

**COMMITMENT AGREEMENT AND PURCHASE CONTRACT
FOR PURCHASE AND SALE OF LOCAL OBLIGATION BONDS**

City of Carson

**Reassessment District No. 2001-1 (Dominguez Technology Center West)
Limited Obligation Refunding Improvement Bonds, Series 2019**

THIS COMMITMENT AGREEMENT AND PURCHASE CONTRACT (the "Purchase Contract"), dated _____, 2019, is by and between the CARSON PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority organized and existing under and by virtue of the laws of the State of California (the "Authority"), and the CITY OF CARSON, a municipal corporation and chartered city duly organized and existing under the laws of the State of California (the "City").

WITNESSETH:

WHEREAS, pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Act"), the Carson Housing Authority (the "CHA") and the City have by the Amended and Restated Joint Exercise of Powers Agreement, dated October 6, 2015 (the "Agreement"), created the Authority for the purposes, among other things, of assisting the City and the CHA in the financing and refinancing of public capital improvements pursuant to the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of the Act (commencing with Section 6584) (the "Bond Law"); and

WHEREAS, the Authority has heretofore issued its Reassessment Revenue Bonds, Series A and Subordinate Series B (collectively, the "2006 Authority Bonds") for the purpose of purchasing the "City of Carson Reassessment District No. 2001-1 (Dominguez Technology Center West) Limited Obligation Refunding Improvement Bonds, Series 2006" in the initial principal amount of \$29,645,000 ("2006 Local Obligation"), the proceeds of which were used to refinance certain outstanding obligations; and

WHEREAS, the Authority, for the purpose, among other things, of assisting in refinancing the 2006 Local Obligation and the 2006 Authority Bonds and to finance certain capital improvements, has determined to issue its Reassessment Refunding Revenue Bonds, Series 2019 (the "Authority Bonds"), 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., as trustee (the "Trustee"); and

WHEREAS, a portion of the proceeds of the Authority Bonds will be used to facilitate the refunding by purchasing a single local obligation of the City designated as "City of Carson Reassessment District No. 2001-1 (Dominguez Technology Center West) Limited Obligation Refunding Improvement Bonds, Series 2019" (referred to herein as the "Local Obligation Bonds"), which Local Obligation Bonds will provide the funds to refund the 2006 Local Obligation and thereby redeem the 2006 Authority Bonds; and

WHEREAS, the Authority and the City desire to enter into this Purchase Contract providing for the purchase and sale of the Local Obligation Bonds and containing the other agreements herein set forth.

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Authority and the City agree as follows:

1. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the City hereby sells to the Authority, and the Authority hereby purchases from the City all of the aggregate principal amount of the Local Obligation Bonds, such Local Obligation Bonds to mature and bear the annual interest rates and to be sold to the Authority at the purchase price set forth in Exhibit A attached hereto and hereby made a part hereof, plus accrued interest, if any, from the date of the Local Obligation Bonds to the date of delivery of the Local Obligation Bonds to the Authority (the "Closing Date").

2. The City hereby specifies _____ (or as soon thereafter as shall be feasible), as the Closing Date and the City hereby confirms that it reasonably expects to deliver the Local Obligation Bonds to the Authority on such date.

3. The Authority agrees that The Bank of New York Mellon Trust Company, N.A. ("Fiscal Agent"), will act as Fiscal Agent for the Local Obligation Bonds under and as further provided in the Fiscal Agent Agreement, dated as of June 1, 2019 (the "Fiscal Agent Agreement"), by and between the City and such Fiscal Agent.

4. The Local Obligation Bonds shall be issued and secured under the provisions of the Fiscal Agent Agreement and a resolution authorizing the issuance of the Local Obligation Bonds adopted by the City Council of the City on April 2, 2019 (the "Resolution"), and related proceedings authorizing the issuance of the Local Obligation Bonds (collectively, the "Proceedings"). The Local Obligation Bonds and interest thereon will be payable from Reassessments (as defined in the Fiscal Agent Agreement). Proceeds of the sale of the Local Obligation Bonds will be used by the City in accordance with the Proceedings. For the benefit of the Authority, the City, as an obligated party for the Authority Bonds, shall execute a Continuing Disclosure Agreement dated as of June 1, 2019 (the "Continuing Disclosure Agreement").

5. Any action under this Purchase Contract taken by the Authority, including payment for and acceptance of the Local Obligation Bonds, and delivery and execution of any receipt for the Local Obligation Bonds and any other instruments in connection with the closing on the Closing Date, shall be valid and sufficient for all purposes and binding upon the Authority, provided that any such action shall not impose any obligation or liability upon the Authority other than as may arise as expressly set forth in this Purchase Contract.

6. It is a condition to the City's sale of the Local Obligation Bonds and the obligation of the City to deliver the Local Obligation Bonds to the Authority, and to the Authority's purchase of the Local Obligation Bonds and the obligations of the Authority to accept delivery of and to pay for the Local Obligation Bonds, that the entire aggregate principal amount of the Local Obligation Bonds of \$_____ shall be delivered by the City, and accepted and paid for by

the Authority, on the Closing Date. The Authority will pay for the Local Obligation Bonds with a portion of the proceeds of the Authority Bonds.

7. The City represents and warrants to the Authority that:

a. The City is a municipal corporation duly organized and validly existing under the laws of the State of California, and has, and on the Closing Date will have, full legal right, power and authority (i) to enter into this Purchase Contract, the Fiscal Agent Agreement and the Continuing Disclosure Agreement, (ii) to adopt or enter into the Proceedings relating to the Local Obligation Bonds, (iii) to issue, sell and deliver the Local Obligation Bonds to the Authority as provided herein and in the Fiscal Agent Agreement, and (iv) to carry out and consummate the transactions on its part contemplated by this Purchase Contract, the Proceedings, the Fiscal Agent Agreement and the Continuing Disclosure Agreement;

b. The City has complied, and will on the Closing Date be in compliance in all respects, with the Proceedings;

c. By official action of the City prior to or concurrently with the acceptance hereof, the City has duly adopted the Resolution, has duly authorized and approved the execution and delivery of, and the performance by the City of the City's obligations contained in, the Fiscal Agent Agreement, the Local Obligation Bonds, this Purchase Contract, the Continuing Disclosure Agreement and the other Proceedings, and the consummation by the City of all other transactions on its part contemplated by the Proceedings, including, without limitation, the levy of Reassessments and application of Reassessments to the payment of the Local Obligation Bonds;

d. The execution and delivery of this Purchase Contract, the Fiscal Agent Agreement, the Continuing Disclosure Agreement and the Local Obligation Bonds, the adoption of the Resolution and the adoption or entering into of the other Proceedings, and compliance with the provisions of each thereof will not conflict with or constitute a breach of or a default under any applicable law or administrative regulation of the State of California or the United States of America, or any applicable judgment, decree, agreement or other instrument to which the City is a party or is otherwise subject;

e. There is no action, suit, proceeding or investigation before or by any court, public board or body pending or, to the knowledge of the City, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City or the titles of its Council members and officers to their respective offices, (ii) enjoin or restrain the issuance, sale and delivery of the Local Obligation Bonds, the levy and receipt of the Reassessments, or the pledge thereof under the Fiscal Agent Agreement, (iii) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the moneys pledged or to be pledged to pay the principal of, premium, if any, or interest on the Local Obligation Bonds, (iv) in any way question or affect any authority for the issuance of the Local Obligation Bonds, or the validity or enforceability of the Local Obligation Bonds, the Fiscal Agent Agreement, the Continuing Disclosure Agreement, the Resolution or the Proceedings, or (v) in any way question or affect this Purchase Contract or the transactions contemplated by this Purchase Contract, the Fiscal Agent Agreement, the Continuing Disclosure

Agreement or any other agreement or instrument to which the City is a party relating to the Local Obligation Bonds;

f. The issuance and sale of the Local Obligation Bonds is not subject to any transfer or other documentary stamp taxes of the State of California or any political subdivision thereof;

g. The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is a bond issuer whose arbitrage certifications may not be relied upon;

h. Any certificate signed by any official of the City authorized to do so and delivered to the Authority shall be deemed a representation and warranty by the City to the Authority as to the statements made therein; and

i. The City will apply the proceeds of the Local Obligation Bonds, including the investment thereof, in accordance with the Fiscal Agent Agreement, the Resolution and the Proceedings.

8. At 8:00 a.m., Los Angeles Time, on the Closing Date, or at such other time or on such other date as is mutually agreed by the City and the Authority, the City will deliver the Local Obligation Bonds to the Authority in definitive form, duly executed, together with the other documents hereinafter mentioned, and, subject to the terms and conditions hereof, the Authority will accept such delivery and pay or cause to be paid the purchase price of the Local Obligation Bonds as referenced in paragraph 1 hereof by wire transfer or other funds which are good funds on the Closing Date. Delivery and payment, as aforesaid, shall be made at such place as shall have been mutually agreed upon by the City and the Authority.

9. The Authority has entered into this Purchase Contract in reliance upon the representations, warranties and agreements of the City contained herein and to be contained in the documents and instruments to be delivered on the Closing Date, and upon the performance by the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Authority's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Local Obligation Bonds shall be subject to the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and shall also be subject to the following conditions:

a. The representations and warranties of the City contained herein shall be true and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

b. On the Closing Date, the Resolution and Proceedings shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to by both the Authority and the City;

c. As of the Closing Date, all official action of the City relating to the Proceedings shall be in full force and effect, and there shall have been taken all such actions as, in the opinion of Aleshire & Wynder, LLP ("Bond Counsel"), shall be necessary or appropriate in

connection therewith, with the issuance of the Local Obligation Bonds and with the transactions contemplated hereby;

d. The Authority shall have the right to terminate the Authority's obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Local Obligation Bonds by notifying the City of their election to do so if, after the execution hereof and prior to the Closing Date: (i) the marketability of the Local Obligation Bonds or the Authority Bonds, or the market price thereof, in the opinion of the Authority, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State of California, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State of California, or by a tentative decision with respect to legislation reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or the Senate of the Congress of the United States or either house of the Legislature of the State of California, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State of California by the Governor of the State of California in an executive communication, affecting the tax status of the City, the Authority, their property or income, or bonds (including the Local Obligation Bonds or Authority Bonds, as applicable) or the interest thereon, or any tax exemption granted or authorized pursuant to the law; (ii) the United States shall have become engaged in hostilities which have resulted in a declaration of war or national emergency, or there shall have occurred any other outbreak of hostilities, or a local, national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Authority, would affect materially and adversely the marketability of the Authority Bonds (it being agreed by the Authority that there is no outbreak, calamity or crisis of such a character as of the date hereof); (iii) there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or California State authorities; (iv) there shall have occurred a withdrawal or downgrading of any rating assigned to any securities of the City by a national municipal bond rating agency; (v) any proposed development described in the Proceedings shall have been repudiated by the applicable developer, and/or (vi) the purchase of the Authority Bonds by the underwriters' thereof is not consummated pursuant to the provisions of the Bond Purchase Agreement between the Authority and such underwriter ("Bond Purchase Contract").

e. On or prior to the Closing Date, the Authority shall have received each of the following documents:

i. All documents and opinions required to be received by the trustee for the Authority Bonds pursuant to the Bond Purchase Contract prior to the purchase thereof by the underwriter and the application of proceeds of the Authority Bonds to the purchase of the Local Obligation Bonds;

ii. An opinion, in form and substance satisfactory to the City and the Authority, dated as of the Closing Date, of Bond Counsel approving the validity of the Local Obligation Bonds;

iii. A supplementary opinion, dated the date of the Closing and addressed to the Authority, of Bond Counsel to the effect that (i) this Purchase Contract and has been duly authorized, executed and delivered by, and, assuming due authorization, execution and delivery by its parties other than the City, constitutes a legal, valid and binding agreements of the City enforceable in accordance with its terms, except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought and other relevant limitations; and (ii) the Local Obligation Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Fiscal Agent Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

iv. A certificate dated the Closing Date, addressed to the Authority, signed by the City Manager of the City and by the City Clerk, on behalf of the City, to the effect that:

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

(2) There is no action, suit, proceeding or investigation before or by any court, public board or body pending or threatened, wherein an unfavorable decision, ruling or finding would: (A) affect the creation, organization, existence or powers of the City, or the titles of its members and officers to their respective offices, (B) enjoin or restrain the issuance, sale and delivery of the Local Obligation Bonds, the levy or collection of the Reassessments or any other moneys or property pledged or to be pledged under the Fiscal Agent Agreement, or the pledge thereof, (C) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the Reassessments or moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Local Obligation Bonds, (D) in any way question or affect any authority for the issuance of the Local Obligation Bonds, or the validity or enforceability of the Local Obligation Bonds or the Proceedings, or (E) in any way question or affect this Purchase Contract or the transactions contemplated by this Purchase Contract, the Fiscal Agent Agreement, the Continuing Disclosure Agreement or the other Proceedings; and

(3) The City has complied with all agreements, covenants and arrangements, and satisfied all conditions, on its part to be complied with or satisfied on or prior to the Closing Date;

v. An opinion, dated the date of Closing and addressed to the Authority, of the City Attorney that there is no action, suit, proceeding or investigation before or by any court, public board or body pending against or threatened in writing against the City, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City, or the titles of its Council members and officers to their respective offices; (ii) enjoin or restrain the issuance, sale and delivery of the Local Obligation Bonds, the receipt of any other moneys or property pledged or to be pledged under the Fiscal Agent Agreement or the pledge thereof; (iii) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the Reassessments or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Local Obligation Bonds; (iv) in any way question or affect any authority for

the issuance of the Local Obligation Bonds, or the validity or enforceability of the Local Obligation Bonds; or (v) in any way question or affect this Purchase Contract or the transactions contemplated by this Purchase Contract, the Fiscal Agent Agreement, the Continuing Disclosure Agreement or the other Proceedings; and

vi. A defeasance opinion of Bond Counsel with respect to the 2006 Local Obligation Bonds and related 2006 Authority Bonds.

vii. Such additional legal opinions, certificates, instruments and documents as the Authority may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the City's representations and warranties contained herein.

In addition to the foregoing, the City shall on the Closing Date provide the Proceedings, certified by authorized officers of the City, on behalf of the City, as true copies and as having been adopted or executed (as applicable), with only such amendments, modifications or supplements as may have been agreed to by the Authority.

All of 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 Authority, but the approval of the Authority shall not be unreasonably withheld. Receipt of, and payment for, the Local Obligation Bonds shall constitute evidence of the satisfactory nature of such as to the Authority. The performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Authority may be waived by the Authority in its sole discretion.

If the City shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the Bonds contained in this Purchase Contract, or if the obligations of the Authority to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate, and neither the Authority nor the City shall be under further obligation hereunder, except that the respective obligations of the City and the Authority set forth in paragraphs 10 and 11 hereof shall continue in full force and effect.

10. The Authority shall be under no obligation to pay, and the City shall pay the following expenses incident to the performance of the City's obligations hereunder: (i) the cost of the preparation of the Local Obligation Bonds; (ii) the fees and disbursements of Bond Counsel and of the City Attorney; and (iii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the City.

11. This Purchase Contract is made solely for the benefit of the City and the Authority (including their successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties and agreements 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 Authority or (ii) delivery of and payment for the Bonds pursuant to this Purchase Contract. The agreements

contained in this paragraph and in paragraph 10 shall survive any termination of this Purchase Contract.

12. This Purchase Contract shall become effective upon the execution hereof by the signatures of the Mayor, Mayor Pro Tem of the City, City Manager, Acting City Manager or an Assistant City Manager and the President, Chief Administrative Officer or Treasurer/Finance Director of the Authority, and shall be valid and enforceable as of the time of such execution.

13. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

15. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California applicable to contracts made and performed in such State.

IN WITNESS WHEREOF, the Authority and the City have each caused this Purchase Contract to be executed by their duly authorized officers all as of the date first above written.

CARSON PUBLIC FINANCING AUTHORITY

By: _____
Chief Administrative Officer

CARSON CITY OF CARSON

By: _____
City Manager

EXHIBIT A

\$_____

CITY OF CARSON REASSESSMENT DISTRICT NO. 2001-1
(DOMINGUEZ TECHNOLOGY CENTER WEST)
LIMITED OBLIGATION REFUNDING IMPROVEMENT BONDS, SERIES 2019

Annual Interest Rates
and Purchase Price

PURCHASE PRICE - _____ less credit for Authority expenses of \$_____, for a
total transfer of \$_____

Maturity Date
(September 2)

Principal
Amount

Interest
Rate