

\$ _____
CITY OF SANTA ROSA
Water Revenue Refunding Bonds, Series 2018A

BOND PURCHASE AGREEMENT

December __, 2018

City of Santa Rosa
90 Santa Rosa Avenue, 2nd Floor
Santa Rosa, CA 95404

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), hereby offers to enter into this Bond Purchase Agreement (this "Bond Purchase Agreement") with the City of Santa Rosa (the "City"), which upon acceptance of this offer by the City, will be binding upon the City and the Underwriter. This offer is made subject to its acceptance by the City by execution and delivery of this Bond Purchase Agreement to the Underwriter by 11:59 P.M., Pacific Daylight time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice to the City at any time prior to acceptance hereof by the City.

Section 1. Purchase and Sale of Bonds.

(a) Subject to the conditions, and upon the basis of the representations, warranties and covenants 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 Water Revenue Refunding Bonds, Series 2018A (the "Bonds"), at a price of \$ _____ (which price is equal to the aggregate principal amount of the Bonds of \$ _____, plus an original issue premium of \$ _____, and less an Underwriter's discount of \$ _____).

The City acknowledges and agrees that: (i) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the City and the Underwriter and the Underwriter has financial and other interests that differ from those of the City; (ii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City and has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters; (iii) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement; and (iv) the City has consulted its own financial and/or municipal, legal,

accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

The City hereby acknowledges receipt from the Underwriter of disclosures required by the Municipal Securities Rulemaking Board (“MSRB”) Rule G-17 (as set forth in MSRB Notice 2012-25 (May 7, 2012), relating to disclosures concerning the Underwriter’s role in the transaction, disclosures concerning the Underwriter’s compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

The Bonds are authorized pursuant to the provisions of Chapter 3-12 (commencing with Section 3-12.010) of the Santa Rosa City Code (the “Revenue Code”), which authorizes the City to issue its revenue bonds for the purpose of financing the City’s water enterprise, an Indenture of Trust dated as of December 1, 2018 (the “Indenture”), by and between the City and Zions Bank, a division of ZB, National Association, as trustee (the “Trustee”), and a resolution adopted by the City Council of the City on November 27, 2018 (the “Resolution”).

The Bonds are being issued to (a) refund, on a current basis, the City’s outstanding Water Revenue Bonds, Series 2008 (the “2008 Bonds”), and (b) pay the costs of issuance of the Bonds.

As provided in the Indenture, The Bonds are special obligations of the City and are payable exclusively from Net Revenues (as defined in the Indenture) of the City’s Water enterprise system (the “Enterprise”) and from amounts on deposit in certain funds and accounts established under the Indenture. The Bonds will not be, and shall not represent or constitute, a debt of the City within the meaning of any constitutional limitation on indebtedness and neither the full faith and credit nor the taxing power of the City will be pledged to the payment of the principal of or interest on the Bonds.

(b) The Bonds shall be as described in the preliminary official statement, dated _____, 2018 (the “Preliminary Official Statement”). The Bonds shall be dated as of their date of delivery and shall mature on the dates and bear interest at the rates per annum set forth in Appendix A hereto. The Bonds shall be subject to redemption as provided in Appendix B hereto.

A final official statement, dated the date hereof and in the form of the Preliminary Official Statement with such additions and changes as shall be accepted by the Underwriter and the City (the “Official Statement”), signed on behalf of the City by the Mayor, the City Manager or the Finance Director, shall be delivered by the City to the Underwriter on the Closing Date. The Preliminary Official Statement and the Official Statement shall each be deemed to include their respective cover pages, and all summary statements, appendices, other materials included with or attached to each of them and any amendments or supplements thereto.

The Indenture, the Continuing Disclosure Certificate (hereinafter defined) and this Bond Purchase Agreement are referred to herein collectively as the “Financing Agreements.” All capitalized terms used and not defined herein shall have the meanings assigned to such terms in the Indenture.

(c) The City authorizes the Underwriter to use copies of the Preliminary Official Statement and the Official Statement and copies of the Financing Agreements in connection with the public offering and sale of the Bonds. The City further agrees not to supplement or amend, cause to be supplemented or amended or agree to any supplement or amendment of the Preliminary Official Statement (except as contemplated by the Official Statement) or the Official Statement at any time prior to the Closing Date without the prior written consent of the

Underwriter. The City ratifies and consents to the distribution and use of the Preliminary Official Statement by the Underwriter prior to the date hereof, and hereby represents that the Preliminary Official Statement was “deemed final” by the City as of the date thereof within the meaning of paragraph Rule 15c2-12 of the Securities and Exchange Act of 1934, as amended (“Rule 15c2-12”), except for the omission of such information as may be permitted by Rule 15c2-12.

(d) The City agrees that there shall be delivered to the Underwriter, within seven (7) business days of the date hereof, sufficient copies of the Official Statement, as requested by the Underwriter, to comply with the requirements of Rule 15c2-12, and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board.

(e) If, at any time prior to the date twenty-five (25) days following the later of the Closing Date or the date the Underwriter no longer retains, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public, which date shall be provided to the City by written notice of the Underwriter (the “End of the Underwriting Period”), any event of which the City has knowledge shall occur which might or would cause the Official Statement to contain an untrue statement of a material fact or to omit 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, the City will promptly notify the Underwriter in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the opinion of the Underwriter or the City or their respective counsel, to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will forthwith cooperate with the Underwriter in the prompt preparation and furnishing to the Underwriter of a reasonable number of copies of an amendment of or a supplement to the Official Statement, in form and substance reasonably satisfactory to the Underwriter, which will so amend or supplement the Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) The City hereby covenants and agrees that it will, on or prior to the Closing Date (as hereinafter defined), enter into an agreement or contract for the benefit of the owners of the Bonds in which the City will undertake to provide financial information, operating data and notices of material events as required by paragraph (d)(2)(ii) of Rule 15c2-12, substantially in the form of Appendix E to the Official Statement (the “Continuing Disclosure Certificate”).

Section 2. Bona Fide Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth on the cover page of the Official Statement (defined below). Subject to Section 3(c), the Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; provided, however, that the Underwriter may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority, and the Underwriter reserves the right to change such offering prices or yields as the Underwriter 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 Underwriter also reserves 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 Underwriter to the City for the Bonds.

Section 3. Establishment of Issue Price.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City on the Closing Date an “issue price” or similar certificate substantially in the form attached hereto as Appendix C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

(b) Except as otherwise set forth in Schedule 1 attached to Appendix C, the City will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) 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).

(c) Schedule 1 attached to Appendix C sets forth the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City 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 Underwriter 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 Underwriter has 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.

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this Section 3. Further, for purposes of this Section 3:

(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 City (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), and

(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 (A) 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), (B) 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 (C) 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 Bond Purchase Agreement by all parties.

Section 4. Closing. At 8:00 A.M., Pacific Standard time, December __, 2018, or at such other time on such earlier or later date as shall have been mutually agreed upon by the City and the Underwriter, the City will deliver or cause to be delivered to the Underwriter the Bonds duly authenticated by the Trustee, together with the other documents hereinafter mentioned, and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal funds wire. The consummation of the purchase and delivery of such Bonds as aforesaid shall be made at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California (“Bond Counsel”), or at such other place as shall be agreed upon by the City and the Underwriter; provided, the Bonds will be delivered through the facilities of The Depository Trust Company. Such purchase and delivery is herein called the “Closing” and the date and time of the Closing is herein called the “Closing Date.”

The Bonds shall be executed, authenticated and delivered under and in accordance with the provisions of this Bond Purchase Agreement and the Indenture. The Bonds shall be in definitive form, shall bear CUSIP numbers, and shall be fully-registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company, with one bond for each maturity of the Bonds in the principal amount of such maturity.

Section 5. Representations and Warranties.

(a) The Underwriter hereby represents that the Underwriter has full power and authority to enter into this Bond Purchase Agreement, that the execution, delivery and performance of this Bond Purchase Agreement and the purchase of the Bonds contemplated herein have been duly authorized by the Underwriter, and that this Bond Purchase Agreement,

upon due authorization, execution and delivery by the City, will be a valid and binding obligation of the Underwriter.

(b) The City, by its acceptance hereof, represents, warrants, covenants and agrees with the Underwriter as follows:

(i) The City is a municipal corporation and chartered city duly organized and existing under the laws of the State of California and the City Council of the City has, by adoption of the Resolution, duly approved the issuance of the Bonds by the City.

(ii) The Resolution has been duly adopted by the City, is in full force and effect and has not been amended, modified or revised as of the date hereof.

(iii) The City has, pursuant to the laws of the State of California, including the Bond Law, and the Indenture, all necessary power and authority to enter into and perform its duties under the Financing Agreements.

(iv) The City has, on or before the date hereof, taken all action necessary to be taken by it prior to such date for (A) the issuance, sale and delivery of the Bonds upon the terms and conditions and for the purposes described herein, in the Indenture and in the Official Statement, (B) the execution and delivery of the Financing Agreements and performance of its obligations thereunder, (C) the authorization of the distribution of the Preliminary Official Statement and the approval, execution, delivery and distribution of the Official Statement, and (D) the carrying out of, giving effect to, consummating and performing the transactions and obligations contemplated to be performed by it by the Financing Agreements and by the Official Statement, provided that no representation is made with respect to compliance with the securities or "Blue Sky" laws of the various states of the United States, and such resolution has not been amended, modified or repealed and is in full force and effect on the date hereof;

(v) The delivery of the Preliminary Official Statement and the execution and delivery by the City of the Financing Agreements and the Official Statement, the compliance by it with the terms, conditions or provisions hereof and thereof, and the consummation on its part of the transactions herein and therein contemplated do not and will not, in any respect material for the performance by the City of its obligations under the Financing Agreements, conflict with or constitute a breach of or a default under nor contravene any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does 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 properties or assets of the City under any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, deed of trust, resolution, agreement or other instrument in any respect material to the performance by the City of its obligations under the Financing Agreements, except as provided in the Financing Agreements;

(vi) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the City required for the execution, delivery and sale of the Bonds or the consummation by the City of the transactions contemplated by the Financing Agreements or the Official Statement, which has not been duly obtained or made on or prior to the date hereof;

(vii) Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public board or body pending against or, to the best knowledge of the City, threatened against or affecting the City wherein an unfavorable decision, ruling or finding would adversely affect (A) the validity or enforceability of, or the authority or ability of the City to perform its obligations under, the Financing Agreements, or (B) the transactions contemplated to be performed by it under the Financing Agreements or by the Official Statement;

(viii) The City is not in default as to the payment of principal or interest with respect to an obligation issued or incurred by the City;

(ix) The City will cooperate with the Underwriter in the qualification of the Bonds for offering and sale and the determination of the eligibility of the Bonds for investment under the laws of such jurisdictions as the Underwriter shall designate, and will use its best efforts to continue such qualification in effect so long as required for the distribution of the Bonds by the Underwriter, provided that the City shall not be required to take any action which would subject it to service of process or to register as a foreign corporation in any jurisdiction where it is not now so subject (and it is understood that the City is not responsible for compliance with or the consequences of failure to comply with applicable "Blue Sky" laws);

(x) The information contained in the Preliminary Official Statement and Official Statement (except with respect to DTC and the book-entry system), as of its date and the date hereof, did not, does not and will not, as of the Closing Date, contain any untrue statement of a material fact and did not, does not and will not, as of the Closing Date, omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

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

(xii) The proceeds from the sale to the Underwriter of the Bonds will be applied in the manner and for the purposes specified in the Financing Agreements, including the defeasance of the 2008 Bonds;

(xiii) The City covenants that it will not take any action which would cause interest payable with respect to the Bonds to become includable in gross income for federal income tax purposes or subject to State of California personal income taxes; and

(xiv) Any certificate of the City delivered to the Underwriter in connection with the transactions contemplated by the Official Statement and this Bond Purchase Agreement shall be deemed a representation by the City to the Underwriter as to the statements made therein.

Section 6. Conditions to the Obligations of the Underwriter. The obligations of the Underwriter under this Bond Purchase Agreement have been undertaken in reliance on, and shall be subject to, the due performance by the parties hereto of their respective obligations and agreements to be performed hereunder, and on and as of the date of delivery of this Bond Purchase Agreement and on and as of the Closing Date. The obligations of the Underwriter hereunder to accept delivery of and pay for the Bonds at the Closing are also subject, in the discretion of the Underwriter, to the following further conditions:

(a) at the time of the Closing, (i) the Resolution and the Financing Agreements shall be in full force and effect and shall not have been rescinded, amended, modified or supplemented, except as may have been agreed to by the Underwriter, and the City shall have adopted or executed and delivered, as the case may be, and there shall be in full force and effect such additional resolutions, agreements, opinions and certificates (including such certificates as may be required by regulations of the Internal Revenue Service in order to establish the tax-exempt character of interest evidenced by the Bonds), which resolutions, agreements, opinions and certificates shall be reasonably satisfactory in form and substance to the Underwriter, and there shall have been taken in connection therewith and in connection with the issuance of the Bonds all such action as shall, in the opinion of the Underwriter, be necessary in connection with the transactions contemplated hereby, (ii) the Bonds shall have been duly issued, authenticated and delivered, (iii) the Preliminary Official Statement and Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and (iv) the City shall perform or have performed all of its obligations under or specified in the Financing Agreements to be performed by the City at or prior to the Closing;

(b) on the Closing Date, there shall be delivered to the Underwriter in form satisfactory to the Underwriter:

(i) executed counterparts of the Financing Agreements, a certified copy of the Resolution and such other documents and certificates as the Underwriter may reasonably require in order to evidence the accuracy or satisfaction of any of the representations, warranties or conditions herein contained;

(ii) an approving opinion of Bond Counsel, substantially in the form attached as Appendix D to the Official Statement, and a letter from Bond Counsel addressed to the Underwriter expressly permitting the Underwriter to rely on such final approving opinion as if the Underwriter was an addressee thereof;

(iii) a supplemental opinion of Bond Counsel dated the Closing Date, addressed to the Underwriter, to the effect that:

(A) the City has full right and lawful authority to enter into and perform its obligations under the Financing Agreements, and the Financing Agreements have been duly authorized, executed and delivered by the City and constitute legally valid and binding obligations of the City, enforceable in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought;

(B) the Bonds are exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"), and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"); and

(C) the statements contained in the Official Statement under the captions "INTRODUCTION," "THE 2018 BONDS," "THE REFUNDING PLAN," "SECURITY FOR THE 2018 BONDS," "TAX MATTERS," "CERTAIN LEGAL MATTERS," "CONTINUING DISCLOSURE," "APPENDIX B—SUMMARY OF THE INDENTURE," "APPENDIX D—FORM OF OPINION OF BOND COUNSEL" and "APPENDIX E—FORM OF CONTINUING DISCLOSURE

CERTIFICATE” are accurate insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, the Continuing Disclosure Certificate and the exclusion of the interest on the Bonds from gross income for federal income tax purposes and the tax exemption of such interest for State of California personal income tax purposes;

(iv) An opinion, dated the Closing Date and addressed to the City and the Underwriter of Bond Counsel, to the effect that the 2008 Bonds have been defeased and are no longer deemed outstanding;

(v) an opinion of Jones Hall, A Professional Law Corporation, San Francisco, California as disclosure counsel (“Disclosure Counsel”), addressed to the City and the Underwriter and dated the Closing Date, to the effect that although such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement and makes no representation that such counsel has independently verified the accuracy, completeness or fairness of any such statements, during the course of serving as Disclosure Counsel in connection with the issuance of the Bonds, no information came to the attention of the attorneys in such firm rendering legal services in connection with such issuance which caused such firm to believe that the Official Statement as of its date (except for any financial or statistical or engineering data or forecasts, numbers, charts, estimates, projections, assumptions or expressions of opinion, any information about book-entry or The Depository Trust Company included therein, as to which no opinion or view need be expressed) 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;

(vi) an opinion of Quint & Thimmig LLP, counsel to the Underwriter (“Underwriter’s Counsel”), addressed to the Underwriter and dated the Closing Date, in form and substance satisfactory to the Underwriter;

(vii) a certificate, dated the Closing Date, signed by an authorized official of the City, and in form and substance satisfactory to the Underwriter, to the effect that:

(A) except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court, public agency or body pending or, to the best knowledge of the City, threatened against or affecting the City wherein an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of, or the authority or ability of the City to perform its obligations under, any of the Financing Agreements or the transactions contemplated to be performed by it as described in the Official Statement, or which would restrain or enjoin the sale, execution or delivery of the Bonds or in any way contest or affect the validity of the Bonds, the proceedings of the City taken with respect to the issuance, delivery or sale thereof, the pledge or application of any moneys or securities provided for the payment of the Bonds and the existence or powers of the City or the title of any officers of the City to their respective positions;

(B) the representations and warranties of the City contained in this Bond Purchase Agreement are true and correct in all material respects on and as of the Closing Date;

(C) the City has complied, or is presently in compliance, with all agreements and has satisfied all conditions on its part to be observed or satisfied under the Financing Agreements at or prior to the Closing; and

(D) the information and statements in the Official Statement (except with respect to DTC and the book-entry system) do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(viii) an opinion of the City Attorney, dated the Closing Date, to the effect that:

(A) the City is a municipal corporation and general law city duly organized and existing under the laws of the State of California and has the full legal right, power and authority to adopt the Resolution;

(B) the Resolution has been duly adopted by the Board and is in full force and effect on the Closing Date and has not been amended, modified or revised.

(C) except as described in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public agency or body pending with respect to which the City has been served with process or, to the best of such counsel's knowledge, threatened against or affecting the City in which an unfavorable decision, ruling or finding would adversely affect the City's participation in or consummation of the transactions contemplated by the Official Statement, the Bonds, the Indenture or this Bond Purchase Agreement, or in any way contesting the existence of the City or the powers of the City with respect thereto, or the ability of the City to collect or receive the revenues that are the source of the payment of the Bonds or to apply such revenues to the payment of the Bonds;

(D) no consent, approval, permit, authorization, order, filing, registration, qualification, election or referendum of or by any person, organization, court, regulatory body, administrative agency or other governmental agency or public body whatsoever is required to be filed, made or obtained by the City (except such as have been filed, made or obtained and as are in full force and effect) in connection with the execution, delivery or sale of the Bonds or the valid execution and delivery by the City and the observance and performance of its obligations under, the Financing Agreements, except that no opinion need be given relating to any federal or state securities or tax laws; and

(E) to the actual knowledge of such counsel, the execution and delivery of the Financing Agreements by the City do not, and compliance with the terms thereof by the City will not, result in a material breach of any of the terms or provisions of, or constitute a material violation of or default under, any resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the City is now a party or by which it or any of its properties is now bound, or any judgment, order, rule or regulation applicable to the City of any court or of any regulatory body or administrative agency or other governmental body having jurisdiction over the City or over any of its properties, or the Constitution of the State of California or any statute, ordinance or resolution of any jurisdiction applicable to the City, which would be material in the context of the execution and delivery of the Bonds.

(ix) an executed copy of a non-arbitrage certificate in form and substance satisfactory to Bond Counsel, together with a copy of the completed and executed IRS Form 8038-G;

(x) a certificate dated the Closing Date and signed by an authorized officer of the Trustee, in form and substance satisfactory to the Underwriter to the effect that:

(A) the Trustee is a national banking association duly organized and existing under the laws of the United States of America authorized to carry out corporate trust powers and has all necessary power and authority to enter into and is qualified to perform its duties under the Indenture;

(B) the representations and agreements of the Trustee in the Indenture are true and correct in all material respects as of the Closing Date;

(C) the Bonds have been validly authenticated and delivered in accordance with the Indenture;

(D) the Indenture is valid and binding on the Trustee which has accepted all trusts and duties thereunder; and

(E) the execution and delivery of the Indenture, and compliance by the Trustee with the provisions thereof, does not and will not in any material respect conflict with or constitute on the part of the Trustee a breach of or default under any agreement or other instrument to which the Trustee is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Trustee is subject;

(xi) an opinion of counsel to the Trustee, dated the Closing Date, to the effect that:

(A) the Trustee has been duly organized and is validly existing in good standing as a national banking association duly organized and existing under and by virtue of the laws of the United States of America with the full corporate power to undertake the trust of the Indenture;

(B) the Trustee has duly authorized, executed and delivered the Indenture, and by all proper corporate action has authorized the acceptance of the trusts of the Indenture;

(C) assuming the due authorization, execution and delivery by the City, the Indenture constitutes the valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting creditors' rights generally and by the principles of equity if equitable remedies are sought; and

(D) no authorization, approval, consent or order of any governmental entity or, to the best of such counsel's knowledge, of any other person, association or corporation is required for the valid authorization, execution and delivery of the Indenture by the Trustee or the authentication and delivery of the Bonds;

(xii) written evidence satisfactory to the Underwriter that S&P Global Ratings has issued the rating of “___” and such rating shall be in effect on and as of the Closing Date;

(xiii) such additional legal opinions, certificates, proceedings, instruments or other documents as Bond Counsel and counsel to the Underwriter may reasonably request to evidence compliance by the City with legal requirements, the truth and accuracy, as of the Closing Date, of the representations and warranties of the City contained herein, and the due performance or satisfaction by the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the City.

If the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement shall not be satisfied, unless otherwise waived by the Underwriter, this Bond Purchase Agreement shall terminate with the effect stated in paragraph (c) of Section 5 hereof.

Section 7. Termination of Agreement.

(a) The Underwriter may terminate this Bond Purchase Agreement, with the effect stated in paragraph (c) of this Section 5, at any time subsequent to the date of this Bond Purchase Agreement and at or prior to the Closing by notifying the City by email of its election so to do, if:

(i) A tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States or legislation shall be favorably reported by such a committee or be introduced, after the date of this Bond Purchase Agreement and prior to the Closing, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate, or be recommended to the Congress of the United States for passage by the President of the United States, or a decision by a court established under Article III of the Constitution of the United States, or the Tax Court of the United States, shall be rendered or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation, upon revenues or other income of the general character to be derived by the City (or by any similar body) or upon interest received on obligations of the general character of the Bonds; or

(ii) Legislation shall be introduced, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of 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 United States Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby, is or would be in violation of any provision of the Securities Act, the Securities Exchange Act of 1934 (the “Securities Exchange Act”) or the Trust Indenture Act, as any of the foregoing Acts are amended, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby.

(b) In addition, the Underwriter may terminate this Bond Purchase Agreement with the effect stated in paragraph (c) of this Section 5 at any time subsequent to the date of this Bond Purchase Agreement and at or prior to the Closing by notifying the City in writing or by telegram of its election to do so, if:

(i) Any event shall have occurred, or information shall have become known, which, in the Underwriter's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Preliminary Official Statement or Official Statement or has the effect that the Preliminary Official Statement or Official Statement contains an untrue, incorrect or misleading statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(ii) Any legislation, resolution, ordinance, rule or regulation shall be introduced in, or be enacted by, any governmental body, department or agency of the United States, of the State of New York or of the State of California, or a decision by any court of competent jurisdiction within the United States, of the State of New York or of the State of California shall be rendered which, in the Underwriter's reasonable opinion, materially adversely affects the marketability of the Bonds or the sale, at the contemplated offering prices, by the Underwriter;

(iii) Additional restrictions not in force as of the date hereof having a material adverse effect on the transactions contemplated hereby shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(iv) A general banking moratorium shall have been established by federal, New York or California authorities or trading in securities shall generally have been suspended on the New York Stock Exchange;

(v) Any rating on the Bonds shall have been downgraded or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability of the Bonds or the sale, at the contemplated offering prices, by the Underwriter; or

(vi) A war involving the United States shall have been declared, or any existing conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the financial community shall have occurred, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability of the Bonds or the sale, at the contemplated offering prices, by the Underwriter.

(c) If this Bond Purchase Agreement is terminated as herein provided, the parties hereto shall have no obligations one to the other except as provided in Sections 6 hereof.

Section 8. Expenses.

(a) Except as specifically provided in paragraph (b) of this Section 6, the Underwriter shall be under no obligation to pay and the City shall pay any expenses incident to, or in connection with, the offering, issuance and sale of the Bonds, including, but not limited to, (i) the cost of the preparation, printing or other reproduction (for distribution prior to, on or after the date of acceptance of this Bond Purchase Agreement) of the Financing Agreements, the Preliminary Official Statement and the Official Statement in reasonable quantities for

distribution, (ii) charges made by rating agencies for the rating of the Bonds, (iii) the cost of printing the Bonds, (iv) the fees and expenses of the personnel and staff of the City designated to facilitate the execution and delivery of the Bonds, (v) the fees and expenses of the Trustee, (vi) the fees and expenses of the City's accountants and other consultants, legal counsel, Bond Counsel and Disclosure Counsel, (vii) reimbursement to the Underwriter for City meals and travel paid by the Underwriter, and (viii) all other expenses relating to the sale and delivery of the Bonds, except those expressly provided for in subsection (b) of this Section 6. The aforesaid costs and expenses shall be paid out of the proceeds of the sale of Bonds or by the City.

(b) The Underwriter shall pay (i) the cost of qualifying the Bonds for sale in various states chosen by the Underwriter, (ii) the fees of the California Debt and Investment Advisory Commission, (iii) fees and expenses of Underwriter's Counsel, and (iv) all other expenses incurred by it in connection with its offering and distribution of the Bonds, including travel and advertising expenses.

(c) In the event that either the City or the Underwriter shall have paid obligations of the other as set forth in this Section 6, adjustment shall be made at the Closing or as soon thereafter as practicable.

Section 9. Miscellaneous.

(a) Except as otherwise specifically provided in this Bond Purchase Agreement, all notices, demands and formal actions under this Bond Purchase Agreement shall be in writing and mailed, telegraphed or personally delivered to:

For the Underwriter: Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 37th Floor
San Francisco, CA 94104
Attention: Managing Director

For the City: City of Santa Rosa
90 Santa Rosa Avenue, 2nd Floor
Santa Rosa, CA 95404
Attention: Chief Financial Officer

(b) This Bond Purchase Agreement will inure to the benefit of and be binding upon the City and the Underwriter and their respective successors and assigns, and will not confer any rights upon any other person, partnership, association or corporation other than the City and persons, if any, controlling the Underwriter within the meaning of the Securities Act or the Securities Exchange Act. The terms "successors" and "assigns" shall not include any purchaser or holder of any of the Bonds.

(c) All of the representations, warranties and covenants of the City in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriter, (ii) delivery of and any payment for the Bonds hereunder or (iii) termination of the Underwriter's obligation to accept delivery of the Bonds pursuant to this Bond Purchase Agreement.

(d) Section headings have been inserted in this Bond Purchase Agreement as a matter of convenience or for reference only, and it is agreed that such section headings are not a part of this Bond Purchase Agreement and will not be used in the interpretation of any provisions of this Bond Purchase Agreement.

(e) If any provision of this Bond Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Bond Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

(f) This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

(g) This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of California.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By _____
Managing Director

This Bond Purchase Agreement is accepted
and agreed to as of the date first above
written:

CITY OF SANTA ROSA

By _____
Chief Financial Officer

Time _____

APPENDIX A
MATURITY SCHEDULE

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS AND PRICES

<u>Maturity</u> <u>September 1</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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APPENDIX B

REDEMPTION TERMS

Optional Redemption. The Bonds maturing on or before September 1, 20__ are not subject to optional redemption prior to maturity. The Bonds maturing on or after September 1, 20__ are subject to redemption prior to their respective maturity dates, at the option of the City, as a whole, or in part, as determined by the City, on any date on or after September 1, 20__, from any source of available funds, at the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

APPENDIX C

FORM OF ISSUE PRICE CERTIFICATE

\$ _____
CITY OF SANTA ROSA
Water Revenue Refunding Bonds, Series 2018A

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (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 1.

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

(a) Stifel offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (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 2.

(b) As set forth in the Bond Purchase Agreement, Stifel 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, the Maturities of the Bonds listed in Schedule 1 as “General Rule Maturities.”

(b) “Hold-the-Offering Price Maturities” means, the Maturities of the Bonds listed in Schedule 1 as “Hold-the-Offering Price Maturities.”

(c) “Holding Period” means, for each Maturity of the Bonds, 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, or (ii) the date on which Stifel has sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(d) “Issuer” means the Pittsburg Unified School District.

(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 December __, 2018.

(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 Stifel'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. Accordingly, Stifel makes no representation as to the legal sufficiency of the factual matters set forth herein. 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 arbitrage certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, 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. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party for any other purpose.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED, as Underwriter

By _____
Managing Director

Dated: December __, 2018

SCHEDULE 1

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

\$ _____
CITY OF SANTA ROSA
Water Revenue Refunding Bonds, Series 2018A

<u>Hold-the- Offering Price Maturities (if Marked)</u>	<u>General Rule Maturities (if Marked)</u>	<u>Maturity Date (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>
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SCHEDULE 2

PRICING WIRE OR EQUIVALENT COMMUNICATION