

§ _____
**CARSON PUBLIC FINANCING AUTHORITY
REVENUE BONDS, SERIES 2019
(MEASURE M & R LOCAL STREETS PROJECT)**

BOND PURCHASE CONTRACT

_____, 2019

Carson Public Financing Authority
701 East Carson Street
Carson, California 90745

City of Carson
701 East Carson Street
Carson, California 90745

Ladies and Gentlemen:

The undersigned, Piper Jaffray & Co. (the “Representative”), as representative of itself and Cabrera Capital Markets, LLC. (together, the “Underwriters”), offers to enter into this Bond Purchase Contract (this “Purchase Contract”) with the Carson Public Financing Authority (the “Authority”) which will be binding upon the Authority and the Underwriters upon the acceptance hereof by the Authority. This offer is made subject to its acceptance by the Authority and the City of Carson (the “City”) by execution of this Purchase Contract and its delivery to the Underwriters on or before 11:59 p.m., California time on the date hereof. All terms used and not otherwise defined herein shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

The Authority and the City each acknowledge and agree that: (i) the purchase and sale of the Bonds (as hereinafter defined) pursuant to this Purchase Contract is an arm’s-length commercial transaction between the Authority, the City and the Underwriters; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriters are and have been acting solely as principals and are not acting as Municipal Advisors (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), and have not assumed a fiduciary responsibility in favor of the Authority or the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriters have advised or are currently advising the Authority or the City on other matters); (iii) the only obligations the Underwriters have to the Authority and the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Contract; (iv) the Authority and the City have consulted their own legal, financial and other advisors to the extent either the Authority or the City has deemed appropriate; (v) the Underwriters have financial interests that may differ from and be adverse to those of the Authority and/or the City; and (vi) the Underwriters have provided the Authority and the City with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

No official, officer, or employee of the Authority or the City has any financial interest, direct or indirect, in this Purchase Contract, nor shall any official, officer, or employee of the Authority or the City participate in any decision relating to this Purchase Contract that may affect his/her financial interest or the financial interest of any corporation, partnership, or association in which she or he is directly or indirectly interested, or in violation of any interest of any corporation, partnership, or association in which she or he is directly or indirectly interested, or in violation of any State of California (the "State") or municipal statute or regulation. The determination of "financial interest" shall be consistent with the State law and shall not include interest found to be "remote" or "non interest" pursuant to California Government Code Sections 1091 and 1091.5. The Underwriters warrant and represent that they have not paid or given, and will not pay or give, to any third party including, but not limited to, any Authority or City official, officer, or employee, any money, consideration, or other thing of value as a result or consequence of obtaining or being awarded this Purchase Contract. The Underwriters further warrant and represent that they have not engaged in any act(s), omission(s), or other conduct or collusion that would result in the payment of any money, consideration, or other thing of value to any third party including, but not limited to, any Authority or the City official, officer, or employee, as a result or consequence of obtaining or being awarded any agreement. The Underwriters are aware of and understand that any such act(s), omission(s) or other conduct resulting in the payment of money, consideration, or other thing of value will render this Purchase Contract void and of no force or effect.

The Authority and the City hereby acknowledge receipt from the Underwriters of disclosures required by MSRB Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriters' role in the transaction, disclosures concerning the Underwriters' compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

1. Purchase and Sale; Establishment of Issue Price. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriters hereby agree to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriters for such purpose, all (but not less than all) of the \$_____ aggregate principal amount of its Revenue Bonds, Series 2019 (Measure M & R Local Streets Project) (the "Bonds") at a purchase price equal to \$_____ (being the aggregate principal amount of \$_____, plus a [net] original issue premium of \$_____, less an Underwriters' discount of \$_____.

At the request of the Authority, on the date of Closing, the Representative will wire to _____ (the "Insurer") an amount equal to \$_____, representing the sum of the premium (i) for the bond insurance policy, as described in greater detail below (the "Insurance Policy") and (ii) for the reserve surety bond (the "Surety Bond"), in each case to be issued by the Insurer simultaneously with the issuance and delivery of the Bonds maturing in the years ____ through ____ (collectively, the "Insured Bonds"). As a result, the net amount to be wired to the Authority by the Representative in connection with the purchase of the Bonds will be \$_____. The payment for and delivery of the Bonds and the other actions contemplated hereby to take place at the time of such payment and delivery are herein sometimes called the "Closing."

The Underwriters agree to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriters reserve the right to change the public offering prices (or yields) as the Underwriters deem necessary in connection with the

marketing of the Bonds, provided that the Underwriters shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

The Underwriters agree to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriters, the Authority and Bond Counsel (as defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. Any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

Except as otherwise set forth in Exhibit A attached hereto, the Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified under the column “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriters agree to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date (as defined below) has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

The Underwriters confirm that they have offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column “Hold the Offering Price Rule Used,” as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriters agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriters will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriters shall promptly advise the Authority when it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

The Underwriters acknowledges that sales of any Bonds to any person that is a related party to the Underwriters shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) “public” means any person other than an underwriter or a related party;
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public);
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
- (iv) “sale date” means the date of execution of this Purchase Contract by all parties.

2. The Bonds and Related Documents. The Bonds shall be issued pursuant to an Indenture of Trust, dated as of June 1, 2019 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as trustee (the “Trustee”). The Bonds are payable from the Revenues pledged under the Indenture. The Revenues consist primarily of installment payments (the “Installment Payments”) to be made by the City to the Authority and of certain funds held under the Indenture and investment earnings thereon (collectively with the Installment Payments, the “Revenues”). The Bonds are being issued to finance the design, acquisition, and construction of certain local roadway and street improvement projects (collectively, the “Projects”) in the City. The Authority will sell the Projects to the City pursuant to an Installment Sale Agreement, dated as of June 1, 2019 (the “Installment Sale Agreement”), by and between the Authority and the City. The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Representative, is hereinafter called the “Official Statement”).

The City will undertake, pursuant to the provisions of a Continuing Disclosure Certificate, to be dated the date of the Closing (the “Disclosure Certificate”), to provide certain annual information and notices of the occurrence of certain enumerated events. A description of the undertaking is set forth in the Preliminary Official Statement (as defined below) and will also be set forth in the Official Statement. Additionally, the City agrees that it will comply with the procedures relating to Continuing Disclosure set forth in Exhibit D hereto.

The Indenture, the Installment Sale Agreement and this Purchase Contract are sometimes collectively referred to herein as the “Authority Legal Documents.”

3. Offering. It shall be a condition to the Authority's obligations to sell and to deliver the Bonds to the Underwriters and to the Underwriters' obligations to purchase, to accept delivery of and to pay for the Bonds that the entire aggregate principal amount of the Bonds shall be issued, sold and delivered by the Authority and purchased, accepted and paid for by the Underwriters at the Closing. The Underwriters agree to make a *bona fide* public offering of all of the Bonds at the initial public offering prices or yields set forth in Exhibit A hereto and on the inside front cover page of the Official Statement. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; provided, however, that the Underwriters may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority and who agree to resell the Bonds to the public on terms consistent with this Purchase Contract, and the Underwriters reserve the right to change such offering prices or yields as the Underwriters shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields set forth on Exhibit A attached hereto. The Underwriters also reserve the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriters to the Authority for the Bonds.

4. Use and Preparation of Documents. The Authority and the City have caused to be prepared and delivered to the Underwriters, prior to the execution of this Purchase Contract, copies of the Preliminary Official Statement, dated _____, 2019, relating to the Bonds (the "Preliminary Official Statement"). The Authority and the City each hereby ratify, confirm and approves the use by the Underwriters prior to the date hereof of the Preliminary Official Statement. Each of the Authority and the City has previously deemed the Preliminary Official Statement to be final as of its date for purposes of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City shall have executed and delivered to the Underwriters certifications to such effect in the form attached hereto as Exhibit C.

The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriters, not later than the earlier of: (i) the business day preceding the date of Closing (as defined herein); or (ii) the seventh (7th) business day following the date of this Purchase Contract: (A) the form of the Official Statement relating to the Bonds in "designated electronic format" (as defined in MSRB Rule G-32); and (B) copies of the Official Statement, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Underwriters, in such quantity as the Underwriters shall reasonably request. The Authority and the City each hereby approve of the distribution and use by the Underwriters of the Official Statement in connection with the offer and sale of the Bonds. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the Authority, the City and the Underwriters. If the Official Statement is prepared for distribution in electronic form, the Authority and the City hereby confirms that they do not object to distributions of the Official Statement in electronic form. The Underwriters agree that they will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement (which may be in electronic form).

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

(a) The Authority was duly organized and is existing under and pursuant to that certain Amended and Restated Joint Exercise of Powers Agreement, dated as of October 6, 2015, by and between the City and the Carson Housing Authority, and under the provisions of Articles 1 through 4 (commencing with section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code;

(b) The Authority has full legal right, power and authority to issue the Bonds, secure the Bonds in the manner contemplated by the Indenture and enter into the Authority Legal Documents and carry out and consummate the transactions contemplated by the Authority Legal Documents;

(c) By all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the Authority Legal Documents, and the performance by the Authority of all transactions contemplated by the Authority Legal Documents; and the Authority Legal Documents will constitute legal, valid and binding obligations of the Authority, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally;

(d) The Authority is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the Authority is a party or to which the Authority 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 such a default or event of default under any such instrument; and the execution and delivery of the Authority Legal Documents, and compliance with the provisions on the Authority's part contained therein, will not conflict with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets 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 property or assets of the Authority or under the terms of any such constitutional provision, law, regulation or instrument, except as provided by the Indenture;

(e) Except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Authority Legal Documents have been duly obtained;

(f) Between the date of this Purchase Contract and the date of the Closing, the Authority will not, without the prior written consent of the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from Revenues (as defined in the Indenture), nor will there be any adverse change in the business or operations of the Authority;

(g) To the best knowledge of the officer of the Authority executing this Purchase Contract, after due inquiry, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending or threatened against the Authority, affecting the existence of the Authority or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Indenture or the collection of the Revenues or contesting or affecting, as to the Authority, the validity or enforceability of the Authority Legal Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the Authority, or in any way contesting or challenging the consummation of the transactions contemplated hereby, or which might result in a material adverse change in the financial condition of the Authority or which might materially adversely affect the Revenues; nor, to the best knowledge of the Authority, is there any known basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the authorization, execution, delivery or performance by the Authority of the Authority Legal Documents;

(h) Except as described in or contemplated by the Preliminary Official Statement and the Official Statement, as of the date of the Closing, the Authority will not have outstanding any indebtedness which indebtedness is secured by a lien on the Revenues senior to or on a parity with the lien provided for in the Indenture on the Revenues;

(i) As of the date thereof and hereof, the Preliminary Official Statement and the Official Statement did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading;

(j) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Bonds, the Official Statement (including any amendment or supplement to the Official Statement as contemplated in (l) below) did 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 light of the circumstances under which they were made not misleading;

(k) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an 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 herein, in the light of the circumstances under which it was presented, not misleading, the Authority will notify the Underwriters, and, if in the opinion of the Underwriters or the Authority, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the

Underwriters, and shall pay all expenses thereby incurred. 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 Bonds, the Authority will furnish such information with respect to itself as the Underwriters may from time to time reasonably request. As used herein, the term “End of the Underwriting Period” means the later of such time as: (i) the Authority delivers the Bonds to the Underwriters; or (ii) the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Representative gives notice to the contrary, the “End of the Underwriting Period” shall be the date of Closing;

(l) If the information contained in the Official Statement is amended or supplemented, 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 Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of 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;

(m) After the Closing, the Authority will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriters shall reasonably object in writing or which shall be disapproved by counsel for the Underwriters;

(n) Any certificate signed by any officer of the Authority and delivered to the Underwriters shall be deemed a representation by the Authority to the Underwriters as to the statements made therein;

(o) The Authority will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement;

(p) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters, at the expense of the Underwriters, as it may reasonably request in order to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriters may designate; provided, however, that the Authority will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(q) The Authority will refrain from taking any action with regard to which the Authority may exercise control that results in the inclusion in gross income for State income tax purposes of the interest on the Bonds;

(r) Except as disclosed in the Preliminary Official Statement and the Official Statement, the Authority during the past five years has not failed to comply in any material respect with any prior continuing disclosure undertaking; and

(s) The Authority will refrain from taking any action with regard to which the Authority may exercise control that results in the inclusion in gross income for federal income tax purposes of the interest on the Bonds or State income tax purposes of the interest on the Bonds.

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

(a) The City is a charter city duly formed under the Constitution and laws of the State;

(b) The City has full legal right, power and authority to enter into the Installment Sale Agreement, the Disclosure Certificate and this Purchase Contract (collectively, the “City Legal Documents”) and to carry out and consummate the transactions contemplated by the City Legal Documents;

(c) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has duly authorized and approved the preparation and use of the Preliminary Official Statement and the Official Statement, the execution and delivery of the Official Statement and the City Legal Documents, and the performance by the City of all transactions contemplated by the City Legal Documents; and the City Legal Documents will constitute legal, valid and binding obligations of the City, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally;

(d) The City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement (including, without limitation, the Indenture) or other instrument to which the City is a party or to which the City 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 such a default or event of default under any such instrument; and the execution and delivery of the City Legal Documents, and compliance with the provisions on the City’s part contained therein, will not conflict with or constitute a material breach of or a material default under any constitutional provision, law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or to which the City or any of its property or assets 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 property or assets of the City or under the terms of any such constitutional provision, law, regulation or instrument, except as provided by the Indenture;

(e) Except as described in or contemplated by the Preliminary Official Statement and the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Legal Documents have been duly obtained;

(f) Between the date of this Purchase Contract and the date of the Closing, the City will not, without the prior written consent of the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, payable from Revenues (as defined in the Indenture), nor will there be any adverse change in the business, finances or operations of the City;

(g) To the best knowledge of the officer of the City executing this Purchase Contract, after due inquiry, as of the date hereof, there is no action, suit, proceeding, inquiry or investigation, at law or in equity before or by any court, government agency, public board or body, pending or threatened against the City, affecting the existence of the City or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the execution and delivery of the Indenture or the collection of the Revenues or contesting or affecting, as to the City, the validity or enforceability of the City Legal Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the City, or in any way contesting or challenging the consummation of the transactions contemplated hereby, or which might result in a material adverse change in the financial condition of the City or which might materially adversely affect the Revenues; nor, to the best knowledge of the City, is there any known basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity of the authorization, execution, delivery or performance by the City of the City Legal Documents;

(h) Except as described in or contemplated by the Preliminary Official Statement and the Official Statement, as of the date of the Closing, the City will not have outstanding any indebtedness which indebtedness is secured by a lien on the Revenues senior to or on a parity with the lien provided for in the Indenture on the Revenues;

(i) As of the date thereof and hereof, the Preliminary Official Statement and the Official Statement did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein in light of the circumstances under which they were made, not misleading;

(j) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Bonds, the Official Statement (including any amendment or supplement to the Official Statement as contemplated in (l) below) did 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 light of the circumstances under which they were made not misleading;

(k) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an 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 herein, in the light of the circumstances under which it was presented, not misleading, the City will notify the Underwriters, and, if in the opinion of the Underwriters or the City, or respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriters, and shall pay all expenses thereby incurred. 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 Bonds, the City will furnish such information with respect to itself as the Underwriters may from time to time reasonably request. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the City delivers the Bonds to the Underwriters; or (ii) the Underwriters do not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public.

Notwithstanding the foregoing, unless the Representative gives notice to the contrary, the “End of the Underwriting Period” shall be the date of Closing;

(l) If the information contained in the Official Statement is amended or supplemented, 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 Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of 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;

(m) After the Closing, the City will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriters shall reasonably object in writing or which shall be disapproved by counsel for the Underwriters;

(n) Any certificate signed by any officer of the City and delivered to the Underwriters shall be deemed a representation by the City to the Underwriters as to the statements made therein;

(o) The City will apply the proceeds from the sale of the Bonds for the purposes specified in the Official Statement;

(p) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters, at the expense of the Underwriters, as it may reasonably request in order to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriters may designate; provided, however, that the City will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(q) The City will refrain from taking any action with regard to which the City may exercise control that results in the inclusion in gross income for State income tax purposes of the interest on the Bonds;

(r) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City during the past five years has not failed to comply in any material respect with any prior continuing disclosure undertaking;

(s) The City will refrain from taking any action with regard to which the City may exercise control that results in the inclusion in gross income for federal income tax purposes of the interest on the Bonds or State income tax purposes of the interest on the Bonds;

7. Closing. At [8:30] A.M., California time, on _____, 2019, or on such other date as may be mutually agreed upon by the Authority, the City and the Underwriters, the Authority will, subject to the terms and conditions hereof, sell and deliver the Bonds to the Underwriters, duly executed and authenticated, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Underwriters will accept such delivery and pay the purchase

price of the Bonds as set forth in Section 1 hereof in federal funds. Sale, delivery and payment as aforesaid shall be made at the offices of Aleshire & Wynder, LLP, Irvine, California ("Bond Counsel"), or such other place as shall have been mutually agreed upon by the Authority and the Underwriters, except that the Bonds (with one certificate for each maturity and otherwise in a form suitable for the book-entry system) shall be delivered to the Underwriters through the book-entry system of The Depository Trust Company ("DTC"). Unless the DTC Fast Automated Securities Transfer ("FAST") is utilized, the Bonds will be made available for inspection by DTC at least one business day prior to the Closing.

8. Closing Conditions. The Underwriters have entered into this Purchase Contract in reliance upon the representations and warranties of the Authority and the City contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Authority and the City of their obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Authority and the City of their obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The Underwriters shall receive, within seven (7) business days of the date hereof, but in no event less than one (1) day prior to Closing, copies of the Official Statement (including all information previously permitted to have been omitted from the Preliminary Official Statement by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriters), in such reasonable quantity as the Underwriters shall have requested;

(b) The representations and warranties of the Authority and the City contained herein shall be true, complete and correct on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing and the statements of the officers and other officials of the Authority, the City and the Trustee made in any certificate or other document furnished pursuant to the provisions hereof are accurate;

(c) At the time of the Closing, the Authority Legal Documents and the City Legal Documents shall have been duly authorized, executed and delivered by the respective parties thereto, and the Preliminary Official Statement and the Official Statement shall have been duly authorized, executed and delivered by the Authority and the City, all in substantially the forms heretofore submitted to the Underwriters, with only such changes as shall have been agreed to in writing by the Underwriters, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the governing body of the Authority and the City as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) At the time of the Closing, all necessary official action of the Authority and the City relating to the Preliminary Official Statement and the Official Statement and the Authority Legal Documents and the City Legal Documents, as applicable, shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect;

(e) At or prior to the Closing, the Underwriters shall have received copies of each of the following documents:

(1) Bond Counsel Final Opinion. The approving opinion of Bond Counsel, dated the date of the Closing and substantially in the form included as Appendix D to the Official Statement;

(2) Supplemental Opinion of Bond Counsel. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriters, in form and substance acceptable to the Underwriters, and dated the date of the Closing, stating that the Underwriters may rely on the opinions of Bond Counsel described in paragraph (1) above as if such opinion were addressed to the Underwriters and to the following effect:

(i) the Purchase Contract has been duly executed and delivered by the Authority and the City and (assuming due authorization, execution and delivery by and validity against the Underwriters) constitutes the valid and binding agreement of the Authority and the City, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and by the application of equitable principles;

(ii) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE BONDS," "SOURCES OF PAYMENT FOR THE BONDS," "TAX MATTERS" and in Appendix A insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture or the opinion of Bond Counsel, are accurate in all material respects; and

(iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(3) Municipal Advisor Certificate. A certificate, dated the date of Closing, signed by an authorized officer of the Harrell & Company Advisors, LLC, the Authority's municipal advisor (the "Municipal Advisor"), addressed to the Underwriters, the Authority and the City and without having undertaken any investigation, to the effect that, in connection with its role in the preparation of the Official Statement, nothing has come to the attention of the Municipal Advisor that would lead it to believe that the statements and information contained in the Preliminary Official Statement and the Official Statement as of the date thereof and the date of the Closing, contains an 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 in which they were made, not misleading;

(4) Counsel Opinion. An opinion of Aleshire & Wynder LLP, as Counsel to the Authority and the City, dated the date of the Closing and addressed to the Underwriters, in form and substance acceptable to the Underwriters to the following effect:

(i) The Authority is a joint exercise of powers authority organized and existing under and by virtue of the Joint Exercise of Powers Act, constituting Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California, with full right,

power and authority to execute, deliver and perform its obligations under the Authority Legal Documents;

(ii) The City is a charter city duly existing under the Constitution and the laws of the State, with full right, power and authority to execute, deliver and perform its obligations under the City Legal Documents;

(iii) The resolution of the Authority regarding the Bonds was duly adopted at a meeting of the Authority, called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout; and such resolution is in full force and effect and has not been modified amended or rescinded since its date;

(iv) The resolution of the City regarding the Installment Sale Agreement and the Disclosure Certificate was duly adopted at a meeting of the City, called and held pursuant to law, with all public notice required by law and at which a quorum was present and acting throughout; and such resolution is in full force and effect and has not been modified amended or rescinded since its date;

(v) The Authority Legal Documents have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid, legal and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought;

(vi) The City Legal Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, constitute the valid, legal and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors rights and by the application of equitable principles if equitable remedies are sought;

(vii) The execution and delivery of the Authority Legal Documents and the Official Statement and compliance with the provisions of the Authority Legal Documents, under the circumstances contemplated thereby, (1) do not and will not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound, and (2) do not and will not in any material respect constitute on the part of the Authority a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Authority is subject;

(viii) The execution and delivery of the City Legal Documents and the Official Statement and compliance with the provisions of the City Legal Documents, under the circumstances contemplated thereby, (1) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or

default under any agreement or other instrument to which the City is a party or by which it is bound, and (2) do not and will not in any material respect constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject;

(ix) Except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending and served, or threatened in writing delivered to the Authority, challenging the creation, organization or existence of the Authority, or the validity of the Bonds or the Authority Legal Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the Authority would have a material adverse effect upon the operations or the Revenues of the Authority, or which, in any manner, questions the right of the Authority to issue, sell and deliver the Bonds, to enter into the Indenture or the Installment Sale Agreement; and

(x) Except as otherwise disclosed in the Official Statement, there is no litigation or proceeding, pending and served, or threatened in writing delivered to the City, challenging the creation, organization or existence of the City, or the validity of the Bonds or the City Legal Documents or seeking to restrain or enjoin any of the transactions referred to therein or contemplated thereby, or under which a determination adverse to the City would have a material adverse effect upon the finances, operations or the Measure M Receipts or Measure R Receipts, or which, in any manner, questions the right of the City to enter into the Installment Sale Agreement or the Disclosure Agreement.

(5) Trustee Counsel Opinion. The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Underwriters, to the effect that:

(i) The Trustee is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and administer the trusts created under the Indenture.

(ii) The Indenture has been duly authorized, executed and delivered by the Trustee and constitutes the legal, valid and binding obligation of the Trustee, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(iii) Except as may be required under Blue Sky or other securities laws of any state, no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery of the Indenture or the consummation of the transactions contemplated by the Indenture.

(6) Authority Certificate. A certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by a duly authorized officer of the Authority, to the effect that:

(i) the representations and warranties of the Authority contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; and

(ii) no event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(7) City Certificate. A certificate of the City, dated the date of the Closing, signed on behalf of the City by a duly authorized officer of the City, to the effect that:

(i) the representations and warranties of the City contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing;

(ii) no event affecting the City has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(iii) no further consent is required to be obtained for the inclusion of the financial statement with respect to the City as Appendix B to the Preliminary Official Statement and the Official Statement.

(8) Trustee's Certificate. A certificate of the Trustee, dated the date of Closing, to the effect that:

(i) the Trustee is a national banking association duly organized and validly existing under the laws of the United States of America;

(ii) the Trustee has full power, authority and legal right to comply with the terms of the Indenture and to perform its obligations stated therein;

(iii) the Indenture has been duly authorized, executed and delivered by the Trustee and (assuming due authorization, execution and delivery by the Authority) constitutes a legal, valid and binding obligation of the Trustee in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally; and

(iv) The Bonds have been duly authenticated.

(9) Legal Documents. Executed copies of this Purchase Contract and the other Authority Legal Documents and the City Legal Documents.

(10) Rating Letter. A letter or letters from S&P Global Ratings to the effect that the Bonds have been assigned an underlying rating of “__” and a rating of “__” based on the delivery of the Insurance Policy in connection with the Insured Bonds, which ratings shall be in effect as of the Closing.

(11) Disclosure Letter. An opinion of Nixon Peabody LLP (“Disclosure Counsel”), dated the date of the Closing, addressed to the Underwriters, to the effect that, based upon its participation in the preparation of the Preliminary Official Statement and the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Preliminary Official Statement and the date of the Official Statement and the Closing, the Preliminary Official Statement (excluding information permitted to be excluded under the Rule and excluded from the Official Statement pursuant to the next parenthetical) and the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in Appendices B, E and F thereto and information relating to DTC and its book-entry system, and information relating to the Insurer, the Bond Insurance and the Surety Bond as to which no advice need be expressed) contains and contained any untrue statement of a material fact or omits or omitted 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) Underwriters’ Counsel Opinion. An opinion of Underwriters’ Counsel, dated the date of Closing and addressed to the Representative, in form and substance acceptable to the Representative.

(13) Authority Resolution. A certified copy of the Authority’s resolution relating to the Bonds and the Authority Legal Documents.

(14) City Resolution. A certified copy of the City’s resolution relating to the City Legal Documents.

(15) Bond Insurance Documents. A copy of the Insurance Policy and Surety Policy to be delivered in connection with the Insured Bonds, together with such certificates and opinions as required by Bond Counsel and the Underwriters.

(16) CDIAC. Evidence of required filings with the California Debt and Investment Advisory Commission.

(17) Debt Policy. Evidence of a debt compliance policy that satisfies the requirements of Senate Bill 1092.

(18) Tax Certificate. An executed Tax Certificate.

(19) Additional Documents. Such additional certificates, instruments and other documents as Counsel to the Authority, the City or the Underwriters may reasonably deem necessary.

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

If the Authority, the City or the Trustee shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, if the Authority and the City shall determine in good faith (and provide written notice to the Underwriters) that legislation has been introduced or proposals made by the Governor of the State which if enacted and effective would impose additional limitations or burdens on the Authority by reason of the issuance of the Bonds or which purport to prohibit the issuance of the Bonds, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of the Underwriters, the Authority or the City shall be under any further obligation hereunder.

9. Termination. The Underwriters shall have the right to terminate this Purchase Contract, without liability therefor, by notification to the Authority and the City if at any time between the date hereof and prior to the Closing:

(a) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(b) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, 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 Treasury Department or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon the interest that would be received by the holders of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof which, in the opinion of the Underwriters, materially adversely affects the market price of or market for the Bonds; or

(c) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriters, materially adversely affects the market price of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(d) legislation shall be enacted, or consideration for enactment with an effective date prior to the Closing Date, by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement

by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriters' ability to trade the Bonds; or

(f) a general banking moratorium shall have been established by federal, New York or State authorities; or

(g) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriters, would materially adversely affect the market for or market price of the Bonds; or

(h) any rating of the Bonds shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriters' reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(i) the commencement of any action, suit or proceeding which, in the judgment of the Underwriters, materially adversely affects the market price of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(j) there shall exist any event which in the reasonable opinion of any of the Underwriters that either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein to make the statements and information contained therein not misleading in any material respect;

(k) there shall be in force a general suspension of trading on the New York Stock Exchange;

(L) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Authority or the City; or

(M) any change, which in the reasonable opinion of the Underwriters, materially adversely affects the marketability of the Bonds, the Revenues, the Measure M Receipts, the Measure R Receipts, or the finances or operations of the Authority or the City.

10. Expenses. (a) The Underwriters shall be under no obligation to pay, and the Authority or the City shall pay, any expenses incident to the performance of the Authority's and the City's obligations hereunder including, but not limited to: (i) the cost of preparation, printing and distribution of the Indenture and word processing, reproduction, printing and distribution costs relating to the Preliminary Official Statement, the Official Statement and any supplements or amendments thereto (incurred by Disclosure Counsel or an independent printer); (ii) the cost of preparation of the Bonds; (iii) the fees and disbursements of Bond Counsel and Disclosure Counsel and the fees and expenses of counsel to the Authority and the City; (iv) the fees and disbursements of the Municipal Advisor and any other experts, consultants or advisors retained by the Authority or the City; (v) the fees of the rating agencies; and (vi) the costs of verifying compliance with Rule 15c2-12.

(b) The Underwriters shall pay: (i) the fees and expenses of Underwriters' Counsel; (ii) fees, if any, payable to the California Debt and Investment Advisory Commission in connection with the issuance of the Bonds; (iii) CUSIP fees and (iv) all other expenses incurred by the Underwriters in connection with the public offering of the Bonds.

11. Notices. Any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing at the Authority's address set forth above, Attention: Executive Director; and to the Underwriters under this Purchase Contract by delivering the same in writing to: Piper Jaffray & Co., 2321 Rosecrans Avenue, Suite 3200, El Segundo, California 90245 Attention: Mark J. Adler, Managing Director.

12. Parties in Interest. This Purchase Contract is made solely for the benefit of the Authority and the Underwriters and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations, warranties and agreements of the Authority and the City contained in this Purchase Contract shall remain operative and in full force and effect, regardless of: (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract; and (iii) any termination of this Purchase Contract.

13. Effectiveness and Counterpart Signatures. This Purchase Contract shall become effective upon the execution of the acceptance by an authorized officer of the Authority and shall be valid and enforceable at the time of such acceptance and approval. This Purchase Contract may be executed by the parties hereto by facsimile transmission and in separate counterparts, each of which when so executed and delivered (including delivery by facsimile transmission) shall be an original, but all such counterparts shall together constitute but one and the same instrument.

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

15. Governing Law. This Purchase Contract shall be construed in accordance with the laws of the State.

Very truly yours,

PIPER JAFFRAY & CO., as Representative
of itself and Cabrera Capital Markets, LLC,

By: _____

Name: _____

Title: _____

Accepted:

CARSON PUBLIC FINANCING
AUTHORITY

By: _____

Name: _____

Title: _____

Time of Execution: ____:____

CARSON PUBLIC FINANCING
AUTHORITY

By: _____

Name: _____

Title: _____

Time of Execution: ____:____

[Signature page to Bond Purchase Contract]

EXHIBIT A

\$ _____
CARSON PUBLIC FINANCING AUTHORITY
REVENUE BONDS, SERIES 2019
(MEASURE M & R LOCAL STREETS PROJECT)

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Used
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					

\$ _____ % Term Bond maturing June 1, 20__; Yield ____%; Price ____

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Piper Jaffray & Co., as Representative (“Piper”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (the “Bonds”).

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

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

(a) Piper offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Contract, dated _____, 2019, by and between Piper and the Authority to the Carson Redevelopment Agency, Piper has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

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

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

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2019), or (ii) the date on which Piper has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means the Authority to the Carson Redevelopment Agency.

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2019.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Piper’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

PIPER JAFFRAY & CO., as Representative

By: _____

Name: _____

Dated: _____, 2019

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES [AND INITIAL OFFERING PRICES
OF THE HOLD-THE-OFFERING-PRICE MATURITIES]**

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

EXHIBIT C

RULE 15c2-12 CERTIFICATES

The undersigned hereby certifies and represents to Piper Jaffray & Co., as Representative of itself and Cabrera Capital Markets, LLC (together, the “Underwriters”) that the undersigned is a duly appointed and acting officer of the Carson Public Financing Authority (the “Authority”) and as such is to execute and deliver this Certificate and further hereby certify and reconfirm on behalf of the Authority to the Underwriters as follows:

(1) This Certificate is delivered to enable the Underwriters to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”) in connection with the offering and sale of the Authority to the Carson Public Financing Authority Revenue Bonds, Series 2019 (Measure M & R Local Streets Project) (the “Bonds”).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated as of _____, 2019, setting forth information concerning the Bonds and the Authority, as issuer of the Bonds (the “Preliminary Official Statement”).

(3) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule and has been, and the information therein is accurate and complete in all material respects except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final contract of purchase, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Authority shall promptly notify the Underwriters thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the __ day of _____ 2019.

CARSON PUBLIC FINANCING
AUTHORITY

By _____
Authorized Representative

The undersigned hereby certifies and represents to Piper Jaffray & Co., as Representative of itself and Cabrera Capital Markets, LLC (together, the “Underwriters”) that the undersigned is a duly appointed and acting officer of the City of Carson (the “City”) and as such is to execute and deliver this Certificate and further hereby certify and reconfirm on behalf of the City to the Underwriters as follows:

(1) This Certificate is delivered to enable the Underwriters to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”) in connection with the offering and sale of the Carson Public Financing Authority Revenue Bonds, Series 2019 (Measure M & R Local Streets Project) (the “Bonds”).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated as of _____, 2019, setting forth information concerning the Bonds and the City (the “Preliminary Official Statement”).

(3) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters and the identity of the underwriter(s), all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule and has been, and the information therein is accurate and complete in all material respects except for the Permitted Omissions.

(5) If, at any time prior to the execution of the final contract of purchase, any event occurs as a result of which the Preliminary Official Statement might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriters thereof.

IN WITNESS WHEREOF, I have hereunto set my hand as of the __ day of _____ 2019.

CITY OF CARSON

By _____
Authorized Representative

EXHIBIT D

CITY OF CARSON CONTINUING DISCLOSURE PROCEDURES ADOPTED: JULY 21, 2015

I. INTRODUCTION

A. Purpose

These continuing disclosure procedures (“Continuing Disclosure Procedures” or “Procedures”) of the City of Carson (the “City” as defined below) are intended to (a) ensure that the City’s Continuing Disclosure Documents (as defined below) are accurate and comply with all applicable federal and state securities laws, and (b) promote best practices regarding the preparation of the City’s Continuing Disclosure Documents.

For purposes of these Procedures, the “City” shall mean the City of Carson, California, and those independent agencies, joint power authorities, special districts, component units, successor authority to the dissolved Carson Redevelopment Agency, housing authorities or other entities created by the City Council or by State law for which the City Council serves as the governing or legislative body, or for which at least one City officer serves as a member of the governing or legislative body in his or her official capacity and the City has agreed to provide initial or continuing disclosure in connection with the issuance of securities.

II. KEY PARTICIPANTS

A. Disclosure Practices Working Group

1. *Composition.* The Disclosure Practices Working Group (the “Disclosure Working Group”) has been created by the City Manager to have general oversight over the entire continuing disclosure process. Membership in the Disclosure Working Group shall be appointed by the City Manager (in consultation with the Finance Director) and consist of persons relevant to the disclosure process. The following persons currently constitute the Disclosure Working Group, commencing April 2014:

- (a) Finance Director and/or his or her designee, as applicable, constituting the Chief Financial Officer of the City (“Finance Director”);
- (b) the Disclosure Coordinator (as defined below);
- (c) the Disclosure Consultant
- (d) and any other individuals appointed by the Finance Director.

The Disclosure Working Group shall consult with finance team members or other interested parties as the Finance Director or any other member of the Disclosure Working Group determine is advisable related to continuing disclosure issues and practices. All meetings of the Disclosure Working Group may be held telephonically.

The Disclosure Working Group is an internal working group of City staff and not a decision-making or advisory body subject to the provisions of the Ralph M. Brown Act (Government Code Section 54950 et seq.).

2. *Responsibilities.* The Disclosure Working Group is responsible for:

(a) reviewing and approving all continuing disclosure obligations as contained in City Official Statements before such documents are released;

(b) reviewing annually the City's status and compliance with continuing disclosure obligations including filings of Continuing Disclosure Documents and compliance with these Procedures and the annual report prepared by the Disclosure Consultant as described in Section II (C) below;

(c) reviewing any items referred to the Disclosure Working Group; and

(d) evaluating the effectiveness of these Continuing Disclosure Procedures and approving changes to these Continuing Disclosure Procedures;

"Continuing Disclosure Documents" means (a) annual continuing disclosure reports filed with the MSRB and (b) event notices and any other filings with the MSRB.

"Official Statements" means preliminary and final official statements, private placement memoranda and remarketing memoranda relating to the City's securities, together with any supplements, for which a continuing disclosure obligation is required.

B. Disclosure Coordinator

1. *Appointment.* The Finance Director, in consultation with the other members of the Disclosure Working Group, shall select and appoint the Disclosure Coordinator. The initial Disclosure Coordinator hereunder is the Accounting Manager of the City.

2. *Responsibilities.* The Disclosure Coordinator is responsible for:

(a) preparing and filing the Continuing Disclosure Documents, to the extent such filings are not prepared and filed by the Disclosure Consultant.

(b) serving as a "point person" for personnel to communicate issues or information that should be or may need to be included in any Continuing Disclosure Document;

(c) monitoring compliance by the City with these Continuing Disclosure Procedures, including timely dissemination of the annual report and event filings as described in Sections III (B) and (C) below;

(d) recommending changes to these Continuing Disclosure Procedures to the Disclosure Working Group as necessary or appropriate;

(e) following up with others, including management of outside consultants assisting the City, in the preparation and dissemination of Continuing Disclosure Documents to make sure that

assigned tasks have been completed on a timely basis and making sure that the filings are made on a timely basis and are accurate;

(f) together with the Finance Director, coordinating the timely provision of information to the Disclosure Consultant as needed to fulfill its responsibilities to the City;

(g) in anticipation of preparing Continuing Disclosure Documents, soliciting “material” information (as defined in Securities and Exchange Rule 10b-5) from City departments; and

(h) maintaining records documenting the City’s compliance with these Continuing Disclosure Procedures.

(i) reviewing compliance with and providing appropriate certifications in connection with the various covenants in bond documents related to maintenance of revenues, meeting coverage tests, disposing of property and plan limitations. The Disclosure Coordinator shall review the bond documents to determine which covenants require an annual or regular certification and maintain a list with the Disclosure Coordinator. The Disclosure Coordinator may delegate such compliance requirements to the Disclosure Consultant.

C. Disclosure Consultant

1. *Appointment.* The Finance Director shall hire the Disclosure Consultant in consultation with the Disclosure Working Group. The Disclosure Consultant shall have significant expertise and experience related to on-going disclosure requirements for municipal securities.

2. *Responsibilities.* The Disclosure Consultant is responsible for:

(a) preparing and/or filing the Continuing Disclosure Documents;

(b) communicating to the Disclosure Working Group its information needs, reviewing Continuing Disclosure Documents and other relevant information, consulting with appropriate City staff or interested parties needed to confirm that the City is meeting its continuing disclosure obligations;

(c) providing an annual report to the Disclosure Working Group regarding the City’s compliance with its ongoing continuing disclosure obligations;

(d) from time to time, making recommendations to the Disclosure Working Group regarding ways the City may improve these Procedures and methods of meeting its continuing disclosure obligations;

(e) assisting the Disclosure Coordinator with the covenants listed in Section II (B)(i); and

(f) such other items as assigned to the Disclosure Consultant by the Finance Director.

III. CONTINUING DISCLOSURE FILINGS

A. Overview of Continuing Disclosure Filings

Under the continuing disclosure undertakings it has entered into in connection with its debt offerings, the City is required to file annual reports with the Municipal Securities Rulemaking Board's ("MSRB") Electronic Municipal Market Access ("EMMA") system in accordance with such agreements in each year. Such annual reports are required to include certain updated financial and operating information (or may refer to a publicly-available document), which varies among the different obligations issued by the City, and the City's audited financial statements.

The City is also required under the continuing disclosure undertakings to file notices of certain events with EMMA.

B. Annual Reports

The Disclosure Coordinator shall ensure that the preparation of the City's annual reports shall commence as required under each specific continuing disclosure obligation. Before any annual report is submitted to EMMA, the Disclosure Coordinator shall confer with the Disclosure Working Group as needed regarding the content and accuracy of any annual report. Prior to each filing, the Disclosure Coordinator will review each report with the Disclosure Consultant, and the Disclosure Consultant will confirm in writing (which may be by email) that such report appears to comply with the requirements of the applicable continuing disclosure undertaking.

C. Event Filings

Each member of the Disclosure Working Group shall notify the other members of the Disclosure Working Group if he or she becomes aware of any of the material events listed in any of the City's continuing disclosure undertakings. The Disclosure Working Group may meet to discuss the event and to determine, in consultation with the Disclosure Consultant to the extent determined by the Disclosure Coordinator and the Finance Director, whether a filing is required or is otherwise desirable.

D. Uncertainty

The Finance Director may direct questions regarding this policy or disclosure to the Disclosure Consultant, disclosure counsel, bond counsel or the city attorney or such other counsel or consultant he/she deems appropriate.

IV. DOCUMENTS TO BE RETAINED

The Disclosure Coordinator shall be responsible for retaining records demonstrating compliance with these Continuing Disclosure Procedures. The Disclosure Coordinator shall retain an electronic or paper file ("Disclosure File") for each continuing disclosure annual report that the City completes. Each Disclosure File shall include final versions of Continuing Disclosure Documents; written confirmations, certifications, letters and legal opinions described herein; copies of these Continuing Disclosure Procedures and a list of individuals to whom they have been distributed and the dates of such distributions; and a written record of the dates of meetings of the Disclosure

Working Group. The Disclosure File shall be maintained in a central depository for a period of five years from the later of the date of delivery of the securities referenced in the Continuing Disclosure Document, or the date the Continuing Disclosure Document is published, posted, or otherwise made publicly available, as applicable.

V. EDUCATION

The Finance Director shall ensure that the Disclosure Coordinator and the Disclosure Working Group are properly trained to understand and perform their responsibilities. Such training may include training sessions conducted by consultants with expertise in municipal securities disclosure or by the Disclosure Consultant, attendance at conferences, or other appropriate methods identified by the Finance Director.

VI. AMENDMENTS

Any provision of these Continuing Disclosure Procedures may be waived or amended at any time by written confirmation of the City Manager upon consultation with the Finance Director.