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**County of Monterey  
2019 Certificates of Participation  
(Public Facilities Refinancing)**

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**OFFICIAL NOTICE OF SALE**

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NOTICE IS HEREBY GIVEN that electronically submitted proposals will be received by the County of Monterey (the "County") on

\_\_\_\_\_ day, November \_\_, 2019,

at the hour of 8:30 a.m., California time, for the purchase of the certificates of participation captioned above (the "Certificates") to be issued under a Trust Agreement dated as of December 1, 2019 (the "Trust Agreement"), by and among the County, the County of Monterey Public Improvement Corporation (the "Corporation") and U.S. Bank National Association, as trustee (the "Trustee").

The County reserves the right to postpone the public sale of the Certificates to a later date or different time by announcing such postponement through Thomson Municipal News on Thomson Municipal Market Monitor (www.TM3.com) (the "News Service") not later than 1:00 p.m. (California time) on the day before the date bids are to be received. If no legal bid or bids are received for the Certificates on said date (or such later date as is established as provided herein) at the time specified, bids will be received for the Certificates on such other date and at such other time as shall be designated through the News Service. Potential bidders will be notified via the News Service not later than 1:00 p.m. (California time) on the day prior to the date bids are to be received of any change to the principal payment schedule for the Certificates to be utilized for the bidding process.

As an accommodation to bidders, notice of such postponement and of the new sale date and time will be given to any bidder requesting such notice from the County's Municipal Advisor:

KNN Public Finance, LLC  
1300 Clay Street, Suite 1000  
Oakland, California 94612  
Attn.: Melissa Shick (Phone - (510) 208-8226)

Failure of any bidder to receive such telephonic, telecopied or emailed notice shall not affect the legality of the sale.

Bidders are referred to the Preliminary Official Statement dated November \_\_\_\_\_, 2019 (the "Preliminary Official Statement") for additional information regarding the County, the Corporation, the Certificates and the security therefor, the use of proceeds of the Certificates, and other matters. See "**TERMS OF SALE - OFFICIAL STATEMENT**" below.

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\* Preliminary, subject to change.

## TERMS RELATING TO THE CERTIFICATES

**Important Note:** This notice will be submitted for posting at:

Ipreo LLC's BiDCOMP™/PARITY® System ("Parity")  
Website: [www.newissuehome.i-deal.com](http://www.newissuehome.i-deal.com)  
Phone: (212) 404-8107

**If the summary of the terms of sale of the Certificates on the Parity system disagrees with this Official Notice of Sale in any particulars, the terms of this Official Notice of Sale (as amended, if necessary with notice of any amendment hereto to be given as described above) shall control.**

**SERIES:** \$\_\_\_\_\_\* aggregate principal amount of Certificates are being executed and delivered as fully registered Certificates in denominations of \$5,000 or multiples thereof, provided that no Certificate shall represent principal maturing on more than one maturity date, all dated the date of delivery thereof. The Certificates are the only series to be executed and delivered under the Trust Agreement.

**DELIVERY AND PAYMENT:** Delivery of the Certificates will be made to the Purchaser through DTC and is expected to occur on December \_\_, 2019 (the "Closing Date"). Payment for the Certificates must be made in immediately available funds. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the Purchaser.

**INTEREST RATE; PREMIUM OR DISCOUNT BIDS:** Interest is payable on April 1, 2020 and semiannually thereafter on April 1 and October 1 of each year. Bidders must specify the rate or rates of interest that the Certificates hereby offered for sale shall bear and an aggregate purchase price. Bidders will be permitted to bid different rates of interest; but:

- (i) each interest rate specified in any bid must be in a multiple of one-eighth or one-twentieth of one percent per annum and a zero rate of interest cannot be specified;
- (ii) no Certificate may bear more than one rate of interest;
- (iii) no rate of interest shall exceed 5.00% per annum;
- (iv) each Certificate shall bear interest from its dated date to its stated payment date at the interest rate specified in the bid; and
- (v) premium bids must be paid as part of the purchase price, and no bid will be accepted which contemplates the waiver of any interest or other concession by the bidder as substitute for payment in full of the purchase price.

Bidders may not bid a price of less than 100% of the aggregate principal amount of the Certificates. Bids that do not conform to the terms of this section may be rejected. See "**TERMS OF SALE – RIGHT OF REJECTION**" below. The County reserves the right to modify or amend the terms of the sale prior to the time bids are received and to waive any irregularity in bids received.

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\* Preliminary, subject to change.

**BOOK-ENTRY ONLY:** The Certificates shall be executed and delivered in registered form by means of a book-entry system with no distribution of the Certificates made to the public. One Certificate representing each Certificate maturity date and interest rate will be executed and delivered to The Depository Trust Company (“DTC”), registered in the name of Cede & Co., its nominee. The book-entry system will evidence ownership of the Certificates in the principal amount of \$5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC.

**PAYMENT OF DTC FEES:** The County will submit or cause to be submitted all requisite documents to DTC for DTC-eligibility purposes. However, the successful bidder (the “Purchaser”) will be responsible for payment of all fees charged by DTC.

**MATURITY\*:** The Certificates shall mature on October 1 in each of the years, and in the amounts, as follows:

| Year<br>(October 1) | Amount* |
|---------------------|---------|
| 2020                |         |
| 2021                |         |
| 2022                |         |
| 2023                |         |
| 2024                |         |
| 2025                |         |
| 2026                |         |
| 2027                |         |
| Total               | _____   |

**ADJUSTMENT OF PRINCIPAL PAYMENTS:** The principal amounts set forth in this Official Notice of Sale reflect certain estimates of the County with respect to the likely interest rates of the winning bid and the premium and underwriting discount contained in the winning bid. Potential bidders will be notified via the News Service not later than 1:00 p.m. (California time) on the business day prior to the date bids are to be received of any change to the principal payment schedule for the Certificates to be utilized for the bidding process. The final maturity schedule will be designed so that the financing objectives of the County will be met. The County reserves the right to increase or decrease the aggregate principal amount of the Certificates following the submission of the bids. Each principal payment is subject to increase or decrease in \$5,000 increments, without limitation.

The Purchaser may not withdraw its bid or change its interest rates bid as a result of any changes made to the principal amounts. Subsequent to the adjustment of principal payments, the dollar amount of the purchase price will be changed so that the net compensation to the Purchaser (expressed as a percentage of the aggregate principal amount of Certificates) does not increase or decrease from what it would have been if no adjustment had been made to the principal amounts, taking into consideration the reoffering yields for the different maturities.

**SERIAL CERTIFICATES AND/OR TERM CERTIFICATES:** Bidders may provide that all the Certificates be executed and delivered as Serial Certificates or may provide that any one or more consecutive annual principal amounts be combined into one or more Term Certificates.

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\* Preliminary, subject to change.

**REOFFERING PRICE CERTIFICATE AND ESTABLISHMENT OF ISSUE PRICE:** Upon notification that it has submitted the winning bid, the Purchaser shall provide the initial offering prices at which it has offered or reasonably expects to offer all of the Certificates of each maturity to the general public (excluding bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) in a bona fide public offering.

Prior to delivery of the Certificates, the Purchaser shall be required to provide to the County a reoffering price certification in form and substance similar to either the certificate attached as Appendix A to the Official Bid Form, the certificate attached as Appendix B to the Official Bid Form, or the certificate attached as Appendix C to the Official Bid Form. In addition, based on reasonable requests of Special Counsel, the Purchaser will provide information regarding its sales of the Certificates. For purposes of this paragraph, sales of the Certificates to other securities brokers or dealers will not be considered sales to the general public.

(b) The County intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Certificates) will apply to the initial sale of the Certificates (the “competitive sale requirements”) because:

(1) the County shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

(2) all bidders shall have an equal opportunity to bid;

(3) the County may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

(4) the County anticipates awarding the sale of the Certificates to the bidder who submits a firm offer to purchase the Certificates at the highest price (or lowest overall true interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Certificates, as specified in the bid.

(c) If the competitive sale requirements are not satisfied, the County shall so advise the Purchaser. In such event, the County shall treat the first price at which 10% of a maturity of the Certificates (the “10% test”) is sold to the public as the issue price of that maturity unless the Purchaser has elected on the bid form to apply the “hold-the-offering price rule,” as described below, in which case the initial offering price to the public as of the sale date of any maturity of the Certificates will be treated as the issue price of that maturity, in each case applied on a maturity-by-maturity basis (or CUSIP-by-CUSIP in the case of Certificates with similar maturities but different coupons or prices). If the competitive sale requirements are not satisfied, the Purchaser shall advise the County if any maturity of the Certificates satisfies the 10% test as of the date and time of the award of the Certificates, and if the Purchaser has elected to apply the hold-the-offering-price rule, the Purchaser shall notify the County, within one hour of the time of award of the Certificates, which maturities of the Certificates satisfy the 10% test and which maturities shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation if the competitive sale requirements are not satisfied.

(d) By submitting a bid, the Purchaser shall (i) confirm that the underwriters have offered or will offer the Certificates to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the Purchaser and (ii) if the Purchaser has elected to use the hold-the-offering-price rule, the Purchaser agrees, on behalf of the underwriters participating in the purchase of the Certificates, that the underwriters will neither offer nor sell unsold Certificates of any maturity to which the hold-the-offering-price rule applies to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the 5th business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public.

The Purchaser shall promptly advise the County when the underwriters have sold 10% of that maturity of the Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the 5th business day after the sale date.

(e) If the competitive sale requirements are not satisfied, and the Purchaser does not elect to use the hold-the-offering-price rule, then until the 10% test has been satisfied as to each maturity of the Certificates, the Purchaser agrees to promptly report to the County the prices at which such unsold Certificates of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Certificates of that maturity or until all Certificates of that maturity have been sold.

(f) The County acknowledges that, if the Purchaser has elected to use the hold-the-offering-price rule, in making the representation set forth above, the Purchaser will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) if a selling group has been created in connection with the initial sale of the Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) if an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Certificates.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group,

and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Purchaser that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Certificates to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the Purchaser or such underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser or such underwriter and as set forth in the related pricing wires.

(h) Sales of any Certificates to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the public),

(iii) a purchaser of any of the Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date that the Certificates are awarded by the County to the Purchaser.

**PREPAYMENT:**

(a) *No Optional Prepayment.* The Certificates are not subject to optional prepayment prior to the respective stated maturities.

(b) *Prepayment From Net Proceeds of Insurance or Eminent Domain.* The Certificates are subject to mandatory prepayment on any date, in whole or in part, from the Net Proceeds of insurance or eminent domain proceedings credited towards the prepayment of the Lease Payments pursuant to the Lease Agreement, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium.

**SECURITY:** The Certificates are payable from, and are secured by a pledge of, Lease Payments payable to the Corporation by the County pursuant to a Lease Agreement dated as of December 1, 2019 (the "Lease Agreement"). The County has covenanted under the Lease Agreement that as long as the Leased Property (as defined therein) are available for the County's use, it will take such action as may be necessary to include the Lease Payments in its annual budgets and to make the necessary annual appropriations therefor. The Corporation will assign to the Trustee for the benefit of the owners of the Certificates the Corporation's right to receive rental payments, and its right to receive and collect any proceeds of any insurance maintained under the Lease Agreement.

**TAX-EXEMPT STATUS:** On the Closing Date, Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, will deliver its opinion that, subject to certain qualifications described therein, under existing law, the interest with respect to the Certificates is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, and that such interest is exempt from California personal income taxes. See "**TAX MATTERS**" in the Preliminary Official Statement.

If, prior to the execution and delivery of the Certificates, (i) the income received by private owners of bonds of the same type and character as the Certificates is declared to be includable in gross income (either at the time of such declaration or at any future date) for purposes of federal income tax laws, either by the terms of such laws or by ruling of a federal income tax authority or official, which is followed by the Internal Revenue Service or by decision of any federal court, or (ii) any federal income tax law is adopted that will have a substantial adverse tax effect upon owners of the Certificates as such, the Purchaser may, at its option, prior to the tender of said Certificates, be relieved of its obligation under the contract to purchase the Certificates, and in such case the deposit accompanying its bid will be returned.

**LEGAL OPINION:** The legal opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, approving the validity of the Certificates will be furnished to the Purchaser without cost.

**DISCLOSURE COUNSEL LETTER:** The Purchaser will receive a disclosure counsel letter addressed to them regarding the Official Statement from Jones Hall, A Professional Law Corporation, San Francisco, California to the effect that no information has come to the attention of such counsel to cause such counsel to believe that the Official Statement (excepting certain provisions therein) as of its date contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

## TERMS OF SALE

**BEST BID:** Unless all bids with respect to the Certificates are rejected, as described below under “—RIGHT OF REJECTION,” the Certificates will be awarded to the responsible bidder whose bid represents the lowest true interest cost (“TIC”) to the County with respect to the Certificates prior to any change to the principal payment schedule in accordance with this Official Notice of Sale; provided such TIC does not exceed 5.00%. The TIC will be that nominal annual interest rate which, when compounded semiannually using a 360-day year and used to discount to the dated date of the Certificates all payments of principal and interest payable with respect to the Certificates, results in an amount equal to the purchase price of the Certificates to be received by the County. The cost of preparing the Certificates will be borne by the County.

The interest used in this computation will be the interest rates stated in the bid.

If two or more bidders offer bids for the Certificates at the same lowest TIC, the County will determine by lot which bidder will be awarded the Certificates. Bid evaluations or rankings made by Parity are not binding on the County.

**RIGHT OF REJECTION:** The County reserves the right, in its discretion, to reject any and all proposals and to waive any irregularity or informality in any proposals. The County retains absolute discretion to determine whether any bid is timely, complete or legible. The County takes no responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete, illegible or not received.

**PROMPT AWARD:** The County will take action awarding the Certificates or rejecting all bids not later than 36 hours after the expiration of the time herein prescribed for the receipt of proposals unless such time of award is waived by the Purchaser. Notice of the award will be given promptly to the Purchaser.

**QUALIFICATION FOR SALE; BLUE SKY:** The Purchaser will assume responsibility for taking any action necessary to qualify the Certificates for offer and sale in jurisdictions other than California, and for complying with the laws of all jurisdictions on resale of the Certificates.

Compliance with Blue Sky laws shall be the sole responsibility of the Purchaser, and the Purchaser shall pay all fees and disbursements related to the qualification of the Certificates for sale under the securities or Blue Sky laws of various jurisdictions. The County will furnish such information and take such action not inconsistent with law as the Purchaser may request and the County shall deem necessary or appropriate to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the Purchaser; *provided, however,* that the County shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction.

**The Purchaser will not offer to sell, or solicit any offer to buy, the Certificates in any jurisdiction where it is unlawful for such Purchaser to make such offer, solicitation or sale, and the Purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions in which the Purchaser sells the Certificates.**

**RIGHT OF CANCELLATION:** The Purchaser shall have the right, at its option, to cancel the contract of purchase if the County fails to cause the Certificates to be executed and delivered within 60 days from the date of sale thereof, and in such event, the Purchaser shall be entitled to the return of the deposit accompanying its bid.

**FORM OF BID:** No bid will be accepted for less than all of the Certificates or for a purchase price less than the aggregate principal amount of the Certificates. All bids must be unconditional. Each bid must be delivered by electronic transmission as described below and be received by 8:30 a.m., California time, on November \_\_, 2019 (subject to the limitations set forth in "**TERMS OF SALE - WARNINGS REGARDING ELECTRONIC BIDS**" immediately below). Each bid must be in accordance with the terms and conditions set forth in this Official Notice of Sale, and may be submitted on the attached Bid Form. All bids shall be deemed to incorporate all of the terms of this Official Notice of Sale.

**ELECTRONIC BIDS:** Solely as an accommodation to bidders, the County will receive bids delivered electronically through Parity as follows:

Ipreo LLC's BiDCOMP™/PARITY® System  
Website: [www.newissuehome.i-deal.com](http://www.newissuehome.i-deal.com)  
Phone: (212) 404-8107

If any provision of this Official Notice of Sale conflicts with information provided by the Bid Service, this Official Notice of Sale shall control. Each bidder submitting an electronic bid agrees by doing so that it is solely responsible for all arrangements with (including any charges by) the Bid Service, that the County does not endorse or encourage the use of the Bid Service, and that the Bid Service is not acting as an agent of the County. Instructions for submitting electronic bids must be obtained from the Bid Service, and the County does not assume any responsibility for ensuring or verifying bidder compliance with the Bid Service's procedures. The County shall be entitled to assume that any bid received via the Bid Services has been made by a duly authorized agent of the bidder.

If a bidder submits an electronic bid for the Certificates, such bidder thereby agrees to the following terms and conditions:

(i) If any provision in this Official Notice of Sale with respect to the Certificates conflicts with information or terms provided or required by the Bid Service, this Official Notice of Sale, including any amendments issued through the News Service, shall control;

(ii) each bidder shall be solely responsible for making necessary arrangements to access the Bid Service for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale;

(iii) the County shall not have any duty or obligation to provide or assure access to the Bid Service to any bidder, and the County shall not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of the Bid Service or any incomplete, inaccurate or untimely bid submitted by any bidder through the Bid Service;

(iv) the County is using the Bid Service as a communication mechanism, and not as an agent of the County, to conduct the electronic bidding for the Certificates;

(v) the Bid Service is acting as an independent contractor, and is not acting for or on behalf of the County;

(vi) the County is not responsible for ensuring or verifying bidder compliance with any procedures established by the Bid Service;

(vii) the County may regard the electronic transmission of a bid through the Bid Service (including information regarding the purchase price for the Certificates and interest rates for any maturity of the Certificates) as though the information were submitted on the Official Bid Form and executed on the bidder's behalf by a duly authorized signatory;

(viii) if the bidder's bid is accepted by the County, the Official Bid Form, this Official Notice of Sale and the information that is transmitted electronically through the Bid Service shall form a contract, and the bidder shall be bound by the terms of such contract; and

(ix) information provided by the Bid Service to bidders shall form no part of any bid or any contract between the Purchaser and the County unless that information is included in this Official Notice of Sale provided by the County.

**WARNINGS REGARDING ELECTRONIC BIDS:** THE COUNTY WILL ACCEPT BIDS IN ELECTRONIC FORM SOLELY THROUGH PARITY ON THE OFFICIAL BID FORM CREATED FOR SUCH PURPOSE. EACH BIDDER SUBMITTING AN ELECTRONIC BID UNDERSTANDS AND AGREES BY DOING SO THAT IT IS SOLELY RESPONSIBLE FOR ALL ARRANGEMENTS WITH PARITY, THAT THE COUNTY NEITHER ENDORSES NOR EXPLICITLY ENCOURAGES THE USE OF PARITY AND THAT PARITY IS NOT ACTING AS AN AGENT OF THE COUNTY. INSTRUCTIONS AND FORMS FOR SUBMITTING ELECTRONIC BIDS MUST BE OBTAINED FROM PARITY, AND THE COUNTY ASSUMES NO RESPONSIBILITY FOR ENSURING OR VERIFYING BIDDER COMPLIANCE WITH THE PROCEDURES OF PARITY. THE COUNTY SHALL ASSUME THAT ANY BID RECEIVED THROUGH PARITY HAS BEEN MADE BY A DULY AUTHORIZED AGENT OF THE BIDDER.

THE COUNTY WILL MAKE ITS BEST EFFORTS TO ACCOMMODATE ELECTRONIC BIDS; HOWEVER, THE COUNTY, THE MUNICIPAL ADVISOR AND SPECIAL COUNSEL ASSUME NO RESPONSIBILITY FOR ANY ERROR CONTAINED IN ANY BID SUBMITTED ELECTRONICALLY, OR FOR FAILURE OF ANY BID TO BE TRANSMITTED, RECEIVED OR OPENED AT THE OFFICIAL TIME FOR RECEIPT OF BIDS. THE OFFICIAL TIME FOR RECEIPT OF BIDS WILL BE DETERMINED BY THE COUNTY AT THE PLACE OF BID OPENING AND THE COUNTY SHALL NOT BE REQUIRED TO ACCEPT THE TIME KEPT BY PARITY AS THE OFFICIAL TIME. THE COUNTY ASSUMES NO RESPONSIBILITY FOR INFORMING ANY BIDDER PRIOR TO THE DEADLINE FOR RECEIVING BIDS THAT ITS BID IS INCOMPLETE OR NOT RECEIVED. IN THE EVENT OF A MALFUNCTION IN THE ELECTRONIC BIDDING PROCESS, BIDDERS SHOULD SUBMIT THEIR BIDS ON THE OFFICIAL BID FORM ATTACHED HERETO BY FAX TO: (510) 208-8282, ATTENTION: BOBBY CHEUNG.

**GOOD FAITH DEPOSIT:** A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or a wire transfer in the amount of \$350,000 payable to the order of the County, must be provided by the Purchaser not later than 3:30 p.m., California time, on the next business day following the award, as a guaranty that the Purchaser will accept and pay for the Certificates in accordance with the terms of the bid. If the Deposit is made by wire transfer, such wire transfer must be in immediately available funds and to the account at the wire address specified by the County to the Purchaser. The Deposit will be applied to the purchase price of the Certificates. If after the award of the Certificates the Purchaser fails to complete its purchase on the terms stated in its proposal, the Deposit will be retained by the County. No interest on the Deposit will accrue to any bidder.

**STATEMENT OF TRUE INTEREST COST; REOFFERING YIELDS:** Each bidder is requested, but not required, to state in its bid the percentage true interest cost to the County, which shall be considered as informative only and not binding on either the bidder or the County. The accepted bidder shall submit a Reoffering Price Certificate in the form attached as Appendix A to the Official Bid Form or in the form attached as Appendix B to the Official Bid Form, all as described under "**TERMS RELATING TO THE CERTIFICATES – REOFFERING PRICE CERTIFICATE AND ESTABLISHMENT OF ISSUE PRICE**" herein.

**NO LITIGATION:** There is no litigation pending concerning the validity of the Certificates, the existence of the Corporation or the County or the entitlement of the officers thereof to their respective offices, and the Corporation and the County will each furnish to the Purchaser a no-litigation certificate certifying to the foregoing as of and at the time of the delivery of the Certificates.

**CUSIP NUMBERS:** It is anticipated that CUSIP numbers will be printed on the Certificates, but neither failure to print such numbers on any Certificate nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Certificates in accordance with the terms of this Official Notice of Sale. The Municipal Advisor will apply for the CUSIP numbers and all expenses in relation to the printing of CUSIP numbers on the Certificates shall be paid for by the County; **provided, however, that the CUSIP Service Bureau charge for the assignment of said numbers shall be the responsibility of and shall be paid for by the Purchaser.**

**CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION FEE:** Attention of bidders is directed to California Government Code Section 8856, which provides that the lead underwriter or the purchaser of the Certificates will be charged the California Debt and Investment Advisory Commission fee.

**OFFICIAL STATEMENT:** A Preliminary Official Statement has been prepared, copies of which may be obtained upon request made to the County's Municipal Advisor, KNN Public Finance, LLC, using the contact information set forth above. The Preliminary Official Statement shall be "deemed final" by the County prior to the sale date for purposes of Securities Exchange Commission Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final Official Statement. A copy of the certificate executed by the County indicating that the Preliminary Official Statement has been deemed final as of its date will be provided to potential bidders upon request to the Municipal Advisor. The County will certify that as of the date of the final Official Statement, to the best of its knowledge, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading. The County will deliver to the Purchaser a certificate of the County as to the above, dated the date of delivery of the Certificates, authorizing the Purchaser to distribute copies of the Official Statement in connection with the resale of the Certificates. The County will furnish to the Purchaser, at no expense to the Purchaser, an electronic copy of the Official Statement and, upon request, up to 50 printed copies of the Official Statement within 7 business days of the award date. Additional copies will be made available upon request, submitted to the Municipal Advisor no later than twenty-four hours after the time of receipt of bids, at the Purchaser's expense, for use in connection with any resale of the Certificates.

By making a bid for the Certificates, the Purchaser agrees (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements prepared by the County, (ii) to promptly file a copy of the final Official Statement,

including any supplements prepared by the County, with the Municipal Securities Rulemaking Board (“MSRB”), and (iii) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and MSRB rules governing the offering, sale and delivery of the Certificates to the ultimate purchasers.

**CONTINUING DISCLOSURE:** In order to assist bidders in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the “Rule”), the County will undertake, pursuant to a Continuing Disclosure Certificate, to provide certain annual financial information relating to the County and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. See “**CONTINUING DISCLOSURE** and **Appendix E – FORM OF CONTINUING DISCLOSURE CERTIFICATE**” in the Preliminary Official Statement.

**RIGHT TO MODIFY OR AMEND:** The County reserves the right to modify or amend this Official Notice of Sale in any respect; provided, however, that any such modification or amendment shall be made not later than 1:00 p.m. (California time) on the day prior to the date bids are to be received and shall be communicated to potential bidders through the News Service. Failure of any bidder to receive notice of any modification shall not affect the sufficiency of any such notice.

Dated: \_\_\_\_\_, 2019

County Administrative Officer  
County of Monterey



\_\_\_\_\_  
\_\_\_\_\_

Our calculation of the true interest cost (determined as described in the section of the Official Notice of Sale entitled "Best Bid"), which is considered to be informative only and not a part of the proposal, is as follows: The total amount of interest payable on the Certificates during the life of the issue under the attached bid is \$\_\_\_\_\_. The amount of premium is \$\_\_\_\_\_. The true interest cost is \_\_\_\_\_%.

Check One:

\_\_\_\_\_ There is enclosed herewith a (certified) (cashier's) check for \$350,000 payable to the order of the County of Monterey.

\_\_\_\_\_ We agree to provide a wire transfer not later than 3:30 p.m., California time, on the next business day following the award, in the amount of \$350,000 in immediately available funds to the account at the wire address specified by the County to us.

If the competitive sale requirements are not met and 10% of any maturity of the Certificates are not sold at the initial offering price on the Sale Date, the bidder hereby indicates its preference that the County determine the issue price of any such maturity using the rule marked below, each as described in the Official Notice of Sale under the caption "Reoffering Price Certificate and Establishment of Issue Price":

\_\_\_\_\_ The 10% test  
\_\_\_\_\_ The hold-the-offering-price rule

If the competitive sale requirements are not met, and the bidder elects to use the hold-the-offering-price rule, the winning bidder shall notify the County, within one hour of the County's acceptance of the bid, which maturities of the Certificates satisfy the 10% test and which maturities shall be subject to the hold-the-offering-price rule.

We agree that if we are the successful bidder for the Certificates we will provide the County with a Final Reoffering Price Certificate in the form attached as Appendix A, Appendix B or Appendix C hereto.

We hereby represent that as of the date of award and as of the date of delivery of the Certificates, all members of our account either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in said depository.

Following is a list of the members of our account on whose behalf this bid is made.

Respectfully submitted,

List of Members of Account:

Firm: \_\_\_\_\_  
Account Manager

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

.  
. .  
. .  
. .  
. .

Telephone No.: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Email: \_\_\_\_\_

**APPENDIX A TO OFFICIAL BID FORM**  
**FORM OF REOFFERING PRICE CERTIFICATE**

TO BE DELIVERED IF COMPETITIVE SALE REQUIREMENTS ARE MET (I.E., 3 BIDS FROM COMPETITIVE PROVIDERS ARE RECEIVED)

\$ \_\_\_\_\_  
**County of Monterey**  
**2019 Certificates of Participation**  
**(Public Facilities Refinancing )**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

**1. Reasonably Expected Initial Offering Price.**

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule 1 (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule 1 is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

**2. Defined Terms.**

(a) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(b) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate

in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [**SHORT NAME OF UNDERWRITER**]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: [**ISSUE DATE**]

[**UNDERWRITER**]

By: \_\_\_\_\_  
Name and Title

**SCHEDULE 1**  
**BIDDING DOCUMENTATION AND INITIAL OFFERING PRICES**

**APPENDIX B TO OFFICIAL BID FORM  
FORM OF REOFFERING PRICE CERTIFICATE**

TO BE DELIVERED IF COMPETITIVE SALE REQUIREMENTS ARE NOT MET (3  
COMPETITIVE BIDS ARE NOT RECEIVED) AND 10% TEST IS USED FOR ISSUE PRICE

\$ \_\_\_\_\_  
**County of Monterey  
2019 Certificates of Participation  
(Public Facilities Refinancing )**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“SHORT NAME OF UNDERWRITER”])[the “Representative”][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule 1.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 1.

(b) As set forth in the Notice of Sale and bid award, [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule 1 hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule 1 hereto as the “Hold-the-Offering-Price Maturities.”

(c)  *Holding Period*  means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d)  *Issuer*  means the County of Monterey, California.

(e)  *Maturity*  means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f)  *Public*  means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g)  *Sale Date*  means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(h)  *Underwriter*  means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificates as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: [ISSUE DATE]

[UNDERWRITER]

By: \_\_\_\_\_  
Name and Title

**SCHEDULE 1**

**LISTING OF 10% TEST, UNDERSOLD MATURITIES AND PRICING WIRE**

**APPENDIX C TO OFFICIAL BID FORM**  
**FORM OF REOFFERING PRICE CERTIFICATE**

TO BE DELIVERED IF COMPETITIVE SALE REQUIREMENTS ARE NOT MET (3  
COMPETITIVE BIDS ARE NOT RECEIVED) AND PURCHASER ELECTS TO USE HOLD-THE-  
OFFERING-PRICE FOR ISSUE PRICE

\$ \_\_\_\_\_  
**County of Monterey**  
**2019 Certificates of Participation**  
**(Public Facilities Refinancing )**

**ISSUE PRICE CERTIFICATE**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([SHORT NAME OF UNDERWRITER])[the “Representative”][, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Initial Offering Price of the Bonds.***

(a) [SHORT NAME OF UNDERWRITER][The Underwriting Group] offered each Maturity of the Bonds to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 1.

(b) As set forth in the [Bond Purchase Agreement][Notice of Sale and bid award], [SHORT NAME OF UNDERWRITER][the members of the Underwriting Group] [has][have] agreed in writing that, (i) for each Maturity of the Bonds, [it][they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. ***Defined Terms.***

(a) *Holding Period* means, for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF THE UNDERWRITER][the Underwriters] [has][have] sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(b) *Issuer* means the County of Monterey, California.

(c) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(f) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDEWRITING FIRM][the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Certificate as to Arbitrage and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated: [ISSUE DATE]

[UNDERWRITER]

By: \_\_\_\_\_  
Name and Title

**SCHEDULE 1**  
**LISTING OF HOLD-THE-PRICE MATURITIES, INITIAL OFFERING PRICES AND**  
**PRICING WIRE**