

MONTEREY COUNTY



OFFICE OF THE COUNTY COUNSEL

168 WEST ALISAL STREET, 3RD FLOOR, SALINAS, CALIFORNIA 93901-2439
(831) 755-5045 FAX: (831) 755-5283

CHARLES J. McKEE
COUNTY COUNSEL

KATHRYN REIMANN
SR. DEPUTY COUNTY COUNSEL

OPINION of LESSEE'S COUNSEL

(Address to IBM Credit and Customer)

Re: Supplement No. _____, dated _____, 20__ to (Master Lease Agreement)
between IBM Credit LLC and County of Monterey.

To Whom It May Concern:

We are counsel to the County of Monterey ("Customer"), in connection with the Agreement between County of Monterey and EDX Information Systems, Inc. No. (_____) ("Master Agreement"), and a Master Lease Agreement No. _____ ("Lease Agreement") between Customer and IBM Credit LLC ("IBM Credit"), and the execution of Master Lease Agreement Schedule No. _____, (the "Supplement") pursuant to the Lease Agreement. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

All capitalized terms not otherwise defined herein shall have the meanings provided in the Lease Agreement and Supplement.

As to questions of fact material to our opinion, we have relied upon the representations of Customer in the Master Agreement, Lease Agreement and the Supplement and in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based upon the foregoing, we are of the opinion that, under existing law:

1. Customer is a public body corporate and politic, duly organized and existing under the laws of the State, and has a substantial amount of one or more of the following sovereign powers:
(a) the power to tax, (b) the power of eminent domain, and (c) the police power.
2. Customer has all requisite power and authority to enter into the Master Agreement, the Lease Agreement and the Supplement and to perform its obligations thereunder.
3. The execution, delivery and performance of the Master Agreement, Lease Agreement and the Supplement by Customer has been duly authorized by all necessary action on the part of Customer.

4. All proceedings of Customer and its governing body relating to the authorization and approval of the Master Agreement, Lease Agreement and the Supplement, the execution thereof and the transactions contemplated thereby have been conducted in accordance with all applicable open meeting laws and all other applicable state and federal laws.
5. Customer has acquired or has arranged for the acquisition of the equipment or financing subject to the Supplement, and has entered into the Master Agreement, Lease Agreement and the Supplement, in compliance with all applicable public bidding laws.
6. Customer has obtained all consents and approvals of other governmental authorities or agencies which may be required for the execution, delivery and performance by Customer of the Master Agreement, Lease Agreement and the Supplement.
7. The Lease Agreement and the Supplement have been duly executed and delivered by Customer and constitute legal, valid and binding obligations of Customer, enforceable against Customer in accordance with the terms thereof, except insofar as the enforcement thereof may be limited by any applicable bankruptcy, insolvency, moratorium, organization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Customer, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases.
8. As of the date hereof, based on such inquiry and investigation as we have deemed sufficient, no litigation is pending, (or, to our knowledge, threatened) against Customer in any court (a) seeking to restrain or enjoin the delivery of the Master Agreement, Lease Agreement or the Supplement or of other agreements similar to the Lease Agreement; (b) questioning the authority of Customer to execute the Master Agreement, Lease Agreement or the Supplement, or the validity of the Master Agreement, Lease Agreement or the Supplement, or the payment of principal of or interest on, the Supplement; (c) questioning the constitutionality of any statute, or the validity of any proceedings, authorizing the execution of the Master Agreement, Lease Agreement and the Supplement; and (d) affecting the provisions made for the payment of or security for the Master Agreement, Lease Agreement and the Supplement.

This opinion may be relied upon by IBM Credit, its successors and assigns, and any other legal counsel who provides an opinion with respect to the Supplement.

Very truly yours,

CHARLES J. McKEE, County Counsel

By: KATHRYN REIMANN
Sr. Deputy County Counsel