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GARDEN GROVE PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2020A

BOND PURCHASE AGREEMENT

_____, 2020

Garden Grove Public Financing Authority
c/o City of Garden Grove
11222 Acacia Parkway,
Garden Grove, California 92840

City of Garden Grove
11222 Acacia Parkway,
Garden Grove, California 92840

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the Garden Grove Public Financing Authority (the “**Authority**”) and the City of Garden Grove (the “**City**”) for the purchase by the Underwriter of the Garden Grove Public Financing Authority Water Revenue Bonds, Series 2020A (the “**Bonds**”). This offer is made subject to the Authority’s and the City’s acceptance by execution of this Purchase Agreement and delivery of the same to the Underwriter on or before 11:59 p.m. Pacific Time on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to such acceptance. Upon the Authority’s and the City’s acceptance hereof, the Purchase Agreement will be binding upon the Authority, the City and the Underwriter.

The Authority and the City acknowledge and agree that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the Authority, the City, 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 agent or Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)), and has not assumed any advisory or fiduciary responsibility in favor of the Authority or the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Authority or the City on other matters); (iii) the only obligations the Underwriter has to the Authority and the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; (iv) the Authority and the City have consulted their own legal, financial, accounting, tax and other advisors to the extent each has deemed appropriate; (v) the Underwriter has financial interests that differ from and may be adverse to those of the City and the Authority; and (vi) the Underwriter has provided the Authority and the City with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “**MSRB**”). The Authority and the City acknowledge and represent that they have engaged Fieldman, Rolapp & Associates, Inc. as their municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely on the financial advice of Fieldman, Rolapp & Associates, Inc. with respect to the Bonds.

Capitalized terms used in this Purchase Agreement and not otherwise defined herein will have the respective meanings set forth for such terms in the Indenture (as hereinafter defined).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations set forth in this Purchase Agreement, the Underwriter agrees to purchase from the Authority, and the Authority agrees to sell and deliver to the Underwriter, all (but not less than all) of the Bonds at a purchase price of \$_____ (being an amount equal to the principal amount of the Bonds (\$_____)), *plus* an original issue premium of \$_____, and *less* an underwriter's discount of \$_____. The obligation of the Underwriter to purchase, accept delivery of and pay for the Bonds will be conditioned on the sale and delivery of all of the Bonds by the Authority to the Underwriter at Closing (hereinafter defined).

Section 2. Bond Terms; Purpose; Security.

(a) Bond Terms and Authorization. The Bonds will be dated their date of delivery and will mature and bear interest as shown on Exhibit A. The Bonds will be as described in, and will be issued and secured under, an Indenture of Trust, dated as of November 1, 2020 (the "**Indenture**"), by and between the Authority and U.S. Bank National Association, as trustee (the "**Trustee**"). The Bonds are payable and subject to redemption as shown in Exhibit A.

The Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code, the Authority Resolution (as hereinafter defined) and the City Resolution (as hereinafter defined).

(b) Purpose. The Authority is issuing the Bonds to provide funds to: (i) finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Water System; (ii) to refund the Garden Grove Public Financing Authority's Water Revenue Bonds, Series 2010A (Tax-Exempt), Series 2010B (Federally Taxable Direct Pay Build America Bonds) and Series 2010C (Federally Taxable Recovery Zone Economic Development Bonds) (collectively, the "**2010 Bonds**"); and (iii) and pay costs incurred in connection with the issuance of the Bonds. The 2010 Bonds were issued pursuant to an Indenture of Trust, dated as of May 1, 2010 (the "**2010 Indenture**"), by and between the Authority and U.S. Bank National Association as trustee (the "**Prior Trustee**").

Pursuant to an Escrow Agreement (2010 Bonds), dated as of November 1, 2020 (the "**Escrow Agreement**"), by and among the Authority, the City and U.S. Bank National Association, as escrow agent (the "**Escrow Agent**") and as trustee of the 2010 Bonds the Authority will cause a portion of the proceeds of the Bonds to be deposited into separate escrow accounts held by the Escrow Agent under the Escrow Agreement.

(c) Security. Under the Indenture, the Bonds will be secured by and payable from "**Authority Revenues**" and amounts on deposit in certain funds and accounts established by the Indenture. Authority Revenues includes installment payments (the "**Series 2020 Installment Payments**") received by the Authority or the Trustee pursuant to or with respect to an Installment Purchase Agreement, dated as of November 1, 2020 (the "**Installment Purchase Agreement**"), by and between the City and the Authority.

Under the Installment Purchase Agreement, the Series 2020 Installment Payments are to be secured by an irrevocable pledge of "**Revenues**" and payable from "**Net Revenues**" (each as defined therein). Net Revenues generally consist of revenues of the Water System less operation and maintenance costs of the Water System, as more particularly described in the Installment Purchase Agreement. The obligation of the City to make Series 2020 Installment Payments will be payable from Net Revenues on a parity with the City's obligation to pay debt service on the City of Garden Grove Water Revenue Refunding Bonds, Series 2015

(the “**2015 Bonds**”). The 2015 Bonds were issued pursuant to an Indenture of Trust, dated as of October 1, 2015 (the “**2015 Indenture**”), by and between the City and U.S. Bank National Association, as trustee.

Section 3. Public Offering. The Underwriter agrees to make an initial bona fide public offering of all of the Bonds, at not in excess of the initial public offering yields or prices set forth on Exhibit A. Following the initial public offering of the Bonds, the offering prices may be changed from time to time by the Underwriter, provided that the Underwriter shall not change any of the principal amounts or the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Bonds are subject to redemption as set forth in Exhibit A.

Section 4. Official Statement; Continuing Disclosure. (a) The Authority and the City have delivered to the Underwriter the Preliminary Official Statement dated _____, 2020 (the “**Preliminary Official Statement**”) and will deliver to the Underwriter a final official statement dated the date of this Purchase Agreement (as amended and supplemented from time to time pursuant to Section 5(i) of this Purchase Agreement, the “**Official Statement**”). Subsequent to its receipt of the Authority’s and the City’s 15c2-12 Certificate, in substantially the form attached hereto as Exhibit B, deeming the Preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission, as amended (“**Rule 15c2-12**”), the Underwriter has distributed copies of the Preliminary Official Statement. The Authority and the City hereby ratify the use by the Underwriter of the Preliminary Official Statement and authorize the Underwriter to use and distribute in printed and/or electronic format the Official Statement (including all information previously permitted to have been omitted by Rule 15c2-12, and any supplements and amendments thereto as have been approved by the Authority and the City as evidenced by the execution and delivery of such document by an officer of the Authority and the City), the Indenture, the Installment Purchase Agreement, the Escrow Agreement, this Purchase Agreement, the Continuing Disclosure Agreement (hereinafter defined), and all information contained therein, and all other documents, certificates and written statements furnished by the Authority and the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement, in connection with the offer and sale of the Bonds by the Underwriter.

The Underwriter hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Marketplace Access website of the MSRB on or before the date of the Closing and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and Rule 15c2-12. The Authority and the City agree to deliver to the Underwriter as many copies of the Official Statement as the Underwriter will reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12. The Authority and the City agree to deliver the final Official Statement within seven business days after the execution hereof, or such earlier date identified by the Underwriter to be necessary to allow the Underwriter to meet its obligations under Rule 15c2-12 and Rule G-32 of the MSRB.

(b) The Underwriter agrees to: (1) provide the Authority with final pricing information on the Bonds on a timely basis prior to the Closing and (2) take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and MSRB rules governing the offering, sale and delivery of the Bonds to ultimate purchasers.

(c) In connection with issuance of the Bonds, and in order to assist the Underwriter with complying with the provisions of Rule 15c2-12, the City will execute a Continuing Disclosure Agreement (the “**Continuing Disclosure Agreement**”) by and between the City and Applied Best Practices, LLC, as Dissemination Agent, under which the City will undertake, on behalf of the Authority, to provide certain financial and operating data as required by Rule 15c2-12. The form of the Continuing Disclosure Agreement is attached as an appendix to the Preliminary Official Statement and will be attached as an appendix to the final Official Statement.

Section 5. Representations, Warranties and Covenants of the Authority. The Authority hereby represents, warrants and agrees with the Underwriter that:

(a) The Authority is a joint exercise of powers authority duly organized and existing under the laws of the State of California (the “**State**”) and has all necessary power and authority to adopt the Authority Resolution (as hereinafter defined), to enter into and perform its duties under the Indenture, the Installment Purchase Agreement, the Escrow Agreement, and this Purchase Agreement (collectively, the “**Authority Agreements**”) and, when executed and delivered by the respective parties thereto, each Authority Agreement will constitute legal, valid and binding obligation of the Authority enforceable in accordance with its respective terms.

(b) The Board of Directors (the “**Board**”) of the Authority has taken official action by a resolution adopted on _____, 2020 (the “**Authority Resolution**”) adopted by a majority of the members of the Board at a regular meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the Authority Agreements and the Official Statement and the taking of any and all such action as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated hereby.

(c) By all necessary official action, the Authority has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the Bonds and the Authority Agreements, and the consummation by it of all other transactions contemplated by the Authority Resolution, the Authority Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered by the respective parties thereto, the Authority Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the Authority, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) The statements and information contained in the Official Statement relating to the Authority and the Bonds (other than information relating to DTC and its book-entry only system) are correct and complete in all material respects, and the information contained in the Official Statement (other than information relating to DTC and its book-entry only system) does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading.

(e) As of the date hereof, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against the Authority or, to the best knowledge of the Authority, threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the Authority, or the titles of its members or officers; (ii) in any way question or affect the validity or enforceability of Authority Agreements or the Bonds; or (iii) in any way question or affect the Authority Agreements or the transactions contemplated by the Authority Agreements, the Official Statement, or any other agreement or instrument to which the Authority is a party relating to the Bonds.

(f) There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the Authority required for the execution and delivery of this Purchase Agreement or the consummation by the Authority of the other transactions contemplated by the Official Statement or the Authority Agreements.

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

(h) Except as previously disclosed to the Underwriter, the Authority is not in default, and at no time has the Authority defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i)

(1) If between the date of this Purchase Agreement and the date which is 25 days following the End of the Underwriting Period (as defined below), any event will occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to 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, the Authority will immediately notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. **“End of the Underwriting Period”** will mean the later of: (i) the date of the Closing, and (ii) the date 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, provided that unless the Underwriter notifies the Authority on or prior to the date of the Closing that it retains, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public, the End of the Underwriting Period will be deemed to have occurred on the date of the Closing.

(2) After the Closing, the Authority will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter reasonably objects in writing or which is disapproved by Underwriter’s Counsel (hereinafter defined). If any event relating to or affecting the Authority occurs as a result of which it is necessary, in the opinion of the Underwriter, 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, the Authority will use its best efforts to assist the Underwriter in preparing (at the expense of the Authority for 90 days after the date of the Closing, and thereafter at the expense of the Underwriter) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) 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, not misleading. For the purposes of this subsection, the Authority will furnish such information with respect to itself as the Underwriter may from time to time reasonably request.

(j) Except as disclosed in the Official Statement, the Authority has not previously failed to comply in all material respects with any undertakings under Rule 15c2-12 during the past five years.

(k) The Authority will comply with the defeasance and redemption provisions of the 2010 Indenture in connection with the refunding of all of the outstanding 2010 Bonds.

(l) The Authority covenants with the Underwriter that the Authority will cooperate with the Underwriter (at the cost and written directions of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdiction of the United States as the Underwriter may reasonably request; provided, however, that the Authority shall not be required to consent to suit or to service

of process, or to qualify to do business, in any jurisdiction. The Authority consents to the use by the Underwriter of the Authority Agreements, the Preliminary Official Statement and the Official Statement in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions related to the offering and sale of the Bonds.

Section 6. Representations, Warranties and Covenants of the City. The City hereby represents, warrants and agrees with the Underwriter that:

(a) The City is a municipal corporation and general law city that is duly organized and existing under the Constitution of the State (the “**State**”) and has all necessary power and authority to adopt its resolution adopted on _____, 2020 (the “**City Resolution**”), to enter into and perform its duties under the Installment Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Agreement and this Purchase Agreement (collectively, the “**City Agreements**”) and, when executed and delivered by the respective parties thereto, the City Agreements will constitute legal, valid and binding obligations of the City enforceable in accordance with their respective terms.

(b) The city council (the “**City Council**”) of the City has taken official action by adopting the City Resolution by a majority of the members of the City Council at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the execution, delivery and due performance of the City Agreements and the Official Statement and the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated hereby.

(c) By all necessary official action, the City has duly adopted the City Resolution, has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the City Agreements, and the consummation by it of all other transactions contemplated by the City Resolution, the City Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered by the respective parties thereto, the City Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State.

(d) At the time of the City’s acceptance hereof and at all times subsequent thereto up to and including the time of the Closing, the information and statements in the Official Statement (other than any information concerning the Authority, the Depository Trust Company and the book-entry system for the Bonds or provided by the Underwriter) do 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.

(e) As of the date hereof, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against the City or, to the best 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 or officers; (ii) in any way question or affect the validity or enforceability of City Agreements or the Bonds, or (iii) in any way question or affect the Purchase Agreement or the transactions contemplated by the Purchase Agreement, the Official Statement, or any other agreement or instrument to which the City is a party relating to the Bonds.

(f) There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the City required for the execution and delivery of this Purchase Agreement or the consummation by the City of the other transactions contemplated by the Official Statement or the City Agreements.

(g) 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 Underwriter as to the statements made therein.

(h) Except as previously disclosed to the Underwriter, the City is not in default, and at no time has the City defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(i)

(1) Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the City since June 30, 2019, and there has been no occurrence or circumstance or combination thereof that is reasonably expected to result in any such materially adverse change.

(2) If between the date of this Purchase Agreement and the date which is 25 days following the End of the Underwriting Period, any event will occur which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to 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, the City will immediately notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will at its expense supplement or amend the Official Statement in a form and in a manner approved by the Underwriter.

(3) After the Closing, the City will not participate in the issuance of any amendment or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter reasonably objects in writing or which is disapproved by Underwriter's Counsel. If any event relating to or affecting the City occurs as a result of which it is necessary, in the opinion of the Underwriter, 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, the City will use its best efforts to assist the Underwriter in preparing (at the expense of the City for 90 days after the date of the Closing, and thereafter at the expense of the Underwriter) a reasonable number of copies of an amendment or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) 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, not misleading. For the purposes of this subsection, the City will furnish such information with respect to itself as the Underwriter may from time to time reasonably request.

(j) Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, the City has not previously failed to comply in all material respects with any undertakings under Rule 15c2-12 in the past five years. The report of Lumesis, Inc. dated _____, 2020 (the "**Continuing Disclosure Due Diligence Report**") identifies all of the issues for which the Authority and the City were obligated to provide continuing disclosure under Rule 15c2-12 during the past five years.

(k) The City does not need the consent of its auditor to include its comprehensive annual financial report for the fiscal year ended June 30, 2019 as an appendix to the Official Statement.

(l) The City will comply with the defeasance and redemption provisions of the 2010 Indenture in connection with the refunding of all of the outstanding 2010 Bonds.

(m) The City covenants with the Underwriter that the City will cooperate with the Underwriter (at the cost and written directions of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdiction of the United States as the Underwriter may reasonably request; provided, however, that the City shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The City consents to the use by the Underwriter of the City Agreements, the Preliminary Official Statement and the Official Statement in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions related to the offering and sale of the Bonds.

Section 7. The Closing. (a) At 8:30 A.M., Pacific Time, on _____, 2020, or on such earlier or later time or date as may be agreed upon by the Underwriter, the Authority and the City (the “**Closing**”), the Authority will deliver the Bonds to the Underwriter, through the book-entry system of The Depository Trust Company (“**DTC**”). Prior to the Closing, the Authority and the City will deliver, at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation (“**Bond Counsel**”) in Newport Beach, California, or such other place as is mutually agreed upon by the Underwriter and the Authority, the other documents described in this Purchase Agreement. On the date of the Closing, the Underwriter will pay the purchase price of the Bonds as set forth in Section 1 of this Purchase Agreement in immediately available funds to the order of the Trustee.

(b) The Bonds will be issued in fully registered form and will be prepared and delivered as one Bond for each maturity registered in the name of a nominee of DTC. 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 will constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Purchase Agreement.

Section 8. Conditions to Underwriter’s Obligations. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein and to be contained in the documents and instruments to be delivered on the date of the Closing, and upon the performance by the Authority and the City of their respective obligations to be performed hereunder and under such documents and instruments to be delivered at or prior to the date of the Closing. The Underwriter’s obligations under this Purchase Agreement are and will also be subject to the sale, issuance and delivery of the Bonds as well as the following conditions:

(a) The representations and warranties of the Authority and the City contained in this Agreement will be true and correct in all material respects on the date of this Purchase Agreement and on and as of the date of the Closing as if made on the date of the Closing;

(b) As of the date of the Closing, the Official Statement may not have been amended, modified or supplemented, except in any case as may have been agreed to by the Underwriter;

(c) (i) As of the date of the Closing, the Authority Resolution, the City Resolution, the Authority Agreements and the City Agreements will be in full force and effect, and will not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter, (ii) the Authority will perform or have performed all of its obligations required under or specified in the Authority Resolution, the Authority Agreements and this Purchase Agreement to be performed at or prior to the date of the Closing; and (iii) the City will perform or have performed all of its obligations required under or specified in the City

Resolution, the City Agreements and this Purchase Agreement to be performed at or prior to the date of the Closing;

(d) As of the date of the Closing, all necessary official action of the Authority relating to the Authority Agreements, the Authority Resolution and the Official Statement, and all necessary official action of the City relating to the City Agreements, the City Resolution, and the Official Statement, will have been taken and will be in full force and effect and will not have been amended, modified or supplemented in any material respect, except as may have been agreed to by the City and Underwriter; and

(e) As of or prior to the date of the Closing, the Underwriter will have received each of the following documents:

(1) Certified copies of the Authority Resolution and the City Resolution.

(2) Duly executed copies of the Indenture, the Installment Purchase Agreement, the Escrow Agreement, the Continuing Disclosure Agreement, and this Purchase Agreement.

(3) The Preliminary Official Statement and the Official Statement, with the Official Statement duly executed on behalf of the Authority and the City.

(4) An approving opinion of Bond Counsel, dated as of the Closing, as to the validity of the Bonds, the exclusion of interest on the Bonds from federal gross income, and the exclusion of interest on the Bonds from State income taxation addressed to the Authority and the City substantially in the form attached as an appendix to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter and the Trustee.

(5) A supplemental opinion of Bond Counsel, addressed to the Underwriter, to the effect that:

(i) The Purchase Agreement, the Installment Purchase Agreement, and the Escrow Agreement have been duly executed and delivered by the Authority, and are valid and binding upon the Authority, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;

(ii) The Purchase Agreement, the Installment Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Agreement have been duly executed by the City, and are valid and binding upon the City, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;

(iii) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended (the "**Securities Act**"), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and

(iv) The statements contained in the Official Statement on the cover and under the headings "INTRODUCTION," "FINANCING PLAN," "THE BONDS," "SECURITY FOR THE BONDS," "TAX EXEMPTION," in "APPENDIX B – DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT PURCHASE AGREEMENT AND THE INDENTURE," and "APPENDIX C – FORM OF BOND COUNSEL OPINION," insofar as such statements purport to describe certain provisions of the Bonds, the Indenture, the Installment Purchase Agreement and the Escrow Agreement,

and the opinion of Bond Counsel regarding the tax-exempt nature of the Bonds, present a fair and accurate summary of the provisions thereof.

(6) An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, as disclosure counsel to the Authority, addressed to the Underwriter, to the effect that: We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as disclosure counsel to the Authority and the City, we have reviewed certain documents as described above and have participated in conferences during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. Based on our review of documents and our participation in the above-mentioned conferences, and with the assumptions described in the second preceding paragraph, we advise you that, during the course of our assistance in the preparation of the Preliminary Official Statement and the Official Statement, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with such representation that caused us to believe that the Preliminary Official Statement and the Official Statement, as of their date and as of the date of this letter contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that we express no opinion or belief with respect to: (i) the expressions of opinion, the assumptions, the projections, the financial statements or other financial, numerical, economic, demographic or statistical data contained in the Preliminary Official Statement and the Official Statement, (ii) any CUSIP numbers or information relating thereto contained in the Preliminary Official Statement and the Official Statement, (iii) any information contained in the appendices to the Preliminary Official Statement and the Official Statement, (iv) any information with respect to the Depository Trust Company and its book entry system for the Bonds contained or incorporated in the Preliminary Official Statement and the Official Statement, (v) any information incorporated by reference into the Preliminary Official Statement and the Official Statement, (vi) information with respect to the rating on the Bonds and the rating agency referenced in the Preliminary Official Statement and the Official Statement, and (vii) compliance by the City with its obligations to provide notices of the events described in Part (b)(5)(i)(C) of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule") or to file annual reports described in Part (b)(5)(i)(A) of the Rule, which compliance we have not reviewed pursuant to your direction).

(7) An opinion or opinions of Woodruff Spradlin & Smart, Costa Mesa, California, as General Counsel and City Attorney, dated as of the Closing addressed to the Authority, the City, the Trustee and the Underwriter, in form and substance acceptable to the Underwriter, to the effect that:

(i) The City is a municipal corporation and general law city duly organized and existing under the Constitution of the State. The City Council is the governing body of the City.

(ii) The City has all necessary power and authority to adopt the City Resolution, and to enter into and perform its duties under the City Agreements, and, when executed and delivered by the respective parties thereto, the City Agreements will each constitute a legal, valid and binding obligation of the City enforceable in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, moratorium and the exercise of equitable principles where equitable remedies are sought.

(iii) The City Resolution was 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 City Resolution is in full force and effect and has not been modified, amended or rescinded since the date of its adoption.

(iv) The execution and delivery by the City of the City Agreements, the Official Statement and the other instruments contemplated by any of such documents to which the City is a party, 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 or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or 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 a manner which could materially adversely affect the City's performance under the City Agreements.

(v) 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 could materially adversely affect, the performance by the City of its obligations under the City Agreements have been obtained and are in full force and effect.

(vi) To the best of the City Attorney's knowledge, after due inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the City (A) affecting the existence of the City or the titles of its City Council members or its officers to their respective offices, (B) seeking to restrain or to enjoin the issuance or sale of the Bonds, (C) in any way contesting or affecting the validity or enforceability of the City Resolution or the City Agreements, (D) in any way contesting the powers of the City to issue or sell the Bonds or its authority with respect to the City Resolution or the City Agreements, (E) in any way contesting or affecting any of the rights, powers, duties or obligations of the City with respect to the money or property pledged or to be pledged under the Installment Purchase Agreement, or (F) in any way questioning the accuracy of the statements in the Preliminary Official Statement or the Official Statement.

(vii) The Authority is a joint exercise of powers authority organized and validly existing under the laws of the State. The Board of Directors of the Authority is the governing body of the Authority.

(viii) The Authority has all necessary power and authority to adopt the Authority Resolution, and to enter into and perform its duties under the Authority Agreements and, when executed and delivered by the respective parties thereto, the Authority Agreements will each constitute legal, valid and binding obligation of the Authority enforceable in accordance with its respective terms, except as such enforcement may be limited by bankruptcy, moratorium and the exercise of equitable principles where equitable remedies are sought.

(ix) The Authority Resolution was duly adopted at a regular meeting of the Authority's Board of Directors, 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 or rescinded since the date of its adoption.

(x) To the best of the City Attorney's knowledge, after due inquiry, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, is pending or threatened in any way against the Authority (A) affecting the existence of the Authority or the titles of its Board members or its officers to their respective offices, (B) seeking to restrain or to enjoin the issuance or sale of the Bonds, (C) in any way contesting or affecting the validity or enforceability of the Authority Resolution or the Authority Agreements, (D) in any way contesting the powers of the Authority to issue or sell the Bonds or its authority with respect to the Authority Resolution or the Authority Agreements, (E) in any way contesting or affecting any of the rights, powers, duties or obligations of the Authority with respect to the money or property pledged or to be pledged under the Indenture or (F) in any way questioning the accuracy of the statements in the Preliminary Official Statement or the Official Statement.

(xi) The execution and delivery by the Authority of the Authority Agreements, the Official Statement and the other instruments contemplated by any of such documents to which the Authority is a party, 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 or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or 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 a manner which would materially adversely affect the Authority's performance under the Authority Agreements.

(xii) 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 Authority of its obligations under the Authority Agreements have been obtained and are in full force and effect.

(8) A letter of Jones Hall, A Professional Law Corporation ("**Underwriter's Counsel**"), addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(9) An executed certificate or certificates of the Authority and the City, dated as of the date of the Preliminary Official Statement, substantially in the form attached as Exhibit B.

(10) An executed closing certificate of the Authority, dated as of the Closing, in the form attached as Exhibit C.

(11) An executed closing certificate of the City, dated as of the Closing, in the form attached as Exhibit D.

(12) The opinion of counsel to U.S. Bank National Association ("**U.S. Bank**"), as Trustee and Escrow Agent, dated as of the Closing, addressed to the Authority, the City and the Underwriter to the effect that:

(i) U.S. Bank is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization, and has the corporate power to execute and deliver, and to perform its obligations under, the Indenture and the Escrow Agreement.

(ii) The Indenture and the Escrow Agreement have been duly authorized, executed and delivered by U.S. Bank, and, assuming due authorization, execution and delivery by the other parties thereto, the Indenture and the Escrow Agreement constitute the valid and legally binding agreement of U.S. Bank enforceable in accordance with their respective terms, subject to laws relating in bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought.

(iii) U.S. Bank has duly authenticated the Bonds.

(iv) To the best knowledge of U.S. Bank, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending, or threatened against U.S. Bank which in the reasonable judgment of U.S. Bank would affect the existence of U.S. Bank or in any way contesting or affecting the validity or enforceability of the Indenture or the Escrow Agreement or contesting the powers of U.S. Bank or its authority to enter into and perform its obligations thereunder.

(13) A certificate of U.S. Bank, as Trustee and Escrow Agent, dated as of the Closing, in the form attached as Exhibit E.

(14) A tax certificate duly signed on behalf of the Authority and the City in form and substance acceptable to Bond Counsel and the Underwriter.

(15) Evidence of required filings with the California Debt and Investment Advisory Commission.

(16) A copy of the executed Blanket Issuer Letter of Representations by and between the Authority and DTC relating to the book-entry system.

(17) Evidence that the Bonds have received the ratings described in the Official Statement.

(18) A defeasance opinion of Bond Counsel, in form and substance acceptable to the Underwriter, relating to the 2010 Bonds.

(19) A copy of the Continuing Disclosure Due Diligence Report.

(20) A certificate of Fieldman, Rolapp & Associates, Inc., Irvine, California, as municipal advisor, in substantially the form attached hereto as Exhibit F.

(21) A certificate of the City, dated the date of the Closing, confirming that the conditions for the issuance of the Bonds on a parity with the 2015 Bonds set forth in Section 6.14 of the 2015 Indenture have been satisfied in connection with the issuance of the Bonds as of such date.

(22) A verification report of Causey Demgen & Moore P.C. confirming the sufficiency of the deposits in the escrow account established under the Escrow Agreement to defease and redeem the outstanding 2010 Bonds as provided in the Escrow Agreement.

(23) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by

the Authority and the City with legal requirements, the truth and accuracy, as of the date of the Closing, of the representations of the Authority and the City herein contained and of the Official Statement and the due performance or satisfaction by the Authority and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Authority and the City.

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Agreement will be deemed to be in compliance with the provisions of this Purchase Agreement if, but only if, they are in form and substance satisfactory to the Underwriter. If the Authority and the City are unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Agreement or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds will be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement will terminate and neither the Underwriter, the Authority nor the City will be under further obligations hereunder, except that the respective obligations of the Authority, the City and the Underwriter set forth in Section 12 of this Purchase Agreement will continue in full force and effect.

Section 9. Conditions to Authority's and City's Obligations. The performance by the Authority and the City of their respective obligations under this Purchase Agreement are conditioned upon: (i) the performance by the Underwriter of its obligations hereunder and (ii) receipt by the Authority and the City of opinions addressed to the Authority and the City, and receipt by the Underwriter of opinions addressed to the Underwriter, and the delivery of certificates being delivered on the date of the Closing by persons and entities other than the Authority and the City.

Section 10. Establishment of Issue Price.

(a) 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 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 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 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 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 has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that the Underwriter's reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this Section, if 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 Bonds.

(c) The Underwriter confirms that it has offered the 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 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:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) 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 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 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 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 Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all 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 Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at 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 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 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 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 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 Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all 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 Bonds of that maturity, provided that the reporting obligation after the date of the Closing 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 representations 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 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 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 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the 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:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the 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 third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) 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
- (iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

Section 11. Termination Events. The Underwriter will have the right to terminate the Underwriter’s obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the Authority and the City of its election to do so if, after the execution hereof and prior to the Closing, any of the following events occurs:

(a) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, 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, 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, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the State, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State by the Governor of the State in an executive communication, affecting the tax status of the Authority or the City, its property or income, its bonds (including the Bonds) or the interest thereon or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended;

(b) the United States becomes engaged in hostilities that result in a declaration of war or a national emergency, or any other outbreak of hostilities occurs, or a local, national or international calamity or crisis occurs, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(c) there occurs 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;

(d) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission is issued or made to the effect that the issuance, offering or sale of the Bonds is or would be in violation of any provision of the Securities Act of 1933, as then in effect, or of the Securities Exchange Act of 1934, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(e) legislation is enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America is rendered, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed to the effect that the obligations of the general character of the Bonds, including the Bonds, are not exempt from registration, qualification or other similar requirements of the Securities Act of 1933, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(f) in the reasonable judgment of the Underwriter, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be materially and adversely affected because additional material restrictions not in force as of the date hereof is imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) the Comptroller of the Currency, The New York Stock Exchange, or other national securities exchange, or any governmental authority, imposes, 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, or financial responsibility requirements of the Underwriter;

(h) a general banking moratorium is established by federal, New York or State authorities;

(i) any legislation, ordinance, rule or regulation is introduced in or enacted by any governmental body, department or agency in the State or a decision of a court of competent jurisdiction within the State is rendered, which, in the opinion of the Underwriter, after consultation with the Authority and the City, materially adversely affects the market price of the Bonds;

(j) any federal or California court, authority or regulatory body takes action materially and adversely affecting the payment or receipt of the principal and interest on the Bonds;

(k) any withdrawal, downgrading or placement on credit watch negative of any underlying rating of any securities of the Authority or the City by a national municipal bond rating agency that, in the opinion of the Underwriter, adversely affects the market price of the Bonds;

(l) an event occurs which in the reasonable opinion of the Underwriter requires a supplement or amendment to the Official Statement and: (i) the City or the Authority refuses to prepare and furnish such supplement or amendment; or (ii) in the reasonable judgment of the Underwriter, the occurrence of such event materially and adversely affects the marketability of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(m) additional material restrictions that are not in force as of the date hereof shall have been imposed upon trading in securities generally by any domestic governmental authority or by any domestic national securities exchange, which are material to the marketability of the Bonds; or

(n) the commencement of any action, suit or proceeding that is described in Section 5(e) and 6(e).

Section 12. Payment of Expenses. (a) The Underwriter will be under no obligation to pay, and the Authority and/or the City will pay the following expenses incident to the performance of the Authority's and the City's obligations hereunder:

(i) the fees and disbursements of the Authority's municipal advisor and of Bond Counsel and Disclosure Counsel;

(ii) the cost of printing and delivering the Bonds, the Preliminary Official Statement and the Official Statement (and any amendment or supplement prepared pursuant to Sections 5 and 6 of this Purchase Agreement);

(iii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the Authority or the City; and

(iv) any other expenses and costs of the Authority and the City incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Bonds, including out-of-pocket expenses and regulatory expenses, and any other expenses agreed to by the parties.

(b) The City and the Authority will be under no obligation to pay, and the Underwriter will pay, any fees of the California Debt and Investment Advisory Commission, the cost of obtaining CUSIP numbers, the cost of preparation of any “blue sky” or legal investment memoranda and this Purchase Agreement; and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in paragraph (a) of this section), including the fees and disbursements of Underwriter’s Counsel, meals, transportation and lodging (but not entertainment expenses), and any advertising expenses in connection with the public offering of the Bonds.

Section 13. Notices. Any notice or other communication to be given to the Authority or the City under this Purchase Agreement may be given by delivering the same in writing to the Authority and the City at the addresses set forth on the first page of this Purchase Agreement, and 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 Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Sara Brown.

Section 14. Survival of Representations, Warranties, Agreements. All of the Authority’s and the City’s representations, warranties and agreements contained in this Purchase Agreement will remain operative and in full force and effect regardless of: (a) any investigations made by or on behalf of the Underwriter; or (b) delivery of and payment for the Bonds pursuant to this Purchase Agreement. The agreements contained in this Section and in Section 12 will survive any termination of this Purchase Agreement.

Section 15. Benefit; No Assignment. This Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including its successors and assigns), and no other person will acquire or have any right hereunder or by virtue hereof. The rights and obligations created by this Purchase Agreement are not subject to assignment by the Underwriter, the Authority or the City without the prior written consent of the other parties hereto.

Section 16. Severability. In the event that any provision of this Purchase Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Purchase Agreement.

Section 17. Counterparts. This Purchase Agreement may be executed in any number of counterparts, all of which taken together will constitute one agreement, and any of the parties hereto may execute the Purchase Agreement by signing any such counterpart.

Section 18. Governing Law. This Purchase Agreement will be governed by the laws of the State.

Section 19. Effectiveness. This Purchase Agreement will become effective upon the execution of the acceptance hereof by an authorized officer of the Authority and the City, and will be valid and enforceable as of the time of such acceptance.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**, as Underwriter

By: _____
Authorized Officer

Accepted:

**GARDEN GROVE PUBLIC FINANCING
AUTHORITY**

By: _____
Authorized Representative

Time of Execution: _____ California Time

CITY OF GARDEN GROVE

By: _____
Authorized Representative

Time of Execution: _____ California Time

EXHIBIT A

MATURITY SCHEDULE

Maturity (December 15)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The- Offering- Price Rule
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T: Term Bond.

C: Priced to optional redemption date of December 15, 20__, at par.

* At the time of execution of this Purchase Agreement and assuming orders are confirmed immediately after the execution of this Purchase Agreement.

REDEMPTION

Optional Redemption. The Bonds with stated maturities on or after December 15, 20__, are subject to redemption prior to their respective stated maturities, as a whole or in part as directed by the Authority in a Request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) and by lot within each maturity in integral multiples of \$5,000, on _____, 20__ or any date thereafter at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds with stated maturities on December 15, 20__ are subject to mandatory sinking fund redemption in part (by lot) on December 15, 20__ and each December 15 thereafter, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

<i>Redemption Date (December 15)</i>	<i>Principal Amount</i>
20__	\$
20__	
20__	
20__	
20__*	

* Maturity.

If some but not all of the Bonds maturing on December 15, 20__ are redeemed as described under the subcaptions “—Optional Redemption” or “—Extraordinary Redemption from Net Proceeds of Insurance or Condemnation,” the principal amount of the applicable Bonds to be redeemed pursuant to the Indenture on any subsequent December 15 will be reduced, by \$5,000 or an integral multiple thereof, as designated by the Authority in a Certificate of the Authority filed with the Trustee; provided, however, that the aggregate amount of such reductions may not exceed the aggregate amount of the applicable Bonds redeemed.

Extraordinary Redemption from Net Proceeds of Insurance or Condemnation. The Bonds will be subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed by the Authority in a Request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in, the Installment Purchase Agreement, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, without premium.

EXHIBIT B

**GARDEN GROVE PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2020A**

15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of Garden Grove (the “City”) and the Garden Grove Public Financing Authority (the “Authority”), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the City and the Authority as follows:

(1) This Certificate is delivered in connection with the offering and sale of the bonds captioned above (the “Bonds”) in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “Rule”).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds, the Authority and the City (the “Preliminary Official Statement”).

(3) As used herein, “Permitted Omissions” means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of Rule 15c2-12, and the information therein is accurate and complete except for the Permitted Omissions.

Dated:

CITY OF GARDEN GROVE

By: _____
Authorized Officer

**GARDEN GROVE PUBLIC
FINANCING AUTHORITY**

By: _____
Authorized Officer

EXHIBIT C

**§ _____
GARDEN GROVE PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2020A**

CLOSING CERTIFICATE OF THE AUTHORITY

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the Garden Grove Public Financing Authority (the "Authority"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Authority as follows:

(i) The representations, warranties and covenants of the Authority contained in the Bond Purchase Agreement dated _____, 2020, among the Authority, the City of Garden Grove and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Purchase Agreement"), are true and correct and in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(ii) The Authority Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented.

(iii) The Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(iv) Subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the Authority, whether or not arising in the ordinary course of the operations of the Authority, as described in the Official Statement.

(v) The Preliminary Official Statement as of its date and the date of the Purchase Agreement and the Official Statement as of its date and the date of the Closing (other than any information it contains concerning The Depository Trust Company and the book-entry system for the Bonds or provided by the Underwriter) do not contain any untrue or misleading statement of a material fact and do not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Capitalized terms used but not defined herein have the meanings given in the Bond Purchase Agreement.

Dated:

**GARDEN GROVE PUBLIC
FINANCING AUTHORITY**

By: _____
Authorized Officer

EXHIBIT D

**\$ _____
GARDEN GROVE PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2020A**

CLOSING CERTIFICATE OF THE CITY

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of Garden Grove (the “City”), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the City as follows:

(i) The representations, warranties and covenants of the City contained in the Bond Purchase Agreement dated _____, 2020, among the City, the Garden Grove Public Financing Authority and Stifel, Nicolaus & Company, Incorporated, as underwriter (the “Purchase Agreement”), are true and correct and in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(ii) The City Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented.

(iii) The City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(iv) Subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the City, whether or not arising in the ordinary course of operations, as described in the Official Statement.

(v) The Preliminary Official Statement as of its date and the date of the Purchase Agreement and the Official Statement as of its date and the date of the Closing (other than any information it contains concerning The Depository Trust Company and the book-entry system for the Bonds or provided by the Underwriter) do not contain any untrue or misleading statement of a material fact and do not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Capitalized terms used but not defined herein have the meanings given in the Purchase Agreement.

Dated:

CITY OF GARDEN GROVE

By: _____
Authorized Officer

EXHIBIT E

**§ _____
GARDEN GROVE PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2020A**

**CLOSING CERTIFICATE OF
U.S. BANK NATIONAL ASSOCIATION**

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of U.S. Bank National Association (“U.S. Bank”), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of U.S. Bank as follows:

(i) U.S. Bank has all necessary power to enter into the following documents (collectively, the “Documents”): (i) Indenture of Trust, dated as of November 1, 2020 (the “Indenture”), by and between the Garden Grove Public Financing Authority (the “Authority”) and U.S. Bank; and (ii) Escrow Agreement (2010 Bonds), dated as of November 1, 2020, by and among the Authority, the City of Garden Grove (the “City”) and U.S. Bank, as escrow agent and trustee, relating to the 2010 Bonds;

(ii) The Documents have been duly authorized, executed and delivered by U.S. Bank, and the Documents each constitute the legal, valid and binding obligation of U.S. Bank enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles, if equitable remedies are sought;

(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 execution and delivery of the Documents or the performance by U.S. Bank of its duties and obligations under the Documents;

(iv) The execution and delivery by U.S. Bank of the Documents and compliance with the terms of the Documents will not conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material 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 (except that no representation, warranty or agreement need be made by such counsel with respect to any federal or State securities or blue sky laws or regulations);

(v) To the best knowledge of U.S. Bank, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending, or threatened against U.S. Bank which in the reasonable judgment of U.S. Bank would affect the existence of U.S. Bank or in any way contesting or affecting the validity or enforceability of the Documents or contesting the powers of U.S. Bank or its authority to enter into and perform its obligations thereunder; and

(vi) U.S. Bank has duly authenticated the Bonds.

Capitalized terms used but not defined herein have the meanings given in the Bond Purchase Agreement dated _____, 2020, among the City, the Authority and Stifel, Nicolaus & Company, Incorporated, as underwriter.

Dated:

U.S. BANK NATIONAL ASSOCIATION,
as Trustee and Escrow Agent

By: _____
Authorized Officer

EXHIBIT F

\$ _____
GARDEN GROVE PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2020A

CERTIFICATE OF MUNICIPAL ADVISOR

The undersigned hereby states and certifies that:

(i) the undersigned is an authorized officer of Fieldman, Rolapp & Associates, Inc. (the “Municipal Advisor”), which has acted as municipal advisor to the Garden Grove Public Financing Authority and the City of Garden Grove in connection with the issuance of the above-referenced bonds (the “Bonds”), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same;

(ii) the Municipal Advisor has reviewed the Preliminary Official Statement dated _____, 2020 and the final Official Statement dated _____, 2020 (the “Official Statement”) relating to the Bonds; and

(iii) nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Preliminary Official Statement as of its date or the date of the pricing of the Bonds or the Official Statement as of its date or the date hereof contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Dated:

FIELDMAN, ROLAPP & ASSOCIATES, INC.,
as Municipal Advisor

By: _____
Authorized Officer

EXHIBIT G

\$ _____
**GARDEN GROVE PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2020A**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. **Bond Purchase Agreement.** On _____, 2020 (the “Sale Date”), Stifel and the Issuer executed a Bond Purchase Agreement (the “Purchase Agreement”) in connection with the sale of the Bonds. Stifel has not modified the Purchase Agreement since its execution on the Sale Date.
2. **Price.**
 - (a) As of the date of this Certificate, for each [Maturity] [[of the General Rule Maturities] of the Bonds, the first price at which at least 10% of each such Maturity of the Bonds was sold to the Public (the “10% Test”) was the respective price for such Maturity listed in **Schedule A** attached hereto.
 - (b) [Stifel 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**.
 - (c) As set forth in the Bond Purchase Agreement, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]
 - (d) [** With respect to each of the General Rule Maturities of the Bonds:
 - (1) As of the date of this Certificate, Stifel has not sold at least 10% of the Bonds of these Maturities at any single price.
 - (2) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices listed on the attached **Schedule A** as the “Reasonably Expected Sale Prices for Undersold Maturities.”

- (3) Stifel will provide actual sales information (substantially similar to the information contained on **Schedule B**) as to the price at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.
- (4) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as **Schedule C** with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.**]

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 (_____, 2020), or (ii) the date on which Stifel 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 Garden Grove Public Financing 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) “*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).
4. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. 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 of the Issuer dated _____, 2020 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, 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.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Managing Director

By: _____
Director

Dated: _____, 2020

SCHEDULE A
TO
ISSUE PRICE CERTIFICATE

[Schedules to be updated at pricing in the event there are Hold-the-Offering-Price-Maturities]

Actual Sales Information as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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[**Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
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**]

[**SCHEDULE B
TO
ISSUE PRICE CERTIFICATE

Actual Sales for Undersold Maturities as of the Closing Date

<u>Maturity/CUSIP</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
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**]

[**SCHEDULE C
TO
ISSUE PRICE CERTIFICATE

SUPPLEMENTAL ISSUE PRICE CERTIFICATE OF UNDERWRITER

\$ _____
**GARDEN GROVE PUBLIC FINANCING AUTHORITY
WATER REVENUE BONDS, SERIES 2020A**

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Issue Price.***

- (a) Stifel sold at least 10% of the _____ Maturities of the Bonds to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the “10% Test”). With respect to each of the _____ Maturities of the Bonds, Stifel had not satisfied the 10% Test as of the Closing Date (the “Undersold Maturities”).
- (b) As of the date of this Supplemental Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on **Exhibit A** attached hereto.

2. ***Defined Terms.***

- (a) “*Issuer*” means the Garden Grove Public Financing Authority.
- (b) “*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.
- (c) “*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.
- (d) “*Underwriter*” means (1) 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 (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) 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).

3. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. 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 of the Issuer dated _____, 2020 and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, 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.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
[Title]

By: _____
[Title]

Dated: _____, 2020

EXHIBIT A
TO
SUPPLEMENTAL ISSUE PRICE CERTIFICATE**]