

In the opinion of Bond Counsel, under existing law, assuming continued compliance with certain provisions of the Internal Revenue Code of 1986, as amended, interest on the 2017 Bonds will not be included in the gross income of holders of the 2017 Bonds for federal income tax purposes. Interest on the 2017 Bonds will not be treated as an item of tax preference for the purposes of computations of the alternative minimum tax imposed on certain individuals and corporations, although interest on the 2017 Bonds will be taken into account in computing the alternative minimum tax applicable to certain corporations. In the opinion of Bond Counsel, interest on the 2017 Bonds and any profit on the sale thereof are exempt from Massachusetts personal income taxes, and the 2017 Bonds are exempt from Massachusetts personal property taxes. For federal and Massachusetts tax purposes, interest includes original issue discount. See "Tax Matters" herein.



MARtha's VINEYARD LAND BANK
\$20,105,000 Revenue Refunding Bonds, Series 2017
(Green Bonds)

Dated: Date of delivery

Due: May 1, as shown herein

The 2017 Bonds are issuable only as fully-registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as Bondholder and nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the 2017 Bonds. Purchases of the 2017 Bonds will be made in book-entry form, in the denomination of \$5,000 each or any integral multiple thereof. Purchasers will not receive certificates representing their interests in the 2017 Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders (the "Bondholders") or registered owners shall mean Cede & Co., and shall not mean the Beneficial Owners (as hereinafter defined) of the 2017 Bonds.

Principal and semiannual interest on the 2017 Bonds will be paid by the Trustee (as hereinafter defined). So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to DTC. Disbursement of such payments to the DTC participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC participants, as more fully described herein. Interest will be payable commencing on May 1, 2017 and semiannually thereafter, on November 1 and May 1 in each year, to the Bondholders of record as of the close of business on the fifteenth day of the month preceding such interest payment date. The 2017 Bonds are subject to redemption prior to maturity, as described more fully herein.

The 2017 Bonds are a special obligation of Martha's Vineyard Land Bank (the "Land Bank" or "Issuer") and are payable pursuant to the Trust Agreement (as hereinafter defined).

The scheduled payment of principal of and interest on the 2017 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the 2017 Bonds by **BUILD AMERICA MUTUAL ASSURANCE COMPANY**. See "BOND INSURANCE" herein.



THE 2017 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE LAND BANK OR A DEBT OR LIABILITY OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE COMMONWEALTH OF MASSACHUSETTS, THE COUNTY OF DUKES COUNTY OR ANY TOWN IN DUKES COUNTY, OR ANY AGENCY, INSTRUMENTALITY, OR POLITICAL SUBDIVISION OF ANY OF THE FOREGOING, BUT, EXCEPT TO THE EXTENT PAID FROM BOND PROCEEDS, ARE PAYABLE SOLELY FROM REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE TRUST AGREEMENT. THE 2017 BONDS ARE NOT SECURED BY A MORTGAGE OR LIEN OR SECURITY INTEREST IN ANY REAL OR PERSONAL PROPERTY OF THE LAND BANK. THE LAND BANK HAS NO TAXING POWER.

The 2017 Bonds are offered when, as and if issued and received by the Underwriter, subject to the receipt of the unqualified approving opinion of Goodwin Procter LLP, Boston, Massachusetts, Bond Counsel. Certain legal matters will be passed on for the Land Bank by its counsel, Reynolds, Rappaport, Kaplan & Hackney, LLC, Edgartown, Massachusetts, and for the Underwriter by its counsel, Locke Lord LLP, Boston, Massachusetts. SJ Advisors, LLC, Boston, Massachusetts serves as financial advisor to the Land Bank. Delivery of the 2017 Bonds is expected on or about March 1, 2017.

RBC Capital Markets

MARTHA'S VINEYARD LAND BANK
\$20,105,000
Revenue Refunding Bonds, Series 2017

Dated: Date of Delivery

Due: May 1, as shown below

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP* No.</u>
2017	\$2,300,000	2.000%	0.980%	573100DB7
2018	1,930,000	4.000	1.180	573100DC5
2019	485,000	4.000	1.450	573100DD3
2020	505,000	4.000	1.660	573100DE1
2021	525,000	4.000	1.860	573100DF8
2022	545,000	5.000	2.080	573100DG6
2023	575,000	5.000	2.270	573100DH4
2024	600,000	5.000	2.470	573100DJ0
2025	635,000	5.000	2.670	573100DK7
2026	660,000	5.000	2.840	573100DL5
2027	700,000	5.000	3.010	573100DM3
2028	735,000	5.000	3.110 ⁽¹⁾	573100DN1
2029	765,000	5.000	3.190 ⁽¹⁾	573100DP6
2030	810,000	5.000	3.270 ⁽¹⁾	573100DQ4
2031	845,000	5.000	3.350 ⁽¹⁾	573100DR2
2032	885,000	5.000	3.410 ⁽¹⁾	573100DS0
2033	930,000	5.000	3.470 ⁽¹⁾	573100DT8
2034	975,000	5.000	3.530 ⁽¹⁾	573100DU5
2035	2,295,000	5.000	3.560 ⁽¹⁾	573100DV3
2036	2,405,000	5.000	3.590 ⁽¹⁾	573100DW1

⁽¹⁾ Yield shown to first call date, May 1, 2027, at a redemption price of par.

* The CUSIP numbers listed above are being provided solely for the convenience of bondholders only at the time of issuance of the 2017 Bonds and none of the Issuer, the Financial Advisor or the Underwriter makes any representation with respect to such CUSIP numbers nor undertakes any responsibility for their accuracy now or at any time in the future. The CUSIP numbers are subject to being changed after the issuance of the 2017 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the 2017 Bonds. "CUSIP" is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association.

IN CONNECTION WITH THE OFFERING OF THE 2017 BONDS, THE UNDERWRITER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE 2017 BONDS AT LEVELS ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesperson or other person has been authorized by the Land Bank, the Martha's Vineyard Commission, any of the Member Towns (hereinafter defined) of the Land Bank, The County of Dukes County or the Underwriter to give any information or to make any representations, other than those contained in this Official Statement and the Appendices hereto in connection with the offering described herein, and, if given or made, such other information or representations must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those identified on the cover page or an offer to sell or a solicitation of an offer to buy such securities in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as 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.

The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2017 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the Land Bank since the date hereof.

The 2017 Bonds have not been registered under the Securities Act of 1933, in reliance upon exemptions contained in such Act. The registration and qualification of the 2017 Bonds in accordance with applicable provisions of the securities law of the states in which the 2017 Bonds have registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation thereof. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, nor any agency or department thereof, has passed upon the merits of the 2017 Bonds or the accuracy or completeness of this Official Statement. Any representation to the contrary may be a criminal offense.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the 2017 Bonds or the advisability of investing in the 2017 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "Bond Insurance" and "APPENDIX G – SPECIMEN BOND INSURANCE POLICY."

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTION	1
THE ISSUER	2
Purpose.....	2
Innovative Land Bank Projects.....	3
The Land Bank Commission	4
The Dukes County Treasurer.....	5
Authority of Member Towns	6
Employee Relations & Pension Plans.....	7
Insurance.....	7
REAL ESTATE TRANSFER FEE.....	8
Exemptions	8
Enforcement Rights and Procedures.....	9
Real Estate Valuation.....	9
Transfer Fee Revenues.....	10
Real Estate Transfers	10
Land Acquisitions	11
The Martha’s Vineyard Commission and Regulation of Development.....	12
Lien for Clean-Up of Hazardous Materials	12
MARTHA’S VINEYARD.....	13
Description.....	13
Other Information	13
PLAN OF FINANCE.....	13
Plan of Finance	13
Plan of Refunding.....	13
Verification of Mathematical Computations	13
Outstanding Indebtedness	14
Equal and Ratable Treatment of 2017 Bonds with the 2014 Bonds.....	14
Future Borrowing.....	14
THE 2017 BONDS	14
Green Bonds.....	14

Description of the 2017 Bonds	15
Debt Service Requirements.....	15
Redemption Provisions	15
SECURITIES DEPOSITORY	16
Book Entry Only System	16
Certificated Bonds	18
ESTIMATED SOURCES AND USES OF FUNDS	19
SECURITY FOR THE 2017 BONDS.....	19
Pledged Receipts.....	19
Collection Fund.....	21
No Debt Service Reserve Fund.....	21
Parity Debt – Additional Bonds.....	21
Parity Debt – Alternative Indebtedness	22
Rights of Bondholders Subject to Rights of Bond Insurer	22
BOND INSURANCE	22
Bond Insurance Policy	22
Build America Mutual Assurance Company	22
Additional Information Available from BAM.....	23
BOND INSURANCE RISK FACTORS	24
RISK FACTORS	25
Real Estate Related	25
Present and Future Financial Obligations.....	26
Land Acquisition Policy	26
Land Bank Commission and Member Towns	27
State of the Economy	27
LITIGATION	27
TAX MATTERS	27
LEGALITY OF BONDS FOR INVESTMENT.....	28
RATINGS	28
UNDERWRITING	29
FINANCIAL ADVISOR	29
LEGAL MATTERS.....	29
INDEPENDENT AUDITORS.....	29

CONTINUING DISCLOSURE UNDERTAKING.....	30
MISCELLANEOUS	30
APPENDIX A FINANCIAL STATEMENTS OF THE LAND BANK.....	A-1
APPENDIX B FORM OPINION OF BOND COUNSEL.....	B-1
APPENDIX C LAND BANK DEBT SERVICE SCHEDULE	C-1
APPENDIX D SUMMARY OF DEFINITIONS.....	D-1
APPENDIX E SUMMARY OF TRUST AGREEMENT	E-1
APPENDIX F FORM OF CONTINUING DISCLOSURE AGREEMENT.....	F-1
APPENDIX G SPECIMEN BOND INSURANCE POLICY	G-1
APPENDIX H TABLE OF REFUNDED BONDS.....	H-1

OFFICIAL STATEMENT

of the

MARTHA'S VINEYARD LAND BANK

relating to

\$20,105,000

Revenue Refunding Bonds, Series 2017

INTRODUCTION

This Official Statement, which includes the cover page and the Appendices hereto, sets forth certain information concerning the \$20,105,000 Revenue Refunding Bonds, Series 2017 (the "2017 Bonds") of the Martha's Vineyard Land Bank (the "Land Bank" or the "Issuer"), a body politic and corporate and a public instrumentality organized and existing pursuant to Chapter 736 of the Massachusetts Acts of 1985, as amended and as it may hereafter be amended from time to time (the "Act"). Unless otherwise defined herein, certain capitalized terms used herein shall have the meanings set forth in APPENDIX D – "Summary of Definitions" and APPENDIX E – "Summary of the Trust Agreement."

The 2017 Bonds are to be issued pursuant to the Act and under the Trust Agreement (the "Trust Agreement"), dated as of March 1, 2017, between the Land Bank and U.S. Bank National Association, as trustee (the "Trustee," which term includes any successor trustee under the Trust Agreement). The 2017 Bonds are being issued to (i) refinance the Refunded Bonds as hereinafter defined and (ii) pay the costs of issuing the 2017 Bonds (or the balance thereof). See "ESTIMATED SOURCES AND USES OF FUNDS."

THE 2017 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE LAND BANK OR A DEBT OR LIABILITY OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE COMMONWEALTH OF MASSACHUSETTS OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING THE COUNTY OF DUKES COUNTY, OR ANY TOWN IN DUKES COUNTY OR ANY AGENCY, INSTRUMENTALITY, OR POLITICAL SUBDIVISION OF ANY OF THE FOREGOING; EXCEPT TO THE EXTENT PAID FROM BOND PROCEEDS, THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST ON THE 2017 BONDS ARE PAYABLE SOLELY FROM THE REVENUES AND FUNDS PLEDGED FOR THEIR PAYMENT IN ACCORDANCE WITH THE TRUST AGREEMENT (THE "PLEDGED RECEIPTS"). THE 2017 BONDS ARE NOT SECURED BY A MORTGAGE OR LIEN OR SECURITY INTEREST IN ANY REAL OR PERSONAL PROPERTY OF THE LAND BANK. THE LAND BANK HAS NO TAXING POWER.

The 2017 Bonds constitute special obligations of the Land Bank, secured as to the payment of principal and Redemption Price (as defined below), if any, and interest thereon by a pledge of the Pledged Receipts, which consist of certain revenues derived from fees collected by the Land Bank from real estate transactions in The County of Dukes County, from other moneys derived from the operation of the Land Bank and from certain funds and accounts established under the Trust Agreement, subject to the application thereof for the purposes and on the terms and conditions provided therein.

The agreements of the Land Bank with the Trustee for the benefit of the Bondholders are set forth fully in the Trust Agreement, and neither any advertisement of the 2017 Bonds nor this Official Statement shall be construed as constituting a contract or agreement between either the Land Bank or the Member Towns (hereinafter defined) and the purchasers or holders of the 2017 Bonds.

Insofar as any statements are made in this Official Statement involving matters of opinion, regardless of whether expressly so stated, they are intended merely as such and not as representations of fact. The descriptions of the 2017 Bonds and the security for the 2017 Bonds contained herein, are qualified in their entirety by reference to the Trust Agreement, a summary of which is attached hereto as APPENDIX E.

Quotations, summaries and explanations of constitutional provisions, statutes, judicial decisions, administrative regulations, ordinances, agreements, reports and other documents in this Official Statement do not purport to be complete and are qualified by reference to the complete text of such documents. Information contained herein has been obtained from members of the Martha's Vineyard Commission, the Member Towns and the Land Bank, and from records and other sources believed to be reliable.

THE ISSUER

Purpose

The Land Bank is a body politic and corporate and a public instrumentality organized and existing pursuant to the Act. The Act provides that the Land Bank is empowered to acquire interests in (a) land to protect existing and future well fields, aquifers and recharge areas; (b) agricultural lands; (c) forest land; (d) fresh and salt water marshes and other wetlands; (e) ocean and pond frontage, beaches, dunes, and adjoining backlands, to protect their natural and scenic resources; (f) land to protect scenic vistas; (g) land for nature or wildlife preserve; (h) easements for trails and for publicly owned land; and (i) land for passive recreational use, located in the towns which are members of the Land Bank (the "Member Towns" or "Towns") and to retain and manage parcels of land predominantly in their natural, scenic or open condition. Specifically, the Act gives the Land Bank the power and authority to, among other things, (a) acquire the lands described in the preceding sentence; (b) accept gifts or funds to further the purposes of the Land Bank; (c) take any land by eminent domain pursuant to certain restrictions and only after first making a reasonable effort to negotiate the acquisition thereof by purchase; (d) dispose of any or all of its interests in any parcel of land or change the use of such parcel, but only with the approval of the applicable town advisory board of a Member Town ("Town Advisory Board"), and the Secretary of Environmental Affairs of The Commonwealth of Massachusetts and, as required by the Massachusetts Constitution, by a law enacted by two-thirds vote of each house; (e) hire staff and obtain professional services; and (f) administer and manage its interests in any parcel of land.

The Land Bank's Revenues (as hereinafter defined) are derived primarily from the real estate transfer fee (the "Real Estate Transfer Fee"), a 2% surcharge that the Land Bank is authorized to collect on transfers of real estate occurring in the Member Towns, subject to certain exemptions. See "REAL ESTATE TRANSFER FEE."

The Land Bank is authorized and empowered under the laws of The Commonwealth of Massachusetts, including the Act, to issue and sell bonds or notes (including notes in anticipation of bonds), including the 2017 Bonds, for all of its purposes, without the consent of any

department, division, commission, board, bureau or agency or any Member Town or The County of Dukes County. Bonds and notes issued under the Act must be authorized by the Land Bank Commission which has full power and authority, subject to the Act, to determine the amount, form, terms, conditions, provisions for the payment of interest and other details, as well as the terms and conditions of their sale and issuance. Bond and note proceeds may be used, in whole or in part, (i) to pay acquisition costs; (ii) to provide reserves for debt service and other expenses; (iii) to pay consulting, appraisal, advisory and legal fees and the costs of issuing and selling such bonds or notes; (iv) to purchase, refund or renew bonds or notes previously issued; and (v) to pay any other cost or expense of the Land Bank necessary for it to accomplish the purpose of the Act.

The Land Bank may enter into any agreement, including a loan agreement or trust agreement, including the Trust Agreement, necessary to issue and secure any bonds or notes issued under the Act. Such agreements may pledge as security for such bonds or notes, in whole or in part, the Revenues held or to be received by the Land Bank. A trust agreement may provide for the issuance of additional debt obligations and the establishment of special funds and reserves and for any money received thereunder to be held, deposited or invested by the trustee pending disbursement thereof, notwithstanding the general requirement under the Act that the Treasurer of The County of Dukes County (the "County Treasurer") invest the assets of the Land Bank. In addition, a trust agreement may contain such terms and conditions as the Land Bank deems reasonable and proper. Bonds and notes may be secured, in addition to other security, in whole or in part, by insurance or letters or lines of credit or other credit facilities issued to the Land Bank by any bank, trust company or other financial institution, and the Land Bank may pledge or assign its Revenues as security for such insurance, letters or lines of credit or other credit facilities.

Bonds and notes issued under the Act are not secured by, nor are they themselves, a pledge of the full faith and credit of The Commonwealth of Massachusetts or any agency, instrumentality or political subdivision thereof or therein, including The County of Dukes County and the Member Towns. The 2017 Bonds are not secured by a mortgage or lien or security interest in any real or personal property of the Land Bank. The Land Bank has no taxing power. Bonds and notes issued by the Land Bank, their transfer and the income therefrom, are at all times exempt from taxation within The Commonwealth of Massachusetts. See "TAX MATTERS."

The Land Bank has borrowed from time to time to acquire and preserve certain parcels of land in the Member Towns, as well as to refinance existing debt. Provisions of the Act and Article XCVII of the Articles of Amendment to The Commonwealth of Massachusetts Constitution generally prohibit the Land Bank from selling land in which it holds an interest without a two-thirds vote of the Massachusetts legislature.

Innovative Land Bank Projects

To further the Land Bank's mission to conserve properties which are unique on Martha's Vineyard for their aesthetic, agricultural, wildlife or passive-recreational features and opportunities, the Land Bank has in certain instances coordinated its land acquisitions with local organizations in order to promote additional complementary community goals such as the preservation of farmland, the creation of affordable housing and the preservation of historic resources. Recent examples of the Land Bank's cooperation with other community initiatives include the Short Cove pasture, the Wapatequa Woods Reservation in Tisbury and the Wasque Road farmhouse.

One of the prized scenic vistas on Martha's Vineyard is the 40-acre sheep pasture perched on the edge of the Tisbury Great Pond and its Short Cove. The land had been farmed for generations, but became vulnerable when inheritance taxes came due and a 13-acre lobe, at the pasture's promontory, was slated for sale. Because the land had been enrolled in the commonwealth's preferential tax program for farmlands, the Town of West Tisbury possessed a right-of-first-refusal, which the West Tisbury Selectmen assigned to the Land Bank and the Land Bank exercised. Pairing it with an agricultural preservation restriction over the balance of the pastureland, the Land Bank succeeded in conserving three-quarters of a mile of pond shorefront.

The Wapatequa Woods Reservation began with a purchase of 14 acres in 1988 and now totals some 190 acres. The geographical core of the reservation was finally acquired in 2014 and it involved not only a conservation opportunity, but also a large cottage. Subsequent to the acquisition, the land bank advertised the availability of the cottage under terms that provided that rent would be waived, if the occupants would manage the reservation on the Land Bank's behalf by cutting trails and thinning the woodlands for a prescribed number of hours per week. A young family was selected after a public competition and now resides in the cottage and manages the reservation, which serves as a greenbelt around the southerly end of Vineyard Haven.

One of the final inland vistas along the Wasque Road on Chappaquiddick Island in Edgartown, before reaching the sea, is a hayfield hosting an antique farmhouse. The owners wished to protect the entirety of the hayfield and the Land Bank conserved it and also acquired an architectural preservation restriction over the house, so that it will permanently remain a farmhouse in its bucolic setting.

The Land Bank Commission

The Land Bank is governed by a seven-member commission (the "Land Bank Commission") consisting of one elected representative from each of the six Member Towns and one at-large member selected by the Secretary of the Executive Office of Environmental Affairs of The Commonwealth of Massachusetts. The Member Towns consist of Aquinnah, Chilmark, Edgartown, Oak Bluffs, Tisbury and West Tisbury, Massachusetts (any Member Town's change of name after the date hereof shall not affect its designation as a Member Town). The members of the Land Bank Commission (the "Commissioners") serve without compensation. Each Commissioner serves a three-year term, with the exception of the Commonwealth's representative, who serves at the pleasure of the Secretary of the Executive Office of Environmental Affairs. The terms of Member Town representatives are staggered, two representatives being elected annually for a three-year term. The Land Bank Commission elects a chairman and vice chairman from among its members and elects a secretary and treasurer who need not be Commissioners. The Land Bank Commission operates pursuant to rules and regulations adopted by it after a public hearing and with the advice of the Town Advisory Board of each Member Town. The Land Bank Commission acts by majority of those present and voting at a meeting at which a quorum is present (a majority of the Member Town representatives constituting a quorum), except for decisions regarding land acquisitions and dispositions, which require a majority of all Town representatives, whether present or not.

The current Commissioners and their terms of office are as follows:

<u>Name and Office</u>	<u>Town</u>	<u>Principal Occupation</u>	<u>Expiration of Term of Appointment</u>
Pamela S. Goff ⁽¹⁾ Chairman	Chilmark	Farmer	2018
Edward W. Vincent, Jr. ⁽²⁾	Edgartown	Retired	2019
Sarah Thulin ⁽³⁾	Aquinnah	Retired	2018
Priscilla L. Sylvia Vice – Chairman	Oak Bluffs	Retired	2019
John Anthony Nevin Secretary – Treasurer	Tisbury	Retired	2017
Glenn Hearn	West Tisbury	Retired	2017
State Appointee (vacant)			Indefinite

(1) Also serves as member of the Chilmark Conservation Commission and the Chilmark Land Bank Town Advisory Board.

(2) Also serves as member of the Edgartown Conservation Commission.

(3) Also serves as member of the Aquinnah Conservation Commission and the Aquinnah Land Bank Advisory Board.

Principal Administrative Officer

James Lengyel, Executive Director. Administration of all Land Bank business is supervised and carried out under the supervision of the Land Bank Commission by its Executive Director, James Lengyel. Mr. Lengyel joined the Land Bank in 1989 after previously being employed as the senior Town Planner of the Nantucket Planning & Economic Development Commission. Mr. Lengyel holds a Masters degree in City and Regional Planning from Rutgers University.

The Dukes County Treasurer

Pursuant to the Act, the Dukes County Treasurer (the “County Treasurer”) oversees the administration of the Land Bank’s account (the “Land Bank Fund”) and the investment of available assets therein on behalf of and at the direction of the Land Bank. Deposits into the Land Bank Fund include (i) funds appropriated, borrowed or transferred for deposit into the Fund pursuant to a vote of The County of Dukes County commissioners or of town meetings of the Member Towns, (ii) voluntary contributions of money and other liquid assets, (iii) revenues from Real Estate Transfer Fees, including payment of interest and penalties in connection therewith, and (iv) proceeds from sales of real property (collectively, the “Revenues”). All expenses incurred by the Land Bank in carrying out the provisions of the Act must be evidenced by vouchers and are paid by the County Treasurer against warrants approved by the Land Bank.

Under the Act, the County Treasurer has the obligation to invest prudently the Land Bank Fund assets in accordance with the Land Bank's rules and regulations.

The Land Bank establishes an account for each Member Town (each, an "Account"), the administration of which is overseen by the County Treasurer. Of the Revenues collected in the Land Bank Fund, fifty percent (50%) remain in the Land Bank Fund and are administered directly by the Land Bank. The remaining fifty percent (50%) of the Revenues collected are transferred to the individual Member Town Accounts, in proportion to each Member Town's respective share in Revenues derived from real estate transfers in such Member Town. Funds in an Account may be expended by the Land Bank with the approval of a majority of the Town Advisory Board of the respective Member Town, for the purchase of land within or outside the borders of such Town, or for any other purpose permitted by the Act, including debt service on bonds and notes. With the approval of two thirds of the members of the Town Advisory Board of a Member Town, a trust agreement executed in connection with bonds may pledge or assign all or a part of the Revenues held in or to be received for the Account of such Member Town to secure any bonds and notes issued by the Land Bank.

Authority of Member Towns

The Land Bank has the power and authority to acquire by purchase or gift real estate located within any of the Member Towns, provided that the Land Bank shall use as guidelines the open space and master plans of the Member Town or Towns in which such real estate is located, and provided further that any such acquisition shall receive the approval of the Town Advisory Board of the Member Town or Towns in which such real estate is located. In addition, each Town Advisory Board recommends to the Land Bank land acquisitions and management plans for parcels of land located in its respective Member Town. The Land Bank manages each of the Land Bank's land holdings pursuant to a separate management plan, which was adopted by, and can be changed only with, the approval of two-thirds of the members of each Town Advisory Board.

The affirmative vote of a majority at a town meeting is required for a Member Town to join or withdraw from the Land Bank. Each Member Town voted to join the Land Bank upon the Land Bank's establishment and no Town has voted to withdraw from the Land Bank, nor is any such vote pending. The affirmative vote of two thirds at a town meeting of each Member Town is required to do the following things:

- a. to approve an eminent domain taking by the Land Bank (which is finally approved by the affirmative vote of all Member Towns);
- b. to pledge the full faith and credit of such Town in connection with the Land Bank incurring debt; and
- c. for such Member Town to incur debt to deposit funds in the Land Bank Fund or to repay notes of such Member Town issued (i) to cover a debt service shortfall where such Town pledged its full faith and credit, or (ii) to incur debt for land acquisition pursuant to Chapter 44, Section 7(c) of the Massachusetts General Laws (any such debt to be repaid within twenty years).

A two-thirds vote at town meetings of a majority of the Member Towns is required to reduce the percentage of the Real Estate Transfer Fee to below 2%, provided that such reduction

shall not become effective until all then outstanding bonds and notes of the Land Bank have been repaid.

The affirmative vote of the majority of a Town Advisory Board is required for the following purposes:

- a. the acquisition by the Land Bank of a parcel of real estate in such Member Town;
- b. the disposition of any land by the Land Bank in such Member Town;
- c. the approval of the Land Bank’s budget (which is finally approved by the consent of a majority of the Town Advisory Boards);
- d. the approval of the use of a parcel of real estate;
- e. the use by the Land Bank of the funds in an Account for acquisition of real estate within or outside of the borders of the applicable Member Town; and
- f. the use by the Land Bank of the funds in an Account for debt service on bonds.

The affirmative vote of two thirds of a Town Advisory Board is required to authorize the Land Bank to pledge the funds in such Member Town’s Account as security for bonds or notes issued by the Land Bank.

Employee Relations & Pension Plans

The Land Bank currently employs eight full-time employees and approximately twelve seasonal workers. All permanent full-time employees of the Land Bank participate in the Dukes County Contributory Retirement System as established under Chapter 32 of the General Laws of The Commonwealth of Massachusetts. Under this plan, the participants contribute a certain percentage of their compensation annually, which amount is determined by their date of employment. Benefits paid under the plan, referred to as “retirement allowances,” include both an annuity portion funded principally from amounts contributed by the participants and a pension portion funded by the Land Bank. Annual contributions by the Land Bank for the pension portion of the retirement allowance due in the fiscal year are determined by the Public Employee Retirement Administration. For the last five fiscal years, total pension plan costs were as follows:

<u>Fiscal Year</u>	<u>Plan Costs</u>
2016	\$ 88,825
2015	105,995
2014	101,259
2013	96,735
2012	79,600

Insurance

The Trust Agreement requires that the Land Bank carry public liability insurance against the death or bodily injury and property damage covering the land and interests in land from time to time held by the Land Bank. Insurance must be in such amounts and with such deductibles as is customary for the business conducted by the Land Bank and as is satisfactory to the Land Bank

and must be held with generally recognized responsible insurance companies authorized to do business in The Commonwealth of Massachusetts.

REAL ESTATE TRANSFER FEE

The Act establishes the Real Estate Transfer Fee, equal to two percent (2%) of the purchase price, upon the transfer of any real property interest in any real property situated in a Member Town, subject to the exemptions discussed below. The Real Estate Transfer Fee is the liability of the purchaser of such real property interest and must be paid to the Land Bank or its designee, is due at the time the transfer of real property takes place, and must be accompanied by an affidavit of the purchase price and the basis, if any, upon which the transfer is claimed to be exempt, in whole or in part, from such fee. The Act further provides that the register of deeds for The County of Dukes County and the assistant recorder for the registry district of The County of Dukes County shall not record or register or receive or accept for recording or registration, any deed, except a mortgage deed, to which has not been affixed a certificate of the Land Bank that the Real Estate Transfer Fee has been paid or that the transfer is exempt from the Real Estate Transfer Fee.

The Act provides that no reduction in the Real Estate Transfer Fee percentage shall take effect until all bonds and notes of the Land Bank issued prior thereto have been paid in full. The Act provides that each Town Advisory Board may approve the grant, pledge and assignment of its Town's portion of the Transfer Fee Revenue (hereinafter defined) to the Trustee in the Trust Agreement. The Town Advisory Boards have approved the grant, pledge and assignment of the Transfer Fee Revenue to secure the 2017 Bonds pursuant to resolutions duly adopted by each Town Advisory Board.

Exemptions

The Act provides that the following transfers of real property interests are exempt from the Real Estate Transfer Fee:

- (a) Transfers to the government of the United States or The Commonwealth of Massachusetts, and any of their instrumentalities, agencies or subdivisions;
- (b) Transfers made to correct or confirm a prior transfer, without additional consideration;
- (c) Transfers made as bona fide gifts without consideration;
- (d) The transfer of legal title in exchange for a beneficial interest in a trust;
- (e) Transfers "by operation of law without actual consideration" such as in the case of bankruptcy or death;
- (f) Transfers made in partition proceedings;
- (g) Transfers made to charitable or religious organizations;
- (h) Transfers made to a mortgagee as a result of a foreclosure of a mortgage;

- (i) Transfers to a corporation or partnership at formation which do not result in a gain or loss pursuant to the relevant provisions of Section 351 of the Internal Revenue Code;
- (j) Transfers made to a stockholder of a corporation in liquidation or to a partner of a partnership in dissolution;
- (k) Transfers involving the division of marital assets;
- (l) Transfers involving a mix of non-exempt real property and other exempt property, but only to the extent of the exempt property; and
- (m) Transfers to bona fide first-time homebuyers who reside on the property and retain ownership for at least five years (up to an amount determined annually by the Land Bank Commission after due analysis of the range of real estate prices in the Member Towns and in no event less than \$300,000; currently the first \$400,000 of the purchase price is excluded).

Enforcement Rights and Procedures

The Act provides that purchasers who fail to pay all or any of the Real Estate Transfer Fee are liable to pay interest and penalties. The Act establishes procedures for the enforcement of the collection of the Real Estate Transfer Fee by the Land Bank. The Act requires that the Land Bank, if requested to do so, shall hold a hearing on the matter of the imposition of any Real Estate Transfer Fee. An aggrieved party may appeal a determination of the Land Bank to the District or Superior Court of Massachusetts. The Act authorizes the Land Bank to sue for collection of the Real Estate Transfer Fee and any interest and penalties due. The Act also provides that if a purchaser neglects or refuses to pay the Real Estate Transfer Fee, the amount of such fee, including interest and penalties, shall be a lien in favor of the Land Bank upon all property and rights to property, whether real or personal, belonging to such purchaser, provided certain notice requirements are satisfied. There are currently no enforcement proceedings pending and no such liens outstanding.

Real Estate Valuation

The 2017 Bonds are not payable from real property taxes and the following information is presented solely to show changes in the annual value of real property located in the Member Towns. It should be noted, however, due to the timing of revaluations, increases in valuation attributable to construction may not be reflected in the assessed valuation for as long as two and one half years after such construction takes place. The following chart lists the amount of total real property valuations for each Member Town for Fiscal Years 2012 through 2016:

**Amount of Total Real Property Valuation
(By Fiscal Year)**

<u>Year</u>	<u>Aquinnah</u>	<u>Chilmark</u>	<u>Edgartown</u>	<u>Oak Bluffs</u>	<u>Tisbury</u>	<u>W. Tisbury</u>	<u>Total</u>
2016	\$691,009,597	\$3,082,323,870	\$7,148,090,600	\$2,608,257,000	\$2,539,643,642	\$2,539,643,642	\$18,608,970,367
2015	693,733,785	3,070,319,990	6,909,078,420	2,495,267,700	2,546,035,342	2,546,035,342	18,260,472,594
2014	723,684,947	3,097,604,570	6,507,674,460	2,470,528,940	2,468,547,000	2,468,547,000	17,736,588,931
2013	715,066,707	3,107,161,500	6,493,923,410	2,462,115,740	2,433,715,500	2,433,715,500	17,645,700,370
2012	710,101,749	3,161,058,500	6,565,036,010	2,528,996,440	2,519,832,981	2,519,832,981	18,004,860,673

Source: Massachusetts Department of Revenue

Transfer Fee Revenues

Revenues derived from Real Estate Transfer Fees are hereinafter referred to as “Transfer Fee Revenues.” Transfer Fee Revenues for Fiscal Years 2012 through 2016 are as follows:

Comparative Transfer Fee Revenues For Fiscal Years

<u>Fiscal Year</u>	<u>Amount</u>
2016	\$13,313,694
2015	10,875,440*
2014	10,025,591
2013	9,025,957
2012	7,488,767

* The Fiscal Year 2015 Real Estate Transfer Fee Revenues as stated in the Preliminary Official Statement included a one-time donation to the Land Bank in the amount of \$2,273,300.

Source: Land Bank.

The aggregate purchase price of non-exempt real property transferred within the Member Towns during Calendar Years 2012 through 2016 is as follows:

**Purchase Price Of Non-Exempt
Real Property Transferred
(Calendar Year)**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$485,964,678	\$458,973,653	\$463,102,122	\$657,707,469	\$655,161,941

Source: Land Bank.

Real Estate Transfers

The Real Estate Transfer Fee is due upon the transfer of non-exempt real property interests within the Member Towns. Based upon records maintained by the Land Bank, the

following chart reflects the number of exempt and non-exempt real property transfers within the Member Towns for Calendar Years 2012 through 2016:

**Exempt And Non-Exempt
Real Property Transfers
(Calendar Year)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Exempt Transfers	1,055	706	703	844	791
Non-Exempt Transfers	<u>562</u>	<u>598</u>	<u>582</u>	<u>648</u>	<u>677</u>
Total Property Transfers	1,617	1,304	1,285	1,492	1,468

Source: Land Bank.

A significant proportion of real property transfers within the Member Towns are exempt from the Real Estate Transfer Fee, with the most significant exemption being transfers made as bona fide gifts without consideration:

**Percentage Of Real Property
Transfers Qualifying For Exemption
(Calendar Year)**

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
65%	54%	55%	57%	54%

Source: Land Bank.

The Land Bank does not maintain data that distinguish between residential and commercial real property. Based on the Land Bank’s knowledge of local conditions, however, it has been the Land Bank’s experience that most transfers of developed real property within the Member Towns involve residential real property rather than commercial real property.

Land Acquisitions

Since its inception in 1986, the Land Bank has created 72 reservations and manages more than 50 miles of trails, together comprising approximately 3,358 acres of land and representing 5.8% of Martha’s Vineyard, to be held in accordance with the Act. The following chart reflects the Land Bank’s acquisitions as of January 1, 2017:

Land Bank Land Acquisitions

<u>Years</u>	<u>Cumulative Acres</u>	<u>Cumulative % of Total Land Area on Martha’s Vineyard</u>	<u>Cumulative Cost</u>
1986 - 1998	1,117	1.7%	\$ 31,874,787
1986 - 2006	2,750	4.5	136,253,420
1986 - 2016	3,358	5.8	186,892,482

Source: Land Bank.

The Martha's Vineyard Commission and Regulation of Development

The development of land on Martha's Vineyard is subject to the regulatory power of the Martha's Vineyard Commission. The Martha's Vineyard Commission is not affiliated with the Land Bank. Pursuant to Chapter 831 of the Acts of 1977, as amended (the "Enabling Act"), the Martha's Vineyard Commission is empowered to create (with the approval of the Secretary of Environmental Affairs) "districts of critical planning concern" and regulate "developments of regional impact" on Martha's Vineyard for the purpose of ensuring that the land usages of Martha's Vineyard are those which will not be unduly detrimental to the natural, historical, ecological, scientific, cultural and other values of Martha's Vineyard or to its economy. The Enabling Act provides that, in passing upon applications for development permits relating to areas subject to the Enabling Act, every municipal land regulatory agency on Martha's Vineyard shall be governed by the procedures, standards and criteria established pursuant to the Enabling Act. The Enabling Act also provides that all regulations adopted under the Enabling Act shall be incorporated into the ordinances of each municipality so affected.

Generally, a "district of critical planning concern" is defined by the Enabling Act as an area which possesses unique material, historical, ecological, scientific, or cultural resources of regional or statewide significance. "Developments of a regional impact" are developments which, because of their magnitude or the magnitude of their effect on the surrounding environment, are likely to present development issues significant to more than one municipality on Martha's Vineyard. Since 1975, the Martha's Vineyard Commission has designated some 30 districts of critical planning concern (ranging in magnitude from the entire island to contiguous forest acreage and strips of land bordering beach front and strips of land approximately 200 feet wide bordering public ways) and has evaluated and approved with restrictions or conditions approximately 90% of the approximately 650 applications it has received relating to developments of a regional impact.

The Land Bank cannot predict whether regulations of the Martha's Vineyard Commission or of the Commonwealth, or federal regulations, will be changed in the future, or whether existing regulations will be applied in a different manner. Neither the Land Bank nor the Martha's Vineyard Commission, however, is aware of any pending changes to such regulations or the application thereof which would have a material adverse effect on Transfer Fee Revenues.

Lien for Clean-Up of Hazardous Materials

The Massachusetts Oil and Hazardous Materials Release Prevention and Response Act of 1983 (the "Massachusetts Superfund Act") authorizes the Massachusetts Department of Environmental Protection ("DEP") to arrange for response actions, such as clean-up or containment, in the event of a release or threat of release of oil or hazardous materials and imposes liability for the costs of such actions on those responsible for such a release and without regard to fault, on the present owner of a site on which there has been such a release and on certain other persons. The Massachusetts Superfund Act permits DEP to secure such liability by recording a lien (the "Super Lien") on the real property which is the site of the release. The Massachusetts Superfund Act provides that the costs of cleanup shall also be secured by a lien on any other real property owned by the present owner of the site or the person responsible for such release. None of the land owned by the Land Bank is subject to a response action pursuant to the Massachusetts Superfund Act or a Super Lien pursuant thereto.

MARTHA’S VINEYARD

Description

The island of Martha’s Vineyard lies five miles off the coast of Cape Cod with a total land area of approximately ninety-three (93) square miles and consists solely of the Member Towns. The Member Towns, together with the Town of Gosnold, located on the Elizabeth Islands, constitute The County of Dukes County.

Other Information

The Land Bank does not maintain data on the population of the Member Towns, land use in the Member Towns and The County of Dukes County as a whole, or on the economy of Martha’s Vineyard generally. Data concerning the foregoing is maintained by the Martha’s Vineyard Commission.

PLAN OF FINANCE

Plan of Finance

The Land Bank will use the proceeds of the 2017 Bonds to refund certain outstanding bonds of the Land Bank to accomplish debt service savings. See “PLAN OF FINANCE – Plan of Refunding” and APPENDIX H – “Table of Refunded Bonds” herein.

Plan of Refunding

Upon the delivery of the 2017 Bonds, the Land Bank will deposit proceeds of the 2017 Bonds with the 2006 Trustee (defined below) to provide, together with the additional amounts deposited by the Land Bank with the 2006 Trustee, for the current refunding of the Land Bank’s \$35,200,000 Revenue Bonds, Series 2006 (the “2006 Bonds”) maturing on May 1, 2036 in the aggregate outstanding principal amount of \$23,560,000 (the “Refunded Bonds”) at a redemption price of 100% of par on May 1, 2017.

Verification of Mathematical Computations

Grant Thornton LLP, a firm of independent public accountants, will deliver to the Land Bank, on or before the settlement date of the 2017 Bonds, its verification report indicating that it has verified, in accordance with attestation standards established by the American Institute of Certified Public Accountants, the mathematical accuracy of (a) the mathematical computations of the adequacy of the cash, to pay, when due, the maturing principal of, interest on and related call premium requirements, if any, of the Refunded Bonds and (b) the mathematical computations of yield used by Bond Counsel to support its opinion that interest on the 2017 Bonds will be excluded from gross income for federal income tax purposes.

The verification performed by Grant Thornton LLP will be solely based upon data, information and documents provided to Grant Thornton LLP by the Land Bank and its representatives. Grant Thornton LLP has restricted its procedures to recalculating the computations provided by the Land Bank and its representatives and has not evaluated or examined the assumptions or information used in the computations.

Outstanding Indebtedness

The 2006 Bonds are currently outstanding in the aggregate principal amount of \$23,560,000. The 2006 Bonds were issued under a Trust Agreement dated as of December 1, 2006 (the “2006 Trust Agreement”), between the Land Bank and U.S. Bank National Association (the “2006 Trustee”).

The Land Bank’s \$35,025,000 Revenue Refunding Bonds, Series 2014 (the “2014 Bonds”) are currently outstanding in the aggregate principal amount of \$35,025,000. The 2014 Bonds were issued under a Trust Agreement dated as of November 1, 2014 (the “2014 Trust Agreement”), between the Land Bank and U.S. Bank National Association (the “2014 Trustee”).

All of the 2014 Bonds and the 2006 Bonds are secured equally and ratably by the Pledged Receipts. The final maturity date of the 2006 Bonds is May 1, 2036, the final maturity date of the 2014 Bonds is May 1, 2034. The Land Bank’s purchase money notes (for the acquisition of real estate, as set forth below) are outstanding in the aggregate amount of \$4,461,366.

The 2006 Bonds will be redeemed. See “PLAN OF FINANCE – Plan of Refunding” herein. There are no other bonds or notes or obligations of the Land Bank outstanding.

Equal and Ratable Treatment of 2017 Bonds with the 2014 Bonds

Pursuant to a certain agreement dated as of the date of issuance of the 2017 Bonds among the Trustee and the 2014 Trustee, the parties thereto have, inter alia, memorialized the terms regarding the allocation of Pledged Receipts as among the 2017 Bonds and the 2014 Bonds. As set forth in the Trust Agreement, the Pledged Receipts secure the 2017 Bonds equally and ratably with the 2014 Bonds and with any other Alternative Indebtedness.

Future Borrowing

The Land Bank will continue to acquire properties on Martha’s Vineyard, which may be purchased using cash or purchase money promissory notes or bank loans, both of which would be unsecured by Pledged Receipts, or through the issuance of additional Bonds or Alternative Indebtedness.

THE 2017 BONDS

The 2017 Bonds will be the first series of Bonds to be issued under the Trust Agreement. The following is a summary of certain provisions of the 2017 Bonds. Reference is made hereby to the 2017 Bonds and the Trust Agreement, each in their entirety, for detailed provisions of the 2017 Bonds.

Green Bonds

The 2017 Bonds will be designated by the Land Bank as “Green Bonds” issued to refinance the environmentally beneficial sustainable land use projects originally financed with proceeds of the Refunded Bonds. The Refunded Bonds were previously issued to finance and refinance certain land acquisition projects, such as Ocean View Farm Preserve and Three Ponds Reservation, which are used for nature study, hiking, picnicking, biking and horseback riding. The Refunded Bond proceeds were also used to refinance the acquisition of lands which have been determined to be of “museum-quality” – namely, properties which are unique on Martha’s

Vineyard for their aesthetic, agricultural, wildlife or passive-recreational features and opportunities. The Green Projects are environmentally beneficial and consistent with the environmental purposes described in the Act. See “THE ISSUER – Purpose,” above.

THE PURPOSE OF LABELING THE 2017 BONDS AS “GREEN BONDS” IS TO ALLOW INVESTORS TO INVEST DIRECTLY IN ENVIRONMENTALLY BENEFICIAL PROJECTS.

The designation of the 2017 Bonds as “Green Bonds” does not affect the underlying security for the payment of the 2017 Bonds. The 2017 Bonds are payable solely from the Pledged Receipts as described herein. See “SECURITY FOR THE 2017 Bonds” herein. Holders of the 2017 Bonds do not assume specific project risk, if any, related to the Green Projects.

The Land Bank makes no representation that every use of the 2017 Bonds meets the classification of a Green Project. The Land Bank assumes no obligation to ensure compliance with the principles of Green Bonds as such principles may evolve over time.

Description of the 2017 Bonds

The 2017 Bonds will be issued in the aggregate principal amount, will mature (unless redeemed prior to maturity) in the years and principal amounts, and will bear interest from the dates and at the per annum rates, all as set forth herein. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2017. The 2017 Bonds are subject to optional redemption as described below.

Debt Service Requirements

The table attached hereto as APPENDIX C sets forth, for each respective year ending June 30, the amounts required to be made available in such year by the Land Bank for payment of the principal, interest and total debt service on the 2017 Bonds. Such table also reflects, for each respective year ending June 30 (commencing June 30, 2017), the total debt service on the 2014 Bonds.

Redemption Provisions

Optional Redemption. The 2017 Bonds maturing on and after May 1, 2028 are subject to optional redemption on or after May 1, 2027 as a whole or in part at any time, from maturities selected by the Land Bank at a redemption price of 100% of their principal amount, without premium, plus accrued interest, if any, to the redemption date.

Selection of Bonds for Redemption. So long as the 2017 Bonds are held in the book-entry only system, if fewer than all the 2017 Bonds of a particular series and maturity are to be redeemed, the particular Bonds (or portions thereof in authorized denominations) to be called for redemption shall be selected by DTC as described below under “SECURITIES DEPOSITORY – Book-Entry Only System.” If the 2017 Bonds of a particular series are no longer held in the book-entry only system and fewer than all the 2017 Bonds of a particular series and maturity are to be redeemed, the particular 2017 Bonds (or portions thereof in authorized denominations) to be called for redemption shall be selected by the Trustee as provided in the Trust Agreement. Bonds shall be selected by the Trustee by lot or in any customary manner as determined by the Trustee.

Notice of Redemption. Notice of redemption of the 2017 Bonds shall be mailed to the Bondholders of any 2017 Bonds (or portion thereof) which are to be redeemed (which, so long as the book-entry only system is in effect, shall mean DTC or its nominee as described below under “SECURITIES DEPOSITORY – Book-Entry Only System”), at their addresses shown on the registration books kept by the Trustee, not less than thirty (30) and not more than sixty (60) days prior to the redemption date. Such notice of redemption shall identify the 2017 Bonds (or portion thereof) to be redeemed, state the date fixed for redemption and state that such 2017 Bonds (or portion thereof) will be redeemed at the designated corporate trust office of the Trustee. The notice of redemption shall further state that on such date there shall become due and payable upon each 2017 Bond (or portion thereof) to be redeemed the redemption price thereof, together with interest accrued to the redemption date, and that moneys therefor having been deposited with the Trustee, interest on any 2017 Bond called for redemption shall cease to accrue from and after the date fixed for redemption. Failure to mail notice to a particular Bondholder, or any defect in the notice to such Bondholder, shall not affect the redemption of any other 2017 Bonds.

Subject to the terms and conditions set forth herein applicable to a particular series of 2017 Bonds, as long as the 2017 Bonds of such series are maintained in the book-entry form, the 2017 Bonds are transferable or exchangeable for bonds of the same series and maturity upon the terms and conditions provided in the Trust Agreement, at the option of the Bondholder and at the expense of the Land Bank, except for any tax or other governmental charge required to be paid with respect to such exchange. The Trustee will not be required to make an exchange or transfer of any 2017 Bond during the forty-five (45) days preceding any date fixed for redemption of such Bond selected, called or being called for redemption.

Subject to the provisions discussed below in the section entitled “Book Entry Only System,” the 2017 Bonds will be issued only as fully-registered bonds without coupons in the minimum denominations set forth below. Principal or redemption premium, if any, of the 2017 Bonds will be payable at the principal corporate trust office of the Trustee, and interest on the 2017 Bonds will be paid by check or draft mailed (or, at the option of a Bondholder of \$1,000,000 or more of the 2017 Bonds, by wire transfer) by the Trustee to the Bondholder as of the applicable Record Date.

SECURITIES DEPOSITORY

Book Entry Only System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the 2017 Bonds. The 2017 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the 2017 Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

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 rating of AA+ by S&P Global Ratings. The DTC Rules applicable to Direct Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of securities deposited with DTC must be made by or through Direct or Indirect Participants, which will receive a credit for such securities on DTC's records. The ownership interest of each actual purchaser of each security deposited with DTC ("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 deposited with DTC 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 deposited with DTC, except in the event that use of the book-entry system is discontinued.

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 affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the securities deposited with it; 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.

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.

Redemption notices will be sent to DTC. If less than all of a maturity is being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to securities deposited with it unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the issuer of such securities 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 such securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on securities deposited with DTC 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 the issuer of such securities or its paying agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the issuer of such securities or its paying agent, 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 the issuer of such securities or its paying 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.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Land Bank believes to be reliable, but none of the Land Bank, the Trustee, Paying Agent or the Underwriter take any responsibility for the accuracy thereof.

Certificated Bonds

DTC may discontinue providing its services as securities depository with respect to the 2017 Bonds at any time by giving reasonable notice to the Land Bank and the Trustee. In addition, the Land Bank may determine that continuation of the system of book entry transfers through DTC (or a successor securities depository) is not in the best interests of the Beneficial Owners. If for either reason the Book Entry Only system is discontinued, 2017 Bonds will be delivered as described in the Trust Agreement and the Beneficial Owners, upon registration of certificates held in the Beneficial Owners' names, will become the Bondholders. Thereafter, 2017 Bonds may be exchanged for an equal aggregate principal amount of 2017 Bonds in other authorized denominations and of the same maturity, upon surrender thereof at the principal corporate trust office of the Trustee. The transfer of any 2017 Bond may be registered on the books maintained by the Trustee for such purpose only upon the assignment in the form satisfactory to the Trustee. For every exchange or registration of transfer of 2017 Bonds, the Land Bank and the Trustee may make a charge sufficient to reimburse them for any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer, but no other charge may be made to the Bondholder for any exchange or registration of transfer of the 2017 Bonds. The Trustee will not be required to transfer or exchange any 2017 Bond during the notice period preceding any redemption if such 2017 Bond or any part thereof is eligible to be selected or has been selected for redemption.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the 2017 Bonds:

<u>Sources of Funds</u>	
Par Amount of Bonds:	\$20,105,000.00
Original Issue Premium:	2,192,020.00
Refunded 2006 Bonds Debt Service Fund:	<u>1,985,934.59</u>
Total Sources of Funds:	\$24,282,954.59
 <u>Uses of Funds</u>	
Deposit to 2006 Prepayment Account:	\$24,052,488.51
Costs of Issuance*:	<u>230,466.08</u>
Total Uses of Funds:	\$24,282,954.59

*Includes underwriter's discount, legal fees, financial advisor fees, bond insurance premium, printing costs, rating fees and other miscellaneous costs and expenses related to the issuance of the 2017 Bonds and the refunding of the Refunded Bonds.

SECURITY FOR THE 2017 BONDS

THE 2017 BONDS DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE LAND BANK NOR A DEBT OR LIABILITY OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE COMMONWEALTH OF MASSACHUSETTS, THE COUNTY OF DUKES COUNTY, OR ANY TOWN IN DUKES COUNTY, OR ANY AGENCY, INSTRUMENTALITY OR POLITICAL SUBDIVISION OF ANY OF THE FOREGOING, AND EACH COVENANT AND UNDERTAKING OF THE LAND BANK IN THE TRUST AGREEMENT AND IN THE 2017 BONDS IS NOT A GENERAL OBLIGATION OF THE LAND BANK NOR A DEBT OR LIABILITY OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE COMMONWEALTH OF MASSACHUSETTS, THE COUNTY OF DUKES COUNTY, OR ANY TOWN IN DUKES COUNTY, OR ANY AGENCY, INSTRUMENTALITY OR POLITICAL SUBDIVISION OF ANY OF THE FOREGOING, BUT ARE A SPECIAL OBLIGATION PAYABLE (EXCEPT TO THE EXTENT PAID FROM BOND PROCEEDS) SOLELY FROM PLEDGED RECEIPTS. THE 2017 BONDS ARE NOT SECURED BY ANY MORTGAGE OR LIEN ON ANY REAL OR PERSONAL PROPERTY OF THE LAND BANK. THE LAND BANK HAS NO TAXING POWER.

The enforceability of any of the provisions of the 2017 Bonds and the Trust Agreement may be limited by the exercise of judicial discretion in accordance with general equitable principles and by bankruptcy, reorganization, insolvency, moratorium and other laws affecting creditors' rights generally heretofore or hereafter enacted to the extent constitutionally enforceable.

Pledged Receipts

"Pledged Receipts" are defined by the Trust Agreement as the gross receipts and revenues of the Land Bank, i.e., the Revenues, including (a) Real Estate Transfer Fees, revenues and other moneys held or to be received for the account of the Land Bank and (b) Real Estate Transfer Fees, revenues and other moneys held or to be received for the account of the Member Towns; provided that "Pledged Receipts" do not include gifts, and certain funds or grants, all as

more particularly described in the Trust Agreement, and do not include any fund established with the 2014 Trustee pursuant to the 2014 Trust Agreement for the benefit of the 2014 Bonds, or with the 2006 Trustee pursuant to the 2006 Trust Agreement for the benefit of the 2006 Bonds.

In order to secure the due payment of the principal (including sinking fund installments, if any) of, redemption premium, if any, and interest on the 2017 Bonds and the performance by the Land Bank of its agreements in the Trust Agreement, equally and ratably with the 2014 Bonds, the Land Bank's obligations under the 2014 Trust Agreement and with any other Alternative Indebtedness, the Land Bank grants through the Trust Agreement a security interest in and lien on and assigns and pledges to the Trustee in trust upon the terms set forth in the Trust Agreement the Pledged Receipts and all funds (except the Rebate Fund, the Prior Bonds Prepayment Fund and funds in the Collection Fund allocated to the 2014 Bonds and any other Alternative Indebtedness) maintained by the Trustee under the Trust Agreement, including, without limitation, moneys, investments and proceeds in the Debt Service Fund, the Redemption Fund and amounts deposited in the Collection Fund and not previously allocated to the 2014 Bonds or any other Alternative Indebtedness, and any other property, collateral or security that may from time to time hereafter, by delivery or writing of any kind, be subjected to the lien of the Trust Agreement by the Land Bank, or anyone acting on its behalf, and the Trustee is authorized under the Trust Agreement to receive the same at any time as additional security under the Trust Agreement. In accordance with the Act, each Town Advisory Board approved such grant, lien, assignment and pledge of the portion of the Pledged Receipts constituting Revenues held or to be received for the account of such Member Town. As more particularly described in the Trust Agreement, the Pledged Receipts shall be allocated among the 2017 Bonds, the 2014 Bonds and all other Alternative Indebtedness, if any, on the basis of their respective outstanding principal amounts as of the time of such allocation; provided that, with respect to the allocation of funds in the Collection Fund, if any of the 2017 Bonds, the 2014 Bonds and all other Alternative Indebtedness (if any) has been outstanding for less than the entire period with respect to which such allocation is being made, the allocation of such funds shall reflect the respective portion of such period that each has been outstanding.

The Trust Agreement requires the Land Bank to cause all Pledged Receipts promptly to be deposited into the Collection Fund. Periodically, the Pledged Receipts then on deposit in the Collection Fund are allocated among the 2017 Bonds, the 2014 Bonds and all other Alternative Indebtedness, if any, then outstanding. See "SECURITY FOR THE 2017 BONDS – Collection Fund" for a description of the Collection Fund and allocations of Pledged Receipts from time to time on deposit therein. See "SECURITY FOR THE 2017 BONDS – Parity Debt – Alternative Indebtedness" for a description of the method of such allocation. From the amount of Pledged Receipts allocated to the 2017 Bonds, the Trust Agreement requires that the Trustee, if there is a deficiency in the Debt Service Fund or the Redemption Fund, make certain deposits to the Debt Service Fund and the Redemption Fund, respectively. See "SECURITY FOR THE 2017 BONDS – Collection Fund" for a description of such deposits. Any balance of the Pledged Receipts allocated to the 2017 Bonds remaining in the Collection Fund after such deposits shall be transferred to the Land Bank Fund as part of the moneys generally on deposit therein. The Trust Agreement does not impose any other limitations on the withdrawal of Pledged Receipts from the Land Bank Fund, and once any Pledged Receipts are withdrawn from the Land Bank Fund, such Pledged Receipts are no longer subject to the lien of the Trust Agreement.

The Act provides that no reduction in the Real Estate Transfer Fee percentage shall take effect until all bonds and notes of the Land Bank issued prior thereto have been paid in full.

The Collection Fund (to the extent that Pledged Receipts on deposit therein are not allocated to the 2014 Bonds or other Alternative Indebtedness, if any), the Debt Service Fund and the Redemption Fund, the amounts on deposit therein and investments thereof, are pledged to the payment of the 2017 Bonds.

Collection Fund

A Collection Fund has been established pursuant to the Trust Agreement and is to be held (i) by the Trustee and the 2014 Trustee or (ii) by a national bank or Massachusetts trust company (“Depository”) located in one of the Member Towns; provided that the Depository has confirmed in writing to the Trustee and the 2014 Trustee that all amounts held by the Depository are held in trust for the Trustee, the 2014 Trustee and for the equal and ratable benefit of the 2017 Bonds, the 2014 Bonds and all other Alternative Indebtedness, if any, then outstanding. Pursuant to the Trust Agreement, the Land Bank shall cause all Pledged Receipts to be deposited promptly in the Collection Fund. As of the date of the Trust Agreement, Edgartown National Bank is the Depository that holds the Collection Fund. As soon as practicable and, in any event, at any time the amount on deposit in the Collection Fund held by the Depository exceeds \$95,000 and, in any event, not less frequently than monthly, not later than the 15th day of a month, the Trustee and the 2014 Trustee shall allocate or shall direct the Depository to allocate the Pledged Receipts then on deposit in the Collection Fund among the 2017 Bonds, the 2014 Bonds and all other Alternative Indebtedness, if any, then outstanding; except following the occurrence and during the continuance of any Event of Default, as defined in the Trust Agreement, such allocation shall be made so as to meet on a monthly basis the debt service on the 2017 Bonds, the 2014 Bonds and all other Alternative Indebtedness, if any. See “SECURITY FOR THE 2017 BONDS – Parity Debt – Alternative Indebtedness.”

Immediately upon allocating Pledged Receipts to the 2017 Bonds, the Trustee shall (a) in the event the Depository has made such allocation pursuant to Trustee directions described above, direct the Depository to transfer such Pledged Receipts allocated to the 2017 Bonds to the Trustee and (b) in any event, from the amount of Pledged Receipts so allocated, deposit into (i) the Debt Service Fund, the amount necessary to cause the amount on deposit in the Debt Service Fund to equal the Debt Service Requirement (as defined below) and (ii) the Redemption Fund, the amount equal to the sum of the amounts transferred therefrom to the Debt Service Fund and not theretofore restored. If, but only if, after making such deposits in full there remains a balance in the Collection Fund, such balance shall be transferred to the Land Bank Fund as a part of the moneys generally on deposit therein. See APPENDIX D – “Summary of Definitions” and APPENDIX E – “Summary of the Trust Agreement.”

The 2006 Bonds will be redeemed. See “PLAN OF FINANCE – Plan of Refunding” herein.

No Debt Service Reserve Fund

No Debt Service Reserve Fund exists for the 2017 Bonds.

Parity Debt – Additional Bonds

The Land Bank may issue additional Bonds, on a parity with other Bonds, including the 2017 Bonds, to provide additional moneys for to refund Bonds previously issued or to finance or refinance any other project of the Land Bank permitted under the Act. Prior to delivering any additional Bonds, the Land Bank and the Trustee shall enter into a supplemental agreement

providing for the details of the additional Bonds, and the Land Bank shall cause to be delivered to the Trustee applicable resolutions of the Land Bank and the Advisory Board of each Member Town regarding the additional Bonds, legal opinions addressing the Bond issuance and confirming compliance with the requirements relating to the net revenues available for debt service, and other documents, as more fully described in the Trust Agreement. See APPENDIX E - “Summary of Trust Agreement.”

Parity Debt – Alternative Indebtedness

The Land Bank may incur Alternative Indebtedness that is secured by Pledged Receipts on a parity with other Bonds, including the 2017 Bonds. Prior to incurring any Alternative Indebtedness, the Land Bank and the Alternative Indebtedness Lender or Alternative Indebtedness Trustee shall enter into a written agreement with respect thereto satisfactory to the Trustee, and the Land Bank shall cause to be delivered to the Trustee legal opinions addressing the Alternative Indebtedness and confirming compliance with the requirements relating to the net revenues available for debt service, as more fully described in the Trust Agreement. See APPENDIX E – “Summary of Trust Agreement.”

Rights of Bondholders Subject to Rights of Bond Insurer

No Bondholder shall have any right to institute any legal proceedings for the enforcement of the obligations of the Land Bank under the Trust Agreement or any applicable remedy thereunder, unless the Bondholders have directed the Trustee to act and furnished the Trustee indemnity as provided in the Trust Agreement and have afforded the Trustee reasonable opportunity to proceed, and the Trustee shall thereafter have failed or refused to take such action, in each instance subject to the rights of the Bond Insurer. Subject to the foregoing including the rights of the Bond Insurer, any Bondholder may by any available legal proceedings enforce and protect its rights under the Trust Agreement and under the laws of The Commonwealth of Massachusetts.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the 2017 Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the 2017 Bonds (the “Policy” or the “Bond Insurance Policy”). The Policy guarantees the scheduled payment of principal of and interest on the 2017 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the 2017 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the 2017 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the 2017 Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the 2017 Bonds, nor does it guarantee that the rating on the 2017 Bonds will not be revised or withdrawn.

Capitalization of BAM. BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2016 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$496.7 million, \$65.2 million and \$431.5 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the 2017 Bonds or the advisability of investing in the 2017 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at

buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the 2017 Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the 2017 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the 2017 Bonds, whether at the initial offering or otherwise.

BOND INSURANCE RISK FACTORS

In the event of default of the payment of principal or interest with respect to the 2017 Bonds when all or some becomes due, any owner of the 2017 Bonds shall have a claim under the Bond Insurance Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of optional redemption or acceleration resulting from default or otherwise, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with optional prepayment of the 2017 Bonds by the Issuer which is recovered by the Issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the Bond Insurer at such time and in such amounts as would have been due absent such prepayment by the Issuer unless the Bond Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the 2017 Bonds are payable solely from the moneys

received pursuant to the applicable bond documents. In the event the Bond Insurer becomes obligated to make payments with respect to the 2017 Bonds, no assurance is given that such event will not adversely affect the market price of the 2017 Bonds or the marketability (liquidity) for the 2017 Bonds.

The long-term ratings on the 2017 Bonds are dependent in part on the financial strength of the Bond Insurer and its claims paying ability. The Bond Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the 2017 Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the 2017 Bonds or the marketability (liquidity) for the 2017 Bonds. See description of "RATINGS" herein.

The obligations of the Bond Insurer are contractual obligations and in an event of default by the Bond Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the Issuer nor the Underwriter have made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the Issuer to pay principal and interest on the 2017 Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment. See "BOND INSURANCE" above for further information provided by the Bond Insurer and the Policy, which includes further instructions for obtaining current financial information concerning the Bond Insurer.

RISK FACTORS

Prospective purchasers of the 2017 Bonds should consider the following risk factors:

Real Estate Related

As more fully set forth under "REAL ESTATE TRANSFER FEE," the ability of the Land Bank to pay principal of, redemption premium, if any, and interest on the 2017 Bonds is dependent on real estate activity on Martha's Vineyard, in terms of the number of non-exempt transfers of real property within the Member Towns and the price at which such real property is transferred. There can be no assurance that real estate values or the frequency of such transfers will increase or that such values and transfers will not decrease. As set forth under "RISK FACTORS – State of the Economy," real estate values have generally increased throughout New England. Such values may continue to increase in the future. Real estate market activity on Martha's Vineyard is affected by economic conditions in general and New England and local economic conditions in particular. In addition, the real estate market may be affected by governmental regulations affecting development or the ownership of land, including liens for the clean-up of hazardous materials.

The Land Bank cannot identify the economic conditions which impact Real Estate Transfer Fees and cannot predict whether Transfer Fee Revenues will continue to increase in Fiscal Year 2017 or future fiscal years or whether the percentage of exempt transfers will increase or decrease.

Although the 2017 Bonds are secured by a first lien on Transfer Fee Revenues and other Pledged Receipts, equally and ratably with the 2014 Bonds and any other Alternative Indebtedness (see “SECURITY FOR THE 2017 BONDS – Pledged Receipts”), annual Transfer Fee Revenues at least equal to the annual debt service on the 2017 Bonds, the 2014 Bonds and any other annual current obligations (such as operating expenses, and interest and the current portion of indebtedness of the Land Bank, if any, other than the 2017 Bonds and the 2014 Bonds) are necessary if current obligations of the Land Bank are to be paid.

Investors should make their own independent assumptions regarding the adequacy of Transfer Fee Revenues in 2017 and in future years for the purpose of paying debt service on the 2017 Bonds and the 2014 Bonds for such years and other financial obligations of the Land Bank in each of such years (see “RISK FACTORS – Present and Future Financial Obligations” below), and, in making such assumptions, should bear in mind that the Trust Agreement does not impose any limitations on the Land Bank except with regard to Additional Indebtedness (see “SECURITY FOR THE 2017 BONDS – Parity Debt – Additional Bonds”).

Present and Future Financial Obligations

The Land Bank has continuing obligations with respect to the 2014 Bonds. The Land Bank will be obligated to pay operating expenses in Fiscal Year 2017 and future years. The Land Bank cannot predict the amount of such operating expenses for Fiscal Year 2017 or any future year. The Land Bank expects that such operating expenses will be at least equal to the Fiscal Year 2016 level of operating expenses and may exceed such level.

The Land Bank’s financing objectives are based primarily on its land acquisition policy. At present, the Land Bank has not formulated financing objectives for Fiscal Year 2017, other than the issuance of the 2017 Bonds, or financing objectives for any future year. Pursuant to the Land Bank’s financing objectives as they may exist from time to time, however, the Land Bank may incur, and be obligated on other indebtedness, such as unsecured indebtedness in addition to unretired existing indebtedness, subordinated secured indebtedness and parity indebtedness to the extent to which such parity indebtedness is permitted to be incurred by the Trust Agreement. See “SECURITY FOR THE 2017 BONDS – Parity Debt – Additional Bonds” and “Alternative Indebtedness.”

Land Acquisition Policy

The land acquisition policy of the Land Bank is based on the purposes set forth in the Act and, to a limited extent, on the acquisition priorities of the Member Towns, and such policy and priorities may change from time to time. See “THE ISSUER – Authority of Member Towns.” Currently, the Land Bank’s priorities are the acquisition of (a) any vacant or virtually vacant coastal or pond front property containing (i) more than 100 linear feet of water frontage and (ii) upland adequate to locate a 10-vehicle trailhead; (b) any vacant or virtually vacant property in excess of 50 acres; (c) any active farmland or fallow pasture in excess of 10 acres visible from a public road or body of water; (d) any trail easement connecting or potentially connecting Land Bank or other conservation lands; and (e) any vacant or virtually vacant property in excess of 15 acres and bordering an existing Land Bank property.

The Land Bank cannot predict the extent to which its present land acquisition policy will result in incurring other indebtedness or in the use or obligation of amounts in the Land Bank Fund.

Land Bank Commission and Member Towns

Each Member Town may vote to withdraw from the Land Bank, but none has taken such a vote, and any such vote would not be effective until all bonds and notes outstanding at the time of such vote, including the 2017 Bonds, are repaid in full. Any withdrawal of a Member Town may decrease Transfer Fee Revenues available to the Land Bank. In addition, the Member Towns may vote to reduce the Real Estate Transfer Fee to less than 2% of purchase price. To date, no such vote has been taken or is scheduled to be taken, and any such vote would not be effective until all bonds and notes outstanding at the time of such vote, including the 2017 Bonds, are repaid in full.

State of the Economy

Martha's Vineyard is heavily dependent upon the resort industry and therefore, has benefited by general and regional economic conditions. While the total number of property transfers declined in recent years, over the same period, real estate values generally increased throughout The Commonwealth of Massachusetts, and in Martha's Vineyard in particular. The Land Bank makes no prediction regarding the future economic conditions of Martha's Vineyard.

LITIGATION

There is no litigation now pending against the Land Bank or, to the knowledge of its officers and Commissioners, threatened, restraining or enjoining the issuance, sale, execution or delivery of the 2017 Bonds or in any way contesting or affecting the validity of the 2017 Bonds, any proceedings of the Land Bank concerning the issuance or sale thereof or security provided for the payment of the 2017 Bonds. In the ordinary course of the conduct of the Land Bank's activities various legal actions and claims are pending against the Land Bank. Litigation is subject to many uncertainties and the outcome of individual litigated matters is not always predictable. Although the amount of liability, if any, cannot be ascertained, management believes any resulting liability should not materially affect the financial position of the Land Bank.

TAX MATTERS

In the opinion of Goodwin Procter LLP, Bond Counsel, under existing federal statutes and regulations as presently applied, the interest on the 2017 Bonds (including any original issue discount properly allocable to holder thereof) is excluded from gross income for federal income tax purposes and will not be treated as an item of tax preference in calculating alternative minimum tax imposed under the Internal Revenue Code of 1986, as amended (the "Code") on individuals and corporations; however, interest on the 2017 Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on corporations.

In the opinion of Bond Counsel, the Code establishes certain requirements that must be met subsequent to the issuance and delivery of the 2017 Bonds in order that interest on the 2017 Bonds be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with these requirements may cause the inclusion of interest on the 2017 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2017 Bonds. The Land Bank covenants in the Trust Agreement that it will not take any action which would cause interest paid on the 2017 Bonds to become included in gross income for federal income tax purposes or cause the 2017 Bonds to be "private activity bonds" as defined in the Code, and will take, or require to be taken, such acts as may be reasonably within its ability and

as may from time to time be required under applicable law or regulations for the interest on the 2017 Bonds to be or continue to be excluded from gross income for federal income tax purposes.

In the opinion of Bond Counsel, interest on the 2017 Bonds is exempt from Massachusetts personal income taxes, and the 2017 Bonds are exempt from Massachusetts personal property taxes. Bond Counsel has not opined as to other Massachusetts tax consequences arising with respect to the 2017 Bonds. Prospective purchasers should be aware, however, that the 2017 Bonds are included in the measure of Massachusetts corporate excise and franchise taxes. Bond Counsel has not opined as to the taxability of the 2017 Bonds or the income therefrom under the laws of any state other than Massachusetts.

For federal and Massachusetts tax purposes, interest includes original issue discount, which with respect to a Bond is equal to the excess, if any, of the stated redemption price at maturity of such Bond over the initial offering price thereof to the public, excluding underwriters and other intermediaries, at which price a substantial amount of all such Bonds within the same maturity was sold. Original issue discount accrues actuarially over the term of a Bond. Holders of 2017 Bonds should consult their own tax advisers with respect to the computation of original issue discount during the period in which any such 2017 Bond is held.

On the date of the delivery of the 2017 Bonds, the Underwriter will be furnished with an opinion of Bond Counsel substantially in the form attached hereto as APPENDIX B – “Form of Bond Counsel Opinion.”

LEGALITY OF BONDS FOR INVESTMENT

The Act provides that the 2017 Bonds are legal investments in which all public officers and public bodies of The Commonwealth of Massachusetts and its political subdivisions, all insurance companies, trust companies in their commercial departments, savings banks, cooperative banks, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. The Act also provides that the 2017 Bonds are securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of The Commonwealth of Massachusetts for which the deposit of bonds or obligations of The Commonwealth is now or may hereafter be authorized by law.

RATINGS

S&P Global Ratings (the “Rating Agency”) has assigned a rating of “AA”, to the 2017 Bonds based on the issuance of the Bond Insurance Policy by the Bond Insurer at the time of delivery of the 2017 Bonds. The Rating Agency has assigned an underlying rating of “A-” to the 2017 Bonds based solely on the credit of the Land Bank.

Such ratings reflect only the views of the Rating Agency. The ratings are not a recommendation to buy, sell or hold the 2017 Bonds and there is no assurance that such ratings will continue for any given period of time after obtained or that such ratings will not be revised downward or withdrawn entirely by the Rating Agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the 2017 Bonds. Neither the Land Bank nor the Underwriter of the 2017 Bonds has undertaken any responsibility to bring to the attention of the owners of the 2017 Bonds any proposed change in or withdrawal of such ratings once received or to oppose any such

proposed revisions. Explanations of the ratings received by the Rating Agency can be obtained from the Rating Agency.

UNDERWRITING

The 2017 Bonds are being purchased by RBC Capital Markets, LLC (the “Underwriter”). The Underwriter has agreed, subject to certain conditions, to purchase the 2017 Bonds at a price of \$22,251,251.94 (which amount represents the principal amount of the 2017 Bonds, plus original issue premium of \$2,192,020.00, and less an underwriting discount of \$45,768.06). The Underwriter may offer and sell the 2017 Bonds to certain dealers (including dealers depositing the 2017 Bonds into unit investment trusts) and others at prices lower than the public offering prices stated on the cover page hereof and such public offering prices may be changed, from time to time, by the Underwriter. The initial offering price may be changed from time to time by the Underwriter.

The Underwriter and its respective affiliates are full-service financial institutions engaged in various activities that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its respective affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its respective affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the Issuer. The Underwriter and its respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the Issuer.

FINANCIAL ADVISOR

SJ Advisors, LLC (“SJA”) was engaged by the Land Bank to provide various financial advisory services in connection with the issuance of the 2017 Bonds. SJA’s duties, responsibilities, and fees arise solely as financial advisor to the Land Bank. SJA has no underwriting, secondary market obligations or other responsibility in connection with the 2017 Bonds.

LEGAL MATTERS

All legal matters incidental to the authorization and issuance of the 2017 Bonds by the Land Bank are subject to the approval of Goodwin Procter LLP, Boston, Massachusetts, Bond Counsel, whose opinion approving the legality and tax-exempt status of the 2017 Bonds will be delivered with the 2017 Bonds. A copy of the proposed form of legal opinion of bond counsel is attached hereto as APPENDIX B. Certain legal matters will be passed upon for the Land Bank by its counsel, Reynolds, Rappaport, Kaplan & Hackney, LLC, Edgartown, Massachusetts. Certain legal matters will be passed upon for the Underwriter by Locke Lord LLP, Boston, Massachusetts.

INDEPENDENT AUDITORS

The financial statements of the Land Bank as of June 30, 2016 and for the year then ended, as included in APPENDIX A to this Official Statement have been audited by O’Connor &

Drew P.C., Quincy, Massachusetts, independent certified public accountants, to the extent and for the periods indicated in their report thereon. Such financial statements have been included in reliance upon the report of O'Connor & Drew P.C. and upon the authority of said firm as experts in accounting and auditing.

CONTINUING DISCLOSURE UNDERTAKING

In order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission (the "Rule"), the Land Bank will enter into a Continuing Disclosure Agreement with the Trustee (who will act as the Dissemination Agent in connection with the continuing disclosure filings of the Land Bank) for the benefit of the Bondholders of the 2017 Bonds setting forth the undertaking of the Land Bank regarding continuing disclosure with respect to the 2017 Bonds. The proposed form of Continuing Disclosure Agreement is set forth in APPENDIX F.

Annual report data for Fiscal Year 2012 ("2012 Annual Report Data") was timely filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access database ("EMMA") on January 1, 2013, however, at the time of such filing, the 2012 Annual Report Data was not linked to the CUSIP numbers for the 2002 Bonds and the 2004 Bonds. The 2012 Annual Report Data was relinked to the CUSIP numbers for the 2002 Bonds and the 2004 Bonds on EMMA on or about October 20, 2014.

Audited financial statements for Fiscal Year 2015 were timely filed on EMMA on November 30, 2015, however, such filing did not include annual report data. Such annual report data for Fiscal Year 2015 was filed on EMMA on or about April 13, 2016.

Except for the instances set forth above, the Land Bank has complied in all material respects with its previous undertakings to provide annual reports or notices of significant events in accordance with the Rule during the last five years.

MISCELLANEOUS

The summaries or descriptions herein of provisions of the Act, the Trust Agreement, and other documents, and all references to other materials not purporting to be quoted in full, are only brief outlines of some of the provisions thereof and do not purport to be complete statements of such provisions. The agreements of the Land Bank with the holders of the 2017 Bonds are set forth fully in the 2017 Bonds and Trust Agreement, and neither any advertisement of the 2017 Bonds nor this Official Statement, is to be construed as constituting an agreement with the Bondholders. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact. Copies of the documents mentioned in this paragraph are on file at the office of the Land Bank and the Trustee.

Information relating to DTC and the book-entry system described herein under the heading "THE DEPOSITORY TRUST COMPANY – Book-Entry Only System" has been furnished by DTC and is believed to be reliable, but neither the Land Bank nor the Underwriter make any representations or warranties whatsoever with respect to any such information.

APPENDIX A – "Financial Statements of the Land Bank," contains audited financial statements of the Land Bank. The Land Bank and the Underwriter have relied on the information contained in APPENDIX A.

APPENDIX B – “Form Opinion of Bond Counsel,” has been prepared by Goodwin Procter LLP, Bond Counsel.

APPENDIX C – “Land Bank Debt Service Schedule,” will be prepared by the Underwriter upon the sale of the 2017 Bonds.

APPENDIX D – “Summary of Definitions” and APPENDIX E – “Summary of Trust Agreement,” have been prepared by Goodwin Procter LLP, Bond Counsel.

APPENDIX F – “Form of Continuing Disclosure Agreement,” has been prepared by Locke Lord LLP, Counsel to the Underwriter.

APPENDIX G – “Specimen Bond Insurance Policy,” has been prepared by Build America Mutual Assurance Company.

APPENDIX H – “Table of Refunded Bonds,” has been prepared by the Land Bank.

The Appendices are incorporated herein as an integral part of this Official Statement.

The execution and delivery of this Official Statement has been duly authorized by the Land Bank.

MARTHA’S VINEYARD LAND BANK

By: /s/ Pamela S. Goff
Pamela S. Goff, Chairman

February 2, 2017

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APPENDIX A

FINANCIAL STATEMENTS OF THE LAND BANK

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MARTHA'S VINEYARD LAND BANK

**FINANCIAL STATEMENTS, REQUIRED
SUPPLEMENTARY INFORMATION, AND
SUPPLEMENTAL INFORMATION**

JUNE 30, 2016

MARTHA'S VINEYARD LAND BANK

Financial Statements, Required Supplementary Information, and Supplemental Information

June 30, 2016

CONTENTS

Independent Auditors' Report	1-2
Management's Discussion and Analysis (Unaudited)	3-5
Financial Statements:	
Statement of Net Position	6
Statement of Revenues, Expenses and Changes in Net Position	7
Statement of Cash Flows	8-9
Notes to the Financial Statements	10-25
Required Supplementary Information (Unaudited):	
Schedule of Proportionate Share of the Net Pension Liability	26
Schedule of Contributions	27
Notes to the Required Supplementary Information	28
Schedule of Funding Progress – OPEB	29
Supplemental Information (Unaudited):	
Schedule of Land, Development Rights and Land Improvements	30
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	31-32



INDEPENDENT AUDITORS' REPORT

To the Martha's Vineyard
Land Bank Commission
Edgartown, Massachusetts

Report on the Financial Statements

We have audited the accompanying financial statements of the Martha's Vineyard Land Bank (the "Land Bank"), which comprise the statement of net position as of June 30, 2016, the related statements of revenues and expenses, changes in net position and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Martha's Vineyard Land Bank as of June 30, 2016, and

the respective changes in net position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-5, the schedule of proportionate share of the net pension liability on page 26, the schedule of contributions on page 27, the notes to the required supplementary information on page 28, and the schedule of funding progress – OPEB on page 29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the Martha's Vineyard Land Bank's basic financial statements. The supplemental schedule of land, development rights and land improvements on page 30 is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2016, on our consideration of the Land Bank's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Martha's Vineyard Land Bank's internal control over financial reporting and compliance.

O'Connor and Duen, P.C.

**Certified Public Accountants
Braintree, Massachusetts**

October 17, 2016

MARTHA’S VINEYARD LAND BANK

Management’s Discussion and Analysis (Unaudited)

Fiscal Year Ended June 30, 2016

Financial Statements

The financial statements presented herein include all of the activity of the Martha’s Vineyard Land Bank (“the Land Bank”) using the integrated approach as prescribed by Governmental Accounting Standards Board (GASB) Statement 34.

The financial statements are on an accrual basis of accounting and include all assets and liabilities of the Land Bank.

The Land Bank was created by Chapter 736 of the Acts of 1985 of the Commonwealth of Massachusetts. The Land Bank was established to acquire and manage land located within Martha’s Vineyard.

Statements of Net Position and Statement of Revenues, Expenses, and Changes in Net Position

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report all of the activities of the Land Bank on an accrual basis of accounting. All of the current year’s revenues and expenses are recorded when they occurred regardless of when the cash is received or paid.

The two statements reflect the Land Bank’s net position and the changes in net position. Net position is the difference between total assets and total liabilities. Measuring net position is one way to determine the financial stability of an organization or an organization’s financial position. The statements of revenues and expenses show the change in net position from one year to the next year. This statement shows the components during the year that either increased or decreased the net position. Over time, increases or decreases in the Land Bank’s net position are one factor of measuring whether the financial health of the organization is improving or deteriorating.

MARTHA'S VINEYARD LAND BANK

Management's Discussion and Analysis (Unaudited) - Continued

Fiscal Year Ended June 30, 2016

Statements of Net Position and Statement of Revenues, Expenses, and Changes in Net Position - Continued

Net Position of the Land Bank for the fiscal years ended June 30, 2016 and 2015, was as follows:

	<u>2016</u>	<u>2015</u>
Current and other assets	\$ 11,705,728	\$ 10,492,188
Capital assets	189,737,547	184,407,195
Deferred outflow of resources	<u>387,460</u>	<u>351,985</u>
Total	<u>201,830,735</u>	<u>195,251,368</u>
Current and other liabilities	5,224,433	4,724,274
Long-term debt	64,295,747	67,218,834
Deferred inflows of resources	<u>198,755</u>	<u>214,534</u>
Total	<u>69,718,935</u>	<u>72,157,642</u>
Net position:		
Investment in capital assets, net	121,975,722	114,092,283
Restricted	773,529	773,290
Unrestricted	<u>9,362,549</u>	<u>8,228,153</u>
Total Net Position	\$ <u>132,111,800</u>	\$ <u>123,093,726</u>

Changes in net position for the fiscal years ended June 30, 2016 and 2015 were as follows:

	<u>2016</u>	<u>2015</u>
Operating revenues	\$ 13,313,694	\$ 13,148,740
Operating expenses	<u>1,596,306</u>	<u>1,695,572</u>
Net Operating Income	11,717,388	11,453,168
Non-Operating Revenue (Expense)	<u>(2,699,314)</u>	<u>(3,241,149)</u>
Changes in Net Position	\$ <u>9,018,074</u>	\$ <u>8,212,020</u>

MARTHA'S VINEYARD LAND BANK

Management's Discussion and Analysis (Unaudited) - Continued

Fiscal Year Ended June 30, 2016

Statements of Net Position and Statement of Revenues, Expenses, and Changes in Net Position - Continued

Total net position increased 7.3% from 2015 to 2016 and 7.2% from 2014 to 2015. The majority of this increase was related to capital assets and is reflected in the increase in net investment in capital assets. Unrestricted net position increased by 13.8% from 2015 to 2016 and by 36.7% from 2014 to 2015.

Fiscal year 2016 had an increase in fee revenues of approximately \$2.4 million from 2015 levels. Fee revenues represent 100% and 83% of all operating revenues of the Land Bank for fiscal years ended June 30, 2016 and 2015, respectively.

The Land Bank increased its investment in land, development rights and land improvements during fiscal year 2016 by approximately \$5,368,000.

Contacting Land Bank Management

This financial report is designed to provide citizens with a general overview of the Land Bank's finances and to show the Land Bank's accountability for the money it receives. If there are questions about this report, please contact Martha's Vineyard Land Bank at P.O. Box 2057, Edgartown, MA 02539.

MARTHA'S VINEYARD LAND BANK

Statement of Net Position

June 30, 2016

MARTHA'S VINEYARD LAND BANK

Statement of Net Position

June 30, 2016

Assets and Deferred Outflow of Resources

Current Assets:

Cash and equivalents	\$ 5,690,253
Investments:	
Unrestricted	5,241,946
Restricted	<u>773,529</u>
Total Current Assets	<u>11,705,728</u>

Capital Assets:

Property and equipment, net of accumulated depreciation of \$630,065	288,453
Land, development rights and land improvements, net of accumulated depreciation of \$58,027	<u>189,449,094</u>
Total Capital Assets	<u>189,737,547</u>

Total Assets

201,443,275

Deferred Outflow of Resources:

Deferred loss on bond refunding	335,224
Net difference between projected and actual earnings of plan investments	45,829
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>6,407</u>

Total Deferred Outflows of Resources

387,460

Total Assets and Deferred Outflow of Resources

\$ 201,830,735

The accompanying notes are an integral part of the financial statements.

Liabilities, Deferred Inflows of Resources and Net Position

Current Liabilities:

Current portion of notes payable	\$ 1,491,078
Current portion of bonds payable	1,975,000
Accounts payable and accrued expenses	<u>520,850</u>

Total Current Liabilities 3,986,928

Long-Term Liabilities:

Notes payable, net of current portion	3,473,066
Bonds payable, net of current portion	60,822,681
Net pension liability	552,157
Other post-employment benefits	<u>685,348</u>

Total Long-Term Liabilities 65,533,252

Total Liabilities 69,520,180

Deferred Inflows of Resources:

Deferred gain on bond refunding	<u>198,755</u>
---------------------------------	----------------

Net Position:

Investment in capital assets, net	121,975,722
Restricted	773,529
Unrestricted	<u>9,362,549</u>

Total Net Position 132,111,800

Total Liabilities, Deferred Inflows of Resources and Net Position \$ 201,830,735

MARTHA'S VINEYARD LAND BANK

Statement of Revenues, Expenses, and Changes in Net Position

For the Year Ended June 30, 2016

Operating Revenues:	
Fee revenues	\$ 13,313,694
Operating Expenses:	
Administrative	<u>1,596,306</u>
Operating Income	11,717,388
Non-operating Revenues and Expenses:	
Interest income	82,949
Interest expense	<u>(2,782,263)</u>
Total Non-operating Revenues and Expenses	<u>(2,699,314)</u>
Increase in Net Position	9,018,074
Net Position, Beginning of Year	<u>123,093,726</u>
Net Position, End of Year	<u>\$ 132,111,800</u>

The accompanying notes are an integral part of the financial statements.

MARTHA'S VINEYARD LAND BANK

Statement of Cash Flows

For the Year Ended June 30, 2016

Cash Flows from Operating Activities:	
Cash received from fee revenue	\$ 13,313,694
Cash payments to suppliers	(905,456)
Cash paid to employees for services	<u>(792,280)</u>
Net Cash Provided by Operating Activities	<u>11,615,958</u>
Cash Flows from Capital and Related Financing Activities:	
Principal payments on notes payable	(1,216,078)
Principal payments on bonds payable	(1,880,000)
Interest payments on notes and bonds	<u>(2,788,383)</u>
Net Cash Applied to Capital and Related Financing Activities	<u>(5,884,461)</u>
Cash Flows from Investing Activities:	
Acquisition of land, development rights and land improvements	(2,243,296)
Acquisition of property and equipment	(7,609)
Interest on investments	<u>980</u>
Net Cash Applied to Investing Activities	<u>(2,249,925)</u>
Net Increase in Cash and Equivalents	3,481,572
Cash and Equivalents, Beginning of Year	<u>2,208,681</u>
Cash and Equivalents, End of Year	<u>\$ 5,690,253</u>
Supplemental Non-Cash Activity:	
Land acquired through notes payable	\$ <u>775,000</u>
Deposit used to acquire land	\$ <u>2,350,000</u>

MARTHA'S VINEYARD LAND BANK

Statement of Cash Flows - Continued

For the Year Ended June 30, 2016

Reconciliation of Increase in Net Position to Net Cash Provided by Operating Activities:

Operating Income	<u>\$ 11,717,388</u>
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	45,553
Amortization of bond related accounts	(226,290)
Changes in assets and liabilities:	
Accounts payable and accrued expenses	(14,242)
Net pension activity	(11,246)
Other post employment benefits payable	<u>104,795</u>
 Net Adjustments	 <u>(101,430)</u>
 Net Cash Provided by Operating Activities	 <u>\$ 11,615,958</u>

The accompanying notes are an integral part of the financial statements.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements

June 30, 2016

Note 1 - Summary of Significant Accounting Policies

Business Activity

The Martha's Vineyard Land Bank (the "Land Bank") was created by Chapter 736 of the Acts of 1985 of the Commonwealth of Massachusetts to acquire and manage open space and resource protection on the island of Martha's Vineyard. The Land Bank is administered by the Martha's Vineyard Land Bank Commission (the "Commission") comprised of seven members, one elected from each of the six towns, which constitute the island of Martha's Vineyard, and one at-large member selected by the Department of Environmental Affairs of the Commonwealth. Each of the towns is required to appoint an advisory board to assist the Commission. Land purchases by the Land Bank are subject to approval by (a) a majority vote of each town's advisory board, in whose town the land is located, irrespective of whether the town's fund is used for the purchase and (b) the Commission. The law provides that the operations and acquisitions of the Land Bank will be financed principally by fees imposed upon certain transfers of real property interests in the member towns that represent the Land Bank and income earned from the investment of the Land Bank's surplus funds. The Land Bank may also issue bonds and notes to raise funds to acquire land and interests in land. The Land Bank holds title to certain properties that have been acquired and holds development rights to other properties.

Measurement Focus, Basis of Accounting and Basis of Presentation

The Land Bank uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred.

Management Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The actual outcome of the estimates could differ from the estimates made in the preparation of the financial statements.

Revenue Recognition

Fee revenue is equal to two percent of the purchase price upon certain transfers of real property and is recognized on transfer. Interest income generated on investments is recognized as earned. Donations in the form of cash or property are recognized upon receipt.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 1 - Summary of Significant Accounting Policies - Continued

Cash and Equivalents

The Land Bank considers securities purchased within three months of their date of maturity to be cash equivalents. The carrying amount approximates fair value for cash and equivalents.

Investments

Investments are recorded at fair value. Purchases and sales of investments are recorded on a trade-date basis.

Unrestricted investments represent certificates of deposit, money market funds, and repurchase agreements. Unrestricted investments are not insured and involve risk. Restricted investments represent funds being held by the bond trustee as a reserve fund to provide principal and interest payments. These investments have been pledged as security on revenue bonds.

The Land Bank reports its investments in equity securities with readily determinable fair values at their fair value on the statements of net position, with the corresponding unrealized gains and losses included in the Statement of Net Position. Realized gains and losses are determined on the basis of the first-in and first-out method.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using straight-line methods over the estimated useful asset lives.

Income Taxes

The Land Bank is exempt from federal and state income taxes.

Net Position

Resources are classified, for accounting purposes, into the following three net position categories:

Invested in capital assets, net of related debt: Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction, repair, or improvement of those assets.

Restricted: Net position whose use is subject to externally imposed conditions that can be fulfilled by the actions of the Land Bank or by the passage of time.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 1 - Summary of Significant Accounting Policies - Continued

Net Position - Continued

Unrestricted: All other categories of net position. Unrestricted net position may be designated by actions of the Land Bank.

New Governmental Accounting Pronouncements

GASB Statement 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions is effective for periods beginning after June 15, 2017. This Statement replaces Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Plans* and Statement 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The objective of Statement 75 is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions ("OPEB"). It also requires additional information by state and local governmental employers about financial support for OPEB that is provided by other entities. The Statement establishes standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expense/expenditures. GASB 75 also identifies the assumptions and methods that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service for defined benefit OPEB. Management has not yet evaluated the effects of the implementation of this Statement.

GASB Statement 78 - Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans is effective for periods beginning after December 15, 2015 and amends Statement 68 to exclude certain pensions provided to employees of state or local governments that, among other factors, are used to provide pension benefits to governmental and non-governmental employees. The Statement establishes requirements for the recognition and measurement of pension expense, expenditures, and liabilities, note disclosures and required supplementary information. Management has not completed its review of the requirements of this standard and its applicability.

Note 2 - Cash and Equivalents

Custodial credit risk is risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure, the financial institution has pledged assets to the Land Bank to guarantee recovery of balances in excess of amounts insured by the Federal Deposit Insurance Corporation (FDIC) and Depositors Insurance Fund (DIF). The DIF insures all balances in excess of the amounts insured by the FDIC. As a result, the Land Bank does not have amounts exposed to custodial credit risk at June 30, 2016.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 3 - Investments

The Land Bank categorizes short-term investments according to the level of risk assumed. At June 30, 2016, all investments are insured, registered, or held by the Land Bank's agent in the Land Bank's name. The Land Bank currently follows investment policies largely defined by the Commonwealth of Massachusetts.

Concentration of Credit Risk

At June 30, 2016, the Land Bank had invested \$5,141,144 with single issuers representing 85.4% of the Land Bank's investment.

<u>Investment Type</u>	June 30, 2016				
	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>More Than 10</u>
Certificates of deposit	\$ 5,076,942	\$ -	\$ 5,076,942	\$ -	\$ -
Money market	165,004	165,004	-	-	-
U.S. Treasury bonds and notes	<u>773,529</u>	<u>773,529</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	\$ <u>6,015,475</u>	\$ <u>938,533</u>	\$ <u>5,076,942</u>	\$ <u>-</u>	\$ <u>-</u>

The following table summarizes the quality ratings of the Land Bank's debt investments at June 30, 2016:

	<u>Quality Ratings</u>				
	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>Unrated</u>
Certificates of deposit	\$ 5,076,942	\$ -	\$ -	\$ -	\$ 5,076,942
Money market	165,004	-	-	-	165,004
U.S. Treasury bonds and notes	<u>773,529</u>	<u>-</u>	<u>773,529</u>	<u>-</u>	<u>-</u>
Debt Investments	\$ <u>6,015,475</u>	\$ <u>-</u>	\$ <u>773,529</u>	\$ <u>-</u>	\$ <u>5,241,946</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 3 - Investments - Continued

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt instruments will adversely affect the fair value of an investment. Through its investment policy, the Land Bank manages its exposure to fair value losses arising from increasing interest rates by limiting the average duration of an actively managed fixed income portfolio to no more than five years.

Fair Value Hierarchy

Investments, including derivative instruments that are not hedging derivatives, are measured at fair value on a recurring basis. *Recurring* fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of fiduciary net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the reporting entity has the ability to assess at the measurement date; Level 2 inputs are other than quoted prices that are observable for the asset or liability, either directly or indirectly through corroboration with observable market data; Level 3 inputs are significant unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. At June 30, 2016, the Land Bank's investments are all considered Level 1 within the fair value hierarchy.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 4 - Capital Assets

Capital Assets consist of the following at June 30, 2016:

	<u>Estimated lives (in years)</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassifications</u>	<u>Ending Balance</u>
Capital assets, not depreciated:						
Land		\$ 105,350	\$ -	\$ -	\$ -	\$ 105,350
Development rights		4,991,110	-	-	-	4,991,110
Land - acquisitions		<u>178,793,116</u>	<u>5,352,431</u>	<u>-</u>	<u>-</u>	<u>184,145,547</u>
Total not depreciated		<u>183,889,576</u>	<u>5,352,431</u>	<u>-</u>	<u>-</u>	<u>189,242,007</u>
Capital assets depreciated:						
Buildings and improvements	11-40	233,589	-	-	-	233,589
Furnishings and equipment	3-10	613,491	7,609	-	-	621,100
Land improvements	15-40	<u>358,631</u>	<u>15,865</u>	<u>-</u>	<u>-</u>	<u>374,496</u>
Total depreciated		<u>1,205,711</u>	<u>23,474</u>	<u>-</u>	<u>-</u>	<u>1,229,185</u>
Less accumulated depreciation:						
Buildings and improvements		121,526	6,426	-	-	127,952
Furnishings and equipment		508,539	35,095	-	-	543,634
Land improvements		<u>58,027</u>	<u>4,032</u>	<u>-</u>	<u>-</u>	<u>62,059</u>
Total accumulated depreciation		<u>688,092</u>	<u>45,553</u>	<u>-</u>	<u>-</u>	<u>733,645</u>
Net depreciable assets		<u>517,619</u>	<u>(22,079)</u>	<u>-</u>	<u>-</u>	<u>495,540</u>
Capital Assets, net		<u>\$ 184,407,195</u>	<u>\$ 5,330,352</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 189,737,547</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 5 - **Long-Term Liabilities**

Long-term liabilities at June 30, 2016 consist of:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Notes payable	\$ 5,405,222	\$ 775,000	\$ 1,216,078	\$ 4,964,144	\$ 1,491,078
Bonds payable	<u>64,909,690</u>	<u>-</u>	<u>2,112,009</u>	<u>62,797,681</u>	<u>1,975,000</u>
Total notes and bonds payable	<u>70,314,912</u>	<u>775,000</u>	<u>3,328,087</u>	<u>67,761,825</u>	<u>3,466,078</u>
Other long-term liabilities:					
Pension payable	506,430	45,727	-	552,157	-
Other post-employment benefit	<u>580,553</u>	<u>104,795</u>	<u>-</u>	<u>685,348</u>	<u>-</u>
Total other long-term liabilities	<u>1,086,983</u>	<u>150,522</u>	<u>-</u>	<u>1,237,505</u>	<u>-</u>
Total Long-Term Liabilities	\$ <u>71,401,895</u>	\$ <u>925,522</u>	\$ <u>3,328,087</u>	\$ <u>68,999,330</u>	\$ <u>3,466,078</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 5 - **Long-Term Liabilities - Continued**

Notes Payable

Notes payable at June 30 2016, are as follows:

Philip J. Norton; annual principal payments of \$100,000, plus interest at 1.5%, due August 2016, secured by land.	\$ 100,000
Arnold M. Fischer 1994 Trust; annual principal payments of \$277,778, plus interest at 1.50%, due September 2022, secured by land.	1,944,444
James A. Richards and Lynne G. Silva; annual principal payments of \$150,000, plus interest at 1.73%, due February 2019, secured by land.	450,000
Emily A. and Oliver J. Rothschild; annual principal payments of \$775,000, plus interest at 0.42%, due October 2016, secured by land.	775,000
Ann B. Floyd: annual principal payments of \$688,300 for fiscal year 2016 and \$188,300 thereafter, plus interest at 3.06% due June 30, 2025, secured by land.	<u>1,694,700</u>
Total notes payable	4,964,144
Less: current portion	<u>(1,491,078)</u>
Notes payable, net of current portion	\$ <u>3,473,066</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 5 - **Long-Term Liabilities - Continued**

Notes Payable - Continued

Future principal maturities of long-term debt subsequent to June 30, 2016 are as follows:

Years Ending <u>June 30,</u>	
2017	\$ 1,491,078
2018	616,078
2019	616,078
2020	446,078
2021	466,078
2022-2025	<u>1,308,754</u>
	\$ <u>4,964,144</u>

Bonds Payable

Bonds payable at June 30 2016, secured by future transfer fees and designated investments consist of the following:

Land Acquisition Bonds, Series 2006 Revenue, dated December 21, 2006, bearing interest at 4% to 5%, matures at various dates through May 1, 2036.	\$ 23,560,000
Land Acquisition Bonds, Series 2014 Revenue, dated November 13, 2014, bearing interest at 3% to 5%, matures at various dates through May 1, 2034.	<u>35,025,000</u>
	<u>58,585,000</u>
Plus: bond premium net of accumulated amortization of \$155,090, Series 2006.	332,399
Plus: bond premium net of accumulated amortization of \$431,142, Series 2014.	<u>3,880,282</u>
Total bonds payable	62,797,681
Less: current portion	<u>(1,975,000)</u>
Bonds payable, net of current portion	\$ <u>60,822,681</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 5 - **Long-Term Liabilities - Continued**

Bonds Payable - Continued

Aggregate payments of principal and interest on bonds payable subsequent to June 30, 2016 are as follows:

<u>Years Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,975,000	\$ 2,574,751	\$ 4,549,751
2018	2,070,000	2,476,001	4,546,001
2019	2,205,000	2,372,500	4,577,500
2020	2,290,000	2,284,300	4,574,300
2021	2,385,000	2,192,700	4,577,700
2022 - 2026	13,565,000	9,331,170	22,896,170
2027 - 2031	16,890,000	6,024,116	22,914,116
2032 - 2036	<u>17,205,000</u>	<u>2,022,974</u>	<u>19,227,974</u>
	<u>\$ 58,585,000</u>	<u>\$ 29,278,512</u>	<u>\$ 87,863,512</u>

Note 6 - **Pensions**

Defined Benefit Plan Description

The Land Bank contributes to the Dukes County Contributory Retirement System (the "System"), a cost-sharing, multiple-employer defined benefit pension plan administered by the County of Dukes County Retirement Board. All full-time employees of the Land Bank are members of the System. The System provides retirement, disability, and death benefits to plan members and beneficiaries. Chapter 32 of the MGL assigns authority to establish and amend benefit provisions of the plan. Cost-of-living adjustments granted between 1981 and 1997 and any increase in other benefits imposed by the Commonwealth's law during those years are funded by the Commonwealth and are deposited into the pension fund. Cost-of living adjustments granted after 1997 must be approved by the County of Dukes County Retirement Board and funded by the System. The System issues a publicly available financial report in accordance with guidelines established by the Commonwealth's Public Employee Retirement Administration Commission. That report may be obtained by contacting the System at 9 Airport Road, RRI Box 862, Vineyard Haven, Massachusetts 02568.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 6 - **Pensions - Continued**

Benefit Provisions

The System provides retirement, disability, survivor and death benefits to members and their beneficiaries. Massachusetts General Laws (MGL) establishes uniform benefit and contribution requirements for all contributory Public Employee Retirement Systems ("PERS"). These requirements provide for superannuation retirement allowance benefits up to a maximum of 80% of a member's highest three-year average annual rate of regular compensation. For employees hired after April 1, 2012, retirement allowances are calculated based on the last five years or any five consecutive years, whichever is greater in terms of compensation. Benefit payments are based upon a member's age, length of creditable service, group creditable service, and group classification. The authority for amending these provisions rests with the Legislature.

Members become vested after ten years of creditable service. A superannuation retirement allowance may be received upon the completion of twenty years of service or upon reaching the age of 55 with ten years of service. Normal retirement for most employees occurs at age 65; for certain hazardous duty and public safety positions, normal retirement is at age 55. Most employees who joined the system after April 1, 2012 are not eligible for retirement prior to age 60.

Contributions

The System's funding policies have been established by Chapter 32 of the MGL. The Legislature has the authority to amend these policies. The annuity portion of the System's retirement allowance is funded by employees, who contribute a percentage of their regular compensation. Costs of administering the plan are funded out of plan assets. Member contributions to the System vary depending on the most recent date of membership:

<u>Hire Date</u>	<u>Percentage of Compensation</u>
Prior to 1975	5% of regular compensation
1975-1983	7% of regular compensation
1984 to 6/30/1996	8% of regular compensation
7/1/1996 to present	9% of regular compensation except for State Police, which is 12% of regular compensation
1979 to present	An additional 2% of regular compensation in excess of \$30,000

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 6 - **Pensions - Continued**

Contributions - Continued

The Land Bank is required to contribute at an actuarially determined rate; the rate was 13.41% of annual covered payroll for the fiscal year ended June 30, 2016. The Land Bank contributed \$88,825 for the fiscal year ended June 30, 2016, equal to 100% of the required contributions for the year.

Pension Liabilities, Pension Expense, and Deferred Outflow of Resources

At June 30, 2016, the Land Bank reported a liability of \$552,157 for its proportionate share of the net pension liability related to its participation in the System. The net pension liability was measured as of December 31, 2015, the measurement date, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2014 rolled forward to December 31, 2015. The Land Bank's proportion of the net pension liability was based on the proportionate share of total pension liability as of January 1, 2015. At June 30, 2016, the Land Bank's proportion was 1.405%. For the year ended June 30, 2016, the Land Bank recognized pension expense of \$77,579. At June 30, 2016, the Land Bank reported deferred outflow of resources related to pensions from the following sources:

Net differences between projected and actual earnings on pension plan investments	\$ 45,829
Changes in proportion and differences between employer contributions and proportionate share of contributions	<u>6,407</u>
Total	\$ <u>52,236</u>

Amounts reported as a deferred outflow of resources related to pensions will be recognized as a decrease in pension expense as follows:

Years Ending <u>June 30,</u>	
2017	\$ 12,442
2018	12,442
2019	12,442
2020	12,442
2021	<u>2,468</u>
	\$ <u>52,236</u>

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 6 - **Pensions - Continued**

Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	not explicitly assumed
Salary increases	4.25% to 6.00% for general employees 4.75% to 7.00% for public safety
Investment rate of return	7.75%

Mortality rates were based on pre-retirement of RP-2000 employee mortality table projected to 2020 using scale AA and post-retirement of RP-2000 employee mortality table projected to 2015 with scale AA.

The long-term expected rate of return best-estimate on pension plan investments was determined by the actuary using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	40.00%	7.00%
International equity	15.00%	4.00%
Fixed income	25.00%	2.40%
Real estate	10.00%	7.10%
Timber	2.50%	4.90%
Alternatives - private equity	5.00%	12.10%
Hedge funds	<u>2.50%</u>	2.70%
Total	<u>100.00%</u>	

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 6 - **Pensions - Continued**

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from the employers will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability calculated using the discount rate of 7.75 percent as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

1.00% Decrease	Current Discount	1.00% Increase
(6.75%)	Rate	(8.75%)
<hr/>		
\$ 808,907	\$ 552,157	\$ 333,030

Note 7 - **Other Post-Employment Benefits (OPEB)**

Plan Description

The Land Bank's healthcare plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the Land Bank. The Plan provides medical, dental, and life insurance benefits to eligible retirees and their covered dependents. Chapter 32B of the Massachusetts General Law assigns the authority to establish and amend benefit provisions. The Plan does not issue a stand-alone financial report.

Funding Policy

The contribution requirements of plan members and the Land Bank are established and may be amended by the state legislature. The required contribution is based on the current pay-as-you-go financing requirement. During the year ended June 30, 2016, the Land Bank set aside \$25,000, in a specially designated account at Massachusetts Municipal Depository Trust to partially fund the unfunded liability. The total balance in this account was \$100,802 at June 30, 2016.

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 7 - **Other Post-Employment Benefits (OPEB) - Continued**

Annual OPEB Cost and Net OPEB Obligation

The Land Bank recognizes an expense equal to the annual required contribution (ARC) of the employer, determined actuarially in accordance with GASBS 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The ARC for the year ended June 30, 2016 was determined based on an actuarial valuation performed as of July 1, 2014. The Land Bank's annual OPEB cost and the net OPEB obligation for the year ended June 30, 2016 were as follows:

Annual required contribution (ARC)	\$ 96,610
Interest on net OPEB obligation	23,559
Adjustments to ARC	<u>(9,778)</u>
Annual OPEB Cost	110,391
Contributions made (including subsidy)	(5,596)
Net obligation at beginning of year	<u>580,533</u>
Net obligation at end of year	\$ <u>685,328</u>

The Land Bank's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and its net OPEB obligation for 2016 and the two years preceding are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2014	\$ 88,407	5.6%	\$ 497,084
June 30, 2015	\$ 88,407	5.6%	\$ 580,533
June 30, 2016	\$ 110,391	5.1%	\$ 685,328

MARTHA'S VINEYARD LAND BANK

Notes to the Financial Statements - Continued

June 30, 2016

Note 7 - **Other Post-Employment Benefits (OPEB) - Continued**

Funded Status and Funding Progress

The funded status of the Plan as of July 1, 2014 (the date of the most recent valuation), was as follows:

Actuarial Accrued Liability (AAL)	\$ 1,371,302
Actuarial Value of Plan Assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ <u>1,371,302</u>
Funded ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Annual Covered Payroll (Active Plan Members)	\$ 657,818
UAAL as a Percentage of Covered Payroll	208.5%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend rate. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities and benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the Plan and include the types of benefits provided at the time of each valuation. The actuarial assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term prospective of the calculations.

The projected unit credit actuarial cost method is used to determine the annual required contribution amounts and the annual net OPEB obligation. The actuarial assumptions include a 4.0% discount rate; an annual healthcare cost trend rate of 7.5% progressively declining to 5% after 5 years; and a 30 year level percent of pay method of amortization assumed to be increasing at 4.5% per year.

**REQUIRED SUPPLEMENTARY
INFORMATION**

MARTHA'S VINEYARD LAND BANK

Schedule of Proportionate Share of the Net Pension Liability (Unaudited)

For the Years Ended June 30,

	<u>2016</u>	<u>2015</u>
Valuation date	January 1, 2014	January 1, 2014
Measurement date	December 31, 2015	December 31, 2014
Proportion of the collective net pension liability	1.405%	1.405%
Proportionate share of the collective net pension liability	\$ 552,157	\$ 506,430
Covered-employee payroll	\$ 662,624	\$ 637,138
Proportionate share of the collective net pension liability as a percentage of its covered-employee payroll	83.33%	79.49%
Plan fiduciary net position as a percentage of the plan's total pension liability	75.61%	76.17%

Notes:

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 30, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplementary information.

MARTHA'S VINEYARD LAND BANK

Schedule of Contributions (Unaudited)

For the Years Ended June 30,

	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 88,825	\$ 105,995
Contributions in relation to the contractually required contribution	<u>88,825</u>	<u>105,995</u>
Contribution excess	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 662,624	\$ 637,138
Contribution as a percentage of covered-employee payroll	13.41%	16.64%

Notes:

Employers participating in the Dukes County Contributory Retirement System are required by MA General Laws, Section 32, to contribute an actuarially determined contribution rate each year.

The GASB pronouncement requiring the presentation of the information on this schedule became effective for years beginning after June 30, 2014 and is intended to provide data for the most recent ten years.

See accompanying notes to the required supplemental information.

MARTHA'S VINEYARD LAND BANK

Notes to the Required Supplementary Information (Unaudited)

June 30, 2016

Note 1 - **Changes in Assumptions**

Since Dukes County Retirement System used roll forward procedures to determine the December 31, 2015 Total Pension Liability, there are no differences between expected and actual economic experience, proportionate changes or change in assumption.

MARTHA'S VINEYARD LAND BANK

Schedule of Funding Progress – OPEB (Unaudited)

June 30, 2016

Actuarial valuation date	Actuarial value of assets (a)	Actuarial accrued liability (b)	Unfunded (b-a)	Funded ratio (a/b)	Covered payroll (c)	Unfunded liability as percentage of covered payroll
7/1/2014	\$ -	\$ 1,371,302	\$ 1,371,302	0.00%	\$657,818	208.5%
7/1/2012	\$ -	\$ 1,125,757	\$ 1,125,757	0.00%	\$615,291	183.0%
7/1/2010	\$ -	\$ 1,071,938	\$ 1,071,938	0.00%	\$531,125	201.8%

SUPPLEMENTAL INFORMATION

MARTHA'S VINEYARD LAND BANK

Schedule of Land, Development Rights and Land Improvements (Unaudited)

For the Year Ended June 30, 2016

	<u>Chilmark</u>	<u>Edgartown</u>	<u>Aquinnah Gay Head</u>	<u>Oak Bluffs</u>	<u>Tisbury</u>	<u>West Tisbury</u>	<u>Central Fund</u>	<u>Total</u>
Total Land, Development Rights and Land Improvements, June 30, 2015	\$ 19,459,326	\$ 39,005,738	\$ 2,871,592	\$ 10,475,777	\$ 13,088,896	\$ 14,119,083	\$ 85,064,418	\$ 184,084,830
Additions during year:								
Fulling Mill	1,065,000	-	-	-	-	-	716,131	1,781,131
Meneshma Neck	-	-	-	-	-	-	5,260	5,260
Ripley's Field	-	-	-	-	-	-	599,502	599,502
Music Street Fields	-	-	-	-	-	390	260	650
Manaquayak (Up Island Preserve)	-	-	-	-	-	1,410,000	948,988	2,358,988
Toad Rock	-	-	61,800	-	-	-	41,200	103,000
Goat enclosure	-	-	-	-	-	-	15,865	15,865
Wapatequa	-	-	-	300,000	-	-	203,900	503,900
Less: Depreciation of land improvements	-	-	-	-	-	-	(4,032)	(4,032)
Total Land, Development Rights and Land Improvements, June 30, 2015	<u>\$ 20,524,326</u>	<u>\$ 39,005,738</u>	<u>\$ 2,933,392</u>	<u>\$ 10,775,777</u>	<u>\$ 13,088,896</u>	<u>\$ 15,529,473</u>	<u>\$ 87,591,492</u>	<u>\$ 189,449,094</u>

**INDEPENDENT AUDITORS' REPORT ON INTERNAL
CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING
STANDARDS***



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Martha's Vineyard
Land Bank Commission
Edgartown, Massachusetts

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Martha's Vineyard Land Bank (the "Land Bank"), which comprise the statement of net position as of June 30, 2016, the related statements of revenues and expenses, changes in net position and cash flows for the years then ended, and the related notes to the financial statements, which collectively comprise Martha's Vineyard Land Bank's basic financial statements, and we have issued our report thereon dated October 17, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Martha's Vineyard Land Bank's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Land Bank's internal control. Accordingly, we do not express an opinion on the effectiveness of the Land Bank's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Martha's Vineyard Land Bank's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Land Bank's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Land Bank's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

O'Connor and Drew, P.C.

**Certified Public Accountants
Braintree, Massachusetts**

October 17, 2016

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APPENDIX B

FORM OPINION OF BOND COUNSEL

_____, 2017

Martha's Vineyard Land Bank
167 Main Street
Edgartown, MA 02539

Re: \$20,105,000 Martha's Vineyard Land Bank Revenue Refunding Bonds, Series 2017, in fully-registered form without coupons, (the "Bonds"), issued under a Trust Agreement (the "Trust Agreement"), dated as of March 1, 2017, by and among the Martha's Vineyard Land Bank (the "Issuer") and U.S. Bank National Association, as Trustee (the "Trustee")

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance of the referenced Bonds. In connection therewith, we have examined the following:

- (i) The Constitution of The Commonwealth of Massachusetts and such Massachusetts statutes and regulations as we have deemed relevant to render this opinion, including particularly Chapter 736 of the Massachusetts Acts of 1985, as amended (the "Act").
- (ii) The Internal Revenue Code of 1986, as amended, and the regulations of the United States Treasury Department thereunder (collectively, the "Code").
- (iii) Certified copies of the proceedings of the Issuer preliminary to and in connection with the issuance of the Bonds.
- (iv) An executed counterpart of the Trust Agreement.
- (v) Executed Bonds numbered R-1 through R-__.
- (vi) Such other documents and proceedings as we have considered necessary or appropriate in the circumstances to render the following opinion.

The Bonds are issued pursuant to the Act and the Trust Agreement. Under the Trust Agreement, the Issuer has granted a security interest in, and assigned and pledged to the Trustee to secure the Bonds, certain revenues held or to be received by the Issuer under the Act, including the portions of the revenues received for the account of the Towns of Chilmark, Edgartown, Aquinnah, Oak Bluffs, Tisbury and West Tisbury (the "Pledged Receipts"), on an equal and ratable basis with Alternative Indebtedness (as defined in the Trust Agreement). The Bonds are payable solely from the Pledged Receipts and all Funds maintained by the Trustee under the Trust Agreement (except the Rebate Fund and funds in the Collection Fund allocated to Alternative Indebtedness) (all as defined in the Trust Agreement).

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

In rendering the following opinion, we wish to advise you that the validity or enforceability against the Issuer of any of the provisions of the Bonds and the Trust Agreement, or of any rights

granted pursuant to such instruments, is subject to and may be limited by any applicable bankruptcy, insolvency, reorganization, moratorium or other law or enactment now or hereafter enacted affecting the rights and remedies of creditors and secured parties, to the extent constitutionally applicable, and to the exercise of judicial discretion in accordance with general equitable principles.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds.

Based upon and subject to the foregoing, we are of the opinion that:

1. The Issuer is a validly existing body politic and corporate and a public instrumentality duly existing under the laws of The Commonwealth of Massachusetts with the power to enter into and perform the Trust Agreement and to issue the Bonds.

2. The Trust Agreement has been duly executed and delivered on behalf of the Issuer, is in full force and effect, and constitutes a valid and legally binding obligation of the Issuer, enforceable in accordance with its terms. Pursuant to the Act, the Trust Agreement creates a valid lien on, and security interest in, (a) the Pledged Receipts for the benefit of the holders of and as security for the Bonds on a parity with other bonds or Alternative Indebtedness, if any, previously issued, or to be issued in accordance with the provisions of the Trust Agreement, including, as part of the Pledged Receipts, the revenues held in or to be received for the account of the individual accounts of the Member Towns (as defined in the Trust Agreement), and (b) the following funds established under the Trust Agreement: the Debt Service Fund, the Redemption Fund and the Collection Fund (exclusive of moneys in the Collection Fund allocated to Alternative Indebtedness). The lien on, and security interest in, the Pledged Receipts and other funds created by the Trust Agreement, as described above are duly perfected.

3. The Bonds have been duly authorized, executed, and delivered by the Issuer and constitute the valid and binding limited obligations of the Issuer, enforceable in accordance with their terms, subject to the limitations contained in numbered paragraph four below.

4. The Bonds do not constitute a general obligation of the Issuer nor a debt or pledge of the faith and credit of The Commonwealth of Massachusetts, The County of Dukes County or any town in The County of Dukes County but are payable solely from the Pledged Receipts and other funds provided therefor in the Trust Agreement, as described in paragraph two above.

5. The Bonds are exempt from registration under the Securities Act of 1933 and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939.

6. Under existing Massachusetts statutes and regulations as presently applied, interest on the Bonds (including any original issue discount properly allocable to the holder thereof) and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. We express no opinion as to other Massachusetts tax consequences arising with respect to the Bonds or as to the taxability of the Bonds or the income therefrom under the laws of any state other than Massachusetts.

7. Under existing federal statutes and regulations as presently applied, the interest on the Bonds (including any original issue discount properly allocable to a holder thereof) is excluded from the gross income of the holders of the Bonds for federal income tax purposes. Interest on the Bonds will not be treated as an item of tax preference in calculating the alternative minimum tax imposed under the Code on individuals and corporations; however, interest on the Bonds will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax on corporations. We wish to advise you that the Code establishes certain requirements which must be met subsequent to the issuance and delivery of the Bonds in

order that interest on the Bonds be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with such requirements may cause the inclusion of interest on the Bonds in the gross income of the holders of the Bonds for federal income tax purposes to be retroactive to the date of issuance of the Bonds. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

Very truly yours,

GOODWIN PROCTER LLP

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APPENDIX C
LAND BANK DEBT SERVICE SCHEDULE

Martha's Vineyard Land Bank

**Debt Service Schedule
(3/1/2016 - Maturity)**

Year Ending 30-Jun	2017 Bonds			2014 Bonds	Combined
	Principal	Interest	Total Debt Service	Total Debt Service	Total Debt Service
2017	\$ 2,300,000.00	\$ 150,300.00	\$ 2,450,300.00	\$ 258,664.58	\$ 2,708,964.58
2018	\$ 1,930,000.00	\$ 855,800.00	\$ 2,785,800.00	\$ 1,551,987.50	\$ 4,337,787.50
2019	\$ 485,000.00	\$ 778,600.00	\$ 1,263,600.00	\$ 3,106,987.50	\$ 4,370,587.50
2020	\$ 505,000.00	\$ 759,200.00	\$ 1,264,200.00	\$ 3,099,787.50	\$ 4,363,987.50
2021	\$ 525,000.00	\$ 739,000.00	\$ 1,264,000.00	\$ 3,105,387.50	\$ 4,369,387.50
2022	\$ 545,000.00	\$ 718,000.00	\$ 1,263,000.00	\$ 3,103,187.50	\$ 4,366,187.50
2023	\$ 575,000.00	\$ 690,750.00	\$ 1,265,750.00	\$ 3,103,387.50	\$ 4,369,137.50
2024	\$ 600,000.00	\$ 662,000.00	\$ 1,262,000.00	\$ 3,102,637.50	\$ 4,364,637.50
2025	\$ 635,000.00	\$ 632,000.00	\$ 1,267,000.00	\$ 3,107,387.50	\$ 4,374,387.50
2026	\$ 660,000.00	\$ 600,250.00	\$ 1,260,250.00	\$ 3,112,137.50	\$ 4,372,387.50
2027	\$ 700,000.00	\$ 567,250.00	\$ 1,267,250.00	\$ 3,106,637.50	\$ 4,373,887.50
2028	\$ 735,000.00	\$ 532,250.00	\$ 1,267,250.00	\$ 3,105,337.50	\$ 4,372,587.50
2029	\$ 765,000.00	\$ 495,500.00	\$ 1,260,500.00	\$ 3,111,587.50	\$ 4,372,087.50
2030	\$ 810,000.00	\$ 457,250.00	\$ 1,267,250.00	\$ 3,111,837.50	\$ 4,379,087.50
2031	\$ 845,000.00	\$ 416,750.00	\$ 1,261,750.00	\$ 3,115,100.00	\$ 4,376,850.00
2032	\$ 885,000.00	\$ 374,500.00	\$ 1,259,500.00	\$ 3,115,100.00	\$ 4,374,600.00
2033	\$ 930,000.00	\$ 330,250.00	\$ 1,260,250.00	\$ 3,113,600.00	\$ 4,373,850.00
2034	\$ 975,000.00	\$ 283,750.00	\$ 1,258,750.00	\$ 3,115,350.00	\$ 4,374,100.00
2035	\$ 2,295,000.00	\$ 235,000.00	\$ 2,530,000.00	\$ -	\$ 2,530,000.00
2036	\$ 2,405,000.00	\$ 120,250.00	\$ 2,525,250.00	\$ -	\$ 2,525,250.00
			\$ 30,503,650.00	\$ 51,546,102.08	\$ 82,049,752.08

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APPENDIX D
SUMMARY OF DEFINITIONS

“**Agreement**” means the Trust Agreement dated as of March 1, 2017, between the Issuer and the Trustee.

“**Act**” means Chapter 736 of the Massachusetts Acts of 1985, as amended, and as amended from time to time.

“**Alternative Indebtedness**” means indebtedness of the Issuer under the 2014 Bonds and other indebtedness incurred in accordance with Section 5.02 of the Agreement, which is secured equally and ratably with the Bonds as to the lien on the Pledged Receipts, subject to the provisions of Section 5.02(d) of the Agreement.

“**Authorized Officer**” means, in the case of the Issuer, the Chairman, Vice Chairman, Secretary, Treasurer, or Executive Director, and when used with reference to an act or document of the Issuer also means any other person authorized to perform the act or execute the document.

“**Balloon Indebtedness**” means long-term indebtedness which is part of an issue of indebtedness 25% or more of which has its Date of Maturity in the same 12 month period.

“**Bond Counsel**” means Goodwin Procter LLP or any other attorney at law or a firm of attorneys, acceptable to the Issuer and the Trustee, of nationally recognized standing in matters pertaining to the validity of and the tax-exempt nature of interest on bonds issued by states and their political subdivisions, duly admitted to the practice of law before the highest court of any state of the United States of America.

“**Bond Insurance Policy**” means the Municipal Bond Insurance Policy relating to the Bonds issued by the Bond Insurer.

“**Bond Insurer**” means Build America Mutual Assurance Company, a New York Mutual Assurance corporation.

“**Bond Year**” means each one year period (or shorter period from the date of issue of a series of Bonds) ending on May 1.

“**Bondholders**” means the registered owners of the Bonds from time to time as shown in the books kept by the Trustee as bond registrar and transfer agent.

“**Bonds**” means the \$20,105,000 Martha’s Vineyard Land Bank Revenue Refunding Bonds, Series 2017 of the initial series provided for herein, any additional Bonds issued under Section 5.01 of the Agreement, and any Bond or Bonds duly issued in exchange or replacement therefor.

“**Business Day**” means a day on which banks in each of the cities in which the designated corporate trust office of the Trustee is located are not required or authorized to remain closed and on which the New York Stock Exchange is not closed.

“**Code**” means the Internal Revenue Code of 1986, as it may be amended and applied to each series of Bonds from time to time.

“**Collection Fund**” has the meaning given to such term in Section 3.15(a) of the Agreement.

“**Date of Maturity**” means as to any indebtedness of the Issuer, as of any date of determination, the first date thereafter on which such indebtedness is payable, whether at maturity, by mandatory redemption (or purchase) or by redemption (or purchase) at the option of the holders; provided that if portions of any indebtedness are payable on different dates, the Date of Maturity shall be separately determined for each such portion. Balloon Indebtedness may be deemed to be payable as provided in Section 5.03 of the Agreement in order to adjust actual

Dates of Maturity for such indebtedness to assumed Dates of Maturity, to be used in calculating Total Principal and Interest Requirements.

“Debt Service Requirement” means, as of the date of any transfer to the Debt Service Fund pursuant to Section 3.15 of the Agreement, an amount equal to the sum of:

- (i) the interest on Outstanding Bonds accrued and unpaid and to accrue to the first day of the following calendar month; and
- (ii) principal (including sinking fund installments, if any) accrued and to accrue (assuming the accrual of principal on the same basis that interest accrues, commencing one year prior to the next May 1) to the first day of the following calendar month on Outstanding Bonds due on the next May 1.

“DTC” means the Depository Trust Company, in New York, New York, and its successors and assigns.

“Government or Equivalent Obligations” means (i) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (ii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, and (iii) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America.

“Government-Sponsored Agency Obligations” means the following obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

- A. Federal Home Loan Mortgage Corporation debt obligations
- B. Farm Credit System bonds and notes
- C. Federal Home Loan Banks debt obligations
- D. Federal National Mortgage Association senior debt obligations
- E. Financing Corporation debt obligations
- F. Resolution Funding Corporation debt obligations
- G. U.S. Agency for International Development Guaranteed Notes

“Issuer” means the Martha’s Vineyard Land Bank, a body politic and corporate and a public instrumentality of the Commonwealth of Massachusetts, duly organized and existing pursuant to the Act.

“Land Bank Fund” means the fund created under Section 8 of the Act.

“Member Towns” means the Massachusetts Towns of Aquinnah, Chilmark, Edgartown, Oak Bluffs, Tisbury and West Tisbury. Any Member Town’s change of name after the date of the Agreement shall not affect its designation as a Member Town hereunder.

“Moody’s” means Moody’s Investors Services, Inc. and its successors and assigns.

“Net Revenues Available for Debt Service” means with respect to any particular fiscal year, the excess of revenues over expenses (excluding from revenues and expenses extraordinary items and excluding from expenses depreciation, interest and amortization of bond discount and the current portion of any indebtedness (including any deferred portion of the sales price of any property), for such fiscal year.

“Outstanding,” when used to modify Bonds, refers to Bonds issued under this Agreement, excluding: (i) Bonds which have been exchanged or replaced, or delivered to the Trustee for credit against a principal payment or a sinking fund installment (if any); (ii) Bonds which have been paid; (iii) Bonds which have become due and for the payment of which moneys have been duly provided; and (iv) Bonds for which there have been irrevocably set aside sufficient funds, or Government or Equivalent Obligations bearing interest at such rates, and with such maturities as will provide sufficient funds, to pay or redeem them, provided, however, that if any such Bonds are to be redeemed prior to maturity, the Issuer shall have taken all action necessary to redeem such Bonds and notice of such redemption shall have been duly mailed in accordance with this Agreement or irrevocable instructions so to mail shall have been given to the Trustee.

“Permitted Investments” means:

- (i) Government or Equivalent Obligations;
- (ii) Government-Sponsored Agency Obligations;
- (iii) U.S. dollar denominated unsecured certificates of deposit, time deposits, and bankers’ acceptances (having maturities of not more than 360 days) of any bank, including the Trustee and any of its affiliates, the short-term obligations of which are rated ‘P-1’ by Moody’s and ‘A-1’ or better by S&P;
- (iv) Deposits, the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks, including the Trustee and any of its affiliates, which have capital and surplus of at least \$5 million;
- (v) Commercial paper which is rated at the time of purchase in the single highest classification, ‘P-1’ by Moody’s and ‘A-1+’ by S&P and which matures not more than 270 calendar days after the date of purchase;
- (vi) Money market funds rated “AAAm” or “AAAm-G,” or better, by S&P, including, without limitation, the JP Morgan Funds or any other money market fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (a) the Trustee or an affiliate of the Trustee receives fees from such funds for services rendered, (b) the Trustee charges and collects fees for services rendered pursuant to the Agreement which fees are, separate from the fees received from such funds, and (c) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Trustee or its affiliates;
- (vii) Municipal obligations rated ‘Aaa/AAA’ and general obligations of any state of the United States of America rated ‘A2/A’ or higher by both Moody’s by S&P;
- (viii) “Pre-refunded Municipal Obligations” which means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and
 - A. which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or
 - B. (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Government or Equivalent Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on

such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(ix) investment agreements approved in writing by the Bond Insurer (supported by appropriate opinions of counsel); and

(x) other forms of investments (including repurchase agreements) approved in writing by the Bond Insurer which are not unacceptable to the Trustee.

Notwithstanding the immediately preceding paragraph Permitted Investments shall not include the following:

(i) Government or Equivalent Obligations, certificates of deposit and bankers' acceptances, in each case with yields lower than the yield available on delivery, of comparable obligations then offered by the United States Treasury;

(ii) any demand deposit or similar account with a bank, trust company or broker, unless (A) the account is used for holding funds for a short period of time until such funds are reinvested or spent, (B) substantially all the funds in the account are withdrawn for reinvestment or expenditure within five (5) business days of their deposit therein, and (C) the average daily balance of all such accounts during any calendar month does not exceed in the aggregate \$100,000;

(iii) repurchase agreements, unless (A) at least three (3) bids are obtained on the proposed repurchase agreement from persons other than those with an interest in the Bonds, (B) the yield on the repurchase agreement is at least equal to the yield offered by the highest bidder, and (C) a written record of the yield offered by each bidder is maintained; and

(iv) "Specified private activity bonds" as defined in Section 57(a)(5)(C) of the Code or investment property within the meaning of Section 148(b)(2) of the Code.

Any of the requirements of this paragraph (2) shall not apply to moneys allocable to any series of Bonds as to which the Trustee and the Issuer shall have received an opinion of Bond Counsel to the effect that such requirements are not necessary to preserve the exclusion of interest on the series of Bonds from the gross income of the owner thereof for federal income tax purposes. Permitted Investments shall not include any investment that would cause any of the Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code.

"Pledged Receipts" means the gross receipts and revenues of the Issuer, including all Transfer Fees, revenues and other moneys held by or to be received by the Issuer, comprised of (a) Transfer Fees, revenues and other moneys held or to be received for the account of the Issuer and (b) Transfer Fees, revenues and other moneys held or to be received for the account of the Member Towns; provided that "Pledged Receipts" does not include (i) gifts, (ii) funds appropriated, borrowed or transferred to be deposited into the Land Bank Fund by vote of the county commissioners of Dukes County or Town meetings of the Member Towns which are restricted as to use or purpose, and (iii) government grants which are restricted as to use or purpose.

"Prior Bonds Prepayment Fund" means a fund established with the Trustee, into which certain proceeds of the Bonds will be deposited and from which the Trustee will pay amounts to the 2006 Trustee as provided in Section 3.02 of the Agreement.

“Representation Letter” means the Blanket Issuer Letter of Representations from the Issuer and accepted by DTC.

“Sinking Fund Installment” or **“sinking fund installment”** for any Bond Year, means as of any date of calculation, so long as any Bonds are Outstanding, the amount of money required by Section 3.01(f) of the Agreement to be paid at all events by the Issuer on each May 1 described in such Section for the redemption of any Bonds Outstanding pursuant to Section 3.11(a) of the Agreement and such May 1 is deemed to be the date when such Sinking Fund Installment is due and payable.

“S&P” means S&P Global Ratings and its successors and assigns.

“2006 Bonds” means the \$35,200,000 Martha’s Vineyard Land Bank Revenue Refunding Bonds, Series 2006, issued under the 2006 Trust Agreement, which are secured equally and ratably with the Bonds as to the lien on the Pledged Receipts.

“2006 Trust Agreement” means the Trust Agreement dated as of December 1, 2006 between the Issuer and the 2006 Trustee, as trustee, under which the 2006 Bonds were issued.

“2006 Trustee” means U.S. Bank National Association, as trustee under the 2006 Trust Agreement and any successor trustee.

“2014 Bonds” means the \$35,025,000 Martha’s Vineyard Land Bank Revenue Refunding Bonds, Series 2014, issued under the 2014 Trust Agreement, which are secured equally and ratably with the Bonds as to the lien on the Pledged Receipts.

“2014 Trust Agreement” means the Trust Agreement dated as of November 1, 2014, between the Issuer and the 2014 Trustee, as trustee, under which the 2014 Bonds were issued.

“2014 Trustee” means The Bank of New York Mellon Trust Company, N.A., as trustee under the 2014 Trust Agreement and any successor trustee.

“Total Principal and Interest Requirements” means as to any fiscal year during which additional Bonds or Alternative Indebtedness will be outstanding, amounts required to amortize principal and to pay interest (other than capitalized interest) on indebtedness of the Issuer (including any deferred purchase price of property) during such fiscal year, taking into account in determining the Total Principal and Interest Requirements for any future period that (i) at the election of the Issuer, indebtedness described in Section 5.03 of the Agreement shall be deemed payable on the dates and in the amounts contemplated in such section; (ii) principal on all indebtedness (including the Bonds and the 2014 Bonds and any other Alternative Indebtedness) shall be deemed to be payable on the Date of Maturity thereof; and (iii) with respect to indebtedness refunded or refinanced during such period, the amounts of principal and interest taken into account during such period shall exclude amounts payable from proceeds of the refunding indebtedness. If any issue of additional Bonds, Alternative Indebtedness or other long term indebtedness bears other than a fixed rate of interest, the Issuer may make such assumptions in determining the maximum Total Principal and Interest Requirements with respect to such indebtedness as it deems reasonable and as are acceptable to the Trustee.

“Transfer Fees” means the revenues and other moneys described in Section 8(c) of the Act.

“Trustee” means U.S. Bank National Association and its successors.

“UCC” means the Massachusetts Uniform Commercial Code.

Words importing persons include firms, associations and corporations, and the singular and plural form of words shall be deemed interchangeable wherever appropriate.

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APPENDIX E
SUMMARY OF TRUST AGREEMENT

The following is a brief summary prepared by Goodwin Procter LLP, bond counsel to the Issuer, of certain provisions of the Trust Agreement dated as of March 1, 2017 (the “Agreement”), pertaining to the Bonds. This summary does not purport to be complete, and reference is made to the Agreement for full and complete statements of its provisions.

Capitalized terms not defined herein shall have the respective meaning given them in Appendix D.

The Agreement is entered into pursuant to resolutions adopted by the Issuer on or about January 23, 2017, which authorizes the issuance of the Bonds.

Application of Bond Proceeds

Upon the receipt of the proceeds of the Bonds, including any accrued interest thereon, the Issuer shall make payments from such proceeds as follows: (a) a sum equal to the accrued interest on the Bonds, if any, shall be deposited in the Debt Service Fund; (b) a sum equal to \$24,052,488.51 shall be deposited in the Prior Bonds Prepayment Fund and then paid to the 2006 Trustee to be applied to the redemption in full of the 2006 Bonds; and (c) the amount, together with funds provided by the Issuer estimated to be needed to pay the costs of issuing the Bonds shall be deposited in the Expense Fund. (Section 3.02)

Establishment of Funds

The following funds shall be established, maintained and applied subject to the provisions of the Agreement: the Prior Bonds Prepayment Fund, the Debt Service Fund, the Redemption Fund, the Rebate Fund, the Expense Fund and the Collection Fund. (Article III)

Prior Bonds Prepayment Fund

A Prior Bonds Prepayment Fund is hereby established to be held by the Trustee, and proceeds of the Bonds shall be deposited therein as described above. The moneys held in the Prior Bonds Prepayment Fund shall be held in trust, and on the date of issuance of the Bonds shall be disbursed by the Trustee to the 2006 Trustee in an amount certified by the 2006 Trustee as the amount required to be held by the 2006 Trustee, together with other amounts held by the 2006 Trustee, sufficient for the 2006 Bonds to be deemed to have been paid in accordance with the terms of the 2006 Trust Agreement. (Section 3.08)

Debt Service Fund

The moneys in the Debt Service Fund and any investments held as part of such Fund, except as otherwise provided, shall be applied solely to the payment of the principal (including sinking fund installments, if any) of and interest on the Bonds. (Section 3.03)

Redemption Fund

The moneys in the Redemption Fund and any investments held as a part of such Fund, except as otherwise provided, shall be applied by the Trustee on behalf of the Issuer solely to the redemption of Bonds. The Trustee may, and upon written direction of the Issuer for specific

purchases shall, apply moneys in the Redemption Fund to the purchase of Bonds for cancellation at prices not exceeding the price at which they are then redeemable (or next redeemable if they are not then redeemable), but not within the sixty (60) days preceding a redemption date. Accrued interest on the purchase of Bonds shall be paid from the Debt Service Fund.

If on any date the amount in the Debt Service Fund is less than the amount then required to pay the principal (including sinking fund installments, if any) of and interest then due on the Bonds or if on any date the amount in the Rebate Fund is less than the amount then required to be paid to the United States pursuant to the Rebate Provision (as defined below under “Rebate Fund”), the Trustee shall apply the amount in the Redemption Fund (other than any sum irrevocably set aside for the redemption of particular Bonds or required to purchase Bonds under outstanding purchase contracts) first, to the Rebate Fund, and second, to the Debt Service Fund to the extent necessary to meet the deficiency. The Issuer shall remain liable for any sums which it has not paid into the Debt Service Fund or Rebate Fund and any subsequent payment thereof shall be used to restore the funds so applied.

Rebate Fund

Amounts in the Rebate Fund shall not be available to pay principal of or interest or redemption premium on the Bonds. Within forty-five (45) days after the close of the fifth Bond Year and the close of each fifth Bond Year thereafter (or any earlier date that may be necessary to comply with the requirements of the Rebate Provision or to make a required payment to the United States under the Agreement), the Issuer shall compute and certify to the Trustee in reasonable detail the rebatable amount, if any, for each series of Bonds as of the close of such Bond Year, and notwithstanding any provision of the Agreement to the contrary, the Issuer shall pay to the Trustee for deposit into the Rebate Fund any amount necessary to make the amount in the Rebate Fund equal to the rebatable amount for each series of Bonds. If at the close of any Bond Year, the amount in the Rebate Fund exceeds the rebatable amount for each series of Bonds, upon certification thereof in reasonable detail by the Issuer to the Trustee, the Trustee shall promptly pay the excess to the Issuer.

No later than sixty (60) days after the close of the fifth Bond Year following the date of issue of a series of Bonds (or any earlier date that may be required to comply with the Rebate Provision) and the close of each fifth Bond Year thereafter, the Trustee shall pay from the Rebate Fund to the United States on behalf of the Issuer the full amount then required to be paid under the Rebate Provision as certified and directed by the Issuer in accordance with the previous paragraph. Within sixty (60) days after the Bonds of a series have been paid in full, the Trustee shall pay to the United States from the Rebate Fund on behalf of the Issuer the full amount then required to be paid under the Rebate Provision as certified by the Issuer in accordance with the previous paragraph. If on any Rebate Payment Date (as defined below) the amount in the Rebate Fund will be insufficient to pay the amount required to be paid under the Rebate Provision, the Issuer shall pay the amount of such deficiency to the Trustee for deposit into the Rebate Fund prior to the Rebate Payment Date.

No later than fifteen (15) days prior to each date on which a payment could become due (a “Rebate Payment Date”), the Issuer shall deliver to the Trustee a certificate either summarizing the determination that no amount is required to be paid or specifying the amount then required to be paid pursuant to the Agreement, and if the certificate specifies an amount to be paid, the Trustee shall make such payment on the Rebate Payment Date from the Rebate Fund. (Section 3.06)

Expense Fund

The moneys in the Expense Fund and any investments held as part of such Fund, except as otherwise provided in the Agreement, shall be applied by the Trustee solely to the payment or reimbursement of the costs of issuing the Bonds. The Trustee shall pay from the Expense Fund upon the written direction of an Authorized Officer of the Issuer the costs of issuing the Bonds, including the reasonable fees and expenses of financial consultants and bond counsel, any recording or similar fees, rating agency and placement agent fees, the Trustee's fees and expenses (including counsel fees and expenses), and any expenses of the Issuer in connection with the issuance of the Bonds. Earnings on the Expense Fund shall not be applied to pay costs of issuance of the Bonds, but shall be transferred to the Debt Service Fund. To the extent the Expense Fund is insufficient to pay any of the above costs, the Issuer shall pay such deficiency. (Section 3.07)

Application of Moneys

If available moneys in the Debt Service Fund after any required transfers from the Redemption Fund are not sufficient on any day to pay all principal (including sinking fund installments, if any), redemption premium, if any, and interest on the Outstanding Bonds then due or overdue, such moneys shall, after payment of all charges and disbursements of the Trustee in accordance with the Agreement, be applied first to the payment of interest, including interest on overdue principal, in the order in which the same became due (pro rata with respect to interest which became due at the same time) and second to the payment of principal (including sinking fund installments, if any) and redemption premiums, if any, without regard to the order in which the same became due (in proportion to the amounts due) or such other order the Trustee may deem fair and appropriate or as instructed by Bondholders holding more than 50% in principal amount of the Outstanding Bonds. For this purpose interest on overdue principal shall be treated as coming due on the first day of each month. Whenever moneys are to be applied as described in this paragraph, such moneys shall be applied at such times, and from time to time, as the Trustee in its discretion shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall exercise such discretion it shall fix the date (which shall be the first of a month unless the Trustee shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal paid on such date shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the fixing of any such date. When interest or a portion of the principal is to be paid on an overdue Bond, the Trustee may require presentation of the Bond for endorsement of the payment. (Section 3.08)

Investments

Pending their use under the Agreement, moneys held by the Trustee in the Collection Fund, Debt Service Fund, Redemption Fund and Rebate Fund may be invested by the Trustee in Permitted Investments (described below) maturing or redeemable at the option of the holder at or before the time when such moneys are expected to be needed and shall be so invested pursuant to written direction of the Issuer if there is not then an Event of Default known to the Trustee. Moneys in the Expense Fund may be invested by the Trustee in Permitted Investments maturing or redeemable at the option of the holder not later than the time when such moneys are expected to be needed and shall be so invested pursuant to the written direction of the Issuer if there is not then an Event of Default known to the Trustee. Any investments described in this paragraph shall be held by the Trustee or the Issuer, as the case may be, as a part of the applicable Fund and shall

be sold or redeemed to the extent necessary to make payments or transfers or anticipated payments or transfers from such Fund. The Trustee shall not provide brokerage confirmations, but agrees to provide periodic statements that include investment activity to the Issuer. The Trustee shall not be responsible for losses on any investment made in accordance with the Agreement.

Except as set forth below, any interest realized on investments in any Fund and any profit realized upon the sale or other disposition thereof shall be credited to the Fund with respect to which they were earned and any loss shall be charged thereto. Earnings (which for this purpose include net profit and are after deduction of net loss) on accrued interest deposited in the Debt Service Fund, on the Expense Fund and on the Redemption Fund shall be transferred to the Debt Service Fund and credited against payments otherwise required to be made thereto not less often than quarterly. (Section 3.11)

Payments by the Issuer

To the extent not otherwise deposited in the Debt Service Fund from the initial Bond proceeds or as provided below under "Collection Fund," the Issuer shall pay to the Trustee for deposit in the Debt Service Fund on or before the 15th day of each month the amount necessary to increase the amount in the Debt Service Fund to the Debt Service Requirement.

At any time when any principal (including sinking fund installments, if any) of the Bonds is overdue, the Issuer shall also have a continuing obligation to pay to the Trustee for deposit in the Debt Service Fund an amount equal to interest on the overdue principal at a rate equal to the interest rate on such Bonds, but the installment payments required under this paragraph shall not otherwise bear interest. Redemption premiums shall not bear interest.

Payments by the Issuer to the Trustee for deposit in the Debt Service Fund under the Agreement shall discharge the obligation of the Issuer to the extent of such payments; provided, that if any moneys are invested in accordance with the Agreement and a loss results therefrom so that there are insufficient funds to pay principal (including sinking fund installments) and interest on the Bonds when due, the Issuer shall supply the deficiency. (Section 3.09)

Collection Fund

As of the date of the Trust Agreement, Edgartown National Bank holds the Collection Fund. As soon as practicable and, in any event, at any time the amount on deposit in the Collection Account held by the Depository exceeds \$95,000 and, in any event, not less frequently than monthly not later than the 15th day of a month, the Trustee and the 2014 Trustee shall allocate or shall direct the Depository to allocate the Pledged Receipts then on deposit in the Collection Fund among the Bonds the 2014 Bonds and all Alternative Indebtedness, if any, then outstanding on the basis set forth below under Alternative Indebtedness; except following the occurrence and during the continuance of an Event of Default, such allocation shall be made so as to meet on a monthly basis the debt service on the Bonds, the 2014 Bonds and all other Alternative Indebtedness, if any.

Immediately upon allocating Pledged Receipts to the Bonds, the Trustee shall (i) in the event the Depository has made such allocation as provided above, direct the Depository to transfer such Pledged Receipts allocated to the Bonds to the Trustee and (ii) in any event, from the amount of Pledged Receipts so allocated, deposit into

First: the Debt Service Fund, the amount necessary to cause the amount on deposit in the Debt Service Fund to equal the Debt Service Requirement;

Second: the Redemption Fund, the amount equal to the sum of the amounts transferred therefrom to the Debt Service Fund pursuant to the Trust Agreement and not theretofore restored.

If, but only if, after making such deposits in full there remains a balance in the Collection Fund, such balance shall be transferred to the Land Bank Fund as a part of the moneys generally on deposit therein.

Pledged Receipts on deposit in the Collection Fund which have been allocated to the Bonds, the 2014 Bonds or other Alternative Indebtedness shall be deposited in accordance with the agreement among the Trustee, the 2014 Trustee or the appropriate Alternative Lender or Alternative Indebtedness Trustee. (Section 3.14)

Lien on Gross Receipts and Revenues of Issuer

To secure the due payment of principal (including sinking fund installments, if any) of, premium, if any, and interest on the Bonds and compliance by the Issuer with its covenants under the Agreement equally and ratably with the 2014 Bonds and the Issuer's obligations under the 2014 Trust Agreement and with any other Alternative Indebtedness, the Issuer is granting to the Trustee a security interest in, and assigning and pledging, to the Trustee in trust upon the terms of the Trust Agreement, the Pledged Receipts and all funds (except the Rebate Fund, the Prior Bonds Prepayment Fund and funds in the Collection Fund allocated to the 2014 Bonds or other Alternative Indebtedness) maintained by the Trustee under the Trust Agreement, including without limitation moneys, investments and proceeds in the Debt Service Fund, the Redemption Fund and amounts deposited in the Collection Fund and not previously allocated to the 2014 Bonds or other Alternative Indebtedness and any other property, and collateral or security that may from time to time hereafter, by delivery or writing of any kind, be subjected to the lien of the Agreement by the Issuer or anyone acting on its behalf (collectively, the "Collateral"). Notwithstanding the foregoing, Pledged Receipts shall not include any fund established with the 2014 Trustee pursuant to the 2014 Trust Agreement for the benefit of the 2014 Bonds. Pledged Receipts shall be allocated among the Bonds and Alternative Indebtedness, including the 2014 Bonds, on the basis of (a) the outstanding principal amounts of the Bonds and all such Alternative Indebtedness and (b) in addition, in the case of funds in the Collection Fund, the respective period of time during the period for which such allocation is being made that the Bonds and all such Alternative Indebtedness have been outstanding. (Section 2.01)

The enforcement of the lien on Collateral may be subject to applicable bankruptcy, receivership, municipal debt adjustment, moratorium and similar laws relating to the rights of creditors of municipal organizations. Furthermore the enforcement of the lien on Collateral is also subject to the exercise of discretion by a court, which exercising equitable powers, may have the power to direct the use of Pledged Receipts to meet expenses or other obligations of the Issuer prior to paying debt service. In the event the Issuer should seek relief under chapter 9 of the Bankruptcy Code, Title 11 of the United States Code, relating to adjustment of debts of a municipality, under application of Section 552 of the Bankruptcy Code, the lien of the Trustee may not extend to certain Pledged Receipts coming into existence subsequent to the commencement of such proceeding. With respect to receivables and Pledged Receipts not subject to the lien, the Trustee and Bondholders would occupy the position of unsecured creditors.

Additional Bonds

The Issuer may issue additional Bonds to refund Bonds previously issued under the Agreement or to finance or refinance any other land acquisition projects of the Issuer permitted under the Act.

Prior to the delivery of the additional Bonds, the Issuer and the Trustee shall enter into a supplemental agreement providing for the details of the additional Bonds, including the application of the proceeds thereof, substantially in accordance with the provisions of the Agreement relating to the initial Bonds. The supplemental agreement shall require payments by the Issuer at such times and in such manner as shall be necessary to provide for full payment of the debt service on the additional Bonds as it becomes due. The supplemental agreement may also amend any other provision of the Agreement, provided that it will not have a material adverse effect upon the security for the Bonds other than that implicit in the authorization of parity Bonds.

No additional Bonds shall be delivered by the Trustee (except to refund Bonds or Alternative Indebtedness which refunding does not increase by more than ten per cent (10%) the maximum Total Principal and Interest Requirement for any fiscal year during which the Bonds will be Outstanding) unless there shall have been filed with the Trustee an opinion of a recognized firm of independent public accountants acceptable to the Trustee setting forth the Net Revenues Available for Debt Service for the preceding two consecutive fiscal years of the Issuer for which audited financial statements are available (provided that the most recent fiscal year covered by such audited financial statements shall have ended not more than 9 months prior to the date of issuance of such additional Bonds), which shall show that Net Revenues Available for Debt Service for each of such year equal at least 2 times the greatest Total Principal and Interest Requirements for any fiscal year in which such additional Bonds will be outstanding.

The interest on the additional Bonds shall be payable semi-annually on May 1 and November 1 of each year. The principal payments or sinking fund installments shall be payable on May 1 of each year. (Section 5.01)

Alternative Indebtedness

The Issuer may incur Alternative Indebtedness for purposes permitted under the Act.

The incurring of Alternative Indebtedness by the Issuer shall be given upon the fulfillment of the following conditions:

(i) The Issuer and the Alternative Indebtedness lender or lenders (the "Alternative Lender") or any trustee appointed to administer the Alternative Indebtedness (the "Alternative Indebtedness Trustee") shall have entered into a written agreement satisfactory to the Trustee;

(ii) There shall have been filed with the Trustee:

(A) An opinion of nationally recognized bond counsel satisfactory to the Trustee that the agreement between the Issuer and the Alternative Lender or the Alternative Indebtedness Trustee and any supplement to the Agreement in connection therewith are permitted by the Agreement and that the creation of security interests in the Pledged Receipts for the benefit of the holders of Alternative Indebtedness is permitted by law and will not materially adversely

affect (other than as implicit in the authorization of parity debt) the rights of the Bondholders to realize upon their share of the security interests in the Pledged Receipts;

(B) Except in the case of Alternative Indebtedness issued to refund Bonds or to refund Alternative Indebtedness which refunding does not increase by more than ten percent (10%) the maximum Total Principal and Interest Requirements for any fiscal year during which the Bonds will be Outstanding, an opinion of a recognized firm of independent public accountants acceptable to the Issuer setting forth the Net Revenues Available for Debt Service for the preceding two consecutive fiscal years of the Issuer for which audited financial statements are available (provided that the most recent fiscal year covered by such audited financial statements shall have ended not more than 9 months prior to the date of incurrence of such Alternative Indebtedness), which shall show that Net Revenues Available for Debt Service for each such year equal at least 2 times the greatest Total Principal and Interest Requirements for any fiscal year in which such Alternative Indebtedness will be outstanding.

The agreement between the Issuer and the Alternative Lender or the Alternative Indebtedness Trustee shall contain the following provisions:

(i) The Issuer shall not create or suffer to exist any pledge, lien, mortgage, security interest or other encumbrance on any property of the Issuer securing Alternative Indebtedness unless the same shall be extended also to secure the Bonds equally and ratably with such Alternative Indebtedness;

(ii) Payments by the Issuer shall be required at such times and in such manner as shall be necessary to provide for full payment of the debt service on the Alternative Indebtedness as it becomes due in substantially equal annual amounts of principal or in substantially equal annual amounts of principal and interest combined, in each case on the basis of its Date of Maturity as determined at the time of incurrence, and to provide for payment of any other cost in connection therewith;

(iii) The Alternative Lender or Alternative Indebtedness Trustee shall notify the Trustee of any default in a payment by the Issuer with respect to debt service on the Alternative Indebtedness immediately upon becoming aware of such default; and

(iv) The Issuer shall establish such special funds and accounts as may be necessary to insure that the Alternative Indebtedness enjoys protection and rights similar to the Bonds in all matters, in addition to being secured equally and ratably with the Bonds as to the lien on the Pledged Receipts (except to the extent any Pledged Receipts shall have been transferred to the Debt Service Fund or the Redemption Fund or transferred to the Collection Fund and allocated to the Bonds) and having the benefit of the Issuer's covenants under the Agreement, including without limitation, the deposit of Pledged Receipts in the Collection Fund to collect moneys necessary to meet on a monthly basis the debt service on the Alternative Indebtedness (but any Alternative Indebtedness need not have the benefit of a debt service reserve fund).

The agreement between the Issuer and the Alternative Lender or Alternative Indebtedness Trustee shall provide that any net proceeds derived from the exercise of the rights and remedies of the Issuer and the Trustee under the Agreement and/or of any net proceeds derived from the exercise of the rights and remedies of the Alternative Lender and the Alternative Indebtedness

Trustee, if any, under the agreement between the Issuer and the Alternative Lender or Alternative Indebtedness Trustee including any right of set off shall be allocated as set forth in clause (ii) below.

Alternative Indebtedness shall be secured by a lien on Pledged Receipts equally and ratably with the Bonds; provided, that:

(i) such lien shall not extend to Pledged Receipts, or proceeds thereof, on deposit in (A) the Collection Fund after such Pledged Receipts have been allocated to the Bonds or (B) in any other Fund established with the Trustee pursuant to the Agreement for the benefit of the Bonds; and

(ii) Pledged Receipts subject to a lien for the benefit of Alternative Indebtedness shall be allocated among the Bonds and such Alternative Indebtedness on the basis of (A) the outstanding principal amounts of the Bonds and all such Alternative Indebtedness and (B) in addition, in the case of funds in the Collection Fund, the respective period of time during the period for which such allocation is being made that the Bonds and all such Alternative Indebtedness have been outstanding. (Section 5.02)

Balloon Indebtedness

For the purpose of determining Total Principal and Interest Requirements, the principal and interest deemed to be payable on Balloon Indebtedness shall be as follows: if the Issuer has obtained a binding commitment of a responsible financial institution whose long term debt is rated "A" by Moody's and S&P, which commitment and financial institution shall be satisfactory to the Trustee, to refinance such Balloon Indebtedness (or a portion thereof), including without limitation, a letter of credit or a line of credit, which commitment is subject only to such conditions as are reasonably acceptable to the Trustee, the Balloon Indebtedness (or portion thereof) may be deemed to be payable in accordance with the terms of the refinancing commitment. (Section 5.03)

Default

"Event of Default" in the Agreement means any one of the events set forth below and "default" means any Event of Default without regard to any lapse of time or notice:

(i) Debt Service. The Issuer shall fail to make any debt service payment with respect to the Debt Service Requirement, accrued interest or in connection with a redemption, principal, redemption premium if any and accrued interest required to be paid by the Issuer within seven (7) days after the same becomes due and payable.

(ii) Bond Payments. The Issuer shall fail to make payment of principal of (including sinking fund installments, if any) or interest or premium on, any Bond as and when the same shall become due.

(iii) Other Obligations. The Issuer shall fail to make any other required payment to the Trustee, and such failure is not remedied within thirty (30) days after written notice thereof is given by the Trustee; or, subject to the rights of the Bond Insurer, the Issuer shall fail to observe or perform any of its other agreements, covenants or obligations under the

Agreement and such failure is not remedied within sixty (60) days after written notice thereof is given by the Trustee to the Issuer.

(iv) Warranties. There shall be a breach of warranty or misrepresentation made in the Agreement by the Issuer as of the date it was intended to be effective and, subject to the rights of the Bond Insurer, the breach is not cured within sixty (60) days after written notice thereof is given by the Trustee to the Issuer.

(v) Voluntary Bankruptcy. The Issuer shall commence a voluntary case under the federal bankruptcy laws, or shall become insolvent or unable to pay its debts generally as they become due, or shall make an assignment for the benefit of creditors, or shall apply for consent to or acquiesce in the appointment of, or taking possession by, a trustee, receiver, custodian or similar official or agent for itself or any substantial part of its property.

(vi) Appointment of Receiver. A trustee, receiver, custodian or similar official or agent shall be appointed for the Issuer or for any substantial part of its property and such trustee or receiver shall not be discharged within sixty (60) days.

(vii) Breach of Other Agreements. A breach shall occur (and continue beyond any applicable grace period) with respect to a payment of debt service on the 2014 Bonds or other Alternative Indebtedness (irrespective of the amount borrowed) or with respect to the payment of other indebtedness of the Issuer for borrowed money with respect to loans exceeding \$1,500,000, or with respect to the performance of the 2014 Trust Agreement or any other agreement securing any other Alternative Indebtedness or such other indebtedness or pursuant to which the same was issued or incurred, or an event shall occur with respect to provisions of any such agreement relating to matters of the character referred to in this subparagraph, and a holder or holders of such indebtedness or a trustee or trustees under any such agreement accelerates any such indebtedness; but an Event of Default shall not be deemed to be in existence or to be continuing under this subparagraph (vii) if (A) the Issuer is in good faith contesting the existence of such breach or event and if such acceleration is being stayed by judicial proceedings, (B) the power of acceleration is not exercised or it ceases to be in effect, or (C) such breach or event is remedied and the acceleration, if any, is wholly annulled. (Section 6.01)

Waiver

If the Trustee has declared the acceleration of the Bonds without a direction from the owners, and if there has not been delivered to the Trustee a written direction to the contrary by the owners of a majority in principal amount of the Outstanding Bonds, subject to the rights of the Bond Insurer, the acceleration shall be deemed annulled upon the curing of all outstanding Events of Default (other than nonpayment of principal and interest coming due by reason of the acceleration) if the annulment would not conflict with any final judgment or decree. (Section 6.01)

Remedies for Events of Default

Action upon Default. Upon the occurrence and continuance of an Event of Default, the Trustee may pursue any available remedy to enforce the payment of principal of, premium, if any, and interest on the Bonds then outstanding.

(1) If an Event of Default occurs and has not been cured, either the Trustee (by written notice to the Issuer) or, subject to the rights of the Bond Insurer, the owners of at least 25% in aggregate principal amount of the Outstanding Bonds (by written notice to the Issuer and the Trustee), may declare the principal of all Outstanding Bonds and the accrued interest to be due and payable immediately. The owners of a majority in principal amount of the Outstanding Bonds, by written notice to the Issuer and to the Trustee, may, subject to the rights of the Bond Insurer, annul the acceleration if the annulment would not conflict with any final judgment or decree and if all outstanding Events of Default have been cured (other than nonpayment of principal or interest coming due by reason of the acceleration).

(2) Upon the continuance of an Event of Default, if so requested by the owners of at least 25% in aggregate principal amount of Bonds then Outstanding, subject to the rights of the Bond Insurer, the Trustee shall, subject to its right to be indemnified to its satisfaction, exercise such of the rights and powers conferred by the Agreement, including without limitation enforcement of the lien on Pledged Receipts, as the Trustee, being advised by counsel, shall deem most effective to enforce and protect the interests of such Bondholders.

(3) No remedy under the Agreement is intended to be exclusive, and to the extent permitted by law each remedy shall be cumulative and in addition to any other remedy hereunder or now or hereafter existing. No delay or omission to exercise any right or power shall impair such right or power or constitute a waiver of any default or Event of Default or acquiescence therein; and each such right and power may be exercised as often as deemed expedient. No waiver by the Trustee or the Bondholders of any default shall extend to any subsequent default or Event of Default.

(4) Anything in the Agreement to the contrary notwithstanding, the owners of a majority in aggregate principal amount of the Bonds then Outstanding, subject to the rights of the Bond Insurer, shall have the right at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Agreement, or any other proceedings hereunder, provided that such direction shall be in accordance with applicable law and the Agreement, and provided that the Trustee shall be indemnified to its satisfaction.

Rights as a Secured Party. The Trustee may exercise all of the rights and remedies of an assignee or pledgee of revenues under the Act or of a secured party under the UCC with respect to that portion of the Pledged Receipts which is or may be treated as collateral under the UCC. (Section 6.02)

Court Proceedings. The Trustee may enforce the obligations of the Issuer under the Agreement by legal proceedings for the specific performance of any covenant, obligation or agreement contained therein, whether or not any breach has become an Event of Default, or for the enforcement of any other appropriate legal or equitable remedy, and may recover damages caused by any breach by the Issuer of the provisions of the Agreement, including (to the extent the Agreement may lawfully provide) court costs, reasonable attorneys' fees and other costs and expenses incurred in enforcing the obligations of the Issuer thereunder. (Section 6.03)

Revenues after Default. Upon notice from the Trustee of the occurrence and during the continuance of an Event of Default the Pledged Receipts shall be remitted upon receipt and in the form received to the Trustee, the 2014 Trustee, and any other Alternative Indebtedness Trustee or Alternative Lender, as directed in a joint notice from the Trustee, the 2014 Trustee and any other Alternative Indebtedness Trustee or Alternative Lender. After payment or reimbursement of the reasonable expenses of the Trustee in connection therewith the same shall be allocated between the Bonds, the 2014 Bonds and other Alternative Indebtedness in accordance with the Agreement. The portion allocable to the Bonds shall be applied, first to the remaining obligations of the Issuer under the Agreement in such order as may be determined by the Trustee, and second, to any unpaid sums due the Issuer for its own use. (Section 6.04)

Remedies Cumulative. The rights and remedies under the Agreement shall be cumulative and shall not exclude any other rights and remedies allowed by law, provided there is no duplication of recovery. The failure to insist upon a strict performance of any of the obligations of the Issuer or to exercise any remedy for any violation thereof shall not be taken as a waiver for the future of the right to insist upon strict performance or of the right to exercise any remedy for the violation. (Section 6.05)

The Trustee

The Trustee shall not be required to monitor the financial condition of the Issuer and, unless otherwise expressly provided, shall not have any responsibility with respect to reports, notices, certificates or other documents filed with it under the Agreement, except to make them available for inspection by Bondholders. The Trustee shall not be required to take notice, and shall not be deemed to have notice, of any default or Event of Default hereunder, except Events of Defaults described above in clauses (i) and (ii) under the heading "Default," unless the Trustee shall be notified specifically of the default or Event of Default in a written instrument or document delivered to it by the Issuer or by the holders of at least 10 percent of the aggregate principal amount of the Bonds then outstanding; such notice and all other notices and instruments required by this Agreement to be delivered to the Trustee must, in order to be effective, be delivered to the designated agency office of the Trustee. In the absence of delivery of a notice satisfying those requirements, the Trustee may assume conclusively that there is no default or Event of Default except as noted above.

The Trustee agrees to take any action requested by the owners of a majority in principal amount of the Bonds Outstanding, subject to the rights of the Bond Insurer, which action is not in violation of law or the terms of the Agreement provided the Trustee is indemnified to its satisfaction therefor.

The Trustee shall not require an indemnity bond if the Bondholders providing such indemnity as is required under the Agreement have an aggregate net worth of in excess of \$100 million and if each such Bondholder is an "accredited investor" as defined in Regulation D promulgated under the Securities Act of 1933, as amended. In the case in which more than one Bondholder is providing indemnity, such indemnity shall be several and not joint and as to each Bondholder such indemnity obligation shall not exceed its percentage interest in the Bonds. Such indemnity shall be only for those actions or inactions taken or not taken at the indemnifying Bondholder's direction.

Upon receipt of written notice, direction or instruction and indemnity, as provided above, and after making such investigation, if any, as it deems appropriate to verify the occurrence of any event of which it is notified as aforesaid, the Trustee shall promptly pursue the remedies provided

by the Agreement or any of such remedies not contrary to any such direction as it deems appropriate for the protection of the Bondholders, and in its actions under this paragraph, after the Trustee has verified that such an event has occurred, the Trustee shall act for the protection of the Bondholders with the same promptness and prudence as would be expected of a prudent person in the conduct of such person's own affairs. (Section 7.02)

The Bondholders

No Bondholder shall have any right to institute any legal proceedings for the enforcement of the obligations of the Issuer under the Agreement or any applicable remedy thereunder, unless the Bondholders have directed the Trustee to act and furnished the Trustee indemnity as provided above and have afforded the Trustee reasonable opportunity to proceed, and the Trustee shall thereafter have failed or refused to take such action.

Subject to the foregoing, any Bondholder may by any available legal proceedings enforce and protect its rights under the Agreement and under the laws of The Commonwealth of Massachusetts, subject to the rights of the Bond Insurer. (Sections 9.02)

Rights of Bond Insurer

Any amendment, supplement, modification to, or waiver of, the Trust Agreement that requires the consent of the holders of the Bonds or adversely affects the rights or interests of the Bond Insurer shall be subject to the prior written consent of the Bond Insurer.

Any reorganization or liquidation plan with respect to the Issuer must be acceptable to the Bond Insurer. In the event of any reorganization or liquidation of the Issuer, the Bond Insurer shall have the right to vote on behalf of all Bondholders absent a continuing failure to make a payment under the Bond Insurance Policy.

Anything in the Agreement to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the Bondholders or the Trustee for the benefit of the Bondholders under the Agreement. The Bond Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration.

The provisions described above shall govern and be controlling so long as the Bond Insurance Policy remains in full force and effect. (Section 10.01-10.05)

The Issuer

Corporate Organization, Authorization and Power

The Issuer represents and warrants that it is a body politic and corporate and a public instrumentality duly created and validly existing under the laws of The Commonwealth of Massachusetts, with the power under the Act to enter into and perform the Agreement and to issue the Bonds; that by proper corporate action it has duly authorized the execution and delivery of the Agreement; and the Bonds and that all actions and approvals necessary for this assignment and pledge of the Pledged Receipts and other Collateral have been duly taken or obtained. (Section 8.01)

Accounts and Audits

The Issuer shall keep books and accounts in accordance with sound accounting practice and permit representatives of the Trustee to examine and audit such books and records at reasonable times. The Issuer shall cause these accounts and the accounts of the Trustee to be audited annually within ninety (90) days after the end of the fiscal year by an independent public accountant selected by the Issuer and satisfactory to the Trustee. Annually within thirty (30) days after the receipt by the Issuer of the report of such audit, signed copies of such report shall be furnished to the Trustee and, upon written request, to any Bondholder. (Section 8.02)

Responsibility

No recourse shall be had by the Trustee, any Bondholder or any holder of Alternative Indebtedness for any claim based on the Agreement, the Bonds, any Alternative Indebtedness or any agreement securing the same against any member, officer, agent or employee of the Issuer unless such claim is based upon the bad faith, fraud or deceit of such person. (Section 8.02)

Tax Covenants

The Issuer covenants that it will not take any action which would cause interest paid on the Bonds to become included in gross income for federal income tax purposes or cause the Bonds to be private activity bonds as defined in Section 141(a) of the Code, and will take, or require to be taken, such acts as may be reasonably within its ability and as may from time to time be required under applicable law or regulations for the interest on the Bonds to be or continue to be excluded from gross income for federal income tax purposes. (Section 8.02)

Insurance

The Issuer shall carry public liability insurance against the death or bodily injury and property damage covering the land and interests in land from time to time held by it. Such insurance shall be carried in such amounts and with such deductibles as is customary for the business conducted by the Issuer and as is satisfactory to the Issuer. All such insurance shall be with generally recognized responsible insurance companies authorized to do business in The Commonwealth of Massachusetts. Such insurance may be blanket insurance and shall not be subject to cancellation by the insurer except upon 10 days prior written notice to the Issuer. Upon written request by the Trustee, the Issuer shall furnish the Trustee a written certification to the effect that the Issuer is in full compliance with the foregoing insurance requirements. (Section 8.04)

Pledged Receipts

The Issuer represents and warrants that it has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of, the Pledged Receipts and other assets pledged by Section 2.01 of the Agreement, except for the security interest, assignment and pledge granted to secure the 2014 Bonds and the Issuer covenants that it will not grant a lien on or security interest in, pledge or assignment of, the Pledged Receipts and other assets pledged by Section 2.01 of the Agreement which would be senior to the lien of the Agreement or on a parity with the lien of the Agreement except as expressly permitted under the Agreement. (Section 8.05)

Amendment

The Agreement may be amended by the parties without Bondholder consent for any of the following purposes: (a) to provide for the issuance of additional Bonds, (b) to subject additional property to the lien of the Agreement, (c) to provide for the establishment of a book entry system of registration for any series of Bonds through a securities depository (which may or may not be DTC), (d) to add to the covenants and agreements of the Issuer or to surrender or limit any right or power of the Issuer, or (e) to cure any ambiguity or defect, or to add provisions which are not inconsistent with the Agreement and which do not impair the security for the Bonds.

Except as provided in the foregoing paragraph and subject to the rights of the Bond Insurer, the Agreement may be amended only with the written consent of the owners of at least two-thirds (2/3) in principal amount of the Outstanding Bonds; provided, however, that no amendment of the Agreement may be made without the unanimous written consent of the affected Bondholders for any of the following purposes: (i) to extend the maturity of any Bond, (ii) to reduce the principal amount or interest rate of any Bond, (iii) to make any Bond redeemable other than in accordance with its terms, (iv) to create a preference or priority of any Bond or Bonds over any other Bond or Bonds, or (v) to reduce the percentage of the Bonds required to be represented by the Bondholders giving their consent to any amendment.

Any amendment of the Agreement shall be accompanied by an opinion of nationally recognized bond counsel selected by the Issuer to the effect that the amendment is permitted by the Agreement. (Section 11.01)

Defeasance

When all principal, interest and any premium due or to become due on all Bonds have been duly paid and the Trustee shall have received an opinion of counsel to the effect that no such payments are subject to avoidance under the United States Bankruptcy Code, as amended from time to time, the lien of the Agreement on the Pledged Receipts shall terminate. Upon the Issuer's request, the Trustee shall thereupon promptly execute and deliver to the Issuer an appropriate discharge thereof and shall assign and deliver to the Issuer any property at the time subject to the lien of the Agreement which may then be in its possession, except amounts held by the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds.

All outstanding Bonds shall be deemed to have been paid when the Trustee shall hold, in trust therefor and irrevocably committed thereto, sufficient cash or Government or Equivalent Obligations with maturities and interest rates as shown in a report of a firm of nationally-recognized independent certified public accountants to produce sufficient cash, (i) to prepay the Bonds in whole at the earliest date permitted by the Agreement; or (ii) to pay the principal, premium, if any, and interest on the Bonds due or to become due. As a condition of any such Bonds being deemed to have been paid prior to the earlier of the prepayment or the maturity thereof, (i) in the event of any prepayment, notice of such prepayment shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of such notice and (ii) in any event, the Trustee shall have received an unqualified opinion of nationally recognized bond counsel that such payment shall not adversely affect the exclusion of income on the Bonds from gross income for federal or Massachusetts state income tax purposes. Any amounts remaining in any Fund after provision satisfactory to the Trustee has been made for all payments required under the Agreement, including any payment required by the Rebate Provision, shall be distributed to the Issuer. Notwithstanding the termination of the lien, if the Trustee is then holding any funds for payment to any Bondholder, it shall continue to hold and make payment of such funds in accordance with the Agreement. (Section 2.02)

APPENDIX F

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT (the “Agreement”) is made and entered into as of March 1, 2017 between U.S. Bank National Association, as Disclosure Agent (the “Disclosure Agent”) and Martha’s Vineyard Land Bank (the “Land Bank”).

RECITALS

WHEREAS, this Agreement is being executed and delivered in connection with the issuance by the Land Bank of its \$20,105,000 aggregate principal amount of the Revenue Refunding Bonds, Series 2017 (the “Bonds”).

WHEREAS, the Land Bank and Disclosure Agent are entering into this Agreement for the benefit of the Beneficial Owners of the Bonds and in order to assist the underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the “Rule”) as defined below.

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and in the Rule, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the parties hereto agree as follows:

SECTION 1. Definitions; Scope of this Agreement

(A) All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Rule, as amended and supplemented from time to time. Notwithstanding the foregoing, the term “Disclosure Agent” shall initially mean U.S. Bank National Association; any such successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto pursuant to Section 4(E). The following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean a copy of the annual audited financial information prepared by the Land Bank which shall include, a balance sheet, a statement of revenue and expenditure and a statement of changes in fund balances. All such financial information shall be prepared using generally accepted accounting principles as applied to governmental units, provided, however, that the Land Bank may change the accounting principles used for preparation of such financial information so long as the Land Bank includes as information provided to the public, a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles. Any or all of the items listed above may be incorporated by reference from other documents, including Offering Documents of debt issues of the Land Bank or related public entities, which have been transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB’s website or filed with the SEC.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Bondholders” shall mean any holder of the Bonds and any Beneficial Owner thereof.

“EMMA” means the MSRB’s Electronic Municipal Market Access (“EMMA”) system, or its successor as designated by the MSRB.

“Event” shall mean any of the Events listed in items (i) through (xiv) below, the occurrence of which the Land Bank obtains knowledge, which Events shall be reported to the Disclosure Agent for further reporting to EMMA (or reported by the Land Bank directly to EMMA). To the extent any Event requires a materiality determination, such determination shall be made by the Land Bank:

- (i) Principal and interest payment delinquencies;
- (ii) Non-payment related defaults, if material;
- (iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) Substitution of credit or liquidity facility providers, or their failure to perform;
- (vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security;
- (vii) Modifications to rights of security holders, if material;
- (viii) Bond calls, if material, and tender offers (except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an Event);
- (ix) Defeasances;
- (x) Release, substitution or sale of property securing repayment of the securities, if material;
- (xi) Rating changes;
- (xii) Bankruptcy, insolvency, receivership or similar Event of the obligated person (Note: For the purposes of this Event, the Event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, 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 obligated person);

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

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

The SEC requires the listing of (i) through (xiv) although some of such Events may not be applicable to the Bonds.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Offering Document” shall mean the Official Statement dated February 2, 2017.

“Operating Data” shall mean financial information and operating data for a given fiscal year relating to the information of the type and in substantially the same level of detail as is found in the Offering Document in the tables captioned “Total Pension Plan Costs”, “Amount of Total Property Valuation”, Comparative Transfer Fee Revenues for Fiscal Years”, “Purchase Price of Non-Exempt Real Property Transferred”, “Exempt and Non-Exempt Real Property Transfers”, “Percentage of Real Property Transfers Qualifying for Exemption” and “Land Bank Land Acquisitions”.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

“State” shall mean The Commonwealth of Massachusetts.

(B) This Agreement applies to the Bonds.

(C) The Disclosure Agent shall have no obligation to disclose information about the Bonds except as expressly provided herein. The fact that the Disclosure Agent or any affiliate thereof may have any fiduciary or banking relationship with the Land Bank, apart from the relationship created by the Rule shall not be construed to mean that the Disclosure Agent has actual knowledge of any event or condition except as may be provided by written notice from the Land Bank.

SECTION 2. Disclosure of Information

(A) General Provisions: This Agreement governs the Land Bank’s direction to the Disclosure Agent, with respect to information to be made public. In its actions under this Agreement, the Disclosure Agent is acting as the Land Bank’s agent.

(B) Information Provided to the Public: Except to the extent this Agreement is modified or otherwise altered in accordance with Section 3 hereof, the Land Bank shall make or cause to be made public the information set forth in subsection B (1), (2), (3) and (4) of this Section 2.

(1) Annual Financial Information and Operating Data: Annual Financial Information and Operating Data provided annually accompanied with a written certification substantially in the form of Exhibit C hereto from the Land Bank furnished to the Disclosure Agent that such Annual Financial Information and Operating Data complies with the requirements of this Agreement. Commencing with the fiscal year ended June 30, 2017 and continuing with each fiscal year end thereafter, the Annual Financial Information and Operating Data is to be provided to the Disclosure Agent on or before the date that is 15 business days prior to the 255th day after the end of each fiscal year.

(2) Notwithstanding anything to the contrary contained in this Agreement, in order to expedite the transmission of the Annual Financial Information and Operating Data to the MSRB, as set forth in subsection (B)(1) of this Section 2, the Land Bank shall have the option, but shall not be obligated, to submit the Annual Financial Information and Operating Data directly to the MSRB not later than 255 days after the end of each fiscal year. In the event the Land Bank elects to submit the Annual Financial Information and Operating Data directly to the MSRB, the Land Bank shall submit the Annual Financial Information and Operating Data to the Disclosure Agent accompanied with a written certification substantially in the form of Exhibit D. The written certification shall state that such Annual Financial Information and Operating Data has been disclosed as required per this Agreement, upon which the Disclosure Agent may conclusively rely. Such written certification shall be provided at the same time that the Land Bank submits the Annual Financial Information and Operating Data to the MSRB. In the event that the Land Bank elects not to submit the Annual Financial Information and Operating Data directly to the MSRB, the Land Bank shall provide the Annual Financial Information and Operating Data to the Disclosure Agent within the time period specified in subsection (B)(1) of this Section 2.

If the *Land Bank* is unable to provide the audited Annual Financial Information and Operating Data within the time period specified in subsection (B)(1) of this Section 2 and the *Land Bank* provides to the Disclosure Agent the unaudited Annual Financial Information and Operating Data, the Disclosure Agent shall file the unaudited Annual Financial Information and Operating Data in lieu of the audited Annual Financial Information and Operating Data. Upon receipt of the audited Annual Financial Information and Operating Data, the Disclosure Agent shall file the same as soon thereafter as practicable.

(3) Event Notices: Notice of the occurrence of an Event, in a timely manner, not in excess of ten (10) business days after the occurrence of the Event.

(4) Failure to Provide Annual Financial Information and Operating Data: Notice of the failure of the Land Bank to provide the Annual Financial Information and Operating Data by the date in subsection (B)(2) of this Section 2. To the extent the Land Bank does not provide to the Disclosure Agent a Notice of Failure to File the Annual Financial Information and Operating Data, the terms of Section 2(C)(4) shall hereof apply.

(C) Information Provided by Disclosure Agent to the Public:

(1) The Land Bank hereby directs the Disclosure Agent on its behalf to make public in accordance with subsection (D) of this Section 2 and within the time frame set forth in clause (3) below, and the Disclosure Agent agrees to act as the (*Obligated Party's*) agent in so making public, the following:

(a) Annual Financial Information and Operating Data;

(b) Event occurrences;

(c) Notices of failure to provide information which the Land Bank has agreed to make public pursuant to subsection (C)(1) of this Section 2 and;

(d) such other information as the Land Bank shall determine to make public through the Disclosure Agent and shall provide to the Disclosure Agent in the form required by subsection (C)(2) of this Section 2. If the Land Bank chooses to include any information in any Annual Financial Information and Operating Data report or in any notice of occurrence of an Event, in addition to that which is specifically required by this Agreement, the Land Bank shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information and Operating Data report or notice of occurrence of an Event.

(2) The information which the Land Bank has agreed to make public shall be in the following form:

(a) as to all notices, reports and financial information to be provided to the Disclosure Agent by the Land Bank, as referenced in Exhibit A, in a word searchable portable document format (PDF) as required by the Rule.

(b) as to all other notices or reports, in such form as the Disclosure Agent shall deem suitable for the purpose of which such notice or report is given.

(3) The Disclosure Agent shall make public the Annual Financial Information and Operating Data and Event occurrences within the following time periods:

(a) with respect to Annual Financial Information and Operating Data, five (5) business days upon receipt by the Disclosure Agent of the Annual Financial Information and Operating Data disclosure from the Land Bank,

(b) with respect to Event occurrences, two (2) business days upon receipt by the Disclosure Agent of the Event disclosure from the Land Bank.

If, on any such date, information required to be provided by the Land Bank to the Disclosure Agent has not been provided as required per this Agreement, the Disclosure Agent shall make such information public as soon thereafter as it is provided to the Disclosure Agent.

(4) If the Disclosure Agent does not receive 1) the audited or unaudited Annual Financial Information and Operating Data or a written certification, substantially in the form of Exhibit D, from the Land Bank that it has provided the audited or unaudited Annual Financial Information and Operating Data to the MSRB by the date required in subsection or (B)(2) of this Section 2, 2) or a Notice of Failure to File the Annual Financial Information and Operating Data, then the Disclosure Agent shall send a notice to the MSRB in substantially the form herein attached as Exhibit B.

(D) Means of Making Information Public:

(1) Information shall be deemed to be made public by the Land Bank or the Disclosure Agent under this Agreement if it is transmitted as provided in subsection (D)(2) of this Section 2 by the following means:

(a) to the Bondholders of outstanding Bonds, by the method prescribed by the Rule;

(b) to the MSRB in a word searchable portable document format (PDF) as required by the Rule, or other applicable document or agreement, accompanied by identifying information as prescribed by the MSRB (a description of such format and information is included in Exhibit A hereto) and/or;

(c) to the SEC by (i) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (ii) first class mail, postage prepaid; provided that the Land Bank or the Disclosure Agent is authorized to transmit information to the SEC by whatever means are mutually acceptable to the Disclosure Agent or the Land Bank, as applicable, and the SEC.

(2) Information shall be transmitted to the following:

(a) information to be provided to the public in accordance with subsection (B) of this Section 2 shall be transmitted to the MSRB;

(b) all information described in clause (a) shall be made available to any Bondholder upon request, but need not be transmitted to the Bondholders who do not so request;

(c) to the extent the Land Bank is obligated to file any Annual Financial Information and Operating Data with the MSRB pursuant to this Agreement, such Annual Financial Information and Operating Data may be set forth in the document or set of documents transmitted to the MSRB, or may be included by specific reference to documents available to the public on the MSRB's website or filed with the SEC.

(3) Nothing in this Agreement shall be construed to require the Disclosure Agent to interpret or provide an opinion concerning any information made public. If the Disclosure Agent receives a request for an interpretation or opinion, the Disclosure Agent may refer such request to the Land Bank for response.

- (E) Disclosure Agent Compensation: The Land Bank shall pay or reimburse the Disclosure Agent for its fees and expenses for the Disclosure Agent's services rendered in accordance with this Agreement.

- (F) Indemnification of Disclosure Agent: In addition to any and all rights of the Disclosure Agent for reimbursement, indemnification and other rights pursuant to the Rule or under law or equity, the Land Bank shall indemnify and hold harmless the Disclosure Agent and its respective officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the Disclosure Agent's performance under this Agreement; provided that the Land Bank shall not be required to indemnify the Disclosure Agent for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Disclosure Agent in such disclosure of information hereunder. The obligations of the Land Bank under this Section shall survive resignation or removal of the Disclosure Agent and payment of the Bonds.

The Disclosure 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 Land Bank, the Bondholder or any other party.

SECTION 3. Amendment or Waiver

Notwithstanding any other provision of this Agreement, the Land Bank and the Disclosure Agent may amend this Agreement and the Disclosure Agent shall agree to any reasonable amendment requested by the Land Bank and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of a nationally recognized bond counsel or counsel expert in federal securities laws acceptable to both the Land Bank and the Disclosure Agent to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

Subject to the provisions of this Section 3, the parties hereto may enter into any amendment, change or modification of this Agreement in connection with curing any ambiguity or formal defect or omission, in order to comply with the requirements of federal or state securities laws. In making a determination above, the Disclosure Agent may rely on the advice of counsel.

SECTION 4. Miscellaneous

(A) Representations: Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Agreement by the officer of such party whose signature appears on the execution pages hereto, (ii) that it has all requisite power and authority to execute, deliver, and perform this Agreement under its organizational documents and any corporate resolutions now in effect, (iii) that the execution and delivery of this Agreement and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement or instrument by which such party is bound, and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Agreement, or its due

authorization, execution and delivery of this Agreement, or otherwise contesting or questioning the issuance of the Bonds.

(B) Governing Law: This Agreement shall be governed by and interpreted in accordance with the laws of the State; provided that, to the extent that the SEC, the MSRB or any other federal or state agency or regulatory body with jurisdiction over the Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Agreement shall be interpreted and construed in a manner consistent therewith.

(C) Severability: If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(D) Counterparts: This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

(E) Termination: This Agreement may be terminated by any party to this Agreement upon thirty days' written notice of termination delivered to the other party or parties to this Agreement; provided the termination of this Agreement is not effective until (i) the Land Bank, or its successor, enters into a new continuing disclosure agreement with a disclosure agent who agrees to continue to provide, to the MSRB and the Bondholders of the Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB, (ii) a nationally recognized bond counsel or counsel expert in federal securities laws provides an opinion that the new continuing disclosure agreement is in compliance with all applicable state and federal securities laws, and (iii) notice of the termination of this Agreement is provided to the MSRB.

The Dissemination Agent shall be fully discharged at the time any such termination is effective. Also, this Continuing Disclosure Agreement shall terminate automatically upon payment or provisions for payment of the Bonds. This Agreement shall terminate when all of the Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at final maturity.

(F) Default: In the event of failure of the Land Bank to comply with any provision of this Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Land Bank to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed an Event of Default under the indenture or the bonds and the sole remedy under this Agreement in the event of any failure of the Land Bank to comply with this Agreement shall be an action to compel performance.

(G) Beneficiaries: This Agreement is entered into by the parties hereof and shall inure solely to the benefit of the Land Bank, the Disclosure Agent, the Participating Underwriter and Bondholder and shall create no rights in any other person or entity.

SECTION 5. Notices

Any notices or communications to or among any of the parties to this Disclosure Agreement may be given as follows:

To the Land Bank: 167 Main Street
Edgartown, MA 02539
Phone: (508) 627-7141
Fax: (508) 627-7415
Attention: Executive Director

To the Disclosure Agent: U.S. Bank National Association
One Federal Street, 3rd Floor
Boston, MA 02110
Telephone: (617) 603-6565
Fax: (617) 603-6667

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

IN WITNESS WHEREOF, the Disclosure Agent and the Land Bank have each caused their duly authorized officers to execute this Agreement, as of the day and year first above written.

MARTHA'S VINEYARD LAND BANK Land
Bank

By: _____

Name: _____

Title: _____

U.S. BANK NATIONAL ASSOCIATION, as
Disclosure Agent

By: _____

Title: _____

EXHIBIT A

MSRB Procedures for Submission of Continuing Disclosure Documents and Related Information

Securities and Exchange Commission Release No. 34-59061 (the “Release”) approves an MSRB rule change establishing a continuing disclosure service of the MSRB’s Electronic Municipal Market Access system (“EMMA”). The rule change establishes, as a component of EMMA, the continuing disclosure service for the receipt of, and for making available to the public, continuing disclosure documents and related information to be submitted by issuers, obligated persons and their agents pursuant to continuing disclosure undertakings entered into consistent with Rule 15c2-12 (“Rule 15c2-12”) under the Securities Exchange Act of 1934. The following discussion summarizes procedures for filing continuing disclosure documents and related information with the MSRB as described in the Release.

All continuing disclosure documents and related information is to be submitted to the MSRB, free of charge, through an Internet-based electronic submitter interface or electronic computer-to-computer data connection, at the election of the submitter. The submitter is to provide, at the time of submission, information necessary to accurately identify: (i) the category of information being provided; (ii) the period covered by any annual financial information, financial statements or other financial information and Operating Data; (iii) the issues or specific securities to which such document is related or otherwise material (including CUSIP number, issuer name, state, issue description/securities name, dated date, maturity date, and/or coupon rate); (iv) the name of any obligated person other than the issuer; (v) the name and date of the document; and (vi) contact information for the submitter.

Submissions to the MSRB are to be made in a portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. If the submitted file is a reproduction of the original document, the submitted file must maintain the graphical and textual integrity of the original document. In addition, such PDF files must be word-searchable (that is, allowing the user to search for specific terms used within the document through a search or find function), provided that diagrams, images and other non-textual elements will not be required to be word-searchable.

All submissions to the MSRB’s continuing disclosure service are to be made through password protected accounts on EMMA by (i) issuers, which may submit any documents with respect to their municipal securities; (ii) obligated persons, which may submit any documents with respect to any municipal securities for which they are obligated; and (iii) agents, designated by issuers and obligated persons to submit documents and information on their behalf. Such designated agents are required to register to obtain password-protected accounts on EMMA in order to make submissions on behalf of the designating issuers or obligating persons. Any party identified in a continuing disclosure undertaking as a dissemination agent or other party responsible for disseminating continuing disclosure documents on behalf of an issuer or obligated person will be permitted to act as a designated agent for such issuer or obligated person, without a designation being made by the issuer or obligated person as described above, if such party certifies through the EMMA on-line account management utility that it is authorized to disseminate continuing disclosure documents on behalf of the issuer or obligated person under the continuing disclosure undertaking. The issuer or obligated person, through the EMMA on-line account management utility, is able to revoke the authority of such party to act as a designated agent.

The MSRB’s Internet-based electronic submitter interface (EMMA Dataport) is at www.emma.msrb.org.

EXHIBIT B

NOTICE OF FAILURE TO FILE ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

Name: Martha's Vineyard Land Bank ("*Land Bank*")

Bond Issue Long Name:

CUSIP Number(s):

Date of Issuance:

NOTICE IS HEREBY GIVEN that _____ (the "*Obligated Party*") has not provided its Annual Financial Information and Operating Data with respect to the above named Bond issue as required by Section 2 of the Continuing Disclosure Agreement, dated as of _____, between the Land Bank and the Disclosure Agent. [TO BE INCLUDED IF THE DISCLOSURE AGENT HAS BEEN ADVISED OF THE EXPECTED FILING DATE – The (*Obligated Party*] anticipates that the specified Annual Financial Information and Operating Data will be filed by _____.]

Dated _____, 20__

U.S. Bank National Association,
as Disclosure Agent

cc: Land Bank

EXHIBIT C
FORM OF COMPLIANCE CERTIFICATE
NAME OF ISSUE

[Date]

[U.S. Bank National Association, as Disclosure Agent]
[Attention]
[Address]

Re: Re: Compliance Certificate for Annual Financial Information and Operating Data

Dear _____:

Pursuant to the Continuing Disclosure Agreement dated _____ between _____ (the "*Obligated Party*") and U.S. Bank National Association, (the "Disclosure Agent"), the undersigned as a representative of the Land Bank, does hereby certify that the enclosed Annual Financial Information and Operating Data for the fiscal year-end _____, of the Land Bank, complies with the requirements of this Continuing Disclosure Agreement.

[*Obligated Party*]

By: _____
Name:
Title:

Enclosure

EXHIBIT D
FORM OF COMPLIANCE CERTIFICATE
NAME OF ISSUE

[Date]

[U.S. Bank National Association, as Disclosure Agent]
[Attention]
[Address]

Re: Compliance Certificate for Annual Financial Information and Operating Data

Dear _____:

Pursuant to the Continuing Disclosure Agreement dated _____ between _____ (the “*Obligated Party*”) and U.S. Bank National Association, (the “Disclosure Agent”), the undersigned as a representative of the Land Bank, does hereby certify that the enclosed Annual Financial Information and Operating Data of the Land Bank, complies with the requirements of the Continuing Disclosure Agreement and was submitted directly to the MSRB on _____ (date).

[*Obligated Party*]

By: _____
Name:
Title:

Enclosure

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APPENDIX G

SPECIMEN BOND INSURANCE POLICY



**MUNICIPAL BOND
INSURANCE POLICY**

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN

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APPENDIX H

TABLE OF REFUNDED BONDS

**Martha's Vineyard Land Bank \$35,200,000 Revenue Bonds, Series 2006
Dated December 1, 2006**

<u>Maturity (May 1)</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>CUSIP*</u>
2017	\$1,975,000	5.000%	573100BZ6
2018	2,070,000	5.000	573100CA0
2019	650,000	4.000	573100CB8
2020	680,000	4.000	573100CC6
2021	705,000	4.000	573100CD4
2022	735,000	4.000	573100CE2
2023	765,000	4.125	573100CF9
2024	795,000	4.125	573100CG7
2030	5,525,000	4.250	573100CH5
2036	9,660,000	4.250	573100CJ1

* The CUSIP numbers listed above are being provided solely for the convenience of bondholders and none of the Issuer, the Financial Advisor or the Underwriter make any representation with respect to such CUSIP numbers nor undertake any responsibility for their accuracy now or at any time in the future. "CUSIP" is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard & Poor's Financial Services LLC on behalf of the American Bankers Association.

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