenues.* Projected revenues include revenues from the secured, unsecured and utility rolls, revenue from unitary assessments, and supplemental roll revenue. The projections use the Fiscal Year 2018-19 assessed values with no assumption for growth

- *Secured and Unsecured Assessed Values.* For Fiscal Year 2018-19 total property taxes have declined, which is the net effect of an annual 2.0% California Consumer Price Index (CCPI), changes in ownership, new development and the resolution of assessment appeals. The remaining forecast years use the Fiscal Year 2018-19 assessed values with no assumption for growth. No deductions were made for pending assessment appeals, and no increases were assumed for recently completed or anticipated development.

- *Unsecured Property Tax Revenues.* Unsecured property taxes, including personal property, have varied significantly from year to year and can be highly dependent on business vacancies associated with the economic climate. This tax is self-reported by the taxpayer and audited by the taxing authority every five years, which can lead to fluctuations and uncertainty, making it difficult to forecast. Also included in unsecured property taxes is the possessory interest tax related to City-owned property leased to private companies (e.g., Google LLC, Michaels at Shoreline, etc.).

- *Tax Rate.* The assumed tax rate is 1.0%

- *County Property Tax Administration Fee.* The projected Tax Revenues are shown net of the County Property Tax Administration Fee.

Estimated Debt Service Coverage

The following table shows projected debt service coverage on the 2018 Bonds and the 2011 Bonds based on projected Fiscal Year 2018-19 Tax Revenues from the Shoreline Community.

Table 8
MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY
Projected Debt Service Coverage
(\$000s)

Fiscal Year	Fiscal Year 2018-19 Tax Revenues [1]	Debt Service on 2011 Bonds [2]	Projected Debt Service on 2018 Bonds* [2]	Total Debt Service*	Projected Debt Service Coverage*
2018-19	\$38,444,822	\$3,387,831	\$2,041,502	\$5,429,333	7.1x
2019-20	38,444,822	3,388,331	3,195,394	6,583,725	5.8x
2020-21	38,444,822	3,389,081	3,195,394	6,584,475	5.8x
2021-22	38,444,822	1,894,831	4,125,394	6,020,225	6.4x
2022-23	38,444,822	1,895,081	4,124,356	6,019,438	6.4x
2023-24	38,444,822	1,893,581	4,126,963	6,020,544	6.4x
2024-25	38,444,822	1,895,331	4,126,763	6,022,094	6.4x
2025-26	38,444,822	1,895,081	4,124,963	6,020,044	6.4x
2026-27	38,444,822	1,891,775	4,130,206	6,021,981	6.4x
2027-28	38,444,822	1,895,313	4,126,969	6,022,281	6.4x
2028-29	38,444,822	1,891,225	4,131,819	6,023,044	6.4x
2029-30	38,444,822	1,893,550	4,127,788	6,021,338	6.4x
2030-31	38,444,822	1,892,919	4,129,963	6,022,881	6.4x
2031-32	38,444,822	1,892,969	4,126,500	6,019,469	6.4x
2032-33	38,444,822	1,893,281	4,126,250	6,019,531	6.4x
2033-34	38,444,822	1,894,938	4,127,500	6,022,438	6.4x
2034-35	38,444,822	1,892,656	4,130,000	6,022,656	6.4x
2035-36	38,444,822	1,891,438	4,128,500	6,019,938	6.4x
2036-37	38,444,822	1,894,213	4,128,000	6,022,213	6.4x
2037-38	38,444,822	1,892,100	4,128,250	6,020,350	6.4x
2038-39	38,444,822	1,890,100	4,129,000	6,019,100	6.4x
2039-40	38,444,822	1,892,925	4,130,000	6,022,925	6.4x
2040-41	38,444,822	-	6,021,000	6,021,000	6.4x
2041-42	38,444,822	-	6,022,250	6,022,250	6.4x
2042-43	38,444,822	-	6,023,250	6,023,250	6.4x
2043-44	38,444,822	-	6,023,500	6,023,500	6.4x
2044-45	38,444,822	-	6,022,500	6,022,500	6.4x
2045-46	38,444,822	-	6,019,750	6,019,750	6.4x
2046-47	38,444,822	-	6,019,750	6,019,750	6.4x
2047-48	38,444,822	-	6,021,750	6,021,750	6.4x

* Preliminary; subject to change.

[1] Calculated on a fiscal year basis as shown in the prior table.

[2] Calculated on a Bond-year basis.

Source: Mountain View Shoreline Regional Park Community and the Underwriter.

RISK FACTORS

The following describes certain special considerations and risk factors affecting the payment of and security for the 2018 Bonds. The following discussion is not meant to be an exhaustive list of the risks associated with the purchase of any 2018 Bonds and does not necessarily reflect the relative importance of the various risks. Potential investors in the 2018 Bonds are advised to consider the following special factors along with all other information in this Official Statement in evaluating the 2018 Bonds. There can be no assurance that other considerations will not materialize in the future.

Reduction in Tax Revenues

Projections and Assumptions. To estimate the revenues available to pay debt service on the 2018 Bonds, the Shoreline Community has made certain assumptions with regard to the assessed valuation of secured and unsecured taxable property in the Shoreline Community, future tax rates, and percentage of taxes collected. The Shoreline Community believes these assumptions to be reasonable, but to the extent that the assessed valuation, the tax rates, the percentage collected, the amount of the funds available for investment or the interest rate at which they are invested, are less than the Shoreline Community's assumptions, the Tax Revenues available to pay debt service on the 2018 Bonds will, in all likelihood, be less than those projected herein. See "THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY – Historic Assessed Value and Tax Revenues."

Reduction in Assessed Valuation. Tax increment revenue allocated to the Shoreline Community is determined in part by the amount of incremental assessed value in the Shoreline Community and the current rate at which property in the Shoreline Community is taxed.

Future reductions in assessed values of taxable property in the Shoreline Community could be caused by many factors, including without limitation the following:

Economic Factors. Economic factors beyond the Shoreline Community's control, such as a relocation out of the Shoreline Community by one or more major property owners, or a continued and prolonged economic downturn, could cause a long-term reduction in assessed values.

Assessed Value Appeals. Property owners may appeal to the County Assessor for a reduction of their individual assessed valuations. See "THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY – Appeals of Assessed Values." In addition, the County Assessor could order a blanket reduction in assessed valuations based on then-current economic conditions. See "PROPERTY TAX COLLECTIONS AND LIMITATIONS ON TAX REVENUES - Property Assessment Appeals."

Seismic and Environmental Events. The property in the Shoreline Community could become subject to complete or partial destruction caused by natural disasters such as earthquakes, wildfires, flooding or sea level rise, which could result in a reduction of assessed values of the affected property. Although no known major faults exist within City limits, earthquakes on major faults in the greater San Francisco Bay area (such as the San Andreas Fault west of the City and the Hayward and Calaveras Faults east of the City) could result in damage to buildings, roads, bridges, and property within the Shoreline Community. See "THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY – Environmental Hazards."

Seismic Hazards. The Shoreline Community is in a region of very high seismic activity. In 2014, the Working Group on California Earthquake Probabilities updated the 30-year earthquake forecast for California, concluding that there is a 72% probability of at least one earthquake of magnitude 6.7 or greater striking somewhere in the region before 2043. Seismic hazards include risks of (i) surface fault rupture, (ii) ground shaking and (iii) liquefaction and ground failure.

Hazardous Substances. In general, the owners and operators of a property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The discovery of hazardous substances on property within the Shoreline Community could reduce the marketability and value of the property.

Eminent Domain. Under Article XIII A(2)(d) of the California Constitution and California Revenue and Taxation Code Section 68, a person who is displaced from property by eminent domain proceedings, or by governmental action resulting in a judgment of inverse condemnation, is permitted to transfer the adjusted base year value of the property from which the person is displaced to another comparable property anywhere within the State. Persons acquiring replacement property must request assessment pursuant to these provisions within four years of the date the property was acquired by eminent domain or purchase or the date the judgment of inverse condemnation becomes final. Such a reassessment affecting property in the Shoreline Community could result in a reduction in assessed values within the Shoreline Community.

Statewide Legislation. Actions of the California Legislature or electorate could adversely affect the existence or powers of the Shoreline Community or the availability of future Tax Revenues.

Future reductions of assessed valuations could result in a reduction of the Tax Revenues that secure the Bonds, which in turn could impair the ability of the Shoreline Community to make payments of principal of or interest on the Bonds when due.

Reduction in Tax Rates. While the Shoreline Community is authorized to receive the Tax Revenues, it does not have the power to levy and collect property taxes directly. Accordingly, any reduction in tax rates, whether as a result of new statutes, constitutional amendment, changes in methods by which assessed valuation is established, the provisions of additional sources of revenues to taxing agencies which would reduce the need for Tax Revenues, or any increases in exemptions for the type of property to be located in the Shoreline Community which are not offset by funds from other sources, would have the effect of reducing the Shoreline Community's Tax Revenues. Accordingly, such events could have an adverse impact on the ability of the Shoreline Community to pay debt service on the 2018 Bonds.

Reduction in Inflationary Rate. As described in greater detail below, Article XIII A of the State Constitution provides that the full cash value of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the California consumer price index or comparable local data. Such measure is computed on a calendar year basis. Because Article XIII A limits inflationary assessed value adjustments to the lesser of the

actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%, as follows:

Tax Year	Inflationary Rate
1995-96	1.190%
1996-97	1.110
1999-00	1.853
2004-05	1.867
2010-11	(0.237)%
2011-12	0.753
2014-15	0.454
2015-16	1.998
2016-17	1.525

The Shoreline Community is unable to predict if any further adjustments to the full cash value base of real property within the Project Areas, whether an increase or a reduction, will be realized in the future. See “PROPERTY TAX COLLECTIONS AND LIMITATIONS ON TAX REVENUES.”

Property Tax Collections. The Shoreline Community has no independent power to levy and collect property taxes or to foreclose the lien of delinquent property taxes. Although the Shoreline Community currently received 100% of its secured Tax Revenues from the County under the Teeter Plan, prolonged delinquencies in the payment of property taxes could cause the County to modify or eliminate the Teeter Plan with respect to the Shoreline Community, which would mean that the Shoreline Community’s tax revenue receipts would become subject to property tax payment delinquencies.

Concentration of Ownership. In addition, the top ten property taxpayers in the Shoreline Community are responsible for a significant portion (approximately 93%) of the property taxes collected within the Shoreline Community. In particular, Google LLC is responsible for approximately 60% of Fiscal Year 2018-19 property taxes and has a major expansion underway. See “THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY” for a listing of the major property taxpayers within the Shoreline Community.

State Budget and Statewide Legislative Proposals.

Future State Action. The Shoreline Community is not a redevelopment agency or successor agency under State law. However, the Shoreline Community cannot predict what actions will be taken in the future by the voters of the State, the State Legislature and the Governor to deal with changing State revenues and expenditures and the repercussions they may have on the current fiscal year State budget and future State budgets, or their impact on the Shoreline Community. State legislative developments at the State level may, in turn, affect local governments and agencies, including the Shoreline Community.

Information About the State Budget and the State. Information about the State budget and State spending is regularly available from various State offices, including the Department of Finance, the Office of the Legislative Analyst and the State Treasurer. However, none of such information is incorporated by such reference.

Limitation on Remedies

Remedies available to Bond owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the 2018 Bonds or to preserve the tax-exempt status of interest on the 2018 Bonds. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation, or modification of Bondowner rights.

In addition to the limitation on remedies contained in the Indenture, the rights and remedies may be limited by and are subject to the provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors rights. The various legal opinions to be delivered concurrently with the delivery of the 2018 Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the 2018 Bonds, the Indenture, the 2018 Bonds and other related documents, by bankruptcy, reorganization, moratorium, insolvency, fraudulent conveyance or other similar laws relating to or affecting the enforcement of creditors' rights. Such opinions will also be subject to the application of equitable principles, to the exercise of judicial discretion in the appropriate cases and to the limitation on legal remedies against public agencies in the State.

Additionally, enforceability of the rights and remedies of the owners of the 2018 Bonds, and the obligations incurred by the Shoreline Community, may become subject to laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against counties in the State. The exercise of powers by the Federal or State government, if initiated, and the assertion by the Shoreline Community of its or their rights as a creditor, could subject the owners of the 2018 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Under Chapter 9 of the Bankruptcy Code (Title 11, United States Code) which governs the bankruptcy proceedings for public agencies such as the Shoreline Community, there are no involuntary petitions in bankruptcy. If the Shoreline Community were to file a petition under Chapter 9 of the Bankruptcy Code, the owners of the 2018 Bonds could be prohibited from taking any steps to enforce their rights under the 2018 Bonds and the Indenture, and from taking any steps to collect amounts due from the Shoreline Community under the 2018 Bonds.

Future Obligations Secured by Tax Revenues

The Shoreline Community may issue Parity Bonds payable from Tax Revenues on a parity with the Bonds. The ability of the Shoreline Community to enter into Parity Bonds is subject to certain requirements set forth in the Indenture. The Shoreline Community may also issue bonds or enter into obligations payable from Tax Revenues which are subordinate to the Bonds. See "THE 2018 BONDS – Additional Bonds" and APPENDIX B.

Loss of Tax Exemption

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the 2018 Bonds the Shoreline Community has covenanted in the Indenture to

comply with each applicable requirement of Section 103 and Sections 141 through 150 of the Internal Tax Revenue Code of 1986, as amended. The interest on the 2018 Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the 2018 Bonds, as a result of acts or omissions of the Shoreline Community. Should such an event of taxability occur, the 2018 Bonds are not subject to redemption or any increase in interest rates and will remain Outstanding until the maturity or until redeemed under one of the redemption provisions contained in the Indenture. See "TAX MATTERS."

PROPERTY TAX COLLECTIONS AND LIMITATIONS ON TAX REVENUES

Property Tax Collection Procedures

In California, property which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The secured classification includes property on which any property tax levied by a county becomes a lien on that property sufficient, in the opinion of the county assessor, to secure payment of the taxes. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on the secured property, regardless of the time of the creation of such other liens. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer.

Secured and unsecured properties are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The exclusive means of enforcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes to the State for the amount of taxes that is delinquent. The taxing authority has four ways of collecting unsecured personal property taxes in the absence of timely payments by the taxpayer: (i) a civil action against the taxpayer; (ii) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (iii) filing a certificate of delinquency for record in the county recorder’s office, in order to obtain a lien on certain property of the taxpayer; and (iv) seizure and sale of personal property, improvements or possessory interests belonging or taxable to the assessee.

The County currently allocates property taxes to the Shoreline Community based on 100% of the tax levy, irrespective of any delinquencies. However, there can be no assurance the County will continue such practice. See “County Teeter Plan” below.

A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, property on the secured roll on which taxes are delinquent is sold to the State on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to delinquent taxes on property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date.

The assessed valuation of property is determined as of January 1 each year and equal installments of taxes levied upon secured property become delinquent after the following December 10 and April 10. Taxes on unsecured property are mailed in July, are due upon receipt, and become delinquent after August 31.

The Santa Clara County Finance Director’s Office is responsible for making tax increment payments to the Shoreline Community. As permitted by State law, the County charges the Shoreline Community an administrative fee for collection and disbursement of tax revenues. The amount of the administrative fee is based on the Shoreline Community’s proportional share of the County’s actual costs for the prior fiscal year. See “THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY – Historic Assessed Value and Tax Revenues.”

County Teeter Plan

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “**Teeter Plan**”), as provided for in Section 4701 *et. seq.* of the California Tax Revenue and Taxation Code, “to accomplish a simplification of the tax-levying and tax-apportioning process and an increased flexibility in the use of available cash resources.” This alternative method will, subject to the following, be used for distribution of the revenues with respect to the levy of *ad valorem* property taxes.

Pursuant to the Teeter Plan, each taxing entity in the County may draw on the amount of uncollected taxes and assessments credited to its fund, in the same manner as if the amount credited had been collected. Under the Teeter Plan, the County establishes a tax losses reserve fund and a tax resources account. The tax losses reserve fund is used exclusively to cover losses occurring in the amount of tax liens as a result of sales of tax-defaulted property. Moneys in this fund are derived from delinquent tax penalty collections.

The amount of taxes extended on a tax-defaulted property determines the cost of redeeming the property. If valuations of tax-defaulted property entered on the roll exceed 1% of the total roll, they are not included in any statement of equalized assessed valuations that are the basis for determining bond debt limitations. When tax-defaulted property is sold, the taxes and assessments which constitute the amount required to redeem the property are prorated between apportioned (Teeter) levies and unapportioned (or non-Teeter) levies. Amounts apportioned to the funds at the time of the levy are distributed to the apportioned tax resources accounts. The pro rata share of redemption penalties or interest collected on amounts levied but not apportioned to funds at the time of the levy is distributed to the respective funds. The balance of redemption penalties or interest, together with delinquency penalties, is apportioned to the tax losses reserve fund.

The County will be responsible for determining the amount of the *ad valorem* property taxes on each parcel, which will be entered onto the tax roll. Upon completion of the tax roll, the County Finance Director determines the total amount of taxes and assessments actually extended on the roll for each fund for which a tax levy has been included, and apportions 100% of the tax and assessment levies to that fund’s credit. Such moneys may thereafter be drawn against in the same manner as if the amount credited had been collected. The Board of Supervisors determines which moneys in the County treasury (including those credited to the tax losses reserve fund) will be available to be drawn on to the extent of the amount of uncollected taxes credited to each fund for which a levy has been included. When amounts are received on the secured tax roll for the current year or for redemption of tax-defaulted property, Teeter Plan moneys are distributed to the apportioned tax resources accounts.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by resolutions adopted by two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors is to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. The County has never received a petition from any governing board to discontinue the Teeter Plan. In the event that the Teeter Plan were terminated, the amount of the levy of *ad valorem* property taxes in the Shoreline Community

would depend upon the collections of the ad valorem property taxes and delinquency rates experienced with respect to the parcels within the Shoreline Community.

The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply, after holding a public hearing on the matter, discontinue the procedure under the Teeter Plan with respect to any tax or assessment levying community in the County if the rate of secured tax delinquency for that community in any year exceeds 3% of the total of all property taxes and assessments levied on the secured rolls in for that community.

Property Tax Rate Limitations - Article XIII A

In 1978, California voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the California Constitution which imposes certain limitations on taxes that may be levied against real property. This amendment, which added Article XIII A to the California Constitution, among other things, defines full cash value of property to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value', or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment period." This full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or any reduction in the event of declining property value caused by damage, destruction or other common factors. The amendment further limits the amount of any *ad valorem* tax on real property to one percent of the full cash value except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and on any bonded indebtedness for the acquisition or improvement of real property which is approved after July 1, 1978, by two-thirds of the voters voting on such indebtedness.

Subsequently, the voters of the State of California approved a number of ballot measures further amending Article XIII A limiting its application to certain transfers between family members, certain transfers for seniors, and other matters.

Implementing Legislation

Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provided that, notwithstanding any other law, local agencies may not levy any property tax, except to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIII A of \$4.00 per \$100 assessed valuation (based on the traditional practice of using 25% of full cash value as the assessed value for tax purposes). The legislation further provided a permanent system for sharing State taxes and budget surplus funds with local agencies would be established whereby cities and counties received about one-third more of the remaining property tax revenues collected under Proposition 13 instead of direct State aid. School districts received a correspondingly reduced amount of property taxes, but receive compensation directly from the State and was given additional relief. Chapter 282 does not affect the derivation of the base levy (\$4.00 per \$100 assessed valuation) and the bonded debt tax rate.

Effective as of the 1981-82 fiscal year, assessors in California no longer recorded property values in the tax rolls at the assessed value of 25% of market value. All taxable property value is now shown at full market value. In conformity with this change in procedure, all taxable property value included in this Official Statement (except as noted) is shown at 100% of market value and all general tax rates reflect the \$1 per \$100 of taxable value. Tax rates for bond debt service and pension liability are also applied to 100% of market value.

Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of “base” revenue from the tax rate area. Each year’s growth allocation becomes part of each community’s allocation in the following year. The City and the Shoreline Community are unable to predict the nature or magnitude of future revenue sources which may be provided by the State to replace lost property tax revenues. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above those described above, even with the approval of the affected voters.

Appropriations Limitation - Article XIII B

On November 6, 1979, California voters approved Proposition 4, known as the Gann Initiative, which added Article XIII B to the California Constitution. In 1990, the voters approved Proposition 111, which amended Article XIII B in certain respects. The principal effect of Article XIII B is to limit the annual appropriations of the State and its political subdivisions to the level of appropriations for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the government entity. The Shoreline Community believes that Tax Revenues are not appropriations subject to Article XIII B.

Proposition 218 – Articles XIII C and XIII D

On November 5, 1996, California voters approved Proposition 218 – Voter Approval for Local Government Taxes – Limitation on Fees, Assessments, and Charges – Initiative Constitutional Amendment. Proposition 218 added Articles XIII C and XIII D to the California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Tax Revenues securing the 2018 Bonds are derived from property taxes that are outside the scope of taxes, assessments and property-related fees and charges which were limited by Proposition 218.

Future Initiatives

Article XIII A, Article XIII B and Proposition 87 were each adopted as measures that qualified for the ballot pursuant to California’s initiative process. From time to time other initiative measures could be adopted, further affecting Shoreline Community revenues or the Shoreline Community’s ability to expend revenues.

Property Assessment Appeals and Reductions

Owner Appeals. An assessee of locally-assessed or state-assessed property may contest the taxable value enrolled by the county assessor or by the State Board of Equalization (“SBE”), respectively. The assessee of SBE-assessed property or locally-assessed personal property, the valuation of which are subject to annual reappraisal, actually contests the determination of the full cash value of property when filing an assessment appeal. Because of the limitations to the determination of the full cash value of locally-assessed real property by Article XIII A, an assessee of locally assessed real property generally contests the original determination of the base assessment value of the parcel, i.e. the value assigned after a change of ownership or completion of new construction. In addition, the assessee of locally assessed real property may contest the current assessment value (the base assessment value plus the

compounded annual inflation factor) when specified conditions have caused the full cash value to drop below the current assessment value.

At the time of reassessment, after a change of ownership or completion of new construction, the assessee may appeal the base assessment value of the property. Under an appeal of a base assessment value, the assessee appeals the actual underlying market value of the sale transaction or the recently completed improvement. A base assessment appeal has significant future revenue impact because a reduced base year assessment will then reduce the compounded value of the property prospectively. Except for the two percent inflation factor allowable under Article XIII A, the value of the property cannot be increased until a change of ownership occurs or additional improvements are added.

Proposition 8 Appeals. Pursuant to Section 51(b) of the Tax Revenue and Taxation Code, the assessor may place a value on the tax roll lower than the compounded base assessment value, if the full cash value of real property has been reduced by damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in the value. Reductions in value pursuant to Section 51(b), commonly referred to as Proposition 8 appeals, can be achieved either by formal appeal or administratively by assessor staff appraising the property. A reduced full cash value placed on the tax roll does not change the base assessment value. The future impact of a parcel subject to a Proposition 8 appeal is dependent upon a change in the conditions which caused the drop in value. In fiscal years subsequent to a successful Proposition 8 appeal, the assessor may determine that the value of the property has increased as a result of corrective actions or improved market conditions and enroll a value on the tax roll up to the parcel's compounded base assessment value.

Utility Property. The taxable value of utility property may be contested by utility companies and railroads to the SBE. Generally, the impact of utility appeals is on the State-wide value of a utility determined by SBE. As a result, the successful appeal of a utility may not impact the taxable value of the property within the Shoreline Community but could impact the Shoreline Community's allocation of unitary property taxes.

Impact of Appeals and Reductions. The actual impact to tax increment is dependent upon the actual revised value of assessments resulting from values determined by the Santa Clara County Assessment Appeals Board or through litigation and the ultimate timing of successful appeals. Because the Santa Clara County Finance Director adjusts revenues to the Shoreline Community to reflect roll corrections from successful appeals, the Shoreline Community may bear the burden of appeals. The actual valuation impact to the Shoreline Community from successful assessment appeals will occur on the assessment roll prepared after the actual valuation reduction. See "THE MOUNTAIN VIEW SHORELINE REGIONAL PARK COMMUNITY – Appeals of Assessed Values" herein.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however, to the qualifications set forth below, under existing law, the interest on the Series A Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the Shoreline Community comply with all requirements of the Internal Revenue Code of 1986, as amended (the “**Tax Code**”) relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series A Bonds. The Shoreline Community has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Series A Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Series A Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes “original issue discount” for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Series A Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes “original issue premium” for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2018 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Series A Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2018 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Series A Bonds who purchase the Series A Bonds after the initial offering of a substantial amount of such maturity. Owners of such Series A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series A Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Series A Bonds under the federal individual alternative minimum tax.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Series A Bond (said term being the shorter of the Series A Bond’s maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Series A Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Series A Bond is amortized each year

over the term to maturity of the Series A Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2018 Bond premium is not deductible for federal income tax purposes. Owners of premium Series A Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Series A Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the 2018 Bonds is exempt from California personal income taxes.

Other Tax Considerations. Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Series A Bonds to be subject, directly or indirectly, 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. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Series A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Series A Bonds, or as to the consequences of owning or receiving interest on the Series A Bonds, as of any future date. Prospective purchasers of the Series A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

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

CERTAIN LEGAL MATTERS

Jones Hall, A Professional Law Corporation, Bond Counsel, will render an opinion with respect to the validity of the 2018 Bonds, the form of which is set forth in APPENDIX D." Certain legal matters will also be passed upon for the Shoreline Community by Jones Hall, as Disclosure Counsel, and by the City Attorney of the City of Mountain View, as General Counsel of the Shoreline Community.

LITIGATION

To the best knowledge of the Shoreline Community, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending and notice of which has been served on and received by the Shoreline Community or, to the knowledge of the Shoreline Community, threatened against or affecting the Shoreline Community or the assets, properties or operations of the Shoreline Community which, if determined adversely to the Shoreline Community or its interests, would have a material and adverse effect upon the consummation of the transactions contemplated by or the validity of the Indenture, or upon the financial condition, assets, properties or operations of the Shoreline Community, and the Shoreline Community is not in default with respect to any order or decree of any court or any order, regulation or demand of any federal, state, municipal or other governmental authority, which might have consequences that would materially adversely affect the consummation of the transactions contemplated by the Indenture, or the financial conditions, assets, properties or operations of the Shoreline Community, including but not limited to the payment and performance of the Shoreline Community's obligations under the Indenture.

RATING

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned its municipal bond rating of "___" to the 2018 Bonds.

This rating reflects only the views of S&P, and an explanation of the significance of this rating, and any outlook assigned to or associated with this rating, should be obtained from S&P.

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 Shoreline Community has provided certain additional information and materials to the rating agency (some of which does not appear in this Official Statement).

There is no assurance that this rating will continue for any given period of time or that this rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of any rating on the 2018 Bonds may have an adverse effect on the market price or marketability of the 2018 Bonds.

CONTINUING DISCLOSURE

The Shoreline Community will covenant for the benefit of owners of the 2018 Bonds to provide certain financial information and operating data relating to the Shoreline Community (the "**Annual Report**"), by not later than seven months after the end of the Shoreline Community's fiscal year (presently June 30) and commencing January 31, 2019 with the report for the fiscal year ending June 30, 2018, and to provide notices of the occurrence of certain listed events.

These covenants have been made in order to assist the purchaser of the 2018 Bonds in complying with Securities Exchange Commission Rule 15c2-12(b)(5), as amended (the "**Rule**"). The specific nature of the information to be contained in the Annual Report or the notices of

listed events is set forth in “APPENDIX E — FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

The Shoreline Community has previously entered into certain disclosure undertakings under the Rule in connection with the issuance of long-term obligations. Based on a compliance review, the Shoreline Community is aware of the following instances of material noncompliance with these undertakings:

- In connection with the City's Series 2004-A Graham Reservoir water revenue bonds, the City filed a notice of a rating change late 2018, and did not make a filing of a rating change in 2014.

Identification of these instances of non-compliance is not a representation that such non-compliance has been deemed material by the Shoreline Community for purposes of the Rule.

MUNICIPAL ADVISOR

The Shoreline Community has retained PFM Financial Advisors LLC, San Francisco, California, as municipal advisor (the “**Municipal Advisor**”) in connection with the offering of the 2018 Bonds and the preparation of this Official Statement. The Municipal Advisor assisted in the preparation and review of this Official Statement. All financial and other information presented in this Official Statement has been provided by the Shoreline Community and the Shoreline Community from their records, except for information expressly attributed to other sources. The Municipal Advisor takes no responsibility for the accuracy or completeness of the data provided by the Shoreline Community, the Shoreline Community or others and has not undertaken to make an independent verification or does not assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), has entered into a bond purchase agreement with the Shoreline Community under which the Underwriter will purchase the 2018 Bonds at a price of \$_____ (plus/less a [net] original issue [premium/discount] of \$_____, and less an Underwriter's discount of \$_____).

The Underwriter will be obligated to take and pay for all of the 2018 Bonds if any are taken. The Underwriter intends to offer the 2018 Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. After the initial public offering, the public offering price may be varied from time to time by the Underwriter.

PROFESSIONAL SERVICES

In connection with the issuance of the 2018 Bonds, fees payable to the following professionals involved in the offering are contingent upon the issuance and delivery of the 2018 Bonds: Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Underwriter's counsel; PFM Financial Advisors LLC, as municipal advisor to the Shoreline Community; and U.S. Bank National Association, as Trustee.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the Shoreline Community.

MOUNTAIN VIEW SHORELINE REGIONAL PARK
COMMUNITY

By: _____
Treasurer of the Shoreline Community

APPENDIX A

GENERAL INFORMATION ABOUT THE CITY OF MOUNTAIN VIEW AND THE COUNTY OF SANTA CLARA

The following information concerning the City of Mountain View (the “City”) and the County of Santa Clara (the “County”) is included only for the purpose of supplying general information regarding the region. The 2018 Bonds are not a debt of the City, the County, the State of California (the “State”) or any of its political subdivisions (other than the Shoreline Community), and none of the City, the County, the State or any of its political subdivisions (other than the Shoreline Community) is liable therefor.

General

Mountain View. Incorporated November 7, 1902, Mountain View is one of the major cities in Silicon Valley. Many of the largest technology companies including Google LLC, Intuit, LinkedIn, Microsoft, Mozilla Foundation, and Symantec, are headquartered in the City. The City borders Palo Alto and the San Francisco Bay to the north, Los Altos to the south, and Moffett Federal Airfield and Sunnyvale to the east. The City operates under a Council-Manager form of government. Policy-making and legislative authority are vested with the City Council, which is composed of seven Council Members elected by seat number for staggered four-year terms, with a consecutive two-term limit. In January of each year, Council elects one of its members as Mayor and another as Vice Mayor.

The County. The County covers an area of over 1,300 square miles and is located south of the San Francisco Bay in northern California. There are two distinct valleys in the County, which are referred to as North County and South County. South County has more of an agricultural base and is comprised of only two cities, twenty miles apart from each other. As a contrast, North County is densely populated, heavily industrialized and extensively urbanized. This part of the County is comprised of 13 cities, each adjacent to another. Due to its high concentration of high-technology industries, the northwestern portion of North County is commonly referred to as "Silicon Valley." Several major highways serve the County, including Highway 101 providing access to San Francisco and Los Angeles.

Population

The following table lists population figures for the City, the County, and the State for the last five calendar years.

CITY OF MOUNTAIN VIEW, SANTA CLARA COUNTY AND STATE OF CALIFORNIA Population Estimates Calendar Years 2014 Through 2018

Year	City of Mountain View	Santa Clara County	State of California
2014	77,447	1,880,197	38,568,628
2015	78,970	1,905,156	38,912,464
2016	80,122	1,924,582	39,179,627
2017	80,897	1,937,473	39,500,973
2018	81,527	1,956,598	39,809,693

Source: California Department of Finance for January 1.

Employment and Industry

The City is part of the San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area (“MSA”), which is comprised of Santa Clara and San Benito Counties. The unemployment rate was 2.8 percent in July 2018, down from a revised 3.0 percent in June 2018, and below the year-ago estimate of 3.6 percent. This compares with an unadjusted unemployment rate of 4.4 percent for California and 4.1 percent for the nation during the same period. The unemployment rate was 4.9 percent in San Benito County, and 2.7 percent in Santa Clara County.

SAN JOSE-SUNNYVALE-SANTA CLARA MSA Civilian Labor Force, Employment and Unemployment Calendar Years 2013 through 2017 March 2017 benchmark

	2013	2014	2015	2016	2017
Civilian Labor Force ⁽¹⁾	1,000,800	1,021,500	1,039,200	1,053,800	1,071,800
Employment	934,700	967,600	994,800	1,012,900	1,036,300
Unemployment	66,000	53,900	44,300	40,900	35,400
Unemployment Rate	6.6%	5.3%	4.3%	3.9%	3.3%
<u>Wage and Salary Employment:</u>					
Agriculture	5,000	5,300	5,500	6,100	5,800
Mining and Logging	300	300	200	300	200
Construction	37,500	39,700	43,900	48,300	49,800
Manufacturing	158,400	161,700	164,800	166,600	166,700
Wholesale Trade	36,400	37,200	37,200	36,800	35,500
Retail Trade	83,900	85,300	86,600	85,800	86,300
Transportation, Warehousing, Utilities	13,800	14,400	14,600	15,500	15,400
Information	58,700	65,700	70,500	75,700	85,100
Financial Activities	33,700	34,100	34,600	35,600	36,100
Real Estate and Rental and Leasing	13,000	13,300	13,500	14,200	14,400
Professional and Business Services	190,000	201,800	215,100	223,300	227,600
Educational and Health Services	143,800	150,000	156,300	162,500	168,700
Leisure and Hospitality	87,500	91,900	95,800	99,400	102,300
Other Services	25,400	26,400	26,900	27,600	28,700
Federal Government	9,900	9,900	9,900	10,000	10,100
State Government	6,300	6,400	6,700	6,700	6,800
Local Government	75,600	77,100	76,400	77,400	78,800
Total all Industries ⁽²⁾	966,200	1,007,100	1,044,900	1,077,500	1,104,000

(1) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Principal Employers

The following table shows the principal employers in the City, as shown in the City's Comprehensive Annual Financial Report for fiscal year ending June 30, 2018.

CITY OF MOUNTAIN VIEW Principal Employers

Employer	Number of Employees	Percent of Total Employment
Google, LLC	24,626	19.20%
Symantec	2,789	2.20%
Intuit Inc	2,563	2.00%
El Camino Hospital	2,500	2.00%
Microsoft Corporation	1,610	1.30%
Synopsys Inc.	1,521	1.20%
Linkedin	1,364	1.10%
Samsung Research America Inc.	1,111	0.80%
Pure Storage	950	0.70%
MV Whisman School District	736	0.60%

Source: City of Mountain View, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2018.

Major Employers

The table below lists the major employers in the County, listed alphabetically.

SANTA CLARA COUNTY Major Employers September 2018

<u>Employer Name</u> ⁽¹⁾	<u>Location</u>	<u>Industry</u>
Adobe Systems Inc	San Jose	Publishers-Computer Software (mfrs)
Advanced Micro Devices Inc	Santa Clara	Semiconductor Devices (mfrs)
Apple Inc	Cupertino	Computer & Equipment Dealers
Applied Materials Inc	Santa Clara	Semiconductor Manufacturing Equip (mfrs)
Avaya Inc	Santa Clara	Telecommunications Services
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	E-Commerce
Flextronics International	Milpitas	Semiconductor Devices (mfrs)
Fujitsu Laboratories	Sunnyvale	Venture Capital Companies
Hcl Technologies Ltd	Sunnyvale	Computer Software
HP Inc	Palo Alto	Computers-Electronic-Manufacturers
Intel Corp	Santa Clara	Semiconductor Devices (mfrs)
Lockheed Martin Corp	San Jose	Aerospace Industries (mfrs)
Lumileds Lighting Co	San Jose	Lighting Fixtures-Supplies & Parts-Mfrs
Microsoft Corp	Sunnyvale	Computer Software-Manufacturers
NASA	Mountain View	Government Offices-US
Net App Inc	Sunnyvale	Computer Storage Devices (mfrs)
Prime Materials	San Jose	Semiconductors & Related Devices (mfrs)
San Jose Convention Ctr	San Jose	Recreation Centers
SAP Center	San Jose	Stadiums Arenas & Athletic Fields
Stanford Children's Health	Palo Alto	Hospitals
Stanford School of Medicine	Stanford	Schools-Medical
US Veterans Medical Ctr	Palo Alto	Hospitals

(1) Although Google, LLC is not listed in the State of California Employment Development Department data, over 20,000 employees work in its Mountain View offices.

Source: *State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2018 2nd Edition.*

Commercial Activity

Summaries of the historic taxable sales within the City and the County during the past five years in which data is available are shown in the following tables. Annual figures for calendar year 2017 are not yet available.

Total taxable sales during the calendar year 2016 in the City were reported to be \$1,620,970,627, a 6.62% increase over the total taxable sales of \$1,520,293,710 reported during calendar year 2015.

CITY OF MOUNTAIN VIEW
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2012 through 2016
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2012	1,308	\$970,706	2,127	\$1,340,658
2013	1,374	1,057,567	2,179	1,412,359
2014	1,404	1,122,844	2,197	1,520,196
2015 ⁽¹⁾	1,410	1,118,767	2,370	1,520,294
2016	1,367	1,139,487	2,323	1,620,971

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

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

Total taxable sales during calendar year 2016 in the County were reported to be \$41,831,669,000, a 1.45% increase over the total taxable sales of \$41,231,759,000 reported during calendar year 2015.

COUNTY OF SANTA CLARA
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2012 through 2016
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2012	28,109	\$21,116,708	43,980	\$36,220,445
2013	29,535	22,424,642	45,310	37,621,606
2014	30,058	23,271,753	45,852	39,628,655
2015 ⁽¹⁾	20,057	23,700,907	50,573	41,231,759
2016	30,146	24,158,590	50,519	41,831,669

(1) Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

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

Construction Activity

The following tables show a five-year summary of the valuation of building permits issued in the City and the County.

CITY OF MOUNTAIN VIEW
Building Permit Valuation

**For Calendar Years 2013 through 2017
(Dollars in Thousands)⁽¹⁾**

	2013	2014	2015	2016	2017
<u>Permit Valuation</u>					
New Single-family	\$31,208.3	\$28,178.4	\$24,040.3	\$20,823.0	\$47,457.4
New Multi-family	78,545.7	91,652.9	33,246.3	63,392.5	185,898.7
Res. Alterations/Additions	48,461.5	<u>25,287.2</u>	<u>30,349.8</u>	<u>31,447.0</u>	<u>28,271.2</u>
Total Residential	158,212.5	145,118.5	87,636.4	115,662.5	233,356.1
New Commercial	97,709.0	40,398.0	166,056.7	136,983.1	216,274.6
New Industrial	0.0	0.0	0.0	0.0	0.0
New Other	14,250.0	25,913.5	44,943.1	2,079.2	95,181.8
Com. Alterations/Additions	<u>185,633.8</u>	<u>295,884.2</u>	<u>221,561.2</u>	<u>180,179.5</u>	<u>181,071.3</u>
Total Nonresidential	297,593.0	362,195.7	432,561.0	319,241.8	492,527.7
<u>New Dwelling Units</u>					
Single Family	109	92	87	64	156
Multiple Family	<u>430</u>	<u>542</u>	<u>202</u>	<u>388</u>	<u>1,235</u>
TOTAL	539	634	289	452	1,391

(1) Totals may not foot due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

**SANTA CLARA COUNTY
Building Permit Valuation
For Calendar Years 2013 through 2017
(Dollars in Thousands)⁽¹⁾**

	2013	2014	2015	2016	2017
<u>Permit Valuation</u>					
New Single-family	\$694,884.6	\$594,472.7	\$653,970.2	\$660,301.6	\$732,652.1
New Multi-family	941,420.4	1,196,127.8	706,781.1	564,761.0	1,027,651.8
Res. Alterations/Additions	<u>423,739.6</u>	<u>439,747.1</u>	<u>505,844.7</u>	<u>484,820.1</u>	<u>547,991.7</u>
Total Residential	2,060,044.6	2,230,347.6	1,866,596.0	1,709,882.7	2,308,295.7
New Commercial	1,217,647.4	818,913.3	1,258,808.7	2,327,643.2	1,301,723.2
New Industrial	72,222.0	10,172.2	100,301.2	44,268.9	118,567.1
New Other	1,749,161.2	292,113.9	533,644.5	282,966.1	152,176.4
Com Alterations/Additions	<u>1,293,656.1</u>	<u>1,534,213.1</u>	<u>1,697,046.2</u>	<u>2,072,862.8</u>	<u>1,786,849.8</u>
Total Nonresidential	4,332,686.8	2,655,412.5	3,589,800.6	4,727,741.0	3,359,316.5
<u>New Dwelling Units</u>					
Single Family	1,859	1,602	1,710	1,608	2,022
Multiple Family	<u>6,009</u>	<u>8,310</u>	<u>3,906</u>	<u>3,297</u>	<u>6,629</u>
TOTAL	7,868	9,912	5,616	4,905	8,651

(1) Totals may not foot due to rounding.

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

“Effective Buying Income” is defined as personal income less personal tax and non-tax payments, a number often referred to as “disposable” or “after-tax” income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), non-tax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as “disposable personal income.”

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2013 through 2017.

CITY OF MOUNTAIN VIEW, SANTA CLARA COUNTY, AND THE STATE OF CALIFORNIA Effective Buying Income As of January 1, 2013 through 2017

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2013	City of Mountain View	\$3,350,008	\$71,253
	Santa Clara County	61,802,913	70,595
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Mountain View	\$3,706,053	\$77,333
	Santa Clara County	66,130,110	75,008
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	City of Mountain View	\$4,205,655	\$83,312
	Santa Clara County	73,637,380	79,345
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of Mountain View	\$4,406,683	\$83,852
	Santa Clara County	77,917,425	81,466
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2017	City of Mountain View	\$5,016,733	\$93,247
	Santa Clara County	85,859,495	88,243
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735

Source: *The Nielsen Company (US), Inc.*

APPENDIX B

**SUMMARY OF THE INDENTURE, WITH APPROPRIATE REFERENCES TO THE SIXTH
SUPPLEMENTAL INDENTURE**

APPENDIX C

**SHORELINE COMMUNITY AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$ _____
**Mountain View Shoreline Regional Park
Community Revenue Bonds,
2018 Series A**

\$ _____
**Mountain View Shoreline Regional Park
Community Revenue Bonds,
Series B (Federally Taxable)**

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the Mountain View Shoreline Regional Park Community (the "Shoreline Community") in connection with the issuance of the bonds captioned above (the "Bonds"). The Bonds are being issued under an Indenture of Trust dated as of April 1, 1992, by and between the Shoreline Community and Bank of America National Trust and Savings Association, as predecessor to U.S. Bank National Association (the "Trustee"), as amended to date and as amended by a Sixth Supplemental Indenture of Trust dated as of December 1, 2018, by and between the Shoreline Community and the Trustee (collectively, the "Indenture"). The Shoreline Community covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Shoreline Community 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, the following capitalized terms shall have the following meanings:

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

"*Annual Report Date*" means seven months after the end of the Shoreline Community's fiscal year (currently January 31, based on the Shoreline Community's fiscal year-end of June 30).

"*Dissemination Agent*" means the Shoreline Community, or any successor Dissemination Agent designated in writing by the Shoreline Community and which has filed with the Shoreline Community a written acceptance of such designation.

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

"*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 dated _____, 2018, executed by the Shoreline Community in connection with the issuance of the Bonds.

“*Participating Underwriter*” means Stifel, Nicolaus & Company, Incorporated, the original purchaser 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 the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The Shoreline Community shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing January 31, 2019, with the report for the 2017-18 Fiscal Year, provide to the MSRB, in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate; provided, however, that the first Annual Report due on January 31, 2019, shall consist solely of the Official Statement. Not later than 15 Business Days prior to the Annual Report Date, the Shoreline Community shall provide the Annual Report to the Dissemination Agent (if other than the Shoreline Community). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the Shoreline Community) has not received a copy of the Annual Report, the Dissemination Agent shall contact the Shoreline Community to determine if the Shoreline Community is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Shoreline Community 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 Shoreline Community’s Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The Shoreline Community shall provide a written certificate 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 Shoreline Community hereunder.

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

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

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

(ii) if the Dissemination Agent is other than the Shoreline Community, file a report with the Shoreline Community 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 Shoreline Community’s Annual Report shall contain or incorporate by reference the following:

(a) Audited Financial Statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Shoreline Community's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) The following financial information and operating data set forth in the final Official Statement:

(1) Ten largest property tax payers in the Shoreline Community substantially in the form of Table 3 contained in the Official Statement, based on the most recently available assessor's roll;

(2) Data on land use in the Shoreline Community, substantially in the form of Table 2 contained in the Official Statement, based on the most recently available assessor's roll;

(3) Historic tax levy and collections, substantially in the form of Table 5 contained in the Official Statement, but only for the most recently completed Fiscal Year;

(4) Annual assessed valuations (secured/unsecured), tax increment values, and Tax Revenues (as defined in the Indenture), substantially in the form of Table 4 contained in the Official Statement, but only for the then-current

(5) Coverage ratio of Tax Revenues to debt service on Bonds and all parity debt, substantially in the form of Table 8 contained in the Official Statement, but only for the then-current and next four Fiscal Years, based on the most recently available assessor's roll;

(6) Termination of the Teeter Plan in relation to secured taxes or unsecured taxes during the most recently completed Fiscal Year;

(7) Issuance of additional debt on a parity with the Bonds during the most recently completed Fiscal Year.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the Shoreline Community 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 Shoreline Community, the City of Mountain View or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission. The Shoreline Community shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The Shoreline Community shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) 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.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the Shoreline Community or other obligated person.
- (13) The consummation of a merger, consolidation, or acquisition involving the Shoreline Community or an obligated person, or the sale of all or substantially all of the assets of the Shoreline Community or an obligated person (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(b) Whenever the Shoreline Community obtains knowledge of the occurrence of a Listed Event, the Shoreline Community shall, or shall cause the Dissemination Agent (if not the Shoreline Community) to, file a notice of such occurrence with the MSRB, in an electronic

format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Indenture.

(c) The Shoreline Community acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier “if material” and that subparagraph (a)(6) also contains the qualifier “material” with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The Shoreline Community shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event’s occurrence is material for purposes of U.S. federal securities law. Whenever the Shoreline Community obtains knowledge of the occurrence of any of these Listed Events, the Shoreline Community will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the Shoreline Community will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Shoreline Community in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Shoreline Community, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Shoreline Community.

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

Section 7. Termination of Reporting Obligation. The Shoreline Community’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Shoreline Community shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent. The Shoreline Community 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 such Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent will be the Shoreline Community. Any Dissemination Agent may resign by providing 30 days’ written notice to the Shoreline Community.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Shoreline Community 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 statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the Shoreline Community 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 Listed Event under Section 5(c).

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

Section 11. Default. In the event of a failure of the Shoreline Community to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Shoreline Community 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 Shoreline Community 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 Shoreline Community agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the Shoreline Community, the Bond owners or any other party. The obligations of the Shoreline Community 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 Shoreline Community for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

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

Dated: _____, 2018

MOUNTAIN VIEW SHORELINE
REGIONAL PARK COMMUNITY

By: _____
Patty J. Kong
Treasurer of the Shoreline Community

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Mountain View Shoreline Regional Park Community (the
"Community")

Name of Bond Issue: Mountain View Shoreline Regional Park Community
Revenue Bonds, 2018 Series A and Series B (Federally Taxable)

Date of Issuance: _____, 2018

NOTICE IS HEREBY GIVEN that the Shoreline Community, has not provided an Annual Report with respect to the above-named Bonds as required by the Sixth Supplemental Indenture of Trust dated as of December 1, 2018, between the Shoreline Community and U.S. Bank National Association. The Shoreline Community anticipates that the Annual Report will be filed by _____.

Dated: _____

MOUNTAIN VIEW SHORELINE
REGIONAL PARK COMMUNITY

By: _____
Its: _____

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company (“DTC”), the procedures and record keeping with respect to beneficial ownership interests in the 2018 Bonds, payment of principal, interest and other payments on the 2018 Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the 2018 Bonds and other related transactions by and 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 Shoreline Community (the “Issuer”) nor the Trustee (the “Agent”) take 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 Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the 2018 Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 2018 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 securities (the “Securities”). The Securities 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 Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world’s largest securities 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 issues, corporate and municipal debt issues, and money market instruments (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 is

the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard & Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“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 Securities 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 Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities 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 notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities 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 any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC’s MMI

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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., 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, 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. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to the Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to the Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to the Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. 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.

12. 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.