

## RESOLUTION NO. FA2018-02

### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ELK GROVE FINANCE AUTHORITY AUTHORIZING THE ISSUANCE AND SALE OF SPECIAL TAX REVENUE BONDS AND APPROVING RELATED AGREEMENTS AND ACTIONS

**WHEREAS**, the Elk Grove Finance Authority (the "Authority") is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations and for financing and refinancing public capital improvements of member entities of the Authority and other local agencies; and

**WHEREAS**, the City Council of the City of Elk Grove (the "City") has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Chapter 2.5 of Part 1 of Division 2 of Title 5 (commencing with Section 53311) of the California Government Code (the "Mello-Roos Act"), to form Community Facilities District No. 2005-1 (Laguna Ridge) (the "CFD"), to authorize the levy of special taxes upon the land within the CFD, and to issue bonds secured by said special taxes, for the purpose of financing certain public improvements and related expenses, all as described in its Resolution No. 2006-62 adopted March 8, 2006 and those proceedings; and

**WHEREAS**, following a vote of landowners in the CFD authorizing the levy of a special tax, the City Council, as legislative body of the CFD, authorized the issuance of special tax bonds of the City for the CFD in the maximum principal amount of not to exceed \$225,000,000; and

**WHEREAS**, in order to provide funds for certain authorized improvements, the City caused to be issued for the CFD the \$67,670,000 City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) Special Tax Bonds, Series 2007 (the "2007 CFD Bonds"); and

**WHEREAS**, in order to refinance the 2007 CFD Bonds in full, and provide funds for certain additional authorized improvements, the City caused to be issued for the CFD the \$113,500,000 City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) Special Tax Bonds, Series 2016 (the "2016 CFD Bonds") for the purpose of (i) refinancing the 2007 Bonds in full (allocated to \$46,060,000 of the \$113,500,000 issued) and (ii) financing various public improvements authorized to be funded by the CFD (allocated to \$67,440,000 of the \$113,500,000 issued), and the City has determined that the CFD has a remaining authorization to issue bonds in the principal amount not to exceed \$89,890,000, which 2016 CFD Bonds were purchased by the Authority with the proceeds of its \$113,500,000 Elk Grove Finance Authority Special Tax Revenue Bonds, Series 2016 (the "2016 Authority Bonds"); and

**WHEREAS**, the City Council wishes to provide for the issuance of an additional series of special tax bonds for the CFD to provide fund for certain additional authorized improvements (the "Additional Capital Facilities"), such bonds to be designated the "City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) Special Tax Bonds Series 2018" (the "CFD Bonds"); and

**WHEREAS**, the City wishes to sell the CFD Bonds to the Authority; and

**WHEREAS**, for the purpose of purchasing the CFD Bonds and thereby facilitating the financing of the Additional Capital Facilities, the Authority has determined to issue its Special Tax Revenue Bonds, Series 2018 (the "Bonds") pursuant to the Bond Law; and

**WHEREAS**, as required by Section 6586.5 of the Bond Law, the City has caused publication of a notice of a public hearing on the financing of the Additional Capital Facilities once at least five (5) days prior to the hearing in a newspaper of general circulation in the county; and

**WHEREAS**, the City Council held a public hearing at which all interested persons were provided the opportunity to speak on the subject of financing the Additional Capital Facilities, and, following the hearing, found that issuance of the Bonds for the purpose of financing the Additional Capital Facilities will result in significant public benefits of the type described in Section 6586 of the Bond Law, including, but not limited to, a more efficient delivery of City services to residential and commercial development and demonstrable savings in effective interest rate, bond preparation, bond underwriting and bond issuance costs; and

**WHEREAS**, in accordance with Government Code Section 5852.1, the Board of Directors of the Authority has obtained and disclosed the information required thereby; and

**WHEREAS**, for the proposed financing, there has been filed with the Secretary of the Board of Directors of the Authority the form of a Supplemental Indenture of Trust, supplementing the Indenture of Trust, dated as of August 1, 2016 (the "Supplemental Indenture"), between the Authority and U.S. Bank National Association, as trustee (the "Trustee") and the form of a CFD Bonds Purchase Agreement relating to the sale of the CFD Bonds by the City to the Authority, to be dated the date of sale, between the City and the Authority (the "CFD Bonds Purchase Agreement"); and

**WHEREAS**, the Authority proposes to sell the Bonds to Piper Jaffray & Co., as underwriter (the "Underwriter") pursuant to the terms of a Bond Purchase Agreement by and between the Authority and the Underwriter, and the Underwriter proposes to offer the Bonds to the investing public by means of the Preliminary Official Statement described herein; and

**WHEREAS**, the Authority has determined and hereby finds that the issuance of the Bonds and the acquisition of the CFD Bonds will result in significant public benefits of the type described in Section 6586 of the Bond Law.

**NOW, THEREFORE, BE IT RESOLVED** By the Board of Directors of the Elk Grove Finance Authority as follows:

**Section 1. Recitals.** Each of the above recitals is true and correct and is adopted by the Board of Directors.

**Section 2. Bonds Authorized.** The Bonds shall be issued in an aggregate principal amount not to exceed \$25,500,000, with the number of series, the exact principal amount, the interest rates and the maturity to be determined by the sale of the Bonds as described in Section 5 below. The Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the President, Vice President, Administrator or Treasurer/Controller (each an "Authorized Officer"), and the seal of the Authority, or a facsimile thereof, may be impressed or imprinted thereon and attested with the manual or facsimile signature of the Secretary of the Authority.

**Section 3. Supplemental Indenture.** The Bonds shall be issued under the terms of the Supplemental Indenture, the form of which is on file with the Secretary of the Board of Directors. The Board of Directors hereby approves the Supplemental Indenture in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by, and the execution thereof by an Authorized Officer shall be conclusive evidence of such approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Officer to execute, and the Secretary may attest and affix the seal of the Authority to, the final form of the Supplemental Indenture for and in the name of the Authority. The Board of Directors hereby authorizes the delivery and performance of the Supplemental Indenture.

U.S. Bank National Association is hereby appointed to act as the trustee for the Bonds under the Supplemental Indenture. If an Authorized Officer determines at any time while the Bonds are outstanding that another bank should be selected to act as trustee for the Bonds, in order to ensure the efficient administration of the Bonds, then such Authorized Officer, or a designee, is hereby authorized and directed to select and engage a bank or trust company meeting the requirements set forth in the Supplemental Indenture to act as the trustee for the Bonds under the terms of the Supplemental Indenture.

**Section 4. CFD Bonds Purchase Agreement.** The CFD Bonds shall be purchased by the Authority under the terms of the CFD Bonds Purchase Agreement, the form of which is on file with the Secretary of the Board of Directors. The Board of Directors hereby approves the CFD Bonds Purchase Agreement in substantially the form on file with the Secretary, together with any changes therein or additions thereto approved by, and the execution thereof by an Authorized Officer shall be conclusive evidence of such approval of any such changes or additions. The Board of Directors hereby authorizes and directs an Authorized Officer to execute, and the Secretary may attest and affix the seal of the Authority to, the final form of the CFD Bonds Purchase Agreement for and in the name of the Authority. The Board of Directors hereby authorizes the delivery and performance of the CFD Bonds Purchase Agreement.

**Section 5. Sale of the Bonds; Bond Purchase Agreement.** The Board hereby approves the sale of the Bonds by negotiation with the Underwriter and pursuant to the Bond Purchase Agreement. The form of the Bond Purchase Agreement, providing for the sale of the Bonds by the Authority to the Underwriter presented at this meeting is hereby approved, together with any changes therein or additions thereto approved by, and the execution thereof by, an Authorized Officer shall be conclusive evidence of such approval of any such changes or additions. The Bond Purchase Agreement shall be executed in the name and on behalf of the Authority by an Authorized Officer upon submission of a proposal by the Underwriter to purchase the Bonds, which offer is consistent with the following requirements: the amount of Underwriter's discount shall be not more than 1.0% of the par amount thereof, the true interest cost shall not be in excess of 5.50% and the aggregate principal amount of the Bonds shall not be in excess of \$25,500,000. The Board hereby authorizes and directs an Authorized Officer to execute, and the Secretary may attest and affix the seal of the Authority to, the final form of the Bond Purchase Agreement for and in the name of the Authority. The Board hereby authorizes the delivery and performance of the Bond Purchase Agreement.

**Section 6. Official Statement.** The form of the Preliminary Official Statement presented at this meeting is hereby approved and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary by an Authorized Officer, to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission, including, but not limited to, such additions and changes as are necessary to incorporate the terms of any municipal bond insurance for the Bonds and make the information therein accurate and not misleading. Each Authorized Officer is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by an Authorized Officer, or his or her designee, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Bonds and any supplement thereto to the purchasers thereof upon its execution on behalf of the Authority, which execution by an Authorized Officer is hereby approved.

The Board hereby approves the form of the Continuing Disclosure Certificate with respect to the Bonds in substantially the form thereof attached to the Preliminary Official Statement.

**Section 7. Municipal Bond Insurance.** The Authorized Officers, and their designees are hereby authorized (but not required to) at any time, before or after the issuance of the bonds, to (i) solicit bids for a municipal bond insurance policy and/or reserve fund surety bond for all or a portion of the Bonds, (ii) to negotiate the terms of such policy, (iii) to finalize the form of such policy with a municipal bond insurer, and (iv) if it is determined that the policy will result in interest rate savings on the Bonds which exceed the cost of the premium for the policy or policies, or will otherwise benefit the City, to pay the insurance premium of for policy or policies from the proceeds of the Bonds. In the event that a municipal bond insurance commitment is received which does not insure all of the Bonds, then the Authorized Officers are authorized to cause all



documents relating to the Bonds to permit the issuance of the Bonds in two or more series as needed.

**Section 8. Actions Authorized.** All actions heretofore taken by the officers and agents of the City with respect to the sale and issuance of the Bonds are hereby approved, confirmed and ratified, and the appropriate officers of the Authority, or their designee, are hereby authorized and directed to do any and all things and take any and all actions and execute any and all certificates, agreements and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the lawful issuance and delivery of the Bonds in accordance with this resolution, and any certificate, agreement, and other document described in the documents herein approved. All actions to be taken by an Authorized Officer, as defined herein, may be taken by such Authorized Officer or any designee, with the same force and effect as if taken by the Authorized Officer.

**Section 9. Effective Date.** This Resolution shall take effect from and after the date of its passage and adoption.

**PASSED AND ADOPTED** by the Board of Directors of the Elk Grove Finance Authority this 23<sup>rd</sup> day of May 2018.

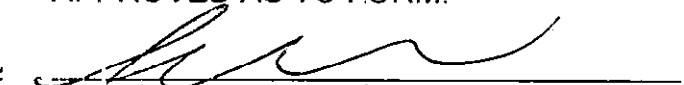


\_\_\_\_\_  
STEVE LY, PRESIDENT of the  
ELK GROVE FINANCE AUTHORITY

ATTEST:

  
\_\_\_\_\_  
JASON LINDGREN, SECRETARY

APPROVED AS TO FORM:

  
\_\_\_\_\_  
JONATHAN P. HOBBS,  
LEGAL COUNSEL

*Jones Hall Draft of May 8, 2018*

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**SUPPLEMENTAL INDENTURE OF TRUST**

**by and between**

**ELK GROVE FINANCE AUTHORITY**

**and**

**U.S. BANK NATIONAL ASSOCIATION  
as Trustee**

**Dated as of \_\_\_\_\_ 1, 2018**

**Relating to:**

**\$ \_\_\_\_\_  
ELK GROVE FINANCE AUTHORITY  
SPECIAL TAX REVENUE BONDS  
SERIES 2018**

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**EXHIBIT A-1 FORM OF 2018 BOND**

## SUPPLEMENTAL INDENTURE OF TRUST

THIS SUPPLEMENTAL INDENTURE OF TRUST (this "Supplemental Indenture") is between the ELK GROVE FINANCE AUTHORITY, a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California (the "Authority") and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the "Trustee") under an Indenture of Trust, dated as of August 1, 2016 (the "Original Indenture") by and between the Trustee and the Authority.

### BACKGROUND:

1. The Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to (i) purchase, with the proceeds of its bonds, bonds issued by a local agency and to hold such bonds and (ii) issue bonds to pay the cost of any public capital improvement.

2. Pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the "CFD Act") the City of Elk Grove (the "City") previously issued for and on behalf of its City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) (the "CFD") the \$67,670,000 City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) Special Tax Bonds, Series 2007 (the "2007 CFD Bonds").

3. Pursuant to the provisions of the CFD Act, the City previously issued, for and on behalf of the CFD, \$113,500,000 initial principal amount of City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) Special Tax Bonds, Series 2016 (the "2016 CFD Bonds") for the purpose of (i) refinancing the 2007 Bonds in full (allocated to \$46,060,000 of the \$113,500,000 issued) and (ii) financing various public improvements authorized to be funded by the CFD (allocated to \$67,440,000 of the \$113,500,000 issued), and the City has determined that the CFD has a remaining authorization to issue bonds in the principal amount not to exceed \$89,890,000.

4. The City has determined that it is in the best financial interests of the City to finance additional authorized improvements (the "Project") and for such purpose the City has determined to issue its City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) Special Tax Bonds, Series 2018 in the aggregate principal amount of \$\_\_\_\_\_ pursuant to the CFD Act and the CFD Fiscal Agent Agreement.

5. The Authority wishes to assist the City with the financing of the Project by purchasing the aforementioned bonds, and in connection therewith, the Authority has determined to issue its Special Tax Revenue Bonds, Series 2018 in the aggregate principal amount of \$\_\_\_\_\_ (the "2018 Bonds") pursuant to the Bond Law and secured by the Indenture in the manner provided herein.

6. The Indenture provides that the Authority may issue one or more Series of Bonds from time to time as authorized by a Supplemental Indenture, provided that the conditions set forth in the Indenture are met.

7. In order to provide for the authentication and delivery of the 2018 Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof and interest thereon, the Authority has authorized the execution and delivery of this Supplemental Indenture.

8. This Supplemental Indenture is a "Supplemental Indenture" and the 2018 Bonds are "Additional Bonds" within the meaning of the Indenture, and the 2018 Bonds are secured on a parity with all Outstanding Bonds under the Indenture.

9. Unless the context otherwise requires, capitalized terms used but not defined in this Supplemental Indenture have the respective meanings given them in the Original Indenture.

10. The Authority hereby certifies that all acts and proceedings required by law necessary to make the 2018 Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture have been in all respects duly authorized.

#### **AGREEMENT:**

**NOW, THEREFORE**, in consideration of the premises and the mutual agreements herein contained, and for other consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby agree as follows:

**Section 1. Supplement to Indenture.** In accordance with the provisions of Sections 5.6 and 7.1 of the Original Indenture, the Original Indenture is hereby amended by adding a supplement thereto consisting of a new article to be designated as Article X. Such Article X will read in its entirety as follows:

#### **ARTICLE X**

##### **ISSUANCE OF SERIES 2018 BONDS**

Section 10.1. Terms of 2018 Bonds. The 2018 Bonds authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture will be dated the Closing Date and be designated as the "Elk Grove Finance Authority Special Tax Revenue Bonds, Series 2018," which will be issued in the original aggregate principal amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_).

The 2018 Bonds will be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no 2018 Bond will have more than one maturity date. The 2018 Bonds will mature on September 1 in each of the years and in the amounts, and will bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates, as follows:

<u>Maturity Date (Sept. 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP (287254)</u>	<u>Maturity Date (Sept. 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP 287254</u>
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Interest on the 2018 Bonds will be payable on each Interest Payment Date to the person whose name appears on the Bond Register as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on such Interest Payment Date by first class mail, postage prepaid, to the Owner at the address of such Owner as it appears on the Bond Register or by wire transfer to an account in the United States of America made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of 2018 Bonds of a Series provided to the Trustee in writing at least five (5) Business Days before the Record Date for such Interest Payment Date. Principal of and premium (if any) on any 2018 Bond will be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Trust Office of the Trustee. The principal of and interest and premium (if any) on the 2018 Bonds will be payable in lawful money of the United States of America.

Each 2018 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it will bear interest from such Interest Payment Date; or (b) it is authenticated on or before [August 15, 2018], in which event it will bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any 2018 Bond, interest thereon is in default, such 2018 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon, or from the Closing Date if no interest has been paid or made available for payment.

**Section 10.2. Redemption of 2018 Bonds.**

(a) Optional Redemption. The 2018 Bonds maturing on or before September 1, 20\_\_, are not subject to optional redemption prior to maturity. The 2018 Bonds maturing on and after September 1, 20\_\_, may be redeemed at the option of the Authority, from any source of available funds, prior to maturity on any date on or after September 1, 20\_\_, as a whole, or in part from maturities corresponding to the maturities of the CFD Bonds simultaneously redeemed, if any redemption of CFD Bonds is being accomplished in conjunction with such optional redemption, and otherwise from such maturities as are selected by the Authority, and by lot within a maturity, at a redemption price equal to the principal amount of the 2018 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

The Authority will deliver to the Trustee a certificate of an Independent Financial Consultant verifying that, following such optional redemption of the CFD Bonds and redemption of the 2018 Bonds, the principal and interest generated from the remaining CFD Bonds is

adequate to make the timely payment of principal and interest due on the 2018 Bonds that will remain Outstanding hereunder following such optional redemption.

(b) Mandatory Special Redemption. The 2018 Bonds are subject to mandatory special redemption on any Interest Payment Date from proceeds of early redemption of CFD Bonds from prepayment of Special Taxes (as defined in the CFD Fiscal Agent Agreement), in whole or in part, from maturities corresponding to the maturities of the CFD Bonds simultaneously redeemed, at the principal amount thereof, plus a premium expressed below as a percentage of the principal amount so redeemed, plus accrued interest to the date of redemption thereof:

<u>Redemption Date</u>	<u>Redemption Premium</u>
On or after March 1, 20__ through March 1, 20__	3%
September 1, 20__ and March 1, 20__	2
September 1, 20__ and March 1, 20__	1
September 1, 20__ and thereafter	0

The Authority will deliver to the Trustee a certificate of an Independent Financial Consultant verifying that, following such optional redemption of the CFD Bonds and redemption of the Bonds, the principal and interest generated from the remaining CFD Bonds is adequate to make the timely payment of principal and interest due on the Bonds that will remain Outstanding hereunder following such redemption.

(c) Mandatory Sinking Fund Redemption of Bonds. The 2018 Bonds maturing on September 1, 20\_\_ and September 1, 20\_\_ (the "Term 2018 Bonds"), are subject to redemption prior to their stated maturity, in part, by lot from amounts deposited into the Principal Account in the following amounts and on the following dates, at the principal amount thereof on the date fixed for redemption, without premium, but which amounts will be reduced by the principal amount of all 2018 Bonds optionally redeemed:

Term 2018 Bonds Maturing September 1, 20\_\_

<b>Mandatory Redemption Dates (<u>September 1</u>)</b>	<b>Principal Amount</b>
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Term 2018 Bonds Maturing September 1, 20\_\_

<b>Mandatory Redemption Dates (<u>September 1</u>)</b>	<b>Principal Amount</b>
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(d) Notice of Redemption. Written notice of any such redemption will be given by the Authority to the Trustee at least forty-five (45) days prior to the date of redemption (unless a shorter time will be acceptable to the Trustee in its sole discretion for its convenience). The Trustee on behalf, and at the expense, of the Authority will mail (by first class mail, postage prepaid) notice of any redemption to the respective Owners of any 2018 Bonds designated for redemption at their respective addresses appearing on the Bond Register, and to the Securities Depositories and to the Municipal Securities Rulemaking Board, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption. Neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such 2018 Bonds or the cessation of the accrual of interest thereon. Such notice will state the date of the notice, the redemption date, the redemption place and the redemption price and will designate the CUSIP numbers, the 2018 Bond numbers and the maturity or maturities (in the event of redemption of all of the 2018 Bonds of such maturity or maturities in whole) of the 2018 Bonds to be redeemed, and will require that such 2018 Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such 2018 Bonds will not accrue from and after the redemption date. Any such notice of optional redemption may specify that redemption on the specified date will be subject to receipt by the Authority of moneys sufficient to cause such redemption (and will specify the proposed source of such moneys), and neither the Authority nor the Trustee will have any liability to the Owners or any other party as a result of its failure to redeem the 2018 Bonds as a result of insufficient moneys. The Authority will have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the 2018 Bonds then called for redemption, and such cancellation will not constitute an Event of Default hereunder. The Trustee will mail notice of rescission of redemption in the same manner notice of redemption was originally provided.

In addition to the foregoing notice, further notice will be given by the Trustee in said form by first class mail to any Bondowner whose 2018 Bond has been called for redemption but who has failed to submit his 2018 Bond for payment by the date which is sixty days after the redemption date, but no defect in said further notice nor any failure to give or receive all or any portion of such further notice will in any manner defeat the effectiveness of a call for redemption.

Upon the payment by the Trustee from the applicable account in the Revenue Fund of the redemption price of the 2018 Bond being redeemed, each check or other transfer of funds issued for such purpose will, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the 2018 Bonds being redeemed with the proceeds of such check or other transfer.

(e) Selection of 2018 Bonds of a Maturity for Redemption. Unless otherwise provided hereunder, whenever provision is made in this Supplemental Indenture for the redemption of fewer than all of the 2018 Bonds, the Trustee will select the 2018 Bonds to be redeemed from all 2018 Bonds of such maturity not previously called for redemption, by lot in any manner which the Trustee in its sole discretion will deem appropriate and fair. For purposes of such selection, all 2018 Bonds will be deemed to be comprised of separate \$5,000 authorized denominations, and such separate authorized denominations will be treated as separate 2018 Bonds that may be separately redeemed.

(f) Partial Redemption of 2018 Bonds. In the event only a portion of any 2018 Bond is called for redemption, then upon surrender of such 2018 Bond the Authority will execute and



the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Authority, a new 2018 Bond or 2018 Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the 2018 Bond to be redeemed.

(g) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the 2018 Bonds so called for redemption will have been duly provided, such 2018 Bonds so called will cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date specified in such notice. All 2018 Bonds redeemed pursuant to this Section 10.2 will be cancelled and destroyed.

Section 10.3. Form of 2018 Bonds. The 2018 Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, will be substantially in the form set forth in Exhibit A-1 attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 10.4. Execution of 2018 Bonds. All the 2018 Bonds will, from time to time, be executed on behalf of the Authority by, or bear the manual or facsimile signature of, one of the members of the Board of Directors of the Authority or an authorized officer of the Authority and be attested by the manual or facsimile signature of the Secretary or by any deputy thereof. If any of the directors or officers who will have signed or sealed any of the 2018 Bonds or whose facsimile signature will be upon the 2018 Bonds will cease to be such officer of the Authority before the 2018 Bond so signed and sealed will have been actually authenticated by the Trustee or delivered, such 2018 Bonds nevertheless may be authenticated, issued and delivered with the same force and effect as though the person or persons who signed or sealed such 2018 Bonds or whose facsimile signature will be upon the 2018 Bonds had not ceased to be such officer of the Authority; and any such 2018 Bond may be signed and sealed on behalf of the Authority by those persons who, at the actual date of the execution of such 2018 Bonds, will be the proper officers of the Authority, although at the date of such Bond any such person will not have been such officer of the Authority.

Only such of the 2018 Bonds as will bear thereon a certificate of authentication in substantially the form set forth in Exhibit A-1, manually executed by the Trustee, will be valid or obligatory for any purpose or entitled to the benefits of this Indenture; and such certificate of the Trustee will be conclusive evidence that the 2018 Bonds so authenticated have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 10.5. Application of Proceeds of Sale of 2018 Bonds.

(a) On the Closing Date for the 2018 Bonds, the Trustee will apply moneys received by it as set forth below (the Trustee may, in its discretion, establish one or more temporary funds or accounts to account for or facilitate the following transfers and deposits).

(b) The Trustee will apply the proceeds of the sale of the 2018 Bonds received or deemed to have been received from the Original Purchaser of the 2018 Bonds on the Closing Date, being an amount equal to the purchase price of the 2018 Bonds of \$\_\_\_\_\_ (being the principal amount of the 2018 Bonds (\$\_\_\_\_\_) plus net original issue premium of \$\_\_\_\_\_ and less an underwriter's discount of \$\_\_\_\_\_), as follows:

(i) \$\_\_\_\_\_ of the proceeds of the 2018 Bonds will be deposited in the Purchase Fund for the acquisition of the 2018 CFD Bonds in accordance with Section 3.5; and

(ii) \$\_\_\_\_\_ of the proceeds of the 2018 Bonds will be deposited into the "2018 Bonds Account" of the Costs of Issuance Fund, which the Trustee shall create and hold, for the payment of Costs of Issuance in accordance with Section 3.4.

Section 10.6. Security for 2018 Bonds. The 2018 Bonds shall be Additional Bonds which shall be secured in the manner and to the extent set forth in the Indenture, including, without limitation, Sections 4.1 and 5.6 thereof.

Section 10.7. Effect of this Article X. Except as in this Article X expressly provided or except to the extent inconsistent with any provision of this Article X, the 2018 Bonds shall be deemed to be "Bonds" under and within the meaning of Section 1.1, and every term and condition contained in the foregoing provisions of the Original Indenture shall apply to the 2018 Bonds with full force and effect, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Article X.

**Section 2. Attachment of Exhibit A-1.** The Indenture is hereby further amended by incorporating therein an Exhibit A-1 setting forth the form of the 2018 Bonds, which will read in its entirety as set forth in Exhibit A-1 attached hereto and hereby made a part hereof.

**Section 3. Additional Amendments to Original Indenture.** The Original Indenture is hereby further amended and supplemented as follows:

(a) Section 1.1 of the Original Indenture is hereby amended by adding and/or modifying the following defined terms:

"Closing Date" means the date upon which there is an initial physical delivery of Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser, for the 2016 Bonds being August 24, 2016 and for the 2018 Bonds being \_\_\_\_\_, 2018.

"Original Purchaser" means the first purchaser of a Series of Bonds and, with respect to the 2016 Bonds and the 2018 Bonds, Piper Jaffray & Co.

"Term 2018 Bonds" means the 2018 Bonds subject to mandatory sinking fund redemption described herein.

"2018 Bonds" means the \$\_\_\_\_\_ Elk Grove Finance Authority Special Tax Revenue Bonds, Series 2018 issued hereunder.

(b) Within the "Costs of Issuance Fund" shall be established and held by the Trustee a "2018 Bonds Account" into which the deposit set forth in Section 10.5(b)(ii) shall be made. The moneys in the 2018 Bonds Account of the Costs of Issuance Fund will be used to pay Costs of Issuance from time to time upon receipt by the Trustee of a Request of the Authority. On the date which is one hundred twenty (120) days following the Closing Date for the 2018 Bonds, or upon the earlier receipt by the Trustee of a Request of the Authority stating that all Costs of Issuance have been paid, the Trustee will transfer all remaining amounts in the 2018 Bonds Account of the Costs of Issuance Fund to the Revenue Fund. Upon such transfer, the 2018

Bonds Account of the Costs of Issuance Fund will be closed and the Trustee will no longer be obligated to make payments for Costs of Issuance. The Authority may at any time file a Request of the Authority requesting that the Trustee retain a specified amount in the Costs of Issuance Fund and transfer to the Revenue Fund all remaining amounts, and upon receipt of such request by the Trustee, the Trustee will comply with such request.

**Section 4. Effective Date of Supplemental Indenture.** The Supplemental Indenture will take effect upon its execution and delivery.

**Section 5. Execution in Counterparts.** The Supplemental Indenture may be executed in several counterparts, each of which will be deemed an original, and all of which will constitute but one and the same instrument.

**SECTION 6. Governing Law.** This Supplemental Indenture shall be construed and governed in accordance with the laws of the State of California applicable to contracts made and performed in such State.

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Indenture by their officers thereunto duly authorized as of the day and year first written above.

ELK GROVE FINANCE AUTHORITY

By: \_\_\_\_\_  
Treasurer/Controller

ATTEST:

By: \_\_\_\_\_  
Secretary

U.S. BANK NATIONAL ASSOCIATION, as  
*Trustee*

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A-1**

**FORM OF 2018 BOND**

No. \_\_\_\_\_

\$ \_\_\_\_\_

**ELK GROVE FINANCE AUTHORITY  
SPECIAL TAX REVENUE BOND, SERIES 2018**

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
%	September 1, _____	_____, 2018	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ AND NO/100 DOLLARS

The ELK GROVE FINANCE AUTHORITY, a joint powers authority organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues and other funds hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding the month in which such Interest Payment Date occurs, in which event it will bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to [August 15, 2018], in which event it will bear interest from the Dated Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond will bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on March 1 and September 1 in each year, commencing [September 1, 2018] (each, an "Interest Payment Date") until the Maturity Date stated above or date of redemption of this Bond.

The Principal Amount is payable upon presentation and surrender at the Trust Office (as defined in the Indenture) of U.S. Bank National Association (the "Trustee"). Interest hereon is payable by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Registered Owner at the address of the Registered Owner as it appears on the registration books of the Trustee as of the fifteenth calendar day of the month preceding the month in which such Interest Payment Date occurs; provided, however, that payment of interest may be made by wire transfer to an account in the United States of America to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose as of the close of business on the fifteenth calendar day of the month preceding the month in which such Interest Payment Date occurs.

This Bond is a limited obligation of the Authority, payable solely from the Revenues and funds pledged under the Indenture (as defined herein). This Bond is not a debt of the City of Elk

Grove (the "City") or the State of California or any of its political subdivisions (except the Authority and only to the extent set forth in the Indenture), and none of said City, said State or any of its political subdivisions is liable hereon. The Authority has no taxing power.

This Bond is one of a duly authorized series of bonds of the Authority designated the "Elk Grove Finance Authority Special Tax Revenue Bonds, Series 2018" (the "Bonds"), limited in principal amount to \$\_\_\_\_\_, secured by a Supplemental Indenture of Trust, dated \_\_\_\_\_ 1, 2018, amending and supplementing an Indenture of Trust dated as of August 1, 2016 (as so amended and supplemented, the "Indenture"), between the Authority and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the Revenues (as that term is defined in the Indenture), of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder; and all of the terms of this Indenture are hereby incorporated herein and constitute a contract between the Authority and the Registered Owner, and to all of the provisions of which Indenture the Registered Owner, by acceptance, assents and agrees.

The Bonds are authorized to be issued pursuant to the provisions of the Marks Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"). The Bonds are limited obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a first lien on and pledge of the Revenues and certain other funds held by the Trustee as provided in the Indenture. The Revenues and such other funds constitute a trust fund for the security and payment of the principal of and interest on the Bonds, except to the extent otherwise provided in the Indenture. The full faith and credit of the Authority is not pledged to the payment of the principal of or interest or redemption premiums (if any) on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other funds as provided in the Indenture.

The Bonds have been issued to provide funds to purchase certain obligations of the City (the "CFD Bonds"). The City will take the proceeds that it receives from the sale of the CFD Bonds to the Authority to refund certain outstanding indebtedness of the City and to finance certain public capital improvements in the CFD, all as more particularly described in the Indenture. The obligations of the City to make payments of principal and interest on the CFD Bonds are limited obligations secured only as set forth therein.

Optional Redemption. The Bonds maturing on or before September 1, 20\_\_\_, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 20\_\_\_, may be redeemed at the option of the Authority, from any source of available funds, prior to maturity on any date on or after September 1, 20\_\_\_, as a whole, or in part from maturities corresponding proportionately to the maturities of the CFD Bonds simultaneously redeemed, if any redemption of CFD Bonds is being accomplished in conjunction with such optional redemption, and otherwise from such maturities as are selected by the Authority, and by lot within a maturity, at a redemption price equal to principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

**Mandatory Special Redemption.** The Bonds are subject to mandatory special redemption on any Interest Payment Date from proceeds of early redemption of CFD Bonds from prepayment of Special Taxes, in whole or in part, from maturities corresponding to the maturities of the CFD Bonds simultaneously redeemed, at the principal amount thereof, plus a premium expressed below as a percentage of the principal amount so redeemed, plus accrued interest to the date of redemption thereof:

<u>Redemption Date</u>	<u>Redemption Premium</u>
On or after March 1, 20__ through March 1, 20__	3%
September 1, 20__ and March 1, 20__	2
September 1, 20__ and March 1, 20__	1
September 1, 20__ and thereafter	0

**Mandatory Sinking Fund Redemption.** The Term 2018 Bonds maturing on September 1, 20\_\_ and September 1, 20\_\_, are subject to redemption prior to their stated maturity, in part, by lot from amounts deposited into the Principal Account in the following amounts and on the following dates, at the principal amount thereof on the date fixed for redemption, without premium, but which amounts will be proportionately reduced by the principal amount of all Term 2018 Bonds optionally redeemed:

Term 2018 Bonds Maturing September 1, 20\_\_

<b>Mandatory Redemption Dates (September 1)</b>	<b>Principal Amount</b>
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Term 2018 Bonds Maturing September 1, 20\_\_

<b>Mandatory Redemption Dates (September 1)</b>	<b>Principal Amount</b>
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The Trustee on behalf and at the expense of the Authority will mail by first class mail, postage prepaid, notice of any redemption to the respective owners of any Bonds designated for redemption, at their respective addresses appearing on the registration books maintained by the Trustee and to the Securities Depositories and to the Municipal Securities Rulemaking Board (as such terms are defined in the Indenture), at least thirty (30) but not more than sixty (60) days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest will cease to accrue hereon from and after the date fixed for redemption.

The Bonds are issuable as fully registered Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Bonds may be exchanged at the Trust Office of the Trustee for a like aggregate principal amount and maturity of fully registered Bonds of other authorized denominations.

This Bond is transferable by the Registered Owner, in person or by its attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Trustee will not be required to register the transfer or exchange of any Bond (i) during 15 days prior to selection of Bonds for redemption, or (ii) selected for redemption.

The Authority and the Trustee may treat the Registered Owner as the absolute owner for all purposes, and the Authority and the Trustee will not be affected by any notice to the contrary. The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment will (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

It is hereby certified by the Authority that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and by the Act, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California or by the Act.

This Bond will not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon will have been signed by the Trustee.

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to the Trustee for registration of transfer, exchange or payment, and any Bond executed and delivered is registered in the name of Cede & Co. or such other name as requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.



IN WITNESS WHEREOF, the ELK GROVE FINANCE AUTHORITY has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Treasurer and attested by the facsimile signature of its Secretary, all as of the date set forth above.

ELK GROVE FINANCE AUTHORITY

By: \_\_\_\_\_  
Treasurer

Attest:

\_\_\_\_\_  
Secretary

**CERTIFICATE OF AUTHENTICATION**

This is one of the Bonds described in the within-mentioned Indenture.

Date: \_\_\_\_\_

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

FORM OF ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto

whose tax identification number is \_\_\_\_\_,  
the within mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature guaranteed:

NOTE: Signature(s) must be guaranteed by an eligible guarantor institution

NOTE: The signatures(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever

§ \_\_\_\_\_  
**CITY OF ELK GROVE**  
**COMMUNITY FACILITIES DISTRICT NO. 2005-1 (LAGUNA RIDGE)**  
**SPECIAL TAX BONDS, SERIES 2018**

**CFD BOND PURCHASE AGREEMENT**

This CFD BOND PURCHASE AGREEMENT (this "Purchase Agreement"), dated as of \_\_\_\_\_, 2018, is by and between the Elk Grove Finance Authority (the "Authority"), a joint powers authority organized and existing under the laws of the State of California, and the City of Elk Grove (the "City"), a general law city and municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of California, for and on behalf of its Community Facilities District 2005-1 (Laguna Ridge) (the "CFD").

BACKGROUND:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and existing under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations to provide financing or refinancing for public capital improvements of local agencies within the State of California; and

WHEREAS, the City is issuing its City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) Special Tax Bonds, Series 2018 in the aggregate principal amount of \$\_\_\_\_\_ (the "CFD Bonds") for the purpose of financing authorized improvements; and

WHEREAS, the Authority has authorized the issuance of its Special Tax Revenue Bonds, Series 2018 in the aggregate principal amount of \$\_\_\_\_\_ (the "Authority Bonds"), pursuant to a Supplemental Indenture of Trust, dated as of \_\_\_\_\_ 1, 2018, amending and supplementing an Indenture of Trust dated as of August 1, 2016 (as so amended and supplemented, the "Indenture"), by and between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), and under the Bond Law for the purpose of providing the funds required to acquire the CFD Bonds; and

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

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

AGREEMENT:

1. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the City hereby commits to sell to the Authority and does hereby sell to the Authority, and the Authority hereby commits to purchase from the

City and does hereby purchase from the City with the proceeds of the Authority Bonds all of the CFD Bonds. The CFD Bonds will bear the annual interest rates and mature at the times set forth in Exhibit A attached hereto and hereby made a part hereof. The purchase price of the CFD Bonds is set forth below.

2. All terms not herein defined will have the meanings given such terms in the Indenture authorizing the issuance of the Authority Bonds.

3. The City confirms that there are no substantial conditions precedent to the issuance by the City and to the sale (as provided herein) and the delivery to the Authority of the CFD Bonds.

4. The parties hereto hereby specify \_\_\_\_\_, 2018, as the date of closing of the purchase of the CFD Bonds hereunder (the "Closing Date"). The CFD Bonds will be registered in the name of the Trustee, as assignee of the Authority. On the Closing Date, the City will issue and deliver the CFD Bonds to the Trustee upon payment by the Trustee of the purchase price of the CFD Bonds in the aggregate amount of \$\_\_\_\_\_ (being the principal amount of the Bonds (\$\_\_\_\_\_) plus net original issue premium of \$\_\_\_\_\_, and less expenses paid by the Authority in connection with the Authority Bonds as follows: underwriter's discount: \$\_\_\_\_\_, and costs of issuance: \$\_\_\_\_\_). Said purchase price will be paid from the proceeds of sale of the Authority Bonds, and will be paid by the Trustee from the Purchase Fund established under the Indenture.

5. The CFD Bonds will be as described in the Official Statement dated as of the date hereof, relating to the Authority Bonds (the "Official Statement") and will be issued and secured under the provisions of the resolution adopted by the City on \_\_\_\_\_, 2018 (the "Resolution") and a Supplemental Agreement No. 1 to Fiscal Agent Agreement dated as of \_\_\_\_\_ 1, 2018, amended and supplementing a Fiscal Agent Agreement dated as of August 1, 2016 (as so amended and supplemented, the "Fiscal Agent Agreement"), by and between the City and U.S. Bank National Association, as fiscal agent. The CFD Bonds and interest thereon will be payable from Special Taxes levied and collected in accordance with the Resolution and the Fiscal Agent Agreement.

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

7. It is a condition to the City's sale and delivery of the CFD Bonds to the Authority, and to the Authority's purchase of the CFD Bonds and the obligations of the Authority to accept delivery of and to pay for the CFD Bonds, that the entire aggregate principal amount of the CFD Bonds authorized by the Resolution and the Fiscal Agent Agreement will be delivered by the City, and accepted and paid for by the Authority, on the Closing Date.

8. The City has furnished some, but not all, of the information contained in the Official Statement and hereby authorizes the use of that information by the Authority in connection with the public offering and sale of the Authority Bonds.

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

(a) The City is a general law city and municipal corporation organized and existing under the Constitution and laws of the State of California, and has, and on the Closing Date will have, full legal right, power and authority (i) to enter into this Purchase Agreement, the Continuing Disclosure Certificate relating to the Authority Bonds and the CFD Bonds (the "Continuing Disclosure Certificate") and the Fiscal Agent Agreement (collectively, the "City Documents"), (ii) to adopt the Resolution, (iii) to issue, sell and deliver the CFD Bonds to the Authority as provided herein, and (iv) to carry out and consummate the transactions contemplated by the Resolution, the City Documents and the Official Statement;

(b) By all necessary official action of the City, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained in, the City Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally;

(c) The City has complied, and will at the Closing be in compliance in all respects, with the terms of the City Documents;

(d) The execution and delivery of City Documents and the CFD Bonds, the adoption of the Resolution and compliance with the provisions of each thereof, and the carrying out and consummation of the transactions contemplated by the Official Statement, will not conflict with or constitute a breach of or a default under any applicable law or administrative regulation of the State of California or the United States, or any applicable judgment, decree, agreement or other instrument to which the City is a party or is otherwise subject;

(e) To the knowledge of the City, at the time of the City's acceptance hereof and at all times subsequent thereto up to and including the Closing Date, with respect to information describing the City, the CFD, the City Documents and the Resolution and other resolutions relating to the CFD, the Official Statement does 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 the light of the circumstances under which they were made, not misleading;

(f) Except as described in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending or, to the knowledge of the City, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City or the titles of its members and officers to their respective offices, (ii) enjoin or restrain the issuance, sale and delivery of the CFD Bonds, the levy and receipt of the Special Taxes which secure the CFD Bonds, or the pledge thereof, (iii) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the moneys pledged or to be pledged to pay the principal of, premium, if any, or interest on the CFD Bonds, (iv) in any way question or affect any authority for the issuance of the CFD Bonds, or the validity or enforceability of the CFD Bonds, the Resolution or the City Documents, or (v)

in any way question or affect the City Documents or the transactions contemplated by the City Documents, the Official Statement, the Resolution, the other documents referred to in the Official Statement, or any other agreement or instrument to which the City is a party relating to the CFD Bonds;

(g) The City will furnish such information, execute such instruments and take such other action in cooperation with the Authority, as the Authority may reasonably request, to qualify the Authority Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Authority may designate, and will assist, if necessary therefor, in the continuance of such qualifications in effect as long as required for the distribution of the Authority Bonds; provided, however, that the City will not be required to qualify as a foreign corporation or to file any general consents to service of process under the laws of any state;

(h) The issuance and sale of the CFD Bonds is not subject to any transfer or other documentary stamp taxes of the State of California or any political subdivision thereof;

(i) The City has not failed to comply with a continuing disclosure undertaking pursuant to Rule 15c2-12 other than as disclosed in the Official Statement; and

(j) Any certificate signed by any official of the City authorized to do so will be deemed a representation and warranty by the City to the Authority as to the statements made therein.

10. Up to and including 25 days after the End of the Underwriting Period (as defined below), the City will advise the Authority promptly of any proposal to amend or supplement the Official Statement. The City will advise the Authority promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Authority Bonds or the CFD Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as: (a) the Authority Bonds are delivered to the Original Purchaser; or (b) the Original Purchaser does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Authority Bonds for sale to the public. Unless the Authority or the Original Purchaser gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be written notice delivered to the City at or prior to the Closing Date and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

11. At 8:00 a.m., Pacific Time, on the Closing Date, or at such other time or on such other date as is mutually agreed by the City and the Authority, (a) the City will deliver the CFD Bonds to the Trustee in definitive form, duly executed, together with the other documents hereinafter mentioned, (b) subject to the terms and conditions hereof, the Trustee solely from moneys held under the Indenture will accept such delivery and pay the purchase price of the CFD Bonds as referenced in paragraph 1 hereof by wire transfer or other funds which are good funds on the Closing Date, (c) the Trustee will deposit into the funds established under the Fiscal Agent Agreement the amounts described in the Fiscal Agent Agreement. Delivery and payment, as aforesaid, will be made at such place as will have been mutually agreed upon by the City, the Trustee and the Authority.

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

(a) The representations and warranties of the City contained herein will be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date;

(b) On the Closing Date, the Resolution and the City Documents will be in full force and effect, and will not have been amended, modified or supplemented, and the Official Statement will not have been amended, modified or supplemented, except in either case as may have been agreed to by both the Authority and the Original Purchaser;

(c) As of the Closing Date, all official action of the City relating to the CFD Bonds, including but not limited to the Resolution, will be in full force and effect, and there will have been taken all such actions as, in the opinion of Jones Hall, A Professional Law Corporation ("Bond Counsel"), will be necessary or appropriate in connection therewith, with the issuance of the Authority Bonds and the CFD Bonds, and with the transactions contemplated hereby, all as described in the Official Statement;

(d) The Authority will have the right to terminate the Authority's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the CFD Bonds by notifying the City of its election to do so if, after the execution hereof and prior to the Closing: (i) either the marketability of the Authority Bonds or the market price of the Authority Bonds, in the opinion of the Authority, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State of California, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State of California, or by a tentative decision with respect to legislation reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or the Senate of the Congress of the United States or either house of the Legislature of the State of California, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State of California by the Governor of the State of California in an executive communication, affecting the tax status of the Authority or the City, their property or income, their bonds (including the Authority Bonds) or the interest thereon, or any tax exemption granted or authorized by the Bond Law; (ii) the United States will have become engaged in hostilities which have resulted in a declaration of war or national emergency, or there will have occurred any other outbreak of hostilities, or a local, national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Authority, would affect materially and adversely the ability of the Authority to market the Authority Bonds (it being agreed by the Authority that there is no outbreak,

calamity or crisis of such a character as of the date hereof); (iii) there will have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or California State authorities; (iv) there will have occurred a withdrawal or downgrading of any rating assigned to any securities of the City by a national municipal bond rating agency; (v) any Federal or California court, authority or regulatory body will take action materially and adversely affecting the ability of a developer to proceed with the development as contemplated by the Official Statement; (vi) an event described in paragraph 12 hereof occurs which in the opinion of the Authority requires a supplement or amendment to the Official Statement, and such supplement or amendment is not agreed to by the City; and

(e) On or prior to the Closing Date, the Authority will have received each of the following documents:

(1) All documents and opinions required to be received by the Trustee prior to the application of proceeds of the Authority Bonds to the purchase of the CFD Bonds;

(2) Opinions, in form and substance satisfactory to the City and the Authority, dated as of the Closing Date, of Bond Counsel, approving, without qualification, the validity of the CFD Bonds;

(3) A letter of Bond Counsel, dated the date of the Closing and addressed to the Authority and the Original Purchaser, to the effect that the opinion referred to in the preceding subparagraph (2) may be relied upon by the Authority to the same extent as if such opinion were addressed to it;

(4) A supplemental opinion, dated the Closing Date and addressed to the City, the Authority and the Original Purchaser, of Bond Counsel to the effect that this Purchase Agreement has been duly authorized, executed and delivered by, and, assuming due authorization, execution and delivery by the Authority, constitutes a legal, valid and binding agreement of the City enforceable in accordance with its terms, except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought, and that the statements contained in the Official Statement (including the cover page and the Appendices thereto), insofar as such statements purport to summarize certain provisions of the CFD Bonds, the City Documents or the Resolution, accurately summarize the information presented therein;

(5) A certificate dated the Closing Date, addressed to the Authority and the Original Purchaser, signed by a City official having knowledge of the facts to the effect that:

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

(ii) Except as described in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending or threatened, wherein an unfavorable decision, ruling or finding would: (A) affect the creation, organization, existence or



powers of the City, or the titles of its members and officers to their respective offices, (B) enjoin or restrain the issuance, sale and delivery of the CFD Bonds, the levy or collection of the Special Taxes or any other moneys or property pledged or to be pledged under the Resolution or the Fiscal Agent Agreement, or the pledge thereof, (C) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the CFD Bonds, (D) in any way question or affect any authority for the issuance of the CFD Bonds, or the validity or enforceability of the CFD Bonds, the Resolution or the City Documents, or (E) in any way question or affect this Purchase Agreement or the transactions contemplated by the City Documents, the Resolution, the Official Statement or the documents referred to in the Official Statement;

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

(iv) To the best of its knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is necessary to disclose therein in order to make the statements not misleading in any respect;

(6) An opinion, dated the Closing Date and addressed to the City, the Authority and the Original Purchaser, of the City Attorney, to the effect that (A) the City Documents have been duly authorized, executed and delivered by, and, assuming due authorization, execution and delivery, constitute the legal, valid and binding agreement of the City enforceable in accordance with their terms, except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought, (B) the Resolution has been duly adopted, is in full force and effect and has not been modified, amended or rescinded, and (C) except as described in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending or threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the City or the CFD; (ii) enjoin or restrain the issuance, sale and delivery of the CFD Bonds, the levy and collection of the Special Taxes or the pledge of the Special Taxes and other amounts pledged or to be pledged under the Fiscal Agent Agreement or the pledge thereof; (iii) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the CFD Bonds; (iv) in any way question or affect any authority for the issuance of the CFD Bonds, or the validity or enforceability of the CFD Bonds, the Resolution or the City Documents; (v) in any way question or affect this Purchase Agreement or the transactions contemplated by the City Documents, the Official Statement or the documents referred to in the Official Statement and (vi) the statements in the Official Statement relating to the City are true and accurate;

(7) Such additional legal opinions, certificates, instruments and documents as the Authority may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the City's representations and warranties contained herein and of the statements and information contained in the Official Statement;

(8) An executed copy of the Fiscal Agent Agreement, as supplemented; and

(9) The Resolution, certified by authorized officers as a true copy and/or as having been adopted or executed (as applicable), with only such amendments, modifications or supplements as may have been agreed to by the Authority and the Original Purchaser.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement will be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Authority, but the approval of the Authority will not be unreasonably withheld. Receipt of, and payment for, the CFD Bonds will constitute evidence of the satisfactory nature of such as to the Authority. The performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Authority may be waived by the Authority in its sole discretion.

If the City will be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the CFD Bonds contained in this Purchase Agreement, or if the obligations of the Authority to purchase, accept delivery of and pay for the CFD Bonds will be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement will terminate, and neither the Authority nor the City will be under further obligation hereunder, except that the respective obligations of the City and the Authority set forth in paragraphs 15 and 16 hereof will continue in full force and effect.

14. The Authority and the City will determine which portion of expenses incurred in connection with issuance of the Authority Bonds and the CFD Bonds will be paid by each respective entity, in such proportion as is in compliance with all applicable laws.

15. To the extent permitted by law, the City will indemnify and hold harmless the Authority and the Trustee, and their respective officers, directors, employees and agents, against any and all losses, claims, damages, liabilities, costs and expenses (including without limitation fees and disbursements of counsel and other expenses) incurred by them or any of them in connection with investigating or defending any loss, claim, damages, liability or any suit, action or proceeding, joint or several, to which they or any of them may become subject under the laws of the State of California or under federal tax law, insofar as such losses, claims, damages, liabilities, costs and expenses (or any suit, action or proceeding in respect thereof) arise out of or are based upon the issuance and sale of the CFD Bonds or any untrue statement or alleged untrue statement of a material fact contained in the Official Statement or in any amendment or supplement thereto, or any omission or alleged omission to state therein a material fact relating to the City, the CFD or the CFD Bonds which is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. This indemnity agreement will be in addition to any liability which the City or the CFD may otherwise have.

16. This Purchase Agreement is made solely for the benefit of the City and the Authority (including their successors and assigns), and no other person will acquire or have any right hereunder or by virtue hereof. All of the City's representations, warranties and agreements contained in this Purchase Agreement will remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Authority or (ii) delivery of and payment for the CFD Bonds pursuant to this Purchase Agreement. The agreements contained in this paragraph and in paragraph 15 will survive any termination of this Purchase Agreement.

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

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

19. The validity, interpretation and performance of this Purchase Agreement will be governed by the laws of the State of California.

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

**ELK GROVE FINANCE AUTHORITY**

By: \_\_\_\_\_  
Treasurer/Controller

**CITY OF ELK GROVE**, for and on behalf of its  
COMMUNITY FACILITIES DISTRICT NO.  
2005-1 (LAGUNA RIDGE)

By: \_\_\_\_\_  
Director of Finance and  
Administrative Services

**EXHIBIT A**

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price
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<sup>†</sup> Term Bonds.

<sup>c</sup> Price to the optional redemption date of September 1, 20\_\_ at par.

§ \_\_\_\_\_  
**ELK GROVE FINANCE AUTHORITY**  
**SPECIAL TAX REVENUE BONDS**  
**SERIES 2018**

**BOND PURCHASE AGREEMENT**

\_\_\_\_\_, 2018

Elk Grove Finance Authority  
 8401 Laguna Palms Way  
 Elk Grove, California 95758

Ladies and Gentlemen:

Piper, Jaffray & Co., as underwriter (the "Underwriter"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the Elk Grove Finance Authority (the "Authority"), which upon acceptance will be binding upon the Underwriter and the Authority. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Authority purchasing from the City of Elk Grove (the "City") its City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) Special Tax Bonds, Series 2018 (the "Special Tax Bonds") in the aggregate principal amount of \$ \_\_\_\_\_, and upon the Authority and the City satisfying all of the obligations imposed upon them under this Purchase Agreement. This offer is made subject to the Authority's acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 8:00 P.M., local time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Indenture of Trust, dated as of August 1, 2016, as amended and supplemented by the First Supplemental Indenture, dated as of \_\_\_\_\_ 1, 2018 (together, the "Indenture"), each by between the Authority and U.S. Bank National Association ("U.S. Bank"), as trustee (the "Trustee"). The Special Tax Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of August 1, 2016, as supplemented and amended by the Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of \_\_\_\_\_ 1, 2018 (together, the "Fiscal Agent Agreement"), each by and between the City and U.S. Bank National Association, as fiscal agent (the "Fiscal Agent").

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority and the Authority hereby agrees to sell to the Underwriter all (but not less than all) of the \$ \_\_\_\_\_ aggregate principal amount of the Elk Grove Finance Authority Special Tax Revenue Bonds, Series 2018 (the "Bonds"), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price

for the Bonds shall be \$ \_\_\_\_\_ (being 100% of the aggregate principal amount thereof [plus][minus] a [net] original issue [premium][discount] of \$ \_\_\_\_\_ and less an Underwriter's discount of \$ \_\_\_\_\_). From the proceeds of the Bonds, the Authority agrees to purchase the Special Tax Bonds from the City pursuant to the terms of the CFD Bond Purchase Agreement (the "2018 CFD Bond Purchase Agreement"), by and between the City and the Authority.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Revenues as provided in the Indenture, the Preliminary Official Statement (as hereinafter defined), and the Marks-Roos Local Bond Pooling Act of 1985, as amended, being Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the "Bond Law"). The issuance of the Bonds has been duly authorized by the Authority pursuant to a resolution of the Authority adopted by the Board of Directors of the Authority on \_\_\_\_\_, 2018 (the "Authority Resolution"). The net proceeds of the Bonds will be used to purchase the Special Tax Bonds.

The Special Tax Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from Special Taxes (as such term is defined in the Fiscal Agent Agreement) pledged thereto as provided in the Fiscal Agent Agreement.

The Special Tax Bonds are issued under the Mellö-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the "Community Facilities District Act"). The issuance of the Special Tax Bonds have been duly authorized by the City Council of the City of Elk Grove (the "City Council") as the legislative body for City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) (the "Community Facilities District"), pursuant to a resolution adopted by the City Council on \_\_\_\_\_, 2018 (the "Community Facilities District Resolution of Issuance"). The Purchase Agreement, the 2018 CFD Bond Purchase Agreement and the Preliminary Official Statement have been duly authorized by the City Council pursuant to the Community Facilities District Resolution of Issuance.

The net proceeds of the Special Tax Bonds will be used, as indicated in the Fiscal Agent Agreement, for the following purposes: (1) providing funds for the acquisition and/or construction of certain public facilities; (2) funding the Reserve Requirement for the Special Tax Bonds; and (3) funding the costs of issuance of the Bonds and the Special Tax Bonds.

Prior to the acceptance of this Purchase Agreement by the Authority, the Authority shall have caused to be delivered to the Underwriter the Letter of Representations of the City (the "City Letter of Representations") in substantially the form set forth in Exhibit B hereto.

A. The Authority acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations and agreements made by the Authority herein and by the City in the City Letter of Representations of the City, and the Authority shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation or agreement made by the Authority herein is incorrect in any material respect.

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Authority 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 principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority or 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 Authority or the City on other matters); and (iv) the Authority and the City have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate.

B. Pursuant to the authorization of the Authority, the Underwriter has distributed copies of the Preliminary Official Statement dated \_\_\_\_\_, 2018, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the "Preliminary Official Statement." By its acceptance of this Purchase Agreement, the Authority hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Authority agrees to execute a final official statement relating to the Bonds (the "Official Statement") which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Jones Hall, A Professional Law Corporation, the City and the Authority's Bond Counsel ("Bond Counsel") and Disclosure Counsel ("Disclosure Counsel"), and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 3(O) hereof. The Authority hereby authorizes and requires the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Authority further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Indenture, the Fiscal Agent Agreement, this Purchase Agreement, the 2018 CFD Bond Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Authority or the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

C. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), the City will undertake for and on behalf of the Authority pursuant to the Continuing Disclosure Certificate, in the form attached to the Official Statement as Appendix F (the "Continuing Disclosure Certificate"), to provide annual reports and notices of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

D. Except as the Underwriter and the Authority may otherwise agree, the Authority will deliver to the Underwriter, at the offices of Bond Counsel in San Francisco, California, or at such other location as may be mutually agreed upon by the Underwriter, the City and the Authority, the documents hereinafter mentioned; and the Authority will deliver to the Underwriter through the facilities of The Depository Trust Company ("DTC") in New York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Authority and authenticated by the Trustee in the manner provided for in the Indenture and the Bond Law at 8:00 a.m. California time, on \_\_\_\_\_, 2018 (the "Closing Date"), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the "Closing"). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.



2. Public Offering and Establishment of Issue Price.

A. The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds will be offered and sold to certain dealers at prices lower than such initial offering prices. The Bonds shall be subject to redemption as set forth in Exhibit A.

B. The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit E, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority 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. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by the Authority's municipal advisor, Fieldman Rolapp & Associates, Inc. (the "Municipal Advisor") and any notice or report to be provided to the Authority may be provided to the Authority's Municipal Advisor.

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

D. [The Underwriter confirms that it has offered the Bonds to the Public on or before the date of this Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the Public of each such maturity as of the Sale Date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the 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.

The Underwriter shall promptly advise the Issuer when it has sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.]

E. 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 (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority 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 Authority 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.

F. 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. Further, for purposes of this section:

1. "Public" means any person other than an underwriter or a related party;

2. "Underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public);

3. a purchaser of any of the Bonds is a "Related Party" to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

4. "Sale Date" means the date of execution of this Purchase Agreement by all parties.

3. Representations and Covenants of the Authority. The Authority represents and covenants to the Underwriter that:

A. The Authority is a joint exercise of powers authority, duly organized and existing under the Constitution and laws of the State of California (the "State"), and formed pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code (the "JPA Act"), with full right, power and authority: (i) to enter into this Purchase Agreement; (ii) to enter into the Indenture; (iii) to adopt the Authority Resolution authorizing the issuance of the Bonds and entry into this Purchase Agreement and the Indenture and to take all other actions on the part of the Authority relating thereto (the "Authority Proceedings"); (iv) to issue, sell and deliver the Bonds to the Underwriter as provided herein; (v) to purchase the Special Tax Bonds; and (vi) to carry out and consummate the transactions on its part contemplated by this Purchase Agreement, the Indenture and the Official Statement.

The Indenture, the Bonds, the 2018 CFD Bond Purchase Agreement and this Purchase Agreement are collectively referred to herein as the "Authority Documents."

B. By all necessary official action of the Authority, the Authority has duly authorized and approved the execution and delivery by the Authority of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents, and has approved the use by the Underwriter of the Preliminary Official Statement and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable upon the Authority in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. The Authority has complied, and will at the Closing Date be in compliance in all respects, with the terms of the Authority Documents that are applicable to the Authority.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Authority and the Bonds (other than statements pertaining to the book-entry system, as to which no view is expressed), does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period (as defined below), the Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the

Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the Authority and the City at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

E. As of the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Official Statement, the Authority is not, and as of the Closing Date, will not be, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject; and no event has occurred and is continuing which, with the passage of time, or the giving of notice, or both, would constitute a default or event of default under any such instrument; which breach, default or event could have an adverse effect on the Authority's ability to perform its obligations under the Authority Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance by the Authority with the provisions of each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

F. At the time of acceptance hereof there is, and as of the Closing Date, there will be no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "Action") pending (notice of which has been served on the Authority or the City) or to the knowledge of the Authority threatened, in which any such Action: (i) in any way questions the corporate existence of the Authority, the City or the titles of the officers of the Authority and the City to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, the Special Tax Bonds, or the payment or collection of Revenues (as defined in the Indenture), the Special Taxes or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds or the Special Tax Bonds, or in any way contests or affects the validity of the Authority Documents, the City Documents (as defined herein), or the consummation of the transactions on the part of the Authority contemplated thereby; (iii) contests the exclusion of the interest on the Bonds from federal or state income taxation or contests the powers of the Authority or the City which may result in any material adverse change relating to the financial condition of the Authority; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and, as of the time of

acceptance hereof, there is, and as of the Closing Date, there will be no known basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

G. The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds 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 Bonds, provided; however, that the Authority will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

H. The Authority Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement. The Authority represents that the Bonds, when issued, executed and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Authority, entitled to the benefits of the Indenture. The Indenture creates a valid pledge of the moneys in certain funds and accounts established pursuant to the Indenture, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

I. [Reserved.]

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

K. Any certificate signed by any authorized officer of the Authority and delivered to the Underwriter in connection with the issuance and sale of the Bonds shall be deemed to be a representation and covenant by the Authority to the Underwriter as to the statements made therein.

L. The Authority will apply the proceeds of the Bonds in accordance with the Indenture.

M. Between the date of this Purchase Agreement and the Closing Date, the Authority will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

N. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Authority will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture.

O. The Preliminary Official Statement was deemed final by a duly authorized officer of the Authority prior to its delivery to the Underwriter, except for the omission of such

information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Authority hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Authority shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the Municipal Securities Rulemaking Board.

The Authority hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The Authority hereby ratifies any prior use of and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, this Purchase Agreement and all information contained herein, and all other documents, certificates and written statements furnished by the Authority to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the Authority shall constitute a representation to the Underwriter that the representations contained in this Section 3 are true as of the date hereof.

4. [Reserved].

5. [Reserved].

6. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations on the part of the Authority contained herein and of the City in the City Letter of Representations, to the accuracy in all material respects of the statements of the officers and other officials of the Authority made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Authority of its obligations to be performed hereunder at or prior to the Closing Date and, to the following additional conditions:

A. At the Closing Date, the Authority Resolution, the Community Facilities District Resolution of Issuance, the Authority Documents and this Purchase Agreement, the Fiscal Agent Agreement, the 2018 CFD Bond Purchase Agreement, the Special Tax Bonds, the City Letter of Representations and the Continuing Disclosure Certificate (collectively, the "City Documents") shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Special Tax Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as was described in the Preliminary Official Statement, the Authority shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of

the State, 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 Authority is a party or is otherwise subject or bound, and the performance by the Authority of its obligations under the Authority Documents, the Authority Resolution and any other instruments contemplated by any of such documents, and compliance 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, 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 Authority is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Authority of its obligations under the Authority Documents or the Authority Resolution.

C. [Reserved]

D. At the Closing Date, except as described in the Preliminary Official Statement, the City shall not be, in any respect material to the transactions referred to in the City Letter of Representations or contemplated therein, in breach of or in default under, any law or administrative rule or regulation of the State, 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 City is a party or is otherwise subject or bound, and the performance by the City of its obligations under its Special Tax Bonds, the Community Facilities District Resolution of Issuance, the City Documents, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, 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 City is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the City of its obligations under the City Documents, the Special Tax Bonds or the performance of the conditions precedent to be performed by the City under the City Documents.

E. The information contained in the Official Statement is, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and does not, as of the Closing Date or as of the date of any supplement or amendment thereto, 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.

F. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the cover page of the Official Statement, of the Bonds shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds or the Special Tax Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture or the Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds or the Special Tax Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

3. A general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by Federal, State of New York or State officials authorized to do so;

4. The introduction, proposal or enactment of any amendment to the Federal or State Constitution or any action by any Federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Authority or the City, their property, income, securities (or interest thereon), the validity or enforceability of Special Taxes, or the ability of the Authority to purchase any Special Tax Bonds as contemplated by the Official Statement;

5. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits 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;

6. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds, the Special Tax Bonds or obligations of the general character of the Bonds or the Special Tax Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;



7. There shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it impracticable, in the judgment of the Underwriter, following consultation with the Authority, to sell the Bonds;

8. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the Authority; or

9. The filing or threat of an Action described in Section 3(k) hereof or in Section (k) of the City Letter of Representations.

G. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Authority by its Treasurer or other authorized officer;

2. The Authority Documents, duly executed and delivered by all parties thereto;

3. The Authority Resolution, together with a certificate of the Secretary of the Authority, dated as of the Closing Date, to the effect that such resolution is a true, correct and complete copy of the resolution duly adopted by the Board of Directors of the Authority;

4. The Community Facilities District Resolution of Issuance, together with a certificate dated as of the Closing Date of the City Clerk to the effect that the Community Facilities District Resolution of Issuance is a true, correct and complete copy of the one duly adopted by the City Council;

5. The City Documents duly executed and delivered by all parties thereto;

6. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Authority, of Bond Counsel, in substantially the form included as Appendix E to the Official Statement;

7. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, in substantially the form attached hereto as Exhibit C;

8. An unqualified opinion of Bond Counsel addressed to the City, in form and substance acceptable to the Underwriter, as to the due authorization, execution and enforceability of the Special Tax Bonds and the Fiscal Agent Agreement.

9. A certificate, dated the Closing Date and signed by the Treasurer of the Authority or other authorized officer, to the effect that: (i) the representations of the Authority contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement

for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Authority Documents and the Authority Resolution at or prior to the Closing Date;

10. A certificate dated the Closing Date and signed by an authorized representative of the City or an authorized designee, on behalf of the City to the effect that: (i) the representations made by the City contained in the City Letter of Representations are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date, provided that any references as to the Preliminary Official Statement shall be deemed to be to the Official Statement; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the City has complied with all the agreements and satisfied all the conditions on its part to be satisfied under the City Documents prior to the Closing Date;

11. [Reserved];

12. An opinion of the City Attorney of the City, as counsel to the Authority, dated the date of Closing and addressed to the Underwriter, the Authority and the Community Facilities District, to the effect that:

(i) The Authority is a public body, corporate and politic, duly organized and validly existing as a joint powers authority under the laws of the State of California;

(ii) The Authority has full legal power and lawful authority to enter into the Authority Documents and to carry out the transactions contemplated under the Authority Documents;

(iii) The Authority Resolution was duly adopted at regular meetings of the governing body of the Authority, 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, and the Authority Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the dates of its adoption;

(iv) The Authority Documents have been duly authorized, executed and delivered by the Authority and constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

(v) To the best knowledge of such counsel, the execution and delivery of the Authority Documents and the Official Statement and compliance with the provisions thereof under the circumstances contemplated thereby: (a) do not in any material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound; and (b) do not and will not in any material respect or constitute

on the part of the Authority a violation, breach of or default under any court order or consent decree to which the Authority is subject;

(vi) The Authority Documents and the Official Statement have been duly authorized by the Board of Directors of the Authority and executed on its behalf by an authorized officer of the Authority;

(vii) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the Authority) or, to the City Attorney's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the Authority, or the titles of its members and officers to their respective offices; (b) enjoin or restrain the issuance, sale and delivery of the Bonds, the collection of the Revenues or the pledge thereof; (c) in any way question or affect any of the rights, powers, duties or obligations of the Authority with respect to the Revenues or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (d) in any way question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds; or (e) in any way question or affect the Authority Documents or the transactions contemplated by the Authority Documents, the Official Statement, or any activity regarding the Bonds;

13. An opinion of the City Attorney of the City, dated the date of Closing and addressed to the Underwriter, the Authority and the City, to the effect that:

(i) The City is a municipal corporation and general law city, corporate and politic, duly organized and existing under the Constitution and laws of the State of California;

(ii) The Community Facilities District Resolution of Issuance has been duly adopted at a meeting of the City Council, 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, and the Community Facilities District Resolution of Issuance is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iii) The City Documents and the Official Statement have been duly authorized, executed and delivered by the City and constitute the legal, valid and binding obligations of the City enforceable against the City in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases; and

(iv) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City) or, to such counsel's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City, or the titles of its members and officers to their respective offices; or (b) affect the validity of the City Documents or restrain or enjoin the repayment of the Special Tax Bonds or in any way contest or affect the validity of the City Documents or contest the authority of the City to enter into or perform its obligations under any of the City Documents or under which a determination adverse to the City would have a material adverse affect upon the financial condition or the revenues of the City, questions the right of the City to use Special Taxes levied within the Community Facilities District for the repayment of the Special Tax Bonds, or affects in any

manner the right or ability of the City to collect or pledge the Special Taxes levied within the Community Facilities District for the repayment of the Special Tax Bonds;

14. A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds and the Special Tax Bonds, including certified copies of the Indenture, the Fiscal Agent Agreement and all resolutions of the City and the Authority relating thereto;

15. A certificate dated the Closing Date from NBS addressed to the Authority, the City and the Underwriter to the effect that: (i) the Special Tax if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes of the Community Facilities District as of the Closing Date would generate at least 100% of Priority Administration and the maximum Special Taxes net of Priority Administration will generate at least 110% of the annual debt service payable with respect to the related issue of Special Tax Bonds, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements in the Official Statement provided by NBS concerning the Special Taxes and the Rate and Method of Apportionment of the Special Taxes of the Community Facilities District and all information supplied by it for use in the Official Statement as of the date of the Official Statement and as of the Closing Date did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

16. Certified copies of the general resolution of U.S. Bank authorizing the execution and delivery of certain documents by certain officers of U.S. Bank, which resolution authorizes the execution of the Indenture, the Fiscal Agent Agreement and the authentication of the Bonds and the Special Tax Bonds;

17. A certificate of U.S. Bank, addressed to the Underwriter, the Authority and the City dated the Closing Date, to the effect that: (i) U.S. Bank is authorized to carry out corporate trust powers, and have full power and authority to perform its duties under the Indenture and the Fiscal Agent Agreement; (ii) U.S. Bank is duly authorized to execute and deliver the Indenture and the Fiscal Agent Agreement, to accept the obligations created by the Indenture and the Fiscal Agent Agreement and to authenticate the Bonds and the Special Tax Bonds pursuant to the terms of the Indenture and the Fiscal Agent Agreement, respectively; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over U.S. Bank that has not been obtained is or will be required for the authentication of the Bonds or the Special Tax Bonds or the consummation by U.S. Bank of the other transactions contemplated to be performed by U.S. Bank in connection with the authentication of the Bonds and the Special Tax Bonds and the acceptance and performance of the obligations created by the Indenture and the Fiscal Agent Agreement; and (iv) to the best of its knowledge, compliance with the terms of the Indenture and the Fiscal Agent Agreement will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, trust agreement, bond, note, resolution or any other agreement or instrument to which U.S. Bank is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over U.S. Bank or any of its activities or properties;

18. An opinion of counsel to U.S. Bank, dated the Closing Date, addressed to the Underwriter, the Authority and the City to the effect that U.S. Bank is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Indenture and

the Fiscal Agent Agreement, and that each of such documents has been duly authorized, executed and delivered by U.S. Bank and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of U.S. Bank enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

19. A certificate of the Authority dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

20. An opinion of Stradling Yocca Carlson & Rauth, counsel to the Underwriter ("Underwriter's Counsel"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

21. A certificate of Integra Realty Resources, Rocklin, California in the form attached hereto as Exhibit D; and

22. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations of the Authority contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Authority and the City at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the City and the Authority in connection with the transactions contemplated hereby and by the Fiscal Agent Agreement and the Indenture and the Official Statement.

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Authority set forth in Section 7 hereof shall continue in full force and effect.

7. Conditions to the Obligations of the Authority.

A. The obligations of the Authority shall be subject to the satisfaction of the conditions contained in Section 6 of this Purchase Agreement.

B. If the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the Special Tax Bonds contained in the 2018 CFD Bond Purchase Agreement, or if the obligations of the Authority to purchase, accept delivery of and pay for the Special Tax Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the City shall be under any further obligation hereunder, except that the obligations of the Authority set forth in Section 8 hereof shall continue in full force and effect.

8. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the Authority shall pay only from the proceeds of the Bonds, or cause the City to pay out of the proceeds of the Special Tax Bonds or any other legally available funds of the City, the Community Facilities District or the Authority, but only as the Authority and such other party providing such services may agree, all expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, rating agency fees and charges, initial fees of the U.S. Bank, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the Authority, costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of the Authority's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including fees of its counsel.

9. [Reserved]

10. Notices. Any notice of other communication to be given to the Community Facilities District or the Authority under this Purchase Agreement may be given by delivering the same in writing to the City of Elk Grove, 8401 Laguna Palms Way, Elk Grove, California 95758 Attention: Director of Finance and Administrative Services; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Piper Jaffray & Co, 8880 Cal Center Drive, Suite 400, Sacramento, California 95826, Attention: Dennis McGuire.

11. Parties in Interest. This Purchase Agreement is made solely for the benefit of the Authority and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

12. Survival of Representations. The representations of the Authority under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Authority and regardless of delivery of and payment for the Bonds.

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

14. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

15. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the Authority.

16. Governing Law. This Purchase Agreement shall be governed by the laws of the State.

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17. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and the City and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

PIPER JAFFRAY & CO.

By: \_\_\_\_\_  
Its: Authorized Officer

ELK GROVE FINANCE AUTHORITY

By: \_\_\_\_\_  
Its: Treasurer



EXHIBIT A

ELK GROVE FINANCE AUTHORITY  
SPECIAL TAX REVENUE BONDS  
SERIES 2018

Schedule of Bond Maturities, Principal Amounts, Interest Rates and Yield

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>10% Test Used</i>	<i>Hold the Offering Price Used</i>
	\$	%	%			

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[<sup>f</sup> Term Bonds.]

[<sup>c</sup> Price to the optional redemption date of September 1, 20\_\_ at par.]

**Optional Redemption.** The Bonds maturing on or before September 1, 20\_\_, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 20\_\_, may be redeemed at the option of the Authority, from any source of available funds, prior to maturity on any date on or after September 1, 20\_\_, as a whole, or in part from maturities corresponding to the maturities of the Special Tax Bonds simultaneously redeemed, if any redemption of Special Tax Bonds is being accomplished in conjunction with such optional redemption, and otherwise from such maturities as are selected by the Authority, and by lot within a maturity, at a redemption price equal

to principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

**Special Mandatory Redemption.** The Bonds are subject to mandatory special redemption on any Interest Payment Date from proceeds of early redemption of Special Tax Bonds from prepayment of Special Taxes, in whole or in part, from maturities corresponding to the maturities of the Special Tax Bonds simultaneously redeemed, at the principal amount thereof, plus a premium expressed below as a percentage of the principal amount so redeemed, plus accrued interest to the date of redemption thereof:

<i>Redemption Date</i>	<i>Redemption Premium</i>
On or after March 1, 20__ through March 1, 20__	3%
September 1, 20__ and March 1, 20__	2
September 1, 20__ and March 1, 20__	1
September 1, 20__ and thereafter	0

**Mandatory Sinking Fund Redemption of Bonds.** The Bonds maturing on September 1, 20\_\_ and September 1, 20\_\_, are subject to redemption prior to their stated maturity, in part, by lot from amounts deposited into the Principal Account in the following amounts and on the following dates, at the principal amount thereof on the date fixed for redemption, without premium, but which amounts will be reduced by the principal amount of all Bonds optionally redeemed:

**Term Bond Maturing September 1, 20\_\_**

<i>Mandatory Redemption Dates (September 1)</i>	<i>Principal Amount</i>
	\$

(maturity)

**Term Bond Maturing September 1, 20\_\_**

<i>Mandatory Redemption Dates (September 1)</i>	<i>Principal Amount</i>
	\$

(maturity)

## EXHIBIT B

### LETTER OF REPRESENTATIONS OF THE CITY

Piper Jaffray & Co.  
8880 Cal Center Drive, Suite 400  
Sacramento, California 95826

Re: *City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge)  
Special Tax Bonds, Series 2018*

Ladies and Gentlemen:

In connection with the proposed offer and sale of the above-referenced bonds (the "Special Tax Bonds"), the City of Elk Grove hereby represents and covenants to Piper Jaffray & Co., as underwriter (the "Underwriter") of the Elk Grove Finance Authority Special Tax Revenue Bonds, Series 2018 (the "Bonds"), as follows:

A. The City is duly organized and validly existing as a municipal corporation and general law city under the Constitution and laws of the State of California, and has duly authorized the formation of the Community Facilities District pursuant to resolutions and ordinances duly adopted by the City Council (collectively, the "Community Facilities District Formation Resolutions" and, together with the Community Facilities District Resolutions of Issuance the "Community Facilities District Resolutions") and the Community Facilities District Act. The City Council, as the legislative body of the City and the Community Facilities District, has duly adopted the Community Facilities District Resolutions, and has caused to be recorded in the real property records of the County of Sacramento, a notice of special tax lien for CFD No. 2005-1 (the "Notice of Special Tax Lien") (the Community Facilities District Formation Resolutions and Notice of Special Tax Lien being collectively referred to herein as the "Formation Documents"). Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended. The Community Facilities District is duly organized and validly existing as a Community Facilities District under the laws of the State of California. The City has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under this Letter of Representations, the Fiscal Agent Agreement, the Indenture and the 2018 CFD Bond Purchase Agreement, and to carry out all transactions contemplated by each of such agreements; (ii) to issue, sell and deliver its Special Tax Bonds to the Authority; (iii) to enter into the Continuing Disclosure Certificate; and (iv) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Fiscal Agent Agreement, the Indenture, the 2018 CFD Bond Purchase Agreement, the Special Tax Bonds, the Purchase Agreement dated as of \_\_\_\_\_, 2018 by and between the Underwriter and the Elk Grove Finance Authority (the "Authority") and the Official Statement.

This Letter of Representations, the Fiscal Agent Agreement, the 2018 CFD Bond Purchase Agreement, the Special Tax Bonds and the Continuing Disclosure Certificate are collectively referred to herein as the "City Documents."

B. The City has complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents and the City Documents, and any immaterial

noncompliance by the City, if any, will not impair the ability of the City to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of its Special Tax Bonds, the City will continue to comply with the covenants of the City contained in the City Documents.

C. Except as described in the Preliminary Official Statement, the City is not, in any respect material to the transactions referred to herein or contemplated hereby, 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 City is a party or is otherwise subject or bound, and the performance of its obligations under the City Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the City pursuant to the City Documents, 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 City is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the City of its obligations under the City Documents or the performance of the conditions precedent to be performed by the City pursuant to the City Documents.

D. Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City of its obligations under the City Documents, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

E. The City Documents conform as to form and tenor to the descriptions thereof contained in the Preliminary Official Statement.

F. The Special Tax Bonds are payable from the Special Taxes, as set forth in the Fiscal Agent Agreement, the levy of which has been duly and validly authorized pursuant to the Community Facilities District Act and the Special Taxes within the Community Facilities District will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Special Tax Bonds when due and payable, all as provided in the Fiscal Agent Agreement. The City has covenanted to cause the Special Taxes to be levied and collected at the same time and in the same manner as ordinary *ad valorem* property taxes.

G. The Fiscal Agent Agreement creates a valid pledge of, first lien upon and security interest in, the Special Taxes, and in the moneys in the Special Tax Fund established pursuant to the Fiscal Agent Agreement, on the terms and conditions set forth in the Fiscal Agent Agreement.

H. Except as disclosed in the Preliminary Official Statement, there are, to the best of the City's knowledge, no entities with outstanding assessment liens against any of the properties within the Community Facilities District or which are senior to or on a parity with the Special Taxes referred to in paragraph (G) hereof.

I. The information contained in the Preliminary Official Statement and in the Official Statement (other than statements therein pertaining to the Authority, DTC and its book-entry system as to which no view is expressed) does not and shall not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (J) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

J. Up to and including 25 days after the End of the Underwriting Period, the City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the City and the Community Facilities District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

K. At the time of acceptance hereof there is and as of the Closing there will be no action pending (notice of which has been served on the City) or to the best knowledge of the City threatened, in which any such action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the City to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the Special Tax Bonds or the payment or collection of Special Taxes or any amounts pledged or to be pledged to pay the principal of and interest on the Special Tax Bonds or the Bonds, or in any way contests or affects the validity of the City Documents or the consummation of the transactions on the part of the City contemplated thereby; (iii) contests the exemption of interest on the Special Tax Bonds from federal or State income taxation or contests the powers of the City or Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and as of the time of acceptance hereof there is and, as of the Closing Date, there will be no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

L. Any certificate signed on behalf of the City by any officer or employee of the City authorized to do so shall be deemed a representation by the City to the Authority and the Underwriter on behalf of itself and the City as to the statements made therein.

M. At or prior to the Closing, the City will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as Appendix F to the Official Statement. Except as disclosed in the Preliminary Official Statement, the City has not failed to comply in all respects with any previous undertakings with regard to the Rule to provide annual reports or notices of material events in the last five years.

N. The City will apply the proceeds of its Special Tax Bonds in accordance with the Fiscal Agent Agreement.

O. Between the date of the Purchase Agreement and the date of Closing, the City will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Bond Purchase Agreement by and between the Authority and the Underwriter.

CITY OF ELK GROVE

By: \_\_\_\_\_  
Its: Director of Finance and  
Administrative Services

**EXHIBIT C**

**SUPPLEMENTAL OPINION OF BOND COUNSEL**

[Closing Date]

Piper Jaffray & Co., as underwriter  
Sacramento, California

Re: Elk Grove Finance Authority  
Special Tax Revenue Bonds, Series 2018

Ladies and Gentlemen:

This letter is addressed to you, as Underwriter, pursuant to Section 6.G.7. of the Bond Purchase Agreement, dated \_\_\_\_\_, 2018 (the "Purchase Agreement"), between you and the Elk Grove Finance Authority (the "Authority"), providing for the purchase of \$ \_\_\_\_\_ principal amount of Elk Grove Finance Authority Special Tax Revenue Bonds, Series 2018 (the "Bonds"). The Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2016, as amended and supplemented by the First Supplemental Indenture, dated as of \_\_\_\_\_ 1, 2018 (together, the "Indenture"), each by between the Authority and U.S. Bank National Association, as trustee (the "Trustee"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Indenture or, if not defined in the Indenture, in the Purchase Agreement.

We have delivered our final legal opinion (the "Bond Opinion") as bond counsel to the Authority concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the Authority. You may rely on such opinion as though the same were addressed to you.

In connection with our role as bond counsel to the Authority, we have reviewed the Purchase Agreement, the Indenture, the Tax Certificate, opinions of counsel to the Authority and the Trustee, certificates of the Authority, the Trustee, the special tax consultant and such other documents, opinions and matters to the extent we deemed necessary to provide the opinions or conclusions set forth herein.

The opinions and conclusions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions or conclusions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the third paragraph hereof. We have further assumed compliance with all covenants and agreements contained in such documents. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Indenture, the Tax Certificate and the Purchase Agreement and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against cities in the State of California. We express no opinion with

respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, judicial reference, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinions with respect to the plans, specifications, maps, financial report or other engineering or financial details of the proceedings, or upon the Rate and Method of Apportionment of the Special Tax for the Community Facilities District or the validity of the Special Tax levied upon any individual parcel.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.
2. The Purchase Agreement has been duly executed and delivered by, and is a valid and binding agreement of, the Authority.
3. The statements contained in the Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS" and "TAX MATTERS," and in Appendix E—"FORM OF BOND COUNSEL OPINION" and Appendix A—"SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL DOCUMENTS," excluding any material that may be treated as included under such captions by cross-reference, insofar as such statements expressly summarize certain provisions of the Indenture, the Fiscal Agent Agreement and the form and content of our Bond Opinion are accurate in all material respects.
4. We are not passing upon and do not assume any responsibility for the accuracy (except as explicitly stated in paragraph 3 above), completeness or fairness of any of the statements contained in the Official Statement, and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. We do not assume any responsibility for any electronic version of the Official Statement, and assume that any such version is identical in all respects in the printed version. In our capacity as bond counsel to the Authority in connection with the issuance of the Bonds, we participated in conferences with your representatives, your counsel, representatives of the City of Elk Grove, the Authority, their counsel, the special tax consultant and others, during which conferences the contents of the Official Statement and related matters were discussed. Based on our participation in the above-referenced conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the Authority, the City of Elk Grove, and others and on the records, documents, certificates and opinions herein mentioned (as set forth above), subject to the limitations on our role as bond and disclosure counsel to the Authority, we advise you as a matter of fact and not opinion that no facts came to the attention of the attorneys in our firm rendering legal services in connection with such issuance which caused us to believe that the Official Statement as of its date and as of the date hereof (except for any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, real estate or environmental matters, or any information about book-entry, DTC, ratings, rating agencies, underwriters, underwriting, and the information contained in Appendix G included or referred to therein, which we expressly exclude from the scope of this paragraph and as to which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or opinion rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Official Statement.



This letter is furnished by us as bond counsel to the Authority. No attorney-client relationship has existed or exists between our firm and you in connection with the Bonds or by virtue of this letter. Our engagement with respect to the Bonds has concluded with their issuance. We disclaim any obligation to update this letter. This letter is delivered to you as Underwriter of the Bonds, is solely for your benefit as such Underwriter and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

JONES HALL, A PROFESSIONAL LAW CORPORATION

## EXHIBIT D

### ELK GROVE FINANCE AUTHORITY SPECIAL TAX REVENUE BONDS SERIES 2018

#### CERTIFICATE OF APPRAISER

The undersigned, on behalf of Integra Realty Resources (the "Appraiser"), has prepared an "Appraisal Report" dated \_\_\_\_\_, 2018 (the "Appraisal Report") regarding the value of certain parcels of real property and related improvements within the City of Elk Grove Community Facilities District No. 2005-1 (Laguna Ridge) (the "Appraised Property") that are subject to the levy of special taxes, and certifies that:

1. The assumptions made in the Appraisal Report are reasonable. The Appraisal Report fairly and accurately described, as of the stated date of value, the market values of the Appraised Property.
2. The Appraiser is not aware of any event or act that occurred since the date of the Appraisal Report which, in its opinion, would materially and adversely affect the conclusions as to the market value of the Appraised Property.
3. The Appraiser consents to the reproduction of the Appraisal Report as Appendix H to the Preliminary Official Statement dated \_\_\_\_\_, 2018 (the "Preliminary Official Statement"), and the Official Statement dated \_\_\_\_\_, 2018 (the "Official Statement"), each with respect to the above-referenced bonds, and to the references to the Appraiser and the Appraisal Report made in the Preliminary Official Statement and the Official Statement.
4. The Appraiser has reviewed the Preliminary Official Statement and the Official Statement, and the statements concerning the Appraisal Report and the value of the Appraised Property contained in the Preliminary Official Statement and the Official Statement are true, correct and complete 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 or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.
5. A true and correct copy of the Appraisal Report is attached as Appendix D to the Preliminary Official Statement and as Appendix D to the Official Statement.

6. The Appraisal Report complies with the Appraisal Standards for Land-Secured Financings issued by the California Debt and Investment Advisory Commission and dated July 2004.

Dated: [closing date]

Integra Realty Resources

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT E**

**ELK GROVE FINANCE AUTHORITY  
SPECIAL TAX REVENUE BONDS  
SERIES 2018**

**FORM OF ISSUE PRICE CERTIFICATE**

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

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

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

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

(b) As set forth in the Bond Purchase Agreement, dated \_\_\_\_\_, 2018, by and between PJC and the Elk Grove Finance Authority (the "Authority"), PJC has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms.***

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

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

(c) ***Holding Period*** means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2018), or (ii) the date on which PJC has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) ***Issuer*** means the Elk Grove Finance Authority.

(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 \_\_\_\_\_, 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 PJC's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by 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.

PIPER JAFFRAY & CO.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018

**SCHEDULE A**

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

*(Attached)*

**SCHEDULE B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

**CERTIFICATION**  
**ELK GROVE FINANCE AUTHORITY RESOLUTION NO. FA2018-02**

STATE OF CALIFORNIA        )  
COUNTY OF SACRAMENTO    )        ss  
CITY OF ELK GROVE         )


*I, Jason Lindgren, Secretary of the Finance Authority of the City of Elk Grove, California, do hereby certify that the foregoing resolution was duly introduced, approved, and adopted by the Board of Directors of the Elk Grove Finance Authority at a regular meeting of the Elk Grove Finance Authority held on May 23, 2018 by the following vote:*

**AYES:        BOARDMEMBERS:        Ly, Suen, Detrick, Hume, Nguyen**

**NOES :       BOARDMEMBERS:       None**

**ABSTAIN :   BOARDMEMBERS:       None**

**ABSENT:     BOARDMEMBERS:       None**

  
\_\_\_\_\_  
**Jason Lindgren, Secretary**  
**Elk Grove Finance Authority**