

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

CERTIFICATE REGARDING INSURANCE

The undersigned, County of Monterey, a county and political subdivision of the State of California organized and existing under and by virtue of the laws of the State of California (the "County"), hereby states and certifies:

(a) that Ron Holly is the duly appointed, qualified and acting Chief Deputy Auditor-Controller of the County and, as such, is an "Authorized County Representative," as such term is defined in the Trust Agreement, dated as of September 1, 2015, by and among The Bank of New York Mellon Trust Company, N.A., as trustee, the County of Monterey Public Improvement Corporation (the "Corporation") and the County, and, as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(b) that the undersigned is familiar with the County's insurance coverage for general liability and property damage insurance and workers' compensation insurance, covering the Property as defined and described in that certain Lease Agreement, dated as of September 1, 2015, (the "Lease Agreement"), by and between the County and the Corporation, which includes coverage as described in the certificates and schedule of insurers attached hereto as Exhibit A; and

(c) that the undersigned has reviewed and is familiar with the provisions of Article V of the Lease Agreement and has compared the coverage provided by the County's existing insurance policies (and existing self-insurance coverage, if any), with the provisions of the Lease Agreement and certify that the insurance coverage carried by the County meets the requirements set forth in the Lease Agreement.

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Dated: September 2, 2015

COUNTY OF MONTEREY


By: 
Ron Holly,
Chief Deputy Auditor-Controller

EXHIBIT A

[See Attached Insurance Certificates and Schedules]

CERTIFICATE NUMBER

PROP-2088

EVIDENCE OF PROPERTY COVERAGE

ISSUE DATE (MM/DD/YYYY)

08/27/2015

THIS EVIDENCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BELOW. THIS EVIDENCE OF COVERAGE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND ADDITIONAL INTEREST.

CSAC Excess Insurance Authority (CSAC EIA)
 C/O ALLIANT INSURANCE SERVICES, INC.
 PO BOX 6450
 NEWPORT BEACH, CA 92658-6450
 PHONE (949) 756-0271 / FAX (619) 699-0901
 LICENSE #0C36861

COVERAGE AFFORDED **A - CSAC Excess Insurance Authority**

COVERAGE AFFORDED **B - See Attached Schedule of Carriers**

MEMBER

MONTEREY COUNTY
 168 WEST ALISAL STREET, THIRD FLOOR
 SALINAS, CA 93901

TOWER NUMBER

1

MEMORANDUM NUMBER

EIAPPR15-18

EFFECTIVE DATE (MM/DD/YYYY)

03/31/2015

EXPIRATION DATE (MM/DD/YYYY)

03/31/2016

CONT. UNTIL TERMINATED IF CHECKED

THIS REPLACES PRIOR EVIDENCE:

AMENDED CERTIFICATE CANCELS AND REPLACES CERTIFICATE DATED 8/26/2015

PROPERTY INFORMATION

LOCATION / DESCRIPTION

SEE ATTACHMENT A

THIS IS TO CERTIFY THAT THE MEMORANDUMS OF COVERAGE LISTED ABOVE HAVE BEEN ISSUED TO THE MEMBER NAMED ABOVE FOR THE PERIOD INDICATED, NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE MAY BE ISSUED OR MAY PERTAIN. THE COVERAGE AFFORDED BY THE MEMORANDUMS DESCRIBED HEREIN IS SUBJECT TO ALL TERMS, EXCLUSIONS, AND CONDITIONS OF SUCH MEMORANDUMS. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION

COVERAGE / PERILS / FORMS

AMOUNT OF INSURANCE

ALL RISK OF DIRECT PHYSICAL LOSS OR DAMAGE, INCLUDING FLOOD.

\$60,000,000 PER OCC FOR ALL RISK AND ANN AGG FOR FLOOD

EARTHQUAKE IS EXCLUDED. EARTHQUAKE LIMIT IS NOT APPLICABLE.

\$25,000,000 PER OCC/ANN AGG FOR EARTHQUAKE

REPAIR OR REPLACEMENT COST VALUATION SUBJECT TO MEMORANDUM OF COVERAGE PROVISIONS

VEHICLE/BUSES ARE SUBJECT TO ACTUAL CASH VALUE OR REPLACEMENT COST PER SCHEDULE ON FILE WITH THE AUTHORITY

ALL LIMITS ARE SHARED.

REMARKS (INCLUDING SPECIAL CONDITIONS)

DEDUCTIBLES:

ALL RISK OF DIRECT PHYSICAL LOSS OR DAMAGE (EXCLUDING FLOOD AND EARTHQUAKE):

\$25,000 PER OCCURRENCE AS PER SCHEDULE ON FILE WITH THE AUTHORITY

FLOOD:

\$25,000 EXCEPT FOR CRITICAL FLOOD (LOCATIONS IN FEMA FLOOD ZONE A OR V) DEDUCTIBLE IS \$100,000

VEHICLES AND MOBILE EQUIPMENT: IF COVERAGE IS SCHEDULED AND PURCHASED, DEDUCTIBLE APPLIES PER SCHEDULE ON FILE WITH THE AUTHORITY.

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED MEMORANDUM(S) OF COVERAGE BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE MEMORANDUM(S) OF COVERAGE PROVISIONS.

ADDITIONAL INTEREST

NAME AND ADDRESS

BANK OF NEW YORK MELLON TRUST COMPANY,
 N.A., AS TRUSTEE
 400 S HOPE ST STE 400
 LOS ANGELES, CA 90071

NATURE OF INTEREST

MORTGAGEE

LOSS PAYEE

(OTHER)

AUTHORIZED REPRESENTATIVE

Michael P. ...
 CSAC EXCESS INSURANCE AUTHORITY

CSAC EXCESS INSURANCE AUTHORITY

MONTEREY COUNTY

TOWER I

CERTIFICATE # PROP-2088

ATTACHMENT "A"

08/27/15

**BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE
400 S HOPE ST STE 400
LOS ANGELES, CA 90071**

AS RESPECTS THE 2015 CERTIFICATES OF PARTICIPATION, COVERAGE INCLUDES RENTAL INTERRUPTION, VALUED AT \$5,861,537.52, AND EVIDENCING PRINCIPAL AT \$48,440,000 FOR THE FOLLOWING LOCATIONS:

240 CHURCH STREET, SALINAS
1441 SCHILLING PLACE, SALINAS
1488 SCHILLING PLACE, SALINAS
1484 SCHILLING PLACE, SALINAS
1494 SCHILLING PLACE, SALINAS
298 TWELFTH STREET, MARINA
20 EAST ALISAL STREET, SALINAS
1590 MOFFETT STREET, SALINAS
1428-1432 ABBOTT STREET, SALINAS

BANK OF NEW YORK MELLON TRUST COMPANY, N.A., AS TRUSTEE, IS INCLUDED AS A LOSS PAYEE AS THEIR INTERESTS MAY APPEAR.

LENDER'S LOSS PAYABLE ENDORSEMENT

1. Loss or damage, if any, under this policy, shall be paid to the Payee named on the first page of this policy, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended: (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto; (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed; (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the named insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the named insured, excluding herefrom, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, this Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of failure of the insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefore. If the Lender shall decline to pay said premium or additional premium, the rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.
4. Whenever this Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the insured no liability therefore exists, this Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the insured, whether secured or unsecured, (with refund of all interest not accrued), and this Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, this Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate this Company (pro rata with all other insurers contribution to said payment) to all of the Lender's rights of contribution under said other insurance.
6. This Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for then (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss thereunder payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be give by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

Approved:
Board of Fire Underwriters of the Pacific,
California Bankers' Association
Committee on Insurance