

\$ _____
CITY OF SANTA ROSA
Wastewater Revenue Refunding Bonds, Series 2016A

PURCHASE AGREEMENT

_____, 2016

City of Santa Rosa
 90 Santa Rosa Avenue
 Santa Rosa, California 95404

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (the “Underwriter”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this purchase agreement (the “Purchase Agreement”) with the City of Santa Rosa (the “City”), which will be binding upon the City and the Underwriter upon the acceptance hereof by the City. This offer is made subject to its acceptance by the City by execution of this Purchase Agreement and its delivery to the Underwriter on or before 11:59 p.m., California Time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture of Trust, dated as of February 1, 1988, as supplemented from time to time including as supplemented by that certain Nineteenth Supplemental Indenture of Trust dated as of _____, 2016 (the “Indenture”), by and between the City and U.S. Bank National Association, as trustee (the “Trustee”).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the \$_____ aggregate principal amount of City of Santa Rosa Wastewater Revenue Refunding Bonds, Series 2016A (the “Bonds”). The purchase price for the Bonds shall be equal to \$_____ (being the aggregate principal amount thereof plus/less a net original issue premium/discount of \$_____ and less an Underwriter’s discount of \$_____).

2. Description of the Bonds. The Bonds shall be issued and sold to the Underwriter by the City pursuant to the Indenture, the Constitution and the laws of the State of California (the “State”), the provisions of Chapter 3-12 (commencing with Section 3-12.010) of the Santa Rosa City Code, enacted pursuant to Sections 3 and 53 of the charter of the City (the “Bond Law”), and a resolution of the City adopted on June 28, 2016 (the “City Resolution”). The Bonds shall be as described in the Indenture and the Official Statement (as such term is defined herein) relating to the Bonds and shall mature and bear interest as set forth in Exhibit A attached hereto and incorporated herein by reference. Proceeds of the Bonds will be applied: (i) to refund a portion of the City’s Wastewater Revenue Bonds, Series 2007A; (ii) to refund all of the City’s Wastewater Revenue Bonds, Series 2008A; (iii) to prepay certain State Refunded Loans, and (iv) to pay the costs of issuance of the Bonds.

The Bonds, this Purchase Agreement, the Indenture, the Escrow Agreement, dated as of _____, 2016 (the “Escrow Agreement”), by and between the City and U.S. Bank National Association, as escrow agent (the “Escrow Agent”), and the Continuing Disclosure Certificate, dated as of the Closing Date (as such term is defined herein) and entered into by the City (the “Continuing Disclosure Certificate”) are collectively referred to herein as the “City Documents.”

3. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds initially 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 Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter 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 City acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the Underwriter; (ii) in connection with such transaction, including the process leading thereto, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the City; (iii) the Underwriter has neither assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the City on other matters) nor has it assumed any other obligation to the City except the obligations expressly set forth in this Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the City; and (v) the City has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

4. Delivery of Official Statement. The City has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement copies of the Preliminary Official Statement relating to the Bonds (the “Preliminary Official Statement”). Such Preliminary Official Statement is the official statement deemed final by the City for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (the “Rule”), except for information permitted to be omitted therefrom pursuant to the Rule, and approved for delivery by resolution of the City.

Within seven (7) Business Days from the date hereof, the City shall deliver to the Underwriter a final Official Statement, executed on behalf of the City by an authorized representative of the City and dated the date hereof, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the City and the Underwriter (the “Final Official Statement”). The Preliminary Official Statement and the Final Official Statement, including the cover pages, the appendices thereto and all information incorporated therein by reference are hereinafter referred to collectively as the “Official Statement.” The Underwriter agrees that it 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 Final Official Statement. The Underwriter agrees to deliver a copy of the Final Official Statement to the Municipal Securities Rulemaking Board (the “MSRB”) through the Electronic Municipal Marketplace Access website of the MSRB, currently maintained on the Internet at <http://emma.msrb.org/>, on or before the Closing Date (as such term is defined herein), and the Underwriter agrees to comply with the requirements of MSRB Rule G-32 for delivery of a copy of the Final Official Statement, upon request of any customer who purchases a Bond, and otherwise to comply with all applicable statutes and regulations in connection with the sale of the Bonds.

5. The Closing. At 8:00 a.m., California Time, on _____, 2016 (the “Closing Date”), or at such other time or on such earlier or later Business Day as shall have been mutually agreed upon by the City and the Underwriter, the City will deliver: (i) the Bonds to the account of the Underwriter (through the facilities of The Depository Trust Company, New York, New York or through the FAST system), duly executed; and (ii) the closing documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation (“Bond Counsel”), in San Francisco, California, or at another place to be mutually agreed upon by the City and the Underwriter. The Underwriter shall order CUSIP identification numbers and the City shall cause such CUSIP identification numbers to be printed on the Bonds, but neither the failure to print any such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Agreement. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal wire transfer to the order of the Trustee on behalf of the City. Such payment and delivery, together with the delivery of the aforementioned documents, is herein called the “Closing.”

6. City Representations, Warranties and Covenants. The City represents and covenants to the Underwriter that:

(a) The City is a charter city and municipal corporation duly organized and existing under and by virtue of the laws of the State and the charter of the City.

(b) The City has full legal right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the City Documents.

(c) By all necessary official action, the City has duly adopted, authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Final Official Statement, and has duly adopted or authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents and the consummation by it of all other transactions contemplated by the City Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the City Documents will constitute the legally 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 affecting creditors’ rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The City has complied, and will at the Closing be in compliance in all respects, with the terms of the City Documents.

(d) To the best of its knowledge, the City is not in any material respect in breach of or default under any applicable constitutional provision, law or administrative regulation of any state or of the United States of America, or any agency or instrumentality of either, or any applicable judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party, which breach or default has or may have an adverse effect on the ability of the City to perform its obligations under the City Documents, 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 adoption, execution and delivery of the City Documents, if applicable, and compliance with the provisions on the City’s part contained

therein, will not conflict in any material way 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, nor will any such adoption, execution, delivery 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 law, regulation or instrument, except as may be provided by the City Documents.

(e) To the best of its knowledge, all material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization 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 in connection with the City Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds, and except as described in or contemplated by the Preliminary Official Statement and the Final 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 Documents have been duly obtained.

(f) The Preliminary Official Statement was as of its date, and the Final Official Statement is, and at all times subsequent to the date of the Final Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Final Official Statement do not and up to and including the Closing will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding The Depository Trust Company and its book-entry only system, information under the caption "MISCELLANEOUS—Underwriting," CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter, as to which no view is expressed).

(g) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(h) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process having been accomplished, or threatened in writing to the City: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds, the City Documents or the consummation of the transactions contemplated thereby or hereby or the exclusion of the interest on

the Bonds from taxation or contesting the powers of the City or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the City; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement or any supplement or amendment thereto, or asserting that the Preliminary Official Statement or the Final Official Statement contained any untrue statement of a material fact or omitted to state any 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.

(i) There is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of paragraph 6(h).

(j) Until the date which is twenty-five (25) days after the “end of the underwriting period” (as such term is defined herein), if any event occurs of which the City is aware that would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading, the City shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter’s reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time, and the City shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. 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 Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the “end of the underwriting period” shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the Underwriter at or prior to the Closing Date of the Bonds and shall specify a date (other than the Closing Date) to be deemed the “end of the underwriting period.”

(k) Except as disclosed in the Preliminary Official Statement and the Final Official Statement, the City has not within the last five years failed to comply in any material respect with any continuing disclosure undertakings with regard to the Rule.

(l) The City will refrain from taking any action, or permitting any action to be taken, with regard to which the City may exercise control, that results in the loss of the tax-exempt status of the interest on the Bonds.

7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. The Underwriter’s obligations under this Purchase Agreement to purchase and pay for the Bonds shall be subject to the following additional conditions:

(a) The representations, warranties and covenants of the City contained herein shall be true, complete and correct in all material respects at the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) At the time of the Closing: (i) the City Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of

the Underwriter; and (ii) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the City Documents.

(c) The Underwriter shall have the right to terminate this Purchase Agreement, without liability therefor, by notification to the City if at any time at or prior to the Closing:

(i) any event shall occur which, in the reasonable opinion of the Underwriter, 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

(ii) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

(iii) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the City, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(iv) 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 Underwriter, materially adversely affects the market price of the Bonds; or

(v) legislation shall be enacted 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

(vi) 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 Underwriter's ability to trade the Bonds; or

(vii) a general banking moratorium shall have been established by federal or State authorities or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by orders of the Securities and Exchange Commission or any other governmental authority; or

(viii) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities or a national or international calamity or crisis, or there has occurred any escalation of existing hostilities, calamity or crisis, financial or otherwise, the effect of which on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds; or

(ix) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by any of the following events or occurrences: (1) any rating of the Bonds shall have been downgraded, suspended or withdrawn by a national rating service, or (2) any rating of the Insurer shall have been downgraded, suspended or withdrawn by a national rating service, or (3) there shall have been any official statement by a national rating service as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification), or (4) any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the City's obligations; or

(x) the commencement of any action, suit or proceeding described in Section 6(h) hereof which, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(xi) there shall exist any event which in the reasonable opinion of the Underwriter 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; or

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

(d) At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents; provided that the acceptance of the Bonds by the Underwriter on the Closing Date shall conclusively evidence the satisfaction of

the requirements of this subsection (d) or the waiver by the Underwriter of any discrepancies in documents which are not in strict conformity with the requirements of this subsection (d):

(i) *Bond Counsel Opinion.* An approving opinion of Bond Counsel dated the Closing Date and substantially in the form appended to the Official Statement, together with a letter from such counsel, addressed to the Underwriter and dated the Closing Date, to the effect that the approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter.

(ii) *Supplemental Opinion.* A supplemental opinion or opinions of Bond Counsel, addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the Closing Date substantially to the following effect:

(A) The Purchase Agreement has been duly executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, if applicable, constitutes the valid and binding agreement of the City;

(B) The statements contained in the Official Statement pertaining to the Bonds on the front cover page and under the captions [“INTRODUCTION,” “THE SERIES 2016A BONDS,” “SECURITY FOR THE SERIES 2016A BONDS” and “TAX MATTERS” and in Appendices B and D,] insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture and the final approving opinion of Bond Counsel, excluding any material that may be treated as included under such captions by cross-reference, are accurate in all material respects; and

(C) The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

(iii) *City Attorney Opinion.* An opinion of the City Attorney, addressed to the Underwriter, in form and substance acceptable to Bond Counsel and the Underwriter, dated the Closing Date, substantially to the following effect (and including such additional matters as may be reasonably required by Bond Counsel or the Underwriter):

(A) The City is a municipal corporation and charter city, duly organized and existing under and by virtue of the laws of the State and the charter of the City;

(B) The City Resolution has been duly adopted at a meeting of the City that was duly called, noticed and conducted, at which a quorum was present and acting throughout, and the City Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the dates of its adoption;

(C) The City Documents have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, if applicable, constitute the valid, legal and binding agreements of the City enforceable in accordance with their respective terms;

(D) The information in the Official Statement (excluding therefrom financial statements and other statistical data, information regarding The Depository Trust Company and its book-entry only system, information under the caption “UNDERWRITING,” CUSIP numbers,

prices and yields for the Bonds and any other information provided by the Underwriter, as to which no view need be expressed) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(E) Except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending, with service of process having been accomplished, or threatened in writing against the City, challenging the creation, organization or existence of the City or the validity of the City Documents, seeking to restrain or enjoin the repayment of the Bonds, in any way contesting or affecting the validity of the City Documents or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or which, in any manner, questions the right of the City to pay debt service on the Bonds or affects in any manner the right or ability of the City to collect or pledge the Net Revenues; and

(F) Except as otherwise disclosed in the Official Statement, there are no outstanding bonds, notes or other obligations of the City which are payable from the Net Revenues.

(iv) *Disclosure Counsel Letter.* A letter of Jones Hall, A Professional Law Corporation (“Disclosure Counsel”), dated the Closing Date, addressed to the Underwriter, to the effect that, based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, but on the basis of its participation in conferences with the Underwriter, Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter (“Underwriter’s Counsel”), the City, the City Attorney, and others, and its examination of certain documents, Disclosure Counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in the Appendices thereto and information relating to DTC, as to which no advice need be expressed) contains any untrue statement of a material fact or omits to state any 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.

(v) *Trustee/Escrow Agent Counsel Opinion.* An opinion of counsel to the Trustee and Escrow Agent, addressed to the Underwriter and dated the Closing Date, in form and substance satisfactory to the Underwriter and to Bond Counsel.

(vi) *City Documents.*

(A) A certified copy of the City Resolution; and

(B) A certificate of the City Clerk to the effect that the City Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption.

(vii) *Official Statement.* The Preliminary Official Statement and the executed Final Official Statement and each supplement or amendment, if any, thereto.

- (viii) *Indenture*. The Indenture, executed by the City and the Trustee.
- (ix) *Continuing Disclosure Certificate*. The Continuing Disclosure Certificate, executed by the City.
- (x) *Trustee/Escrow Agent Resolution*. A certified copy of the general resolution of the Trustee and Escrow Agent authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Indenture and the authentication and delivery of the Bonds by the Trustee and authorizes the execution and delivery of the Escrow Agreement by the Escrow Agent.
- (xi) *Purchase Agreement*. This Purchase Agreement, executed by the City and the Underwriter.
- (xii) *Escrow Agreement*. The Escrow Agreement, executed by the City and the Escrow Agent.
- (xiii) *City Rule 15c2-12 Certificate*. A certificate, dated the date of the Preliminary Official Statement, of the City to the effect that, for purposes of compliance with the Rule, the City deems the Preliminary Official Statement to be final as of its date.
- (xiv) *Tax Certificate*. A Tax Certificate with respect to maintaining the tax-exempt status of the Bonds, duly executed by the City.
- (xv) *Notices to State*. Copies of the preliminary and final notices to the California Debt and Investment Advisory Commission relating to the Bonds.
- (xvi) *City Certificate*. A certificate of the City, dated the Closing Date, signed on behalf of the City by a duly authorized officer of the City to the following effect:
- (A) The representations, warranties and covenants 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, and the City has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the City at or prior to the Closing Date; and
- (B) 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 that would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.
- (xvii) *Trustee/Escrow Agent Certificate*. A certificate or certificates of the Trustee and the Escrow Agent, addressed to the City and the Underwriter and dated the Closing Date, in form and substance acceptable to the Underwriter and to Bond Counsel.
- (xviii) *Ratings*. Evidence that the ratings on the Bonds are as described in the Official Statement.
- (xix) *Specimen Bonds*. Specimen Bonds, executed by the City and authenticated by the Trustee.

(xx) *Underwriter's Counsel Opinion.* An opinion of Underwriter's Counsel, addressed to the Underwriter and in form and substance satisfactory to the Underwriter.

(xxi) *Letter of Representations.* A copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book entry system, or an acknowledgement from DTC that such a letter is on file with DTC.

(xxii) *Continuing Disclosure Compliance Report.* A report of Municipal Disclosure Advisors addressed to the Underwriter in form and substance acceptable to the Underwriter as to compliance by the City and its related entities with their respective continuing disclosure undertakings during the previous five years.

(xxiii) *Evidence of State Refunded Loan Payoff.* Evidence satisfactory to the Underwriter that the State Refunded Loans have been prepaid and/or defeased so as to be no longer outstanding as described in the Official Statement.

(xxiv) *Other.* Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the Trustee and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied in connection with the delivery and sale of the Bonds.

If the City shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the City shall be under any further obligation hereunder.

8. Expenses. The City will pay or cause to be paid the expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including, but not limited to: (a) the cost of the preparation and printing or other reproduction of the City Documents (other than this Purchase Agreement); (b) the fees and disbursements of Bond Counsel and Disclosure Counsel, the City's financial advisor and any other experts or other consultants retained by the City; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; (e) the cost of providing immediately available funds on the Closing Date; (f) the cost of the printing or other reproduction of the Official Statement and any amendment or supplement thereto, including a reasonable number of certified or conformed copies thereof; (g) the Underwriter's out-of-pocket expenses incurred with the financing, including air travel and hotel costs in connection with the pricing of the Bonds, investor meetings, the rating agency trip and the Bond closing, meals and transportation for the Underwriter during the rating agency trip and pricing, expenses related to attending working group meetings such as parking, meals and transportation and any other miscellaneous closing costs; and (h) expenses (included in the expense component of the spread) incurred on behalf of the City's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging and entertainment of such employees.

The Underwriter will pay the expenses of the preparation of this Purchase Agreement and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including California Debt and Investment Advisory Commission fees and the fee and

disbursements of Underwriter's Counsel and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds.

9. Notices. Any notice or other communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Raymond James & Associates, Inc., One Embarcadero Center, Suite 650, San Francisco, CA 94111, Attention: Robert Larkins.

10. Entire Agreement. This Purchase Agreement, when accepted by the City, shall constitute the entire agreement between the City and the Underwriter and is made solely for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the City's representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of: (i) delivery of and payment for the Bonds hereunder; and (ii) any termination of this Purchase Agreement.

11. Counterparts. This Purchase Agreement 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.

12. Severability. 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.

13. State of California Law Governs. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

14. No Assignment. The rights and obligations created by this Purchase Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other party hereto.

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Its: Wing-See Fox, Authorized Officer

Accepted as of the date first stated above:

CITY OF SANTA ROSA

By: _____
Its: City Manager

EXHIBIT A

MATURITY SCHEDULE

**CITY OF SANTA ROSA
Wastewater Revenue Refunding Bonds, Series 2016A**

| <i>Maturing September 1</i> | <i>Amount</i> | <i>Coupon</i> | <i>Yield</i> | <i>Price</i> |
|---------------------------------|---------------|---------------|--------------|--------------|
| | \$ | % | % | |

* Term Bonds

C Priced to the optional redemption date of ____ 1, 20__ at par.