

\$ _____
**SALINAS FACILITIES FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS,
SERIES 2020A**

\$ _____
**SALINAS FACILITIES FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS,
SERIES 2020B (FEDERALLY TAXABLE)**

BOND PURCHASE AGREEMENT

_____, 2020

Salinas Facilities Financing Authority
200 Lincoln Avenue
Salinas, California 93901

City of Salinas
200 Lincoln Avenue
Salinas, California 93901

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), hereby offers to enter into this Bond Purchase Agreement with you, the City of Salinas (the “**City**”) and the Salinas Facilities Financing Authority (the “**Authority**”), for the purchase by the Underwriter and the delivery by you of the Bonds specified below. The 2020A Bonds (defined below) are being issued to provide funds to (i) to prepay (1) a Lease Agreement, dated as of October 1, 2014 (the “**2014 Lease**”), by and between the City and the Authority, which is currently outstanding in the principal amount of \$[18,539,341.30]; and (2) a Lease/Purchase Agreement (Refunding of 2005 Certificates of Participation), dated as of September 1, 2015 (the “**2015 Lease**” and, together with the 2014 Lease, the “**Prior Leases**”), by and between the City and the Authority, which is currently outstanding in the principal amount of \$[7,785,000.00]; and (ii) to pay the costs of issuing the 2020A Bonds. The 2020B Bonds (defined below) are being issued to provide funds (i) to prepay the City of Salinas Variable Rate Taxable Refunding Certificates of Participation (Fairways Golf Project) Series 2008 (the “**2008 Certificates**”); and (ii) to pay the costs of issuing the 2020B Bonds. This offer is made subject to acceptance by you prior to 11:59 p.m., Los Angeles time, on the date hereof. Upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter agrees to purchase from the Authority all (but not less than all) of the \$_____ aggregate principal amount of the Authority’s Lease Revenue Refunding Bonds, Series 2020A (the “**2020A Bonds**”) and all (but not less than all) of the \$_____ aggregate principal amount of the Authority’s Lease Revenue Refunding Bonds, Series 2020 (Federally Taxable) (the “**2020B Bonds**,” and together with the 2020A Bonds, the “**Bonds**”)

The purchase price for the 2020A Bonds shall be \$_____ (being the principal amount of the 2020A Bonds, less an original issue discount in the amount of \$_____ and less an

Underwriter's discount in the amount of \$_____) and the purchase price for the 2020B Bonds shall be \$_____) (being the principal amount of the 2020B Bonds, and less an Underwriter's discount in the amount of \$_____).

The Bonds will be dated the date of delivery thereof and will have the maturities and bear interest at the rates set forth on Exhibit A hereto. The Bonds will be subject to redemption as set forth in the Indentures and Official Statement herein described. The Bonds will be issued in book-entry form only. It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Bond Purchase Agreement.

2. Authorizing Instruments and Law. The Bonds shall be issued pursuant to the provisions of a resolution (the "**Resolution**") adopted by the Authority on _____, 2020 authorizing the issuance of the Bonds and the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq.* of the California Government Code (the "**JPA Act**"). The 2002A Bonds are issued pursuant to an Indenture, dated as of August 1, 2020 (the "**2020A Indenture**"), among the Authority, the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**"), and shall be as described in the 2020A Indenture. The 2002B Bonds are issued pursuant to an Indenture, dated as of August 1, 2020 (the "**2020B Indenture**," and together with the 2020A Indenture, the "**Indentures**"), among the Authority, the City and the Trustee, and shall be as described in the 2020B Indenture.

The 2020A Bonds are limited obligations of the Authority payable primarily from and secured by certain base rental payments (the "**2020A Base Rental Payments**") to be paid by the City pursuant to a Lease Agreement, dated as of August 1, 2020, between the City and the Authority (the "**2020A Lease**"), for certain real property and the improvements thereon (the "**2020A Leased Property**").

The 2020B Bonds are limited obligations of the Authority payable primarily from and secured by certain base rental payments (the "**2020B Base Rental Payments**" and, together with the 2020A Base Rental Payments, the "**Base Rental Payments**") to be paid by the City pursuant to a Lease Agreement, dated as of August 1, 2020, between the City and the Authority (the "**2020B Lease**" and, together with the 2020A Lease, the "**Leases**"), for certain real property and the improvements thereon (the "**2020B Leased Property**" and, together with the 2020A Leased Property, the "**Leased Property**").

3. Offering the Bonds. The Underwriter agrees to offer all the Bonds to the public initially at the prices (or yields) set forth on the cover pages of the Official Statement of the Authority pertaining to the Bonds, dated _____, 2020 (the Official Statement, together with all appendices thereto, and with such changes therein and supplements thereto as are consented to in writing by the Authority, the City, the Underwriter or its legal counsel in accordance with the provisions of Sections 6(j) and 7(j) hereof or otherwise consented to by the Underwriter pursuant to Section 10(b)(v), are herein called the "**Official Statement**"). Subsequent to the initial public offering of the Bonds, the Underwriter reserves the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Bonds. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. "Public Offering" shall include an offering to a number of institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

The City and the Authority acknowledge and agree that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length commercial transaction between the City, the Authority and the Underwriter, and that the Underwriter has financial and other interests that differ from those of the City and the Authority, (ii) in connection with such transaction the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City and the Authority or any other person or entity and have not assumed a fiduciary responsibility in favor of the City or the Authority with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or are currently advising the City or the Authority on other matters), (iii) the only contractual obligations the Underwriter has to the City and the Authority with respect to the transaction contemplated hereby expressly are set forth in this Bond Purchase Agreement, except as otherwise provided by applicable rules and regulations of the SEC or the rules of the Municipal Securities Rulemaking Board (the "MSRB") and (iv) the City and the Authority have consulted with their own legal and other professional advisors to the extent they deemed appropriate in connection with the offering of the Bonds. The City and the Authority acknowledge that they have previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB relating to disclosures concerning the Underwriter's role in the transaction, disclosures concerning the Underwriter's compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

4. Delivery of Official Statement. If requested by the Underwriter, the Authority shall deliver to the Underwriter two (2) copies of the Official Statement manually executed on behalf of the Authority and the City. The Authority shall also deliver copies of the Official Statement in such quantities as the Underwriter may reasonably request in order to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending on the End Date (defined below). The Authority shall deliver these copies to the Underwriter within seven (7) business days after the execution of this Bond Purchase Agreement and in sufficient time to accompany or precede any sales confirmation that requests payment from any customer of the Underwriter. The Authority and the Underwriter hereby agree that the end of the underwriting period shall be the date of Closing (as defined below) unless the Underwriter informs the Authority in writing of a different end of the underwriting period.

"End Date" as used herein is that date which is the earlier of:

(a) twenty-five (25) days after the end of the underwriting period, as defined in SEC Rule 15c2-12 originally adopted by the Securities and Exchange Commission on June 28, 1989, as amended ("**Rule 15c2-12**"); or

(b) the time when the Official Statement becomes available from the MSRB, but in no event less than twenty-five (25) days after the underwriting period (as defined in Rule 15c2-12) ends.

The Underwriter acknowledges that the "End Date" will be the date of Closing unless the Underwriter otherwise notifies the Authority and the City in writing that the Underwriter still own some or all of the Bonds.

The Authority and the City have authorized the use of the Official Statement in connection with the public offering of the Bonds. The Authority and the City also have consented to the use by

the Underwriter prior to the date hereof of the Preliminary Official Statement dated _____, 2020, relating to the Bonds in connection with the public offering of the Bonds, (which, together with all appendices thereto, is herein called the “**Preliminary Official Statement**”). Authorized officers of the City and the Authority have certified to the Underwriter that such Preliminary Official Statement was deemed to be final as of its date for purposes of Rule 15c2-12, with the exception of certain final pricing and related information referred to in Rule 15c2-12. The Underwriter has distributed a copy of each Preliminary Official Statement to potential customers on request.

5. The Closing. At 9:00 A.M., California time, on _____, 2020, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority, the City and the Underwriter, the Authority, upon receipt of the purchase price thereof, will deliver (i) the Bonds in book-entry form through the facilities of The Depository Trust Company (“**DTC**”), and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“**Bond Counsel**”), or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery from the Authority. The Underwriter will pay the purchase price of the Bonds as set forth in Section 1 hereof by wire transfer of immediately available funds. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “**Closing**.”

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

(a) The City is a charter city of the State of California (the “**State**”) organized and operating pursuant to the law of the State with power and authority to enter into and perform its duties under the Leases, the Continuing Disclosure Certificate (the “**2020A Continuing Disclosure Certificate**”) in connection with the issuance of the 2020A Bonds; a Continuing Disclosure Certificate (the “**2020B Continuing Disclosure Certificate**”) and, together with the 2020A Continuing Disclosure Certificate, the “**Continuing Disclosure Certificates**”) in connection with the issuance of the 2020B Bonds, the Indentures, a Ground Lease relating to the 2020A Bonds, dated as of August 1, 2020 (the “**2020A Ground Lease**”), by and between the City and the Authority, a Ground Lease relating to the 2020B Bonds, dated as of August 1, 2020 (the “**2020B Ground Lease**”) and, together with the 2020A Ground Lease, the “**Ground Leases**”), by and between the City and the Authority, the Official Statement and this Bond Purchase Agreement (collectively, the “**City Documents**”).

(b) To the best knowledge of the City, neither the approval, execution and delivery of the City Documents, and compliance with the provisions on the City’s part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in a security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(c) The City Documents have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto,

constitute legal, valid and binding agreements of the City enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally, and by the application of equitable principles if sought, by the exercise of judicial discretion, and by the limitations on legal remedies imposed on actions against cities in the State.

(d) Except as may be required under blue sky or other securities laws of any state, there is no material consent, approval, authorization or other order of, or filing with, or certification by, any regulatory agency having jurisdiction over the City required for the execution and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Official Statement and this Bond Purchase Agreement.

(e) To the best of the knowledge of the City, there is, and on the Closing there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending (notice of which has been received by the City) or threatened against the City to restrain or enjoin the delivery of any of the Bonds, or the payments to be made pursuant to the Leases, or in any way contesting or affecting the validity of the City Documents or the Bonds or the authority of the City to approve this Bond Purchase Agreement, or enter into the City Documents or contesting the powers of the City to enter into or perform its obligations under any of the foregoing or in any way contesting the powers of the City in connection with any action contemplated by this Bond Purchase Agreement or to restrain or enjoin the execution, sale and delivery of the Bonds, contesting the completeness or accuracy of the Preliminary Official Statement as of its date or the Official Statement or any supplement or amendment thereto wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the City Documents to be executed by it or asserting that the Preliminary Official Statement as of its date 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 light of all the circumstances under which they were made, not misleading, or, except as described in the Preliminary Official Statement and the Official Statement, nor is there any basis for any such action, suit, proceeding or investigation.

(f) The Preliminary Official Statement provided to the Underwriter has been deemed final by the City, as required by Rule 15c2-12. As of the date thereof and at all times subsequent thereto up to and including the Closing, the information relating to the City, the Bonds, the Leased Property and the City Documents contained in the Official Statement was and will be materially complete for its intended purposes. The information relating to the City, the Bonds, the Leased Property and the City Documents contained in the Official Statement as of the date hereof is true and correct in all material respects and such information does 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 the light of the circumstances under which they were made, not misleading in any material respect.

(g) The City agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City will not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business as a foreign corporation in any jurisdiction where it is not so

qualified. The Underwriter shall be responsible for all costs relating to such qualification of the Bonds under blue sky or similar laws.

(h) By official action of the City prior to or concurrently with the execution hereof, the City has duly approved the distribution of the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Bond Purchase Agreement.

(i) To the best knowledge of the City, it is not in any material respect in breach of or default under any material applicable law or administrative regulation of the State or the United States or any material applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject and in connection with which the City is obligated to make payments from its own funds, 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 an event of default under any such instrument the consequence of which could materially and adversely affect the performance of the City under the City Documents.

(j) If between the date of this Bond Purchase Agreement and the End Date an event occurs, of which the City has knowledge, which might or would cause the information relating to the City, the City's finances, the Leased Property, or the City's functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect, the City will notify the Underwriter, and if, in the opinion of the Underwriter, the City or their respective legal counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid for by the City.

(k) If the information relating to the Leased Property, the City, its functions, duties and responsibilities contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect.

(l) The City covenants that it will comply with all tax covenants relating to it in the City Documents and the Tax Certificate of the City relating to the 2020A Bonds.

(m) Substantially all the proceeds from the sale of the Bonds (after deducting the expenses of issuance and sale of the Bonds paid for from such proceeds) will be used as set forth in the Indentures and as described in the Official Statement, and the City will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to

be applied in a manner contrary to that provided in the Indentures and the Leases, as amended from time to time.

(n) Any certificate signed by a duly authorized official of the City and delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(o) As of the time of acceptance hereof and as of the Closing, the City does not and will not have outstanding any indebtedness which is payable from the City's general fund except as disclosed in the Official Statement.

(p) Between the date of this Bond Purchase Agreement and the date of Closing, the City will not, and except as disclosed in the Official Statement, offer or issue any certificates, notes or other obligations for borrowed money, or, other than in the normal course of its operations, incur any material liabilities, direct or contingent, secured by or payable from the City's general fund.

(q) The City will undertake, pursuant to the Continuing Disclosure Certificates, to provide or cause to be provided annual financial reports and notices of certain events; a description of this undertaking is set forth in the Official Statement. Except as disclosed in the Preliminary Official Statement and Official Statement, the City and its related entities have not failed to comply in any material respect with a continuing disclosure undertaking under Rule 15c2-12 during the previous five years.

(r) The financial statements of, and other financial information regarding the City in the Official Statement fairly present the financial position and results of the operations of the City as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles applicable to cities.

7. Authority Representations, Warranties and Covenants. The Authority represents, warrants and covenants to the City and the Underwriter that:

(a) The Authority is a joint powers authority, duly organized and existing under the Constitution (the "**Constitution**") and laws of the State, including the JPA Act, with full right, power and authority to enter into, execute and deliver the Authority Documents (defined below) and to perform its obligations hereunder.

(b) By all necessary official action, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in the Bond Purchase Agreement, the Bonds, the Indentures, the Ground Leases, the Assignment Agreement relating to the 2020A Bonds, dated as of August 1, 2020 (the "**2020A Assignment Agreement**"), between the Authority and the Trustee, the Assignment Agreement relating to the 2020B Bonds, dated as of August 1, 2020 (the "**2020B Assignment Agreement**" and together with the 2020A Assignment Agreement, the "**Assignment Agreements**"), between the Authority and the Trustee and the Leases (collectively, 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 hereto, 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, to the exercise of judicial discretion and to the limitations on legal remedies against joint powers authorities in California. The Authority has complied and will at the Closing be in compliance in all respects, with the terms of the Authority Documents.

(c) The Bonds, when issued in accordance with the Indentures, will be valid and binding limited obligations of the Authority, entitled to the benefits of the Indentures and enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors' rights generally, to the exercise of judicial discretion and to the limitations on legal remedies against joint powers authorities in California.

(d) As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, to the best knowledge of the Authority, the Authority is not and will not be in any material respect in breach of or in default under any 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 thereof do 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 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 under the terms of any such law, regulation or instrument except as provided in the Authority Documents.

(e) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending (notice of which has been received by the Authority), or to the best knowledge of the Authority threatened against the Authority in any material respect:

(i) affecting the existence of the Authority or the titles of the officers of the Authority to their respective offices;

(ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Authority Documents or the consummation of the transactions on the part of the Authority contemplated thereby, or contesting the exclusion of the interest on the Bonds from Federal or State taxation, as applicable, or contesting the powers of the Authority or its authority to

enter into the respective Leases and to pledge the respective Base Rental Payments for repayment of the Bonds;

(iii) which may result in any material adverse change relating to the financial condition of the Authority;

(iv) contesting the completeness or accuracy of the Preliminary Official Statement as of its date or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement as of its date 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 light of all the circumstances under which they were made, not misleading; or

(v) challenging the ability of the Authority to sell the Bonds to the Underwriter.

(f) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the blue sky laws or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; *provided however*, that in no event shall the Authority be required to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject.

(g) Any certificate signed by a duly authorized officer of the Authority and delivered to the Underwriter shall be deemed to be a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(h) As of the time of acceptance hereof and as of the date of Closing, except as otherwise disclosed in the Official Statement, the Authority has complied with the filing requirements of the JPA Act.

(i) The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement from the delivery of the Official Statement to the End Date and will not effect or consent to any such amendment or supplement without prior consultation with the Underwriter. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(j) For a period beginning on the date hereof and continuing until the End Date, (a) the Authority will not adopt any amendment of, or supplement to, the Official Statement without prior consultation with the Underwriter and Kutak Rock LLP, counsel to the Underwriter (“**Underwriter’s Counsel**”) and (b) if any event relating to or affecting the Authority shall occur as a result of which it is necessary, in the opinion of the Underwriter and Underwriter’s Counsel, to amend or supplement the Official Statement in order to make the Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser of the Bonds, the Authority will forthwith cause the City to prepare and furnish to the Underwriter a reasonable number of copies of an amendment of, or supplement to, the Official Statement (in form and

substance satisfactory to Underwriter's Counsel) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser of the Bonds, not misleading.

8. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the 2020A 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 B, 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 2020A Bonds.

(b) 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 2020A Bonds (the "**10% test**") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of 2020A Bonds. If at that time the 10% test has not been satisfied as to any maturity of the 2020A Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold 2020A Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all 2020A Bonds of that maturity or (ii) the 10% test has been satisfied as to the 2020A Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this Section, if 2020A Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the 2020A Bonds.

Subsection (c) shall apply only if the Underwriter agrees to apply the hold-the-offering-price rule, as described below.

(c) The Underwriter confirms that it has offered the 2020A Bonds to the public on or before the date of this Bond 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, as of the date of this Bond Purchase Agreement, the maturities, if any, of the 2020A Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Bond Purchase Agreement) and (ii) 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 2020A Bonds, the Underwriter will neither offer nor sell unsold 2020A 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:

(A) the close of the fifth (5th) business day after the sale date; or

(B) the date on which the Underwriter has sold at least 10% of that maturity of the 2020A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the 2020A Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the 2020A 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 third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold 2020A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2020A Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the 2020A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of 2020A Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the 2020A Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the 2020A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 2020A Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold 2020A Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all 2020A Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the 2020A Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Authority acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the 2020A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if

applicable to the 2020A Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the 2020A Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020A Bonds, as set forth in the third-party 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 third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2020A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020A Bonds.

(f) The Underwriter acknowledges that sales of any 2020A Bonds to any person that is a related party to an underwriter participating in the initial sale of the 2020A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

a. “public” means any person other than an underwriter or a related party;

b. “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 2020A 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 2020A Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the 2020A Bonds to the public);

c. a purchaser of any of the 2020A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

d. “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

9. Closing Conditions. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Authority and the City of their respective obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations hereunder are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Authority and the City contained herein shall be true and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing:

(i) the City Documents and the Authority Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the prior written consent of the Underwriter;

(ii) there shall be in full force and effect such resolutions (the “**Authorizing Resolutions**”) as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions on the part of the Authority and the City contemplated by the City Documents and the Authority Documents;

(iii) the Authority shall perform or have performed its obligations required or specified in the Authority Documents to be performed at or prior to Closing;

(iv) the City shall perform or have performed its obligations required as specified in the City Documents to be performed at or prior to Closing; and

(v) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraph 6(j) or 7(j), or as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing under the Authority Documents or the City Documents and neither the Authority nor the City shall be in default in the payment of principal or interest on any of its bonded indebtedness or other obligations payable from the City’s general fund which default shall adversely impact the ability of the Authority to make payments on the Bonds or the City to make payments pursuant to the Leases.

(d) Termination Events. The Underwriter shall have the right to terminate this Bond Purchase Agreement, without liability therefor, by written notification to the Authority and the City if at any time at or prior to the Closing the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected in the reasonable judgment of the Underwriter (evidenced by a written notice to the City and the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) by reason of any of the following:

(i) an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of the Authority Documents or the City Documents in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for

consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other Federal or State authority materially adversely affecting the Federal or State tax status of the Authority or the City, or the interest on bonds or notes or obligations of the general character of the Bonds; or

(ii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the States or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(iii) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indentures need to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(iv) the New York Stock Exchange or other national securities exchange, or any governmental or regulatory authority, shall impose, as to the Bonds or obligations of the general character of the 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; or

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

(vi) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(vii) the commencement of any action, suit or proceeding described in Paragraphs 6(e) or 7(e) hereof; or

(viii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(ix) any event occurring or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue or incorrect 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; or

(x) any rating of the Bonds or other obligations of the City shall have been downgraded, suspended or withdrawn or placed on negative outlook or negative watch by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds; or

(xi) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Authority or the City; or

(xii) any fact or event shall exist or have existed that requires or has required an amendment of or supplement to the Official Statement in which the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected in the reasonable judgment of the Underwriter; or

(xiii) there shall have occurred any materially adverse change in the affairs or financial condition of the Authority or the City; or

(xiv) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

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

(xvi) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Bond Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Exchange Act and the Trust Indenture Act.

(e) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents:

(1) Bond Opinion. The approving opinions of Bond Counsel dated the date of Closing and substantially in the forms included as APPENDIX D to the Official Statement and a reliance letter(s) thereon dated the date of Closing addressed to the Underwriter and the Trustee.

(2) Supplemental Opinion. A supplemental opinion of Bond Counsel dated the date of Closing, addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions “INTRODUCTION,” “THE 2020 BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE 2020 BONDS,” and “TAX MATTERS,” and in “APPENDIX B – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS” and “APPENDIX D – PROPOSED FORMS OF BOND COUNSEL OPINIONS,” excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of the Bonds, the Leases, the Ground Leases, the Indentures, and Bond Counsel’s final opinion concerning certain federal tax matters relating to the 2020A Bonds, are accurate in all material respects as of the date of Closing; provided, that Bond Counsel need not express any opinion with respect to any financial or statistical data contained therein or with respect to DTC or the book-entry system in which the Bonds are initially delivered;

(B) The Leases, the Ground Leases, the Assignment Agreements, the Continuing Disclosure Certificates and this Bond Purchase Agreement have been duly authorized, executed and delivered by the City and the Authority, as applicable, and are valid, legal and binding agreements of the City and the Authority enforceable in accordance with their terms, except that the rights and obligations under the Leases, the Ground Leases, the Assignment Agreements, the Continuing Disclosure Certificates and this Bond Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein.

(C) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indentures are exempt from qualification under the Trust Indenture Act of 1939, as amended.

(3) Negative Assurance Letter of Disclosure Counsel. A letter of Stradling Yocca Carlson & Rauth, a Professional Corporation, Disclosure Counsel to the Authority and the City dated the date of Closing and addressed to the Authority, the City, and the Underwriter to the effect that based upon their participation in the preparation of the Official Statement as Disclosure Counsel to the Authority and without having undertaken to determine independently the accuracy or completeness of the contents in the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement (except for the completion of pricing information and any other matters or terms of the Bonds relating thereto) as of its date or as of the date of this Bond Purchase Agreement or the Official Statement as of its date or as of the date of the Closing (except that no opinion is expressed as to any financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, maps, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, assessed values, market absorption, real estate, ownership, environmental or archaeological matters, Appendices A, B, C, D, or F thereto, or any information about book entry, The Depository Trust Company, debt service requirements or tax exemption 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 any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(4) Opinion of City Attorney. An opinion of the City Attorney, dated the date of the Closing and addressed to the Authority, the Trustee and the Underwriter, to the effect that:

(A) the City is a charter city duly organized and validly existing under the Constitution and laws of the State of California;

(B) the resolution of the City approving and authorizing the execution and delivery of the City Documents and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City was duly adopted at a meeting of the governing body of the City 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 resolution is now in full force and effect and has not been amended or superseded in any way;

(C) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the City has been served or, to such counsel's knowledge, threatened against or affecting the City, except as may be disclosed in the Official Statement, which would materially adversely impact the City's ability to complete the transactions contemplated by the City Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of the respective Base Rental Payments with respect to the respective Leases, or in any way contesting or affecting the validity of the Bonds, the Official Statement or the City Documents;

(5) Authority Counsel Opinion. An opinion of counsel to the Authority, dated the date of the Closing and addressed to the City, the Trustee and the Underwriter, to the effect that:

(A) the Authority is a joint exercise of powers authority organized and existing under the laws of the State of California;

(B) the resolution of the Authority approving and authorizing the execution and delivery of the Authority Documents, the Bonds and the Official Statement and other actions of the Authority was duly adopted at a meeting 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 resolution is now in full force and effect and has not been amended or superseded in any way;

(C) to the knowledge of such counsel, there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending with respect to which the Authority has been served or, to the such counsel's knowledge, threatened against or affecting the Authority, except as may be disclosed in the Official Statement, which would materially adversely impact the Authority's ability to complete the transactions contemplated by the Authority Documents, the Official Statement or any other document or certificate related to such transactions, restrain or enjoin the collection of the respective Base Rental Payments with respect to the respective Leases, or in any way contesting or affecting the validity of the Bonds, the Official Statement, the Authority Documents or the transactions described in and contemplated thereby wherein an unfavorable decision, ruling or finding would materially adversely affect the validity and enforceability of the Bonds or the Authority Documents or in which a final adverse decision could materially adversely affect the operations of the Authority;

(D) to the knowledge of such counsel, the execution and delivery of the Authority Documents and the issuance of the Bonds and compliance with the provisions thereof, do not and will 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 or any existing law, regulation, court order or consent decree to which the Authority is subject, which breach or default has or may have a material adverse effect on the ability of the Authority to perform its obligations under the Authority Documents;

(6) Underwriter's Counsel Opinion. An opinion of Underwriter's Counsel, dated the date of the Closing addressed to the Underwriter, in such form as may be acceptable to the Underwriter.

(7) City Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter to the effect that: (a) the representations, warranties and covenants of the City contained in this Bond Purchase Agreement are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (b) the City has complied with all agreements, covenants and conditions to be complied with by the City at or prior to the Closing under the City Documents; (c) to the best of such official's knowledge, no event affecting the City has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(8) Authority Certificate. A certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by the President or other duly authorized officer of the Authority to the effect that (a) the representations, warranties and covenants of the Authority contained herein and in the Authority Documents are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing; (b) the Authority has complied with all agreements, covenants and conditions to be complied with by the Authority at or prior to the Closing under the Authority Documents and (c) to the best of such official's knowledge, no event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(9) Trustee's Certificate. A certificate of the Trustee, dated the Closing Date, in form and substance acceptable to the Authority, Bond Counsel, the Underwriter and Underwriter's Counsel.

(10) Trustee Incumbency Certificate. A certified copy of a certificate of an officer of the Trustee certifying as to the incumbency, signature and signing authority of the officers who have executed and delivered the Indentures and Assignment Agreements and agreed to accept the duties of Trustee under the Indentures and Assignment Agreements.

(11) Trustee Counsel's Opinion. An opinion, dated the date of the Closing addressed to the Authority, the City and the Underwriter, of Trustee's Counsel, in form and content satisfactory to the Authority, Bond Counsel, the Underwriter and Underwriter's Counsel.

(12) Title Policies. A copy of a CLTA or ALTA title insurance policy in an amount equal to the principal amount of the 2020A Bonds, insuring the City's leasehold interest in the 2020A Leased Property, subject only to Permitted Encumbrances (as defined in the 2020A Lease)

or such other acceptable encumbrances and a copy of a CLTA or ALTA title insurance policy in an amount equal to the principal amount of the 2020B Bonds, insuring the City's leasehold interest in the 2020B Leased Property, subject only to Permitted Encumbrances (as defined in the 2020B Lease) or such other acceptable encumbrances.

(13) Transcripts. Two CD transcripts of the proceedings prepared by Bond Counsel relating to the authorization and issuance of the Bonds will be delivered in due course after the Closing.

(14) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Authority by a duly authorized officer of each.

(15) Documents. An original executed or certified copy of each of the Authority Documents, the City Documents and the Joint Exercise of Powers Agreement (the "**JPA Agreement**"), dated as of January 1, 2014, between the City and the Parking Authority of the City of Salinas.

(16) City Resolution. Certified copy by the City Clerk, of each resolution of the City relating to the City Documents, the actions contemplated thereby, provided that such resolutions may be contained in the transcripts.

(17) Authority Resolution. Certified copy by the Secretary or Assistant Secretary of the Authority, of each resolution of the Authority relating to the Authority Documents, the Bonds and the transactions contemplated thereby, provided that such resolutions may be contained in the transcripts.

(18) IRS Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing.

(19) Tax/Arbitrage Certificate. A tax/arbitrage certificate in form satisfactory to Bond Counsel relating to the 2020A Bonds, including the Issue Price Certificate in the form attached hereto as Exhibit B.

(20) Rating. Evidence as of the Closing satisfactory to the Underwriter that the Bonds have received the rating set forth in the Official Statement and that such rating has not been reduced or withdrawn.

(21) Certificate of Verification Agent. A letter addressed to the Underwriter, the Authority and Bond Counsel, dated the date of the Closing, from _____ (the "**Verification Agent**"), verifying the accuracy of the Verification Agent's computations, as a result of the deposit and application of certain funds with the trustee for the 2008 Certificates, that the 2008 Certificates will be prepaid and defeased in full pursuant to the provisions of the 2008 Lease and the 2008 Trust Agreement as of the date of issuance of the 2020B Bonds.

(22) CDIAC Statement. A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 53583 of the Government Code and Section 8855(g) of the Government Code.

(23) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter and Bond Counsel may reasonably deem necessary.

If the Authority or the City shall be unable to satisfy the conditions contained in this Bond Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement may be terminated by the Underwriter, and none of the Underwriter, the Authority or the City shall be under further obligation hereunder.

10. Expenses. Except as otherwise provided in this Section, the Underwriter shall be under no obligation to pay, and the Authority or the City shall pay or cause to be paid, the expenses incident to the performance of the obligations of the Authority and the City hereunder including but not limited to:

(a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the City Documents and the Authority Documents and the cost of preparing, printing, issuing and delivering the Bonds;

(b) the fees and disbursements of any counsel, municipal advisors, accountants, verification agent or other experts or consultants retained by the Authority or the City;

(c) the fees and disbursements of Bond Counsel and Disclosure Counsel;

(d) the cost of preparation and printing the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement, including a reasonable number of copies thereof for distribution by the Underwriter; and

(e) charges of rating agencies for the rating of the Bonds.

The Underwriter shall pay all expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds including, but not limited to: (i) the fees and disbursements of Underwriter's Counsel; and (ii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds (including other expenses, fees of the California Debt and Investment Advisory Commission, CUSIP Service Bureau fees, and any other fees and expenses), except as otherwise provided in the preceding paragraph or otherwise agreed to by the Underwriter, the Authority and the City in writing. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

11. Notice. Any notice or other communication to be given to the Underwriter may be given by delivering the same to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Public Finance. Any notice or other communication to be given to the Authority or the City pursuant to this Bond Purchase Agreement may be given by delivering the same in writing to such entity, at the addresses set forth on the cover page hereof.

12. Entire Agreement. This Bond Purchase Agreement, when accepted by the Authority and the City, shall constitute the entire agreement among the Authority, the City and the Underwriter and is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of any Underwriter). Except as provided in Section 16 below, no other person shall acquire or have any right hereunder by virtue hereof, except as provided herein.

All the Authority's and the City's representations, warranties and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of (a) delivery of and payment for the Bonds hereunder, and (b) any termination of this Bond Purchase Agreement.

13. Definitions. Terms not otherwise defined herein shall have the same meaning as when used in the Indentures or the Leases.

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

15. State of California Law Governs. The validity, interpretation and performance of the Authority Documents shall be governed by the laws of the State.

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

17. Counterparts. This Bond 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.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

SALINAS FACILITIES FINANCING AUTHORITY

By: _____

Title: _____

Time of Execution: _____ p.m. California time

CITY OF SALINAS

By: _____

Title: _____

Time of Execution: _____ p.m. California time

[EXECUTION PAGE OF BOND PURCHASE AGREEMENT]

EXHIBIT A

MATURITY SCHEDULE

\$ _____

**SALINAS FACILITIES FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS,
SERIES 2020A**

MATURITY SCHEDULE

<u>Maturity (_____ 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule (<i>marked if used</i>)</u>
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
20__ ^(T)							

^(T) Term Bond.

^(C) Priced to optional call at [par] on _____ 1, 20____.

* At the time of execution of this Bond Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Bond Purchase Agreement.

\$ _____
SALINAS FACILITIES FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS,
SERIES 2020B (FEDERALLY TAXABLE)

MATURITY SCHEDULE

Maturity (_____ 1)	Principal Amount	Interest Rate	Yield	Price
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
20__ ^(T)				
20__ ^(T)				

^(T) Term Bond.

EXHIBIT B

\$ _____

**SALINAS FACILITIES FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS,
SERIES 2020A**

FORM OF ISSUE PRICE CERTIFICATE

[TO COME FROM BOND COUNSEL]