

CERTIFICATE PURCHASE AGREEMENT

\$48,440,000
County of Monterey
Certificates of Participation
(2015 Public Facilities Financing)

August 18, 2015

COUNTY OF MONTEREY

Third Floor
168 West Alisal Street
Salinas, California 93901
Attn: Auditor-Controller

Ladies and Gentlemen:

The undersigned Barclays Capital Inc., as underwriter (the “Underwriter”), offers to enter into the following agreement (this “Purchase Agreement”) with the County of Monterey, California (the “County”) which, upon the County’s acceptance of this offer, will be binding upon the County and the Underwriter. This offer is made subject to the County’s written acceptance hereof on or before 11:59 p.m., California time on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice (by facsimile transmission or otherwise) delivered to the County at any time prior to acceptance. Capitalized terms used herein and not defined shall have the respective meanings assigned to them in the Official Statement (as defined in Section 3).

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the County, and the County hereby agrees to sell and deliver to or for the account of the Underwriter, the County of Monterey, Certificates of Participation (2015 Public Facilities Financing) in the aggregate principal amount of \$48,440,000.00 (the “2015 Certificates”). The purchase price for the 2015 Certificates shall be \$52,221,573.22, representing the par amount of the 2015 Certificates less an Underwriter’s discount of \$188,891.18 plus net original issue premium of \$3,970,464.40.

The County acknowledges and agrees that: (i) the purchase and sale of the 2015 Certificates pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the County and the Underwriter; (ii) in connection therewith and with the discussions, conferences, negotiations and undertakings leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and are not acting as an agent of the County; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the County with respect to the offering contemplated hereby or the discussions, negotiations and undertakings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the County on other matters) and the Underwriter has no obligation to the County with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Agreement; (iv) it has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; and (v) this Purchase Agreement expresses the entire relationship between the parties hereto.

2. The 2015 Certificates. The 2015 Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of September 1, 2015, (the “Trust Agreement”), by and among the County of Monterey Public Improvement Corporation (the “Corporation”), the County and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). 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.

The 2015 Certificates shall be dated their date of delivery and shall mature on October 1 of the years and in the principal amounts, and bear interest at the rates (payable on October 1 and April 1 in each year, commencing on April 1, 2016 and ending on September 1, 2045), set forth on Appendix A hereto and shall be subject to prepayment as shown on Appendix B hereto.

The 2015 Certificates are being executed and delivered for the purpose of: (i) financing a portion of the costs of the construction, rehabilitation, renovation, acquisition and installation of certain facilities, including improvements at 1441 Schillings Place and renovations of the East and West Wings of the Courthouse (the “Project”); and (ii) paying the costs incurred in connection with the execution and delivery of the 2015 Certificates.

The 2015 Certificates are payable solely from, and secured solely by a pledge of and charge and lien upon the Base Rental Payments to be made by the County pursuant to the Lease Agreement and are payable to the Corporation by the County from its General Fund for the right by the County to use and occupy the Property for so long as the County has such use and occupancy of the Property. The County has covenanted under the Lease Agreement that it will take such action as may be necessary to include the Base Rental Payments in its annual budget and to make the necessary annual appropriations therefor. Pursuant to an Assignment Agreement, dated as of September 1, 2015, by and between the Corporation and the Trustee (the “Assignment Agreement”), the Corporation assigns to the Trustee its rights, title, and interest in the Ground Lease and Lease Agreement, including its right to receive and enforce payment of the Base Rental Payments.

The County will undertake, pursuant to a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) by and between the County and the Trustee, dated as of September 1, 2015, to be executed and delivered by the County on the Closing Date (as defined in Section 9), to provide certain annual financial information and notices of the occurrence of certain events. A form of the Continuing Disclosure Agreement is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

3. Delivery of Official Statement. The County has heretofore delivered to the Underwriter a Preliminary Official Statement, dated August 4, 2015, relating to the 2015 Certificates (which together with the cover page and all appendices thereto and as amended or further supplemented, the “Preliminary Official Statement”), that the County has deemed final as of its date in accordance with paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”). The County shall deliver or cause to be delivered to the Underwriter, within seven (7) business days from the date hereof and, in any event, in sufficient time to accompany any customer confirmations, copies of an official statement relating to the 2015 Certificates, dated the date of this Purchase Agreement, executed on behalf of and approved for distribution by the County in the form of the Preliminary Official Statement, as amended to conform to the terms of this Purchase Agreement and to reflect the reoffering terms of the 2015

Certificates and with such other changes as shall have been consented to by the County and the Underwriter (the "Official Statement"). The County shall deliver the Official Statement in such quantities as the Underwriter may request in order to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board (the "MSRB"). The County hereby approves of the use and distribution by the Underwriter of the Official Statement in connection with the offer and sale of the 2015 Certificates. The Underwriter agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Market Access (EMMA) website of the MSRB and the Underwriter agrees to otherwise comply with all applicable MSRB rules.

4. Offering. The Underwriter agrees to make a bona fide public offering of the 2015 Certificates at prices not in excess of the initial public offering prices or at yields not lower than the initial yields shown or derived from information shown on the cover of the Official Statement. The Underwriter reserves the right to change such initial offering prices as they shall deem necessary in connection with the marketing of the 2015 Certificates. The Underwriter agrees to execute and deliver a written certificate, in form and substance satisfactory to Special Counsel (as hereinafter defined), that will enable Special Counsel to determine the issue price of the 2015 Certificates in accordance with the applicable provisions of the Internal Revenue Code of 1986 (the "Code").

5. Use and Preparation of Documents. The County hereby ratifies and approves the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the 2015 Certificates. The County hereby authorizes the distribution and use by the Underwriter of the forms or copies of the Official Statement (including any supplements or amendments thereto) and the Certificate Documents (as defined in Section 6(a)), and the information contained in each of the foregoing, in connection with the public offering and sale of the 2015 Certificates.

6. Representations, Warranties and Agreements of the County. The County hereby represents, warrants and agrees as follows:

1) The County is and will be on the Closing Date a political subdivision of the State of California organized and operating pursuant to the laws of the State of California with full power and authority to execute and deliver the Official Statement, to execute and sell the 2015 Certificates and to enter into this Purchase Agreement, the Trust Agreement, the Lease Agreement, the Ground Lease and the Continuing Disclosure Agreement. The Assignment Agreement, the Trust Agreement, the Lease Agreement, the Ground Lease and the Continuing Disclosure Agreement, are collectively referred to herein as the "Certificate Documents";

2) By all necessary official action of the County prior to or concurrently with the acceptance hereof, the County has duly authorized all necessary action to be taken by it for (i) the adoption of the County Resolution (defined herein) and the execution and sale of the 2015 Certificates, (ii) the approval and the execution and delivery of, and the performance by the County of the obligations on its part contained in, the Certificate Documents to be executed by it, and (iii) the consummation by it of all other transactions contemplated by the Official Statement, the Certificate Documents and this Purchase Agreement;

3) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would adversely affect the approval or adoption, as applicable, of the County Resolution, the Certificate Documents to which it is a party, the delivery of the 2015 Certificates or the due performance by the County of its obligations under

the Certificate Documents to which it is a party is, and the 2015 Certificates, have been duly obtained;

4) This Purchase Agreement and the Certificate Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the County, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights, and upon the execution and delivery of the 2015 Certificates, the County Resolution will provide, for the benefit of the holders from time to time of the 2015 Certificates, the legally valid and binding pledge of and lien it purports to create as set forth in the County Resolution;

5) The execution and delivery of the 2015 Certificates and the Certificate Documents to which it is a party, this Purchase Agreement, the Official Statement and the adoption of the County Resolution, and compliance with the provisions on the County's part contained herein and therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or is 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 properties or assets of the County to be pledged to secure the 2015 Certificates or under the terms of any such law, regulation, judgment, decree, loan agreement, lease, indenture, bond, note resolution, agreement or other instrument, except as provided in the Certificate Documents, the County Resolution or 2015 Certificates;

6) The County is not in breach of or default under any applicable constitutional provision, law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, lease, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or to which the County or any of its property or assets is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute a default or an event of default under any such instrument;

7) The 2015 Certificates and the Certificate Documents, when executed and delivered, will conform to the descriptions thereof contained in the Preliminary Official Statement and the Official Statement, and the proceeds of the sale of the 2015 Certificates will be applied generally as described in the Preliminary Official Statement, as amended and supplemented, and in the Official Statement;

8) The Preliminary Official Statement, as of its date and as of the date hereof, did not and does not contain any untrue statement of a 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;

9) Except to the extent disclosed in the Preliminary Official Statement and the Official Statement, to the best knowledge of the County, after diligent inquiry, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, threatened against the County: (i) affecting the existence of the County or the titles of its officers to their respective offices; (ii) seeking to prohibit, restrain or enjoin the sale, execution or delivery of the 2015 Certificates or the payment of Base Rental Payments; (iii) in any way contesting or affecting the validity or

enforceability of the 2015 Certificates, the Certificate Documents to which the County is a party or this Purchase Agreement; (iv) contesting the powers of the County or its authority to enter into, adopt or perform its obligations under any of the foregoing, the Certificate Documents, County Resolution or 2015 Certificates, nor the best knowledge of the County is there any basis therefor wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the 2015 Certificates or the Certificate Documents to be executed by it or this Purchase Agreement; or contesting in any way the completeness or accuracy of the Preliminary Official Statement, the Official Statement, or any amendment or supplement thereto;

10) The County will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to (i)(A) qualify the 2015 Certificates for sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (B) determine the eligibility of the 2015 Certificates for investment under the laws of such states and jurisdictions and (ii) to continue such qualification in effect so long as required for distribution of the 2015 Certificates (provided, however, that the County 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 County of any written notification with respect to the suspension of the qualification of the 2015 Certificates for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

11) As of the date thereof and at all times subsequent thereto up to and including the date which is 25 days following the End of the Underwriting Period, the Official Statement (excluding therefrom information relating to DTC and the book-entry system, the information under the caption "UNDERWRITING") does not and will not contain any untrue statement of a 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;

12) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the 2015 Certificates, an event occurs which might or would cause the information contained in the Official Statement (excluding therefrom information relating to DTC and the book-entry system, the information under the caption "UNDERWRITING"), as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the County will notify the Underwriter, and, if in the opinion of the Underwriter, the County or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will forthwith prepare and furnish to the Underwriter (at the expense of the County) a reasonable number of copies of such amendment or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriter) which will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the 2015 Certificates, the County will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

13) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (l) hereof, at the time of each supplement or amendment

thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the 2015 Certificates, the portions of the Official Statement (excluding therefrom information relating to DTC and the book-entry system, the information under the caption "UNDERWRITING") so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading;

14) Other than as described in the Preliminary Official Statement and the Official Statement, the County has not failed during the previous five years to comply with any previous undertakings in a written continuing disclosure certificate or agreement under Rule 15c2-12;

15) The financial statements of, and other financial information regarding the County in the Preliminary Official Statement and in the Official Statement fairly present the financial position and results of the County as of the dates and for the periods therein set forth. The financial statements of the County have been prepared in accordance with generally accepted accounting principles consistently applied, and, except as noted in the Preliminary Official Statement and in the Official Statement, the other historical financial information set forth in the Preliminary Official Statement and in the Official Statement has been presented on a basis consistent with that of the County's audited financial statements included in the Preliminary Official Statement and in the Official Statement;

16) Prior to the Closing, the County 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 County;

17) The County will not, prior to the Closing, offer or issue 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;

18) The County is not presently and, as a result of the execution of the Lease Agreement and the sale of the 2015 Certificates will not be, in violation of any debt limitation, appropriation limitation or any other provision of the California Constitution or statutes;

19) The County has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the 2015 Certificates as provided in, and subject to all of the terms and provisions of the County Resolution, including for payment or reimbursement of County expenses incurred in connection the negotiation, marketing, execution and delivery of the 2015 Certificates to the extent required by Section 10 (Expenses) herein, and will not take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest evidenced by the 2015 Certificates; and

20) Any certificate, signed by any official of the County authorized to do so in connection with the transactions described in this Purchase Agreement shall be deemed a representation and warranty by the County to the Underwriter as to the statements made therein.

7. End of Underwriting Period. The term "End of the Underwriting Period" referred to in of this Purchase Agreement shall mean the earlier of (i) the Closing Date, unless the County has been notified in writing to the contrary by the Underwriter on or prior to the Closing Date or (ii) the date on which the End of the Underwriting Period for the 2015 Certificates has occurred under Rule 15c2-12,

provided however, that the County may treat as the End of the Underwriting Period for the 2015 Certificates as that date specified as such in a written notice from the Underwriter stating the date which is the End of the Underwriting Period.

8. Closing. At 8:00 a.m., California time, on September 2, 2015 or at such earlier or later time or date as shall be mutually agreed upon by the County and the Underwriter (such time and date being herein referred to as the “Closing Date”), the County will, subject to the terms and conditions hereof, sell and deliver the 2015 Certificates to or for the account of the Underwriter in definitive form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the 2015 Certificates as set forth in Section 1 hereof. Sale, delivery and payment as aforesaid shall be made at the offices of Orrick, Herrington & Sutcliffe LLP in Los Angeles, California (“Special Counsel”), or such other place as shall have been mutually agreed upon by the County and the Underwriter, except that the 2015 Certificates shall be delivered through the facilities of The Depository Trust Company (“DTC”) in New York, New York, or at such other place as shall have been mutually agreed upon by the County and the Underwriter, in fully registered, book-entry eligible form (which may be typewritten) and registered in the name of Cede & Co., as nominee of DTC.

9. Closing Conditions to the Obligations of the Underwriter.

The Underwriter enter into this Purchase Agreement in reliance upon the representations and warranties of the County contained herein, and the representations and warranties of the Corporation and the County to be contained in the documents and instruments to be delivered at the Closing, including, without limitation, the certificate of the Corporation to be delivered at Closing in substantially the form attached hereto as Appendix C (the “Certificate of Representations”), and upon the performance by the Corporation and the County of their obligations both on and as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the 2015 Certificates shall be subject, at the option of the Underwriter, to the accuracy in all respects of the representations and warranties of the County contained herein as of the date hereof and as of the Closing Date, to the accuracy in all respects of the statements of the officers and other officials of the County and the Corporation made in any certificate or other document furnished pursuant to the provisions hereof, to the performance by the Corporation and the County of their respective obligations to be performed hereunder and under the Certificate Documents at or prior to the Closing Date, and also shall be subject to the following additional conditions:

The Underwriter shall receive, prior to the Closing Date and at least in sufficient time to accompany any orders or confirmations that request payment from any customer, copies of the Official Statement, in such reasonable quantity as the Underwriter shall have requested;

(a) At the Closing, the Certificate Documents shall have been duly authorized, executed and delivered by the respective parties thereto, and the Official Statement shall have been duly authorized, executed and delivered by the County, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the Board of Directors of the Corporation and the Board of Supervisors of the County as, in the opinion of Special Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(b) Between the date hereof and the Closing Date, the market price or marketability, at the initial offering price set forth in the Official Statement, of the 2015 Certificates or the ability of the Underwriter to enforce contracts for the sale of 2015 Certificates shall not have been materially adversely

affected, in the reasonable judgment of the Underwriter (evidenced by a written notice to the County terminating the obligation of the Underwriter to accept delivery of and make any payment for the 2015 Certificates), by reason of any of the following:

(1) legislation enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to alter, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the 2015 Certificates, or the interest evidenced by the 2015 Certificates, as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein;

(2) there shall have occurred: (i) any new material outbreak of hostilities (including, without limitation, an act of terrorism); (ii) the escalation of hostilities existing prior to the date hereof; or (iii) any other extraordinary event, material national or international calamity or crisis, or any material adverse change in the financial, political or economic conditions affecting the United States, the State or the County;

(3) a general banking moratorium shall have been declared by Federal, State of New York or State of California authorities having jurisdiction and shall be in force;

(4) a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter);

(5) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the 2015 Certificates are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Trust Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the execution and delivery, offering, or sale of obligations of the general character of the 2015 Certificates, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(6) any downgrading or published negative credit watch or similar published information from a rating agency that at the date hereof has published a rating (or has been asked to furnish a rating on the 2015 Certificates) on any of the County's debt obligations, which action

reflects a change or possible change, in the ratings accorded any such obligations of the County (including any rating to be accorded the 2015 Certificates);

(7) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect of causing the Official Statement to contain any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(8) There shall have occurred since the date of this Purchase Agreement any materially adverse change in the affairs or financial condition of the County, except for changes which the Official Statement discloses are expected to occur; or

(9) A material disruption in securities settlement, payment or clearance services shall have occurred.

(c) On or prior to the Closing Date, the Underwriter shall have received a copy of each of the following documents:

(1) Two copies of the Certificate Documents, each duly executed and delivered by the respective parties thereto;

(2) The approving opinion, dated the Closing Date and addressed to the County, of Special Counsel in substantially the form attached to the Official Statement as Appendix D, and a letter of such counsel, dated the Closing Date and addressed to the Underwriter and the Trustee, to the effect that such opinion may be relied upon by the Underwriter and the Trustee to the same extent as if such opinion were addressed to them;

(3) The supplemental opinion, dated the Closing Date and addressed to the Underwriter, of Special Counsel, substantially to the effect that: (i) this Purchase Agreement has been duly executed and delivered, as appropriate, by the County and (assuming due authorization, execution and delivery by and validity with respect to the respective parties thereto) constitutes the valid and binding obligation of the County, subject to bankruptcy or other laws affecting creditors' rights, the exercise of judicial discretion, the application of equitable principles, and the limitations on legal remedies against public agencies in the State of California, and no opinion is expressed with respect to any indemnification or contribution provisions herein; (ii) the 2015 Certificates are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (iii) the statements contained under the captions "THE CERTIFICATES," "SECURITY AND SOURCES OF PAYMENT," "TAX EXEMPTION" and in APPENDIX C – "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS," and APPENDIX D – "PROPOSED FORM OF OPINION OF SPECIAL COUNSEL," in the Official Statement, insofar as such statements purport to summarize certain provisions of the Certificate Documents and Special Counsel's opinion concerning certain federal tax matters relating to the 2015 Certificates, are accurate in all material respects;

(4) The opinion of counsel for the Corporation, dated the Closing Date and addressed to the Underwriter, to the effect that: (i) the Corporation is a California nonprofit public benefit corporation organized under the laws of the State of California; (ii) the resolution of the Corporation approving and authorizing the execution and delivery by the Corporation of

the Certificate Documents to which it is a party (the “Corporation Resolution”) was duly adopted at a meeting of the Board of Directors of the Corporation which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; (iii) to the best knowledge of the Corporation, after diligent inquiry, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against the Corporation, to restrain or enjoin the Base Rental Payments under the Lease Agreement, or in any way contesting or affecting the validity of the 2015 Certificates or the Certificate Documents; (iv) the execution and delivery of the Certificate Documents to which the Corporation is a party, the adoption of the Corporation Resolution, and compliance by the Corporation with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Corporation a breach or default under any agreement or other instrument to which the Corporation is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or, any existing law, regulation, court order or consent decree to which the Corporation is subject (and of which such counsel is aware after reasonable investigation) (except that no opinion is expressed by such counsel with respect to federal securities laws or any federal, state or local tax law); (v) no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the Corporation is required for the valid authorization, execution, delivery and performance by the Corporation of the Certificate Documents to which the Corporation is a party, or for the adoption of the Corporation Resolution which has not been obtained; and (vi) the information set forth under the caption “THE CORPORATION” in the Official Statement, as of its date and the Closing Date, is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(5) The opinion, dated the Closing Date and addressed to the Underwriter, the Corporation and the County, of counsel to the Trustee, in a form acceptable to Underwriter’s and Special Counsel;

(6) The opinion of counsel to the County, dated the Closing Date and addressed to the Underwriter, to the effect that: (i) the County is a political subdivision of the State of California organized and operating pursuant to the Constitution and laws of the State of California; (ii) the resolution or resolutions of the County approving and authorizing the execution and delivery by the County of the Certificate Documents to which it is a party, this Purchase Agreement and the Official Statement (the “County Resolution”) were duly adopted at meetings of the Board of Supervisors of the County which were called and held pursuant to law and with all public notice required by law and at which a quorum was present acting throughout; (iii) to the best knowledge of the County, after diligent inquiry, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against the County, to restrain or enjoin the Base Rental Payments under the Lease Agreement, or in any way contesting or affecting the validity of the 2015 Certificates, the Certificate Documents or this Purchase Agreement; (iv) the execution and delivery of the Certificate Documents to which the County is a party, this Purchase Agreement and the Official Statement, the adoption of the County Resolution, and compliance by the County with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach or default under any agreement or other instrument to which the County is a party (and of which such counsel is aware after reasonable investigation), or by which it is bound (and of which such

counsel is aware after reasonable investigation), or, any existing law, regulation, court order or consent decree to which the County is subject (and of which such counsel is aware after reasonable investigation) (except that no opinion is expressed by such counsel with respect to federal securities laws or any federal, state or local tax law); (v) no authorization, approval, consent or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the County is required for the valid authorization, execution, delivery and the performance by the County of the Certificate Documents to which the County is a party, the Official Statement or this Purchase Agreement or for the adoption of the County Resolution which has not been obtained; and (vi) the information set forth under the captions "THE PROPERTY," "THE COUNTY," "COUNTY FINANCIAL INFORMATION," "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" and "LITIGATION" (excluding therefrom financial statements and statistical data, as to which no opinion need be expressed) in the Preliminary Official Statement, as of its date and as of August 18, 2015 (excluding any information permitted to be omitted pursuant to Rule 15c2-12), and in the Official Statement as of its date and the Closing Date, is true and correct and does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(7) The opinion, dated the Closing Date and addressed to the Underwriter, of Curls Bartling P.C., Oakland, California, counsel for the Underwriter ("Underwriter's Counsel") to the effect that: (i) the 2015 Certificates are exempt from registration under the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended, (ii) based upon the participation of such firm in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement (including any amendments or supplements to both or either documents), nothing has come to the attention of the attorneys in such firm rendering legal services in connection with such representation which caused them to believe that the Preliminary Official Statement as of its date and as of August 18, 2015 (excluding any information permitted to be omitted pursuant to Rule 15c2-12 and excluding therefrom the financial statements or other financial or statistical data or forecasts and the information concerning DTC and the book-entry only system, the description of any litigation, the financial and statistical information with the County and the Corporation contained in the Official Statement, and the Appendices, as to all of which no opinion is expressed), and the Official Statement as of its date and the Closing Date (excluding therefrom the financial statements or other financial or statistical data or forecasts and the information concerning DTC and the book-entry only system, the description of any litigation, the financial and statistical information with the County and the Corporation contained in the Official Statement, and the Appendices, as to all of which no opinion is expressed), contained or contains an untrue statement of material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and (iii) assuming the due authorization and adoption of the Continuing Disclosure Agreement by the County and the enforceability thereof, the Continuing Disclosure Agreement satisfies clause (b)(5)(i) of Rule 15c2-12 of the Securities Exchange Act, which requires an undertaking for the benefit of the holders, including beneficial owners, of the 2015 Certificates to provide annual updates of certain financial information and certain event notices to the MSRB at the times and in the manner required by such Rule;

(8) The opinion, dated the Closing Date and addressed to the County and the Underwriter, of Orrick, Herrington & Sutcliffe, LLP, as disclosure counsel to the County

("Disclosure Counsel"), to the effect that, based on the information made available to it in its role as Disclosure Counsel, without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, but on the basis of their participation in conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon and on the records, documents, certificates and matters mentioned above, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel's role as disclosure counsel with respect to the Certificates, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such role which caused them to believe that the Official Statement as of its date (except for any CUSIP numbers, financial, accounting, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about DTC or its book-entry system, litigation, ratings, rating agencies or underwriting, and Appendices B and E included or referred to therein, which such counsel shall expressly exclude from the scope of this paragraph and as to which such counsel shall express no opinion or view) contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(9) A certificate or certificates, dated the Closing Date and signed by a duly authorized official of the Corporation substantially the form attached hereto as Appendix C;

(10) A certificate or certificates, dated the Closing Date signed by a duly authorized official of the County satisfactory to the Underwriter, in form and substance satisfactory to the Underwriter, to the effect that: (i) the representations and warranties of the County contained in this Purchase Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) except as disclosed in the Official Statement, no litigation is pending or, to the best of such official's knowledge, threatened against the County (a) to prohibit, restrain or enjoin the sale or delivery of the 2015 Certificates or the payment of the Base Rental Payments under the Lease Agreement; (b) in any way contesting or affecting the validity of the 2015 Certificates, this Purchase Agreement or the Certificate Documents to which the County is a party; or (c) in any way contesting the existence or powers of the County; and (iii) no event affecting the County has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement relating to the County (excluding therefrom information relating to DTC and the book-entry system, the information under the caption "UNDERWRITING," or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein relating to the County not misleading in any material respect;

(11) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Underwriter, to the effect that: (a) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Trust Agreement, the Assignment Agreement and the Continuing Disclosure Agreement (collectively, the "Trustee Documents") and to execute and deliver the 2015 Certificates to the Underwriter pursuant to the Trust Agreement; (b) the Trustee is duly authorized to enter into the Trust Agreement and the Trustee has duly executed and delivered the Trust Agreement; (c) to the Trustee's knowledge, the execution and delivery of the Trust Documents and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, material agreement or material instrument to which the Trustee is a party or is

otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), 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 properties or assets held by the Trustee pursuant to the Trust Documents under the terms of any such law, administrative regulation, judgment, decree, material agreement or material instrument, except as provided by the Trust Agreement; (d) when delivered to and paid for by the Underwriter on the Closing Date, the 2015 Certificates will have been duly executed and delivered by the Trustee; and (e) to the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, as such but not in its individual capacity, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the collection of Base Rental Payments to be applied to pay the principal, premium, if any, and interest evidenced by the 2015 Certificates, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Trust Documents against the Trustee, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Documents;

(12) The Preliminary Official Statement, a certificate pursuant to Rule 15c2-12 related to the Preliminary Official Statement signed on behalf of the County by authorized representatives thereof, and the Official Statement, executed on behalf of the County by authorized representatives thereof;

(13) A certified copy of the general resolution of by-laws of the Trustee authorizing the execution and delivery of the Trust Agreement;

(14) A certified copy of the Corporation Resolution authorizing the execution and delivery of the Certificate Documents to which the Corporation is a party;

(15) A certified copy of the County Resolution authorizing the execution and delivery of the Certificate Documents to which the County is a party, the Official Statement and this Purchase Agreement;

(16) Evidence that any ratings described in the Official Statement are in full force and effect as of the Closing Date;

(17) A copy of the Blanket Letter of Representation to DTC relating to the County;

(18) Tax certificate of the County in form and substance acceptable to Special Counsel and the Underwriter;

(19) Evidence of title to the Property satisfactory to the Underwriter;

(20) Evidence of existing title insurance policy satisfactory to the Underwriter; and

(21) Such additional legal opinions, certificates, proceedings, instruments, title insurance, other insurance policies or evidences thereof and other documents as the Underwriter, Underwriter's Counsel or Special Counsel may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations of the County

herein and of the statements and information contained in the Official Statement, and the due performance or satisfaction by the Trustee, the Corporation and the County at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by any of them in connection with the transactions contemplated hereby and by the Certificate Documents.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the County shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the 2015 Certificates contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the 2015 Certificates shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the County shall be under any further obligation hereunder. In the event that the Underwriter fails (other than for a reason permitted by this Purchase Agreement) to accept and pay for the 2015 Certificates at the Closing, the amount of one percent (1%) of the aggregate principal amount of the 2015 Certificates shall be payable by the Underwriter as and for full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter. The Underwriter hereby waives any right to claim that actual damages resulting from any default by any of them hereunder are less than such sum, and the acceptance of such amount shall constitute a full release and discharge of all claims and rights of the County against the Underwriter. Thereafter, no party hereto shall have any further rights against any other party hereunder, except that each party shall pay their respective expenses as set forth in Section 10 (Expenses).

10. Expenses.

(a) All expenses and costs incident to the execution, delivery and sale of the 2015 Certificates to the Underwriter, including the costs of printing the Preliminary Official Statement, the Official Statement, the cost of duplicating the Certificate Documents, the fees of accountants, financial advisors, consultants and rating agencies, the initial fee of the Trustee and its counsel in connection with the execution and delivery of the 2015 Certificates and the fees and expenses of Special Counsel and Disclosure Counsel, shall be paid from the proceeds of the 2015 Certificates. In the event that the 2015 Certificates for any reason are not delivered, or to the extent proceeds of the 2015 Certificates are insufficient or unavailable therefor, any fees, costs and expenses owed by the County to the Trustee, which otherwise would have been paid from the proceeds of the 2015 Certificates, shall be paid by the County. All out-of-pocket expenses of the Underwriter, including traveling and other expenses of Underwriter personnel, including those associated with the California Debt and Investment Advisory Commission fee, the costs of preparation of any blue sky and legal investment surveys prepared by Underwriter's Counsel and the fees and expenses of Underwriter's Counsel, shall be paid by the Underwriter. The County shall reimburse the Underwriter for any expenses (which may be included in the expense component of the Underwriter's spread) incurred by or on behalf of the County and its representatives in connection with the negotiation, marketing, execution and delivery of the 2015 Certificates, including, if any, meals, transportation and lodging of their representatives.

(b) Notwithstanding the foregoing, if the Underwriter or the County shall bring an action to enforce any part of this Purchase Agreement against the other, each party shall bear its attorneys' fees and costs incurred in connection with such action.

11. Notices.

Any notice or other communication to be given to the parties to this Purchase Agreement may be given by delivering the same in writing to the respective party at the following address:

Underwriter: Barclays Capital Inc.
555 California St., 30th Floor,
San Francisco, California 94104
Attention: Michael Gomez, Director

County: County of Monterey
Third Floor
168 West Alisal Street
Salinas, California 93901
Attention: Auditor-Controller

12. Parties in Interest. This Purchase Agreement is made solely for the benefit of the County and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. All of the County's representations, warranties and agreements contained in this Purchase Agreement shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriter; (ii) delivery of and payment for the 2015 Certificates pursuant to this Purchase Agreement; and (iii) any termination of this Purchase Agreement.

13. Effectiveness. This Purchase Agreement shall become effective upon the execution of the acceptance herein by duly authorized officer of the County and shall be valid and enforceable at the time of such acceptance.

14. Headings. The headings of the sections of this Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

15. Counterparts. This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

16. Governing Law. This Purchase Agreement shall be construed in accordance with the laws of the State of California.


17. Severability. If any provision of this Purchase Agreement shall be held to be invalid, illegal or unenforceable in any respect, then such provision shall be deemed severable from the remaining provisions contained in this Purchase Agreement and such invalidity, illegality or unenforceability shall not affect any other provision of this Purchase Agreement.

[Remainder of Page Left Intentionally Blank.]

If the above terms of this Purchase Agreement are acceptable, please cause a duly authorized officer of the County to execute the acceptance below.

Very truly yours,

BARCLAYS CAPITAL INC., Underwriter

By: 
Michael Gomez, Director

ACCEPTED:

COUNTY OF MONTEREY

By: _____
Authorized Representative

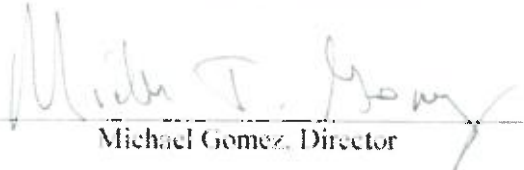
Date: _____

[Signature page of Certificate Purchase Agreement]

If the above terms of this Purchase Agreement are acceptable, please cause a duly authorized officer of the County to execute the acceptance below.


Very truly yours,

BARCLAYS CAPITAL INC., Underwriter

By: 
Michael Gomez, Director

ACCEPTED:

COUNTY OF MONTEREY

By: 
Authorized Representative
Date: 

[Signature page of Certificate Purchase Agreement]

**MATURITIES, AMOUNTS AND INTEREST RATES
FOR**

\$48,440,000
COUNTY OF MONTEREY
CERTIFICATES OF PARTICIPATION
(2015 Public Facilities Financing)

<i>Maturity Date (October 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>
2016	\$ 750,000	3.000%	0.380%
2017	775,000	4.000	0.760
2018	810,000	4.000	1.050
2019	845,000	5.000	1.280
2020	890,000	5.000	1.600
2021	935,000	5.000	1.940
2022	985,000	5.000	2.190
2023	1,035,000	5.000	2.390
2024	1,085,000	5.000	2.550
2025	1,145,000	5.000	2.660
2026 ^c	1,200,000	5.000	2.800
2027 ^c	1,265,000	5.000	2.920
2028 ^c	1,330,000	5.000	3.030
2029 ^c	1,395,000	5.000	3.090
2030 ^c	1,465,000	5.000	3.160
2031 ^c	1,540,000	5.000	3.230
2032 ^c	1,620,000	5.000	3.280
2033	1,695,000	3.625	3.780
2034 ^c	1,765,000	5.000	3.370
2035 ^c	1,860,000	5.000	3.410
2038 ^c	6,170,000	5.000	3.530
2045 [*]	17,880,000	4.000	4.090

^c Priced to par call on October 1, 2025.

^{*} Maturity date is September 1, 2045.

PREPAYMENT PROVISIONS

Capitalized terms not otherwise defined in this Purchase Agreement shall have the meaning ascribed thereto in the Trust Agreement.

Optional Prepayment. The 2015 Certificates maturing on and after October 1, 2026 shall be subject to optional prepayment on any date on or after October 1, 2025, in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to the Lease Agreement, any such prepayment to be at a price equal to the principal evidenced by the 2015 Certificates to be prepaid, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium.

Extraordinary Prepayment. The 2015 Certificates are subject to extraordinary prepayment on any date prior to their stated Principal Payment Dates, in whole or in part, in Authorized Denominations, from and to the extent of any Net Proceeds received with respect to all or a portion of the Property and deposited by the Trustee in the Prepayment Fund in accordance with the Trust Agreement, at a prepayment price equal to the principal evidenced by the 2015 Certificates to be prepaid, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium.

Mandatory Sinking Account Prepayment.

(i) The 2015 Certificates with a stated Principal Payment Date of October 1, 2038 are subject to prepayment prior to their stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each October 1 specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such 2015 Certificates to be so prepaid and the dates therefor shall be as follows:

<u>Prepayment Date</u>	<u>Principal To Be Prepaid</u>
10/1/2036	\$1,955,000
10/1/2037	2,055,000
10/1/2038*	<u>2,160,000</u>
	\$6,170,000

*Stated Principal Payment Date

In each case, the amount of such mandatory sinking account prepayment will be reduced proportionately in the event and to the extent of any and all prepayments of Certificates with a stated Principal Payment Date of October 1, 2038 other than mandatory sinking account prepayments.

(ii) The 2015 Certificates with a stated Principal Payment Date of September 1, 2045 are subject to prepayment prior to their stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each date specified below, at a prepayment price equal to the principal evidenced thereby, plus accrued interest evidenced thereby to the date fixed for prepayment, without premium. The principal evidenced by such 2015 Certificates to be so prepaid and the dates therefor shall be as follows:

<u>Prepayment Date</u>	<u>Principal To Be Prepaid</u>
10/1/2039	\$ 2,260,000
10/1/2040	2,350,000
10/1/2041	2,445,000
10/1/2042	2,545,000
10/1/2043	2,650,000
10/1/2044	2,760,000
9/1/2045*	<u>2,870,000</u>
	\$17,880,000

*Stated Principal Payment Date

In each case, the amount of such mandatory sinking account prepayment will be reduced proportionately in the event and to the extent of any and all prepayments of Certificates with a stated Principal Payment Date of September 1, 2045 other than mandatory sinking account prepayments.

Selection of 2015 Certificates for Prepayment. Whenever less than all the Outstanding 2015 Certificates are to be prepaid on any one date, the Trustee shall select the 2015 Certificates to be prepaid (a) with respect to any extraordinary prepayment, among 2015 Certificates with different stated Principal Payment Dates in proportion to the amount by which the principal components of the Base Rental Payments evidenced by such 2015 Certificates are abated pursuant to the Lease Agreement, and (b) with respect to any optional prepayment, as directed in a Written Request of the County, and by lot among 2015 Certificates with the same stated Principal Payment Date in any manner that the Trustee deems fair and appropriate, which decision shall be final and binding upon the County, the Corporation and the Owners.

**CLOSING CERTIFICATE OF THE
COUNTY OF MONTEREY PUBLIC IMPROVEMENT CORPORATION**

[Dated the Closing Date]

Barclays Capital Inc.
555 California St., 30th 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, 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 of Representation 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.

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

Very truly yours,

COUNTY OF MONTEREY PUBLIC IMPROVEMENT
CORPORATION

By: _____
Authorized Representative