

**\$48,440,000**  
**COUNTY OF MONTEREY**  
**CERTIFICATES OF PARTICIPATION**  
**(2015 PUBLIC FACILITIES FINANCING)**

**CERTIFICATE OF THE CORPORATION**

September 2, 2015

Barclays Capital Inc.  
555 California St., 30<sup>th</sup> Floor,  
San Francisco, California 94104

Ladies and Gentlemen:

The County of Monterey (the “County”) proposes to cause the execution and delivery of County of Monterey Certificates of Participation (2015 Public Facilities Financing) (the “Certificates”). The Certificates will be dated their date of delivery.

The Certificates will be executed and delivered pursuant to a Trust Agreement, dated as of September 1, 2015 (the “Trust Agreement”), by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), the County, the County of Monterey Public Improvement Corporation (the “Corporation”), and the County. The Certificates will represent direct, undivided fractional interests in certain rental payments (the “Base Rental Payments”) to be made by the County pursuant to a Lease Agreement dated as of September 1, 2015 (the “Lease Agreement”), between the County and the Corporation. Pursuant to the Lease Agreement, the County will pay the Base Rental Payments in consideration for use and occupancy of certain real property owned by the County (the “Property”), which the County will initially lease to the Corporation pursuant to a Ground Lease, dated as of September 1, 2015 (the “Ground Lease”) and sublease back from the Corporation pursuant to the Lease Agreement. Pursuant to an Assignment Agreement, dated as of September 1, 2015 (the “Assignment Agreement”) by and between the Corporation and the Trustee, the Corporation will assign to the Trustee, for the benefit of the owners of the Certificates, substantially all of its right, title and interest in and to the Lease Agreement, including the right to receive Base Rental Payments and Additional Rental Payments under the Lease Agreement.

The Trust Agreement, the Ground Lease, the Lease Agreement, the Assignment Agreement and this Certificate are referred to collectively herein as the “Corporation Legal Documents.” Capitalized terms not otherwise defined herein shall have the meanings as defined in the Trust Agreement, or if not defined therein, then as defined in the Certificate Purchase Agreement (as defined herein).

The Certificates were sold by the County pursuant to the Certificate Purchase Agreement between the County and Barclays Capital, Inc. (the “Underwriter”) dated August 18, 2015 (the “Certificate Purchase Agreement”). The Certificates shall be payable and shall be subject to prepayment and purchase as provided in the Trust Agreement.

In order to facilitate and induce you to purchase the Certificates as contemplated therein, the Corporation hereby represents, warrants and agrees with you as follows:

(a) *Due Organization and Corporation; Legal, Valid and Binding Obligations.* The Corporation is a nonprofit public benefit corporation duly organized and validly existing pursuant to the laws of the State of California and has all necessary power and authority to adopt the Corporation Resolution (defined herein) and to enter into and perform its duties under the Corporation Legal Documents. The execution and delivery of the Corporation Legal Documents have been authorized by a resolution of the Board of Directors of the Corporation (the "Board") adopted by the Board on June 5, 2015 (the "Corporation Resolution"). By all necessary official action of the Corporation prior to the date hereof, the Corporation has duly authorized all necessary action to be taken by it for the adoption of the Corporation Resolution, which has been has not been rescinded, and the approval, execution and delivery of, and performance by the Corporation of the Corporation Legal Documents and the transactions contemplated therein. The Corporation Legal Documents, when duly executed and delivered by the respective parties thereto, will constitute legal, valid and binding obligations of the Corporation enforceable in accordance with their respective terms, except as enforcement against the Corporation may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to the enforcement of creditor's rights.

(b) *No Conflicts.* The adoption of the Corporation Resolution and the execution and delivery of the Corporation Legal Documents and compliance with the provisions thereof on the Corporation's part contained therein, will not conflict with, or constitute a breach of or default under, any constitutional provision, administrative regulation, judgement, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or to which any of its property or assets are otherwise subject; nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Corporation to be pledged to secure the Certificates or under the terms of any law, regulation or instrument, except as provided by the Corporation Resolution.

(c) *No Consents Required.* All authorizations, approvals, licenses, permits, consents and order of any governmental authority, legislative body, board, agency or commission have jurisdiction of the matter which are a requirement for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Corporation Legal Documents or the execution, delivery and sale of the Certificates or the due performance of the Corporation of its obligations under the Corporation Legal Documents.

(d) *No Litigation.* Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, there is no litigation, action, suit, proceeding or investigation at law or in equity, before or by any court or governmental agency or body, pending or to the knowledge of the Corporation, threatened against the Corporation: (i) affecting its existence or the titles of its officers to their respective offices; (ii) affecting or seeking to restrain or enjoin the delivery of the Certificates, or the assignment of the payments to be made pursuant to the Lease Agreement or in any way contesting or affecting the validity of the Corporation

Legal Documents, the Corporation Resolution or the Certificates or contesting the powers of the Corporation to enter into or perform its obligations under any of the foregoing; (iii) contesting the exclusion from gross income of interest evidenced by the Certificates for federal income tax purposes; or (iv) contesting the information relating to the Corporation, its structure and responsibilities contained in the Preliminary Official Statement or the Official Statement under the caption "THE CORPORATION".

(e) *Preliminary Official Statement Correct and Complete.* The information relating to the Corporation, its functions, duties and responsibilities contained in the Preliminary Official Statement under the caption "THE CORPORATION" as of its date and on August 18, 2015 was true and correct and did not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made not misleading.

(f) *Official Statement Correct and Complete.* The Official Statement, as of its date and at all times up to and including the Closing Date (and if amended or supplemented, at all times subsequent to each such amendment or supplement up to and including the Closing Date), the information relating to the Corporation, its functions, duties and responsibilities contained in the Official Statement (if and as amended and supplemented) under the caption "THE CORPORATION" does not contain any untrue statement of material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) *Blue Sky Cooperation.* The Corporation agrees to furnish such information and execute such instruments and take such action in cooperation with the Underwriter, at no expense to the Corporation, as the Underwriter may reasonably request (A) to (y) qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (z) determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Certificates (provided, however, that the Corporation will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Corporation of any written notification with respect to the suspension of the qualification of the Certificate for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(h) *No Breach or Default.* The Corporation is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the execution and delivery of the Certificates or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Corporation is a party or to which the Corporation or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect on the Corporation's ability to perform its obligations under the Corporation Legal Documents has occurred and is continuing which constitutes or with the passage of time or the giving of notice,

or both, would constitute a default or event of default by the Corporation under any of the foregoing.

(i) *No Material Change.* Prior to the Closing, the Corporation will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Corporation.

(j) *Limitation on Issuances.* The Corporation will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, except in the ordinary course of business, without the prior approval of the Underwriter.

(k) *Agreement to Preserve Tax Exemption.* The Corporation agrees that it will not take any action which would cause interest with respect to the Certificates to be subject to federal income taxation or California personal income taxes (other than to the extent the Certificates will be subject to federal income taxation as described under the caption "TAX EXEMPTION" in the Preliminary Official Statement and the Official Statement, as amended and supplemented).

(l) *Reliance on Closing Certificate.* Any certificate, signed by any official of the Corporation authorized to do so in connection with the Certificates and the transactions described in the Corporation Resolution, shall be deemed a representation and warranty by the Corporation to the Underwriter as to the statements made therein.

This Certificate, upon the execution hereof by a duly authorized officer of the Corporation, shall be valid and enforceable as of the time of such execution.

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Very truly yours,

**COUNTY OF MONTEREY PUBLIC  
IMPROVEMENT CORPORATION**

By: Michael J. Miller  
Michael J. Miller, CPA, CISA, President