

\$ _____
**CITY OF SANTA ROSA
2016 CERTIFICATES OF PARTICIPATION
(COURTHOUSE SQUARE PROJECT AND 2007 LEASE REFINANCING)**

CERTIFICATE PURCHASE CONTRACT

_____, 2016

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

Public Property Financing Corporation of California
2945 Townsgate Road, Suite 200
Westlake Village, California 91361

Ladies and Gentlemen:

Raymond James & Associates, Inc., as the underwriter (the "Underwriter"), does hereby offer to enter into this Certificate Purchase Contract (the "Purchase Contract") with you, the City of Santa Rosa (the "City") and the Public Property Financing Corporation of California (the "Corporation") for the purchase by the Underwriter of the City of Santa Rosa 2016 Certificates of Participation (Courthouse Square Project and 2007 Lease Refinancing) (the "Certificates"). This offer is made subject to acceptance by the City and the Corporation prior to 5:00 P.M., California time, on the date hereof, and, upon such acceptance, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the City, the Corporation and the Underwriter. All terms not defined herein shall have the meanings set forth in the Trust Agreement hereinafter mentioned.

The City acknowledges and agrees that: (i) the purchase and sale of the Certificates pursuant to this Purchase Contract is an arm's-length commercial transaction between the City, the Corporation and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the "Exchange Act")); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or 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); and (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate.

1. Purchase and Sale.

(a) Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter hereby agrees to purchase and the City and the Corporation agree to cause _____ as trustee (the "Trustee"), to execute and deliver to the Underwriter all (but not less than all) of the Certificates. The Certificates shall be dated their date of delivery. The

Certificates shall have the maturities and evidence interest at the rates per annum set forth on Exhibit A hereto. The purchase price for the Certificates shall be \$_____ (representing \$_____ aggregate principal amount of the Certificates, less \$_____ of Underwriter's discount, plus \$_____ of net original issue premium).

(b) Each Certificate shall evidence a direct, undivided fractional interest of the owner thereof in Lease Payments to be paid by the City for the right to use certain real property and improvements _____ consisting _____ of

_____ (the "Leased Property"). The Leased Property is currently owned by the City and will be leased by the City to the Corporation pursuant to a Site and Facilities Lease, dated as of _____ 1, 2016 (the "Site and Facilities Lease"). The Corporation will concurrently lease the Leased Property back to the City pursuant to a certain Lease Agreement, dated as of _____ 1, 2016 (the "Lease Agreement"), by and between the City and the Corporation. The Corporation's right to receive the Lease Payments due under the Lease Agreement and to exercise remedies upon default under such Lease Agreement shall be assigned to the Trustee for the benefit of the owners of the Certificates pursuant to an Assignment Agreement, dated as of _____ 1, 2016 (the "Assignment Agreement"), by and between the Corporation and the Trustee.

The Certificates shall be as described in, and shall be secured under and pursuant to a Trust Agreement, dated as of _____ 1, 2016 (the "Trust Agreement"), by and among the City, the Corporation and the Trustee, substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Corporation, the City and the Underwriter.

Proceeds of the Certificates will be used to (i) provide for the prepayment and defeasance of the City of Santa Rosa Certificates of Participation (Building Acquisition Project) (the "2007 Certificates") currently outstanding in the aggregate principal amount of \$_____, (ii) provide a portion of the costs of the Courthouse Square Reunification Project (the "2016 Project"), and (iii) to pay certain costs of executing and delivering the Certificates. The 2007 Certificates shall be prepaid pursuant to an Escrow Deposit and Trust Agreement, dated as of _____, 2016 (the "Escrow Agreement"), by and between the City and U.S. Bank National Association, as escrow agent (the "Escrow Bank").

The City will execute a Continuing Disclosure Certificate, to be dated the date of Closing (the "Continuing Disclosure Certificate").

(c) At 8:00 A.M., California time, on _____, 2016, or at such other time or on such earlier or later date as the City and the Underwriter mutually agree upon (the "Closing Date"), the City will cause to be delivered to the Underwriter, the Certificates in the form of a separate single fully registered Certificate (which may be typewritten) for each of the maturities (all of the Certificates to bear CUSIP numbers), duly executed, together with the other documents hereinafter mentioned and, subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Certificates as set forth in subparagraph (a) above by (i) wire transfer to the order of the Trustee in an amount equal to the purchase price, (such delivery and payment being herein referred to as the "Closing"). Sale, delivery and payment as aforesaid shall be made at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California ("Special Counsel"), or at such other place as shall have been mutually agreed upon by the City and the Underwriter, except

that the Certificates shall be delivered to the Underwriter in New York, New York, through the book-entry system of The Depository Trust Company.

2. Use and Preparation of Official Statement. The City hereby ratifies, confirms and approves the use by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Certificates dated _____, 2016 (which, together with all appendices thereto, is referred to herein as the “Preliminary Official Statement”). The City has deemed final the Preliminary Official Statement as of its date for purposes of Rule 15c2-12 promulgated under the Exchange Act (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12. The City hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the earlier of: (i) the business day preceding the Closing; or (ii) the seventh (7th) business day following the date of this Purchase Contract: (A) the form of the Official Statement relating to the Certificates in “designated electronic format” (as defined in Municipal Securities Rule Making Board (“MSRB”) Rule G-32); and (B) copies of the Official Statement relating to the Certificates, dated the date hereof, in the form of the Preliminary Official Statement, with such changes thereto, as may be approved by the Underwriter (including the appendices thereto and any amendments or supplements approved by the City and the Underwriter, the “Official Statement”), in such quantity as the Underwriter shall reasonably request. The City hereby approves of the distribution and use by the Underwriter of the Official Statement in connection with the offer and sale of the Certificates. The Preliminary Official Statement and/or the Official Statement may be delivered in printed and/or electronic form to the extent permitted by applicable rules of the MSRB and as may be agreed by the City and the Underwriter. If the Official Statement is prepared for distribution in electronic form, the City hereby confirms that it does not object to distributions of the Official Statement in electronic form. The Underwriter agrees that it will not confirm the sale of any Certificates unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement (which may be in electronic form).

3. Representations, Warranties and Agreements of the City. The City represents, warrants and covenants to the Underwriter and the Corporation that:

(a) The City is a chartered city and municipal corporation duly organized and operating pursuant to the Constitution and laws of the State of California and has all necessary power and authority to enter into and perform its duties under the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract and, when executed and delivered by the respective parties thereto, the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought.

(b) By official action of the City prior to or concurrently with the acceptance hereof, the City has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract and the consummation by it of all other transactions contemplated by the Official Statement and this Purchase Contract.

(c) The execution and delivery of the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract and the approval and execution of the Official Statement and compliance with the provisions on the City's part contained therein, including with respect to the 2016 Project and herein will not conflict, in any material respect, with or constitute a breach of or default under 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 will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, and this Purchase Contract.

(d) 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 agency having jurisdiction over the City required for the execution, delivery and sale of the Certificates or the consummation by the City of the other transactions contemplated by the Official Statement, the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract.

(e) The City is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States 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 or is otherwise subject, which breach or default materially adversely affects the financial condition of the City or its ability to perform its obligations under this Purchase Contract, 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 an event of default under any such instrument.

(f) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public office or body, pending or threatened against the City (i) affecting the existence of the City or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution or delivery of the Certificates or the City's covenants to make Lease Payments or in any way contesting or affecting the validity or enforceability of the Certificates, the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Contract or contesting the powers of the City or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Certificates, the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Contract, or the tax-exempt status of interest payable with respect to the Certificates or the 2007 Certificates, or (ii) in which a final adverse decision could materially adversely affect the operations of the City.

(g) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to (i) qualify the Certificates for offer and sale under the blue sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate,

and (ii) determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Certificates; provided, however, that the City shall not be required to register as a dealer or broker of securities or qualify to do business or consent to service of process in connection with any such qualification or determination in any jurisdiction. It is understood that such “blue sky” registration is the sole responsibility of the Underwriter.

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact.

(i) As of the date thereof and at all times subsequent thereto and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Certificates, either (A) the Official Statement did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (B) the City shall comply with the provisions of subsection (j) of this Section.

(j) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Certificates, an event occurs which would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the City will notify the Underwriter, and, if in the opinion of the Underwriter, or its counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Underwriter, and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Certificates, the City will furnish such information with respect to itself as the Underwriter may from time to time reasonably request.

(k) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (j) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Certificates, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein in the light of the circumstances under which it was presented, not misleading.

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

(m) As used herein and for the purposes of the foregoing, the term “End of the Underwriting Period” for the Certificates shall mean the earlier of (i) the Closing Date unless the City shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date, and (ii) the date on which the End of the Underwriting Period for the Certificates has occurred under Rule 15c2-12; provided, however, that the City may treat as the End of the Underwriting Period for

the Certificates the date specified as such in a notice from the Underwriter stating the date which is the End of the Underwriting Period.

(n) The City will take no action and will cause no action to be taken that would cause the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates to not be excluded from gross income for federal income tax purposes.

(o) Between the date hereof and the Closing Date, without the prior written consent of the Underwriter, the City will not have issued any bonds, notes or other obligations for borrowed money on behalf of the City or entered into any material transaction, in either case other than in the ordinary course of business except for such borrowings or material transactions as may be described in or contemplated by the Official Statement.

(p) The City has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the City is an issuer whose non-arbitrage certificates may not be relied upon.

(q) The City's audited financial statements prepared by Cropper Accountancy Corporation, Walnut Creek, California (the "Auditor") for the fiscal year ended June 30, 2015, is a fair presentation of the financial position of the City as of the dates indicated and the results of its operations and changes in its fund balances for the periods specified. Since June 30, 2015, there has been no material adverse change in the condition, financial or otherwise, of the City from that set forth in such annual report as of and for the period ended that date, and the City has not since June 30, 2015, incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations or as described in the Official Statement.

(r) Any certificate signed by any officer of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter and the Corporation as to the statements made therein.

4. Representations, Warranties and Agreements of the Corporation. The Corporation represents, warrants and covenants to the Underwriter and the City that:

(a) The Corporation is a nonprofit public benefit corporation, organized, validly existing and in good standing under the laws of the State of California, and has, and at the Closing Date will have full legal right, power and authority (i) to enter into, execute, and deliver this Purchase Contract, the Trust Agreement, the Lease Agreement, the Certificates, the Site and Facilities Lease, and the Assignment Agreement and (ii) to carry out, give effect to and consummate the transactions on its part contemplated by this Purchase Contract, the Trust Agreement, the Lease Agreement, the Certificates, the Site and Facilities Lease, the Assignment Agreement and the Official Statement.

(b) At a meeting which was called and held pursuant to the law and with all public notice required by law and at which a quorum was present and acting throughout, the Board of Directors of the Corporation duly and validly adopted a resolution (the "Corporation Resolution"), which: (i) approved and authorized the execution and delivery of the Trust Agreement, the Certificates, the Site and Facilities Lease, the Assignment Agreement, this Purchase Contract, the Lease Agreement and the Official Statement and approved the distribution of the Preliminary Official Statement, and (ii) authorized and approved the performance by the Corporation of its obligations contained in, and the taking of any and all action on its part as may be necessary to carry out, give effect to and

consummate the transactions on its part contemplated by, each of such documents. The Lease Agreement, the Site and Facilities Lease, the Assignment Agreement, the Trust Agreement, the Escrow Agreement, and this Purchase Contract have each been duly authorized, executed and delivered by the Corporation, and constitute legal, valid and binding agreements of the Corporation and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought.

(c) The Corporation is not in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Corporation is a party or is otherwise subject or bound, and the performance by the Corporation of its obligations under the Certificates, the Trust Agreement, the Site and Facilities Lease, the Lease Agreement, the Assignment Agreement, this Purchase Contract and any other instruments contemplated by any of such documents, and compliance by it with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Corporation is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Corporation of its obligations under this Purchase Contract, the Certificates, the Lease Agreement, the Site and Facilities Lease, the Assignment Agreement or the Trust Agreement.

(d) The information contained in the caption entitled "THE CITY AND THE CORPORATION-The Corporation" of the Official Statement is true and correct in all material respects and 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 the light of the circumstances under which they were made, not misleading.

(e) Except as disclosed in the Preliminary Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public office or body, pending or threatened against the Corporation (i) affecting the existence of the Corporation or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution or delivery of the Certificates or in any way contesting or affecting the validity or enforceability of the Certificates, the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, or this Purchase Contract or contesting the powers of the Corporation or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Certificates, the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, or this Purchase Contract, or the tax-exempt status of interest payable with respect to the Certificates or the 2007 Certificates, or (ii) in which a final adverse decision could materially adversely affect the operations of the Corporation.

(f) The Corporation will, or will cause the City, as appropriate, to furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order for the Underwriter to qualify the Certificates for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the Corporation shall be required to register as a dealer or broker of securities or to consent to service of process or qualify to do business in any jurisdiction. It is understood that such “blue sky” registration is the sole responsibility of the Underwriter.

(g) Any certificate signed by any officer or employee of the Corporation authorized to do so shall be deemed a representation and warranty by the Corporation to the City and the Underwriter as to the statements made therein.

5. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the City and the Corporation contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the City of its obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Underwriter’s obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Certificates shall be conditioned, at the option of the Underwriter, upon the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) The Underwriter shall receive, within seven business days of the date hereof, copies of the Official Statement (including all information permitted to have been omitted by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter), in such reasonable quantity as the Underwriter shall have requested.

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

(c) At the time of Closing, the Lease Agreement, the Site and Facilities Lease, the Assignment Agreement, the Escrow Agreement, the Continuing Disclosure Certificate, the Trust Agreement and this Purchase Contract, all as described in the Official Statement, shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the Lease Agreement, the Site and Facilities Lease, the Assignment Agreement, the Escrow Agreement, the Continuing Disclosure Certificate, the Trust Agreement and this Purchase Contract, and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and there shall be in full force and effect such resolutions as, in the opinion of Special Counsel shall be necessary in connection with the transactions contemplated hereby.

(d) At or prior to the Closing, the Underwriter shall receive the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) the unqualified approving opinion of Special Counsel, dated the Closing Date, as to the validity of the Lease Agreement and the Trust Agreement and the tax-exempt status of the portion of the Lease Payments designated as and comprising interest and received by the

owners of the Certificates in substantially the form attached to the Official Statement, together with a reliance letter addressed to the Underwriter and the Trustee;

(2) a supplemental opinion of Special Counsel in form and substance satisfactory to the Underwriter, dated the Closing Date and addressed to the City and the Underwriter, to the effect that:

(i) the statements in the Official Statement on the cover page thereof and under the captions “INTRODUCTION,” “THE CERTIFICATES,” “SECURITY FOR THE CERTIFICATES,” “RISK FACTORS,” “TAX MATTERS,” “APPENDIX A—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS,” and “APPENDIX D—PROPOSED FORM OF SPECIAL COUNSEL OPINION,” [CONFORM HEADINGS TO POS] to the extent they purport to summarize certain provisions of the Lease Agreement, the Site and Facilities Lease, the Assignment Agreement, the Trust Agreement and the final approving opinion of Special Counsel, accurately summarize such matters in all material respects; provided that Special Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to the book-entry system in which the Certificates are initially delivered;

(ii) based solely on a certificate from the Secretary of State of the State of California, the Corporation is validly existing and in good standing under the Constitution and laws of the State of California;

(iii) the resolution of the City approving and authorizing the execution and delivery of the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract and approving the Official Statement was duly adopted at a meeting which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout;

(iv) assuming due authorization, execution and delivery by the other parties thereto, the Site and Facilities Lease, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract have each been duly authorized, executed and delivered by the City, and constitute legal, valid and binding agreements of the City and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought; and

(v) assuming due authorization, execution and delivery by the other parties thereto, the Site and Facilities Lease, the Assignment Agreement, the Escrow Agreement, and this Purchase Contract have each been duly authorized, executed and delivered by the Corporation, and constitute legal, valid and binding agreements of the Corporation and are enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought; and

(vi) the Certificates are exempt from registration pursuant to the Securities Act of 1933, as amended (the “Securities Act”), and the Trust Agreement is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended; and

(vii) the 2007 Certificates are no longer outstanding under the 2007 Trust Agreement, and the deposit into the prepayment fund held by the 2007 Trustee under the 2007 Trust Agreement in and of itself will not cause interest evidenced by and payable with respect to the 2007 Certificates to be includable in gross income for federal income tax purposes. In rendering the foregoing opinion, Special Counsel may assume the sufficiency of amounts held in the Prepayment Fund to discharge the 2007 Lease Payments and the 2007 Certificates, without independently undertaking to confirm such verifications and matters.

(3) an opinion of the City Attorney of the City, dated the Closing Date and addressed to the City and the Underwriter in form and substance satisfactory to the Underwriter, to the effect that:

(i) the City is a charter city and municipal corporation duly organized, validly existing and in good standing under the Constitution and the laws of the State of California;

(ii) except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public office or body, pending or, to the best of such counsel’s knowledge, threatened against or affecting the City or the Corporation, challenging the validity of, or wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of, the Certificates, the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate or this Purchase Contract or in which a final adverse decision could materially adversely affect the operations of the City or any of its obligations or the Corporation’s obligations under any of the foregoing; and

(iii) 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 Certificates 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.

(4) an opinion of counsel to the Trustee and Escrow Bank , dated the Closing Date and addressed to the Underwriter, to the effect that:

(i) the Trustee is a national banking association with trust powers, duly organized and lawfully existing under the laws of the United States of America;

(ii) the Trustee has duly authorized, executed and delivered the Trust Agreement, the Escrow Agreement and the Assignment Agreement and assuming due authorization, execution and delivery by the other parties thereto are the valid and binding agreements

of the Trustee, enforceable in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights and by the application of equitable principles if equitable remedies are sought;; and

(iii) the Trustee has lawful authority to execute and deliver the Certificates [to the extent the Trustee and Escrow Agent are separate entities, such opinions may be rendered by separate counsel and may address only the instruments and actions applicable to the Trustee or Escrow Bank, as applicable];

(5) a certificate, dated the Closing Date, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter to the effect that the representations and warranties of the City contained in this Purchase Contract are true and correct on and as of the closing Date with the same effect as if made on the Closing Date;

(6) a certificate, dated the Closing Date, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter to the effect that the signatures of the officers of the City on the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, and this Purchase Contract are genuine;

(7) a certificate, dated the Closing Date, signed by a duly authorized official of the Corporation satisfactory in form and substance to the Underwriter to the effect that (i) to the best of his or her knowledge, no litigation or proceeding is pending or threatened against the Corporation (a) to restrain or enjoin the delivery of any of the Certificates or the collection of Lease Payments (b) in any way contesting the validity of the Certificates, the Lease Agreement, the Site and Facilities Lease, the Assignment Agreement, or the Trust Agreement, or the authority of the Corporation to enter into the Lease Agreement, the Site and Facilities Lease, the Assignment Agreement or the Trust Agreement, or (c) in any way contesting the powers of the Corporation in connection with any action contemplated by the foregoing agreements, (ii) the statements and information concerning the Corporation contained in the Official Statement are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, in light of the circumstances under which they were made, not misleading in any material respect, and (iii) the signatures of the officers of the Corporation on the Lease Agreement, the Site and Facilities Lease, the Trust Agreement and the Assignment Agreement are genuine;

(8) a certificate, dated the Closing Date, signed by a duly authorized official of the Trustee and the Escrow Bank satisfactory in form and substance to the Underwriter to the effect that (i) to the best of such officer's knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court or governmental agency, public office or body pending or threatened against the Trustee (a) seeking to prohibit, restrain or enjoin the execution of the Certificates or the collection of Lease Payments intended to pay the principal of and interest with respect to the Certificates, or (b) in any way contesting or affecting the validity or enforceability of the Certificates, the Trust Agreement the Escrow Agreement, or the Assignment Agreement, (ii) to the best of such officer's knowledge, there is no action pending or threatened against the Trustee affecting the existence of the Trustee, or contesting the powers of the Trustee or their respective authority to enter into or perform its obligations under any of the foregoing agreements, wherein an unfavorable decision, ruling or finding would adversely affect the validity of the Certificates, the Escrow Agreement, the Trust Agreement or the Assignment Agreement, and (iii) to the best of such officer's knowledge, no consent, approval, authorization or other action by any governmental or

regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery by the Trustee of the Trust Agreement, the Escrow Agreement and the Assignment Agreement, as applicable [to the extent the Trustee and Escrow Agent are separate entities, such certificate shall be executed by each entity and shall be modified to only the instruments and actions applicable to such entity];

(9) a letter of Jones Hall, A Professional Law Corporation, 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, such counsel has no reason to believe that, as of the Closing Date, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts numbers, estimates, assumptions, expressions of opinion therein and the information included in the Appendices thereto and information relating to DTC and the insurer providing the reserve fund policy, as to which no advice need be expressed) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(10) two executed copies of each of the Lease Agreement, the Site and Facilities Lease, the Assignment Agreement, the Trust Agreement, the Escrow Agreement and the Continuing Disclosure Certificate;

(11) two executed copies of the Official Statement, delivered by the City;

(12) two certified copies of the general resolution of the Trustee and Escrow Bank authorizing the execution and delivery of Certificates, the Trust Agreement, the Escrow Agreement and the acceptance of the Assignment Agreement;

(13) certified copies of resolutions adopted by the City authorizing the execution and delivery of the Lease Agreement, the Site and Facilities Lease, the Trust Agreement, the Escrow Agreement, the Continuing Disclosure Certificate, this Purchase Contract and the approval of the Official Statement;

(14) certified copies of the Corporate Resolution authorizing the execution and delivery of the Lease Agreement, the Site and Facilities Lease, the Assignment Agreement and the Trust Agreement;

(15) a certified copy of the Articles of Incorporation of the Corporation;

(16) non-arbitrage certifications by the City in form and substance acceptable to Special Counsel;

(17) evidence that any ratings described in the Official Statement have been obtained as of the Closing Date;

(18) an opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, dated the Closing Date, addressed to the Underwriter in form and substance acceptable to the Underwriter;

(19) evidence of a policy of title insurance, as required by the Lease Agreement;

(20) Verification Report of _____, with respect to the adequacy of amounts deposited pursuant to the Escrow Agreement to pay and defease the 2007 Certificates;

(21) evidence of insurance, other than title insurance, as required by the Lease Agreement; and

(22) 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, the Corporation 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 Certificates.

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

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

(b) the marketability of the Certificates 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 Contract 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 Certificates;

(c) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of California, 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 Certificates;

(d) 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 Certificates, or the issuance, offering or sale of the Certificates, 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 Certificates, or the Certificates, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act, or that the Trust Agreement needs to be qualified as an indenture under the Trust Indenture Act of 1939, as amended and as then in effect;

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

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

(g) 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 Certificates;

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

(i) the commencement of any action, suit or proceeding described in Sections 3(f) or 4(e) hereof which, in the judgment of the Underwriter, materially adversely affects the market price of the Certificates; or

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

7. Expenses. Whether or not the transactions contemplated by this Purchase Contract are consummated, the Underwriter shall be under no obligation to pay, and the City shall pay from the proceeds of the Certificates or otherwise, all expenses and costs of the City and the Corporation incident to the performance of their obligations in connection with the authorization, execution and delivery of the Certificates to the Underwriter including, without limitation, fees and disbursements of Special Counsel and other professional advisors employed by the City or the Corporation; costs of preparation, printing, signing, transportation, delivery and safekeeping of the Certificates; costs of printing and distribution of the preliminary and final Official Statements; Trustee fees and charges; travel by City or Corporation officials; and rating agency fees and for expenses (which shall be

included in the expense component of the underwriter's discount described in Section 1) incurred by the Underwriter on behalf of City's employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay its out-of-pocket expenses including the fees and disbursement of Underwriter's Counsel.

8. Notice. Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Raymond James & Associates, Inc., One Embarcadero Center, Suite 650, San Francisco, California 94111, Attention: Tom Innis. Any notice or communication to be given the City under this Purchase Contract may be given by delivering the same to the City at the address indicated on the first page hereof, Attention: Finance Director. The approval of the Underwriter when required hereunder or the determination of satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to the City.

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

10. Effectiveness and Counterparts. This Purchase Contract shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by duly authorized officers of the City and the Corporation and shall be valid and enforceable as of the time of such acceptance. This Purchase Contract may be executed by the parties hereto by facsimile or other electronic transmission and in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

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

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Its: Authorized Officer

Accepted:

CITY OF SANTA ROSA

By: _____
Its: Finance Director

PUBLIC PROPERTY FINANCING
CORPORATION OF CALIFORNIA

By: _____
Its: Chief Financial Officer

EXHIBIT A

\$ _____
CITY OF SANTA ROSA
2016 CERTIFICATES OF PARTICIPATION
(COURTHOUSE SQUARE PROJECT AND 2007 LEASE REFINANCING)

MATURITY SCHEDULE

| <i>Year Ending</i> <i>(July 1)</i> | <i>Principal</i> | <i>Rate</i> | <i>Yield</i> | <i>Price</i> |
|---|-------------------------|--------------------|---------------------|---------------------|
| <hr/> ^(C) Price to the optional prepayment date of _____, ____ at par. | | | | |