

**CITY OF STOCKTON
LIMITED OBLIGATION REFUNDING IMPROVEMENT BONDS**

\$ _____
**Reassessment District No. 2016-1
(March Lane/Holman)**

\$ _____
**Reassessment District No. 2016-2
(Waterford Estates East Phase II)**

REASSESSMENT BONDS PURCHASE AGREEMENT

This REASSESSMENT BONDS PURCHASE AGREEMENT (this "**Purchase Agreement**"), dated as of _____, 2016, is by and between the Stockton Public Financing Authority (the "**Authority**"), a joint powers authority organized and existing under the laws of the State of California, and the City of Stockton (the "**City**"), a municipal corporation and charter city organized and existing under and by virtue of the Constitution and laws of the State of California, with respect to the City's Reassessment District No. 2016-1 (March Lane/Holman) and Reassessment District No. 2016-2 (Waterford Estates East Phase II) (the "**Districts**")

WITNESSETH:

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

WHEREAS, the City is issuing \$ _____ aggregate principal amount of City of Stockton Limited Obligation Refunding Improvement Bonds, Reassessment District No. 2016-1 (March Lane/Holman) and \$ _____ aggregate principal amount of City of Stockton Limited Obligation Refunding Improvement Bonds, Reassessment District No. 2016-2 (Waterford Estates East Phase II) (the "**Reassessment Bonds**"), pursuant to (i) the Refunding Act of 1984 for 1915 Improvement Act Bonds, Division 11.5 of the Streets and Highways Code (the "**Act**"), (ii) resolutions adopted by the City Council of the City on _____, 2016 (as to each District, a "**Resolution of Issuance**") and (iii) as to each District, a Fiscal Agent Agreement dated as of July 1, 2016 (the "**Reassessment Bonds Fiscal Agent Agreements**"), by and between the City and Wells Fargo Bank, National Association, as fiscal agent (the "**Fiscal Agent**"); and

WHEREAS, the City also adopted, as to each District, a Resolution of Intention to Levy Reassessments and to Issue Refunding Bonds Upon the Security Thereof on _____, 2016 and a Resolution Adopting Reassessment Report, Confirming and Ordering the Reassessment Pursuant to Summary Proceedings and Directing Actions with Respect Thereto, on _____, 2016 (together with the Resolution of Issuance, the "**Resolutions**"). The City will record a Notice of Reassessment (the "**Notice of Reassessment**") in the real property records of San Joaquin County; and

WHEREAS, a portion of the proceeds of the Reassessment Bonds will be used to refund the respective outstanding (i) \$3,100,000 original principal amount of Assessment District No. 2003-01 (March Lane/Holman), Limited Obligation Improvement Bonds and (ii), and \$3,360,000 original principal amount of Assessment District No. 2003-03 (Waterford Estates East Phase II), Limited Obligation Improvement Bonds (the **"Prior Assessment Bonds"**).

WHEREAS, the Authority has authorized the issuance of its Revenue Bonds (Assessment and Special Tax District Refundings), Series 2016A in the aggregate principal amount of \$_____ (the **"Authority Bonds"**) under an Indenture of Trust dated as of _____ 1, 2016 (the **"Authority Bond Indenture"**), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the **"Trustee"**) and under the Bond Law for the purpose of providing the funds required to acquire the Reassessment Bonds and other bonds; and

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

WHEREAS, payments of principal of and interest on the Reassessment Bonds that the Authority receives will be pledged by the Authority to pay a portion of the principal of and interest on the Authority Bonds; and

WHEREAS, the Authority Bonds will be purchased by Stifel, Nicolaus & Company, Incorporated (the **"Underwriter"**) pursuant to a Bond Purchase Agreement, dated the date hereof (the **"Authority Bonds Purchase Agreement"**), by and between the City and the Underwriter; and

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

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the City hereby commits to sell to the Authority and does hereby sell to the Authority, and the Authority hereby commits to purchase from the City and does hereby purchase from the City with the proceeds of the Authority Bonds all of the \$_____ aggregate principal amount of the Reassessment Bonds.

The purchase price of the March/Holman Reassessment bonds shall be their aggregate principal amount of \$_____ (equal to the par amount of the March/Holman Reassessment Bonds (\$_____)) plus an original issue premium of \$_____ which will be retained by the Underwriter when it pays the purchase price for the Authority Bonds, less \$_____, which will be retained by the Underwriter when it pays the purchase price for the Authority Bonds and which is the amount of compensation to be paid to the Underwriter by the City in connection with the issuance of the March/Holman Reassessment Bonds).

The purchase price of the Waterford Estates Reassessment bonds shall be their aggregate principal amount of \$_____ (equal to the par amount of the Waterford Estates Reassessment Bonds (\$_____)) plus an original issue premium of \$_____ which will be retained by the Underwriter when it pays the purchase price for the Authority Bonds, less \$_____, which will be retained by the Underwriter when it pays the purchase price for the

Authority Bonds and which is the amount of compensation to be paid to the Underwriter by the City in connection with the issuance of the Waterford Estates Reassessment Bonds).

Section 2. Description of the Reassessment Bonds. The Reassessment Bonds shall be as described in the Official Statement dated as of the date hereof, relating to the Authority Bonds (the “**Official Statement**”) and shall be issued and secured under the Resolution of Issuance and the Reassessment Bonds Fiscal Agent Agreements. The Reassessment Bonds and interest thereon will be payable from reassessments levied and collected in accordance with the Resolution and the Reassessment Bonds Fiscal Agent Agreements. The Reassessment Bonds will bear the annual interest rates and mature at the times set forth in Exhibit A attached hereto and hereby made a part hereof.

All terms not herein defined shall have the meanings given such terms in the Authority Bond Indenture.

Section 3. Actions Binding on the Authority. Any action under this Purchase Agreement taken by the Authority, including payment for and acceptance of the Reassessment Bonds, and delivery and execution of any receipt for the Reassessment Bonds and any other instruments in connection with the closing on the Closing Date, shall be valid and sufficient for all purposes and binding upon the Authority, provided that any such action shall not impose any obligation or liability upon the Authority other than as may arise as expressly set forth in this Purchase Agreement.

Section 4. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Authority and the Underwriter as follows:

(a) Due Organization, Existence and Authority. The City is a municipal corporation and general law city organized and existing under and by virtue of the Constitution and laws of the State of California, and has, and on the Closing Date will have, full legal right, power and authority:

(i) to enter into this Purchase Agreement, the Continuing Disclosure Certificate relating to the Authority Bonds and the Reassessment Bonds (the “**Continuing Disclosure Certificate**”) and the Reassessment Bonds Fiscal Agent Agreements (collectively, the “**City Documents**”),

(ii) to adopt the Resolutions,

(iii) to issue, sell and deliver the Reassessment Bonds to the Authority as provided herein, and

(iv) to carry out and consummate the transactions contemplated by the Resolutions, the City Documents and the Official Statement.

(b) Due Authorization and Approval; Enforceability. By all necessary official action of the City, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained in, the City Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

When executed and delivered, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally.

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

(d) No Conflicts, Breaches or Defaults. The execution and delivery of City Documents and the Reassessment Bonds, the adoption of the Resolutions and compliance with the provisions of each thereof, and the carrying out and consummation of the transactions contemplated by the Official Statement, will not conflict with or constitute a breach of or a default under any applicable law or administrative regulation of the State of California or the United States, or any applicable judgment, decree, agreement or other instrument to which the City is a party or is otherwise subject.

(e) Official Statement Accurate and Complete. To the knowledge of the City, at the time of the City's acceptance hereof and at all times subsequent thereto up to and including the Closing Date, with respect to information describing the City, the District, the City Documents and the Resolutions and other resolutions relating to the District, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) No Litigation. Except as described in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending or, to the knowledge of the City, threatened, wherein an unfavorable decision, ruling or finding would:

(i) affect the creation, organization, existence or powers of the City or the titles of its members and officers to their respective offices,

(ii) enjoin or restrain the issuance, sale and delivery of the Reassessment Bonds, the levy and receipt of the reassessments which secure the Reassessment Bonds, or the pledge thereof,

(iii) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the moneys pledged or to be pledged to pay the principal of, premium, if any, or interest on the Reassessment Bonds,

(iv) in any way question or affect any authority for the issuance of the Reassessment Bonds, or the validity or enforceability of the Reassessment Bonds, the Resolutions or the City Documents, or

(v) in any way question or affect the City Documents or the transactions contemplated by the City Documents, the Official Statement, the Resolutions, the other documents referred to in the Official Statement, or any other agreement or instrument to which the City is a party relating to the Reassessment Bonds.

(g) The City confirms that there are no substantial conditions precedent to the issuance by the City and to the sale (as provided herein) and the delivery to the Authority of the Reassessment Bonds. The Reassessments have been duly and lawfully levied under the Act, and the Reassessments constitute valid and legally binding liens on the properties on which they have been levied, all as described in the Official Statement.

(h) The City has never failed to comply with a continuing disclosure undertaking pursuant to Rule 15c2-12.

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

(j) If between the date of this Purchase Agreement and the date 90 days after the Closing Date an event occurs which is materially adverse to the purpose for which the Official Statement is to be used which is not disclosed in the Official Statement, the City shall notify the Authority of such fact.

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

(l) The payment of debt service on the Reassessment Bonds will be paid from the Reassessments pledged by each respective District under the respective Reassessment District Fiscal Agent Agreement.

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

(n) The Reassessments have been confirmed and a notice of reassessment has been filed with the Superintendent of Streets and recorded with the County Recorder in accordance with Streets & Highways Code Section 3114 and are secured by a lien on the property on which they have been levied.

(o) Each Reassessment District Fiscal Agent Agreement creates a valid pledge of, and first lien upon, the respective Reassessment installments deposited thereunder and the moneys in certain funds and accounts established thereunder, subject in all cases to the provisions of the Reassessment District Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(p) Except as disclosed in the Final Official Statement, there are, to the best of the City's knowledge, after reasonable and diligent investigation of records made available by the County of San Joaquin, no entities with outstanding bonded assessment or special tax liens against any of the properties within each respective District.

(q) Except as disclosed in the Official Statement, the City and the Districts have not failed to comply with prior undertakings under Rule 15c2-12 during the previous five years.

Section 5. The Closing. At 9:00 a.m., Pacific Time, on _____, 2016, or at such other time or on such other date as is mutually agreed by the City and the Authority (the “Closing Date”),

(a) the City will deliver the Reassessment Bonds to the Trustee in definitive form, duly executed, together with the other documents hereinafter mentioned,

(b) subject to the terms and conditions hereof, the Trustee, solely from moneys held under the Authority Bonds Indenture for this purpose, will accept such delivery and pay the purchase price of the Reassessment Bonds as referenced in paragraph 1 hereof by wire transfer or other funds which are good funds on the Closing Date, and

(c) the Trustee shall deposit into the funds established under the Bond Indenture the amounts described in the Bond Indenture.

The Reassessment Bonds shall be registered in the name of the Trustee, as assignee of the Authority. Delivery and payment, as aforesaid, shall be made at such place as are mutually agreed upon by the City, the Trustee and the Authority.

Section 6. Termination Events. The Authority shall have the right to terminate the Authority's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Reassessment Bonds by notifying the City of its election to do so if, after the execution hereof and prior to the Closing Date if any of the following events occur:

(i) either the marketability of the Authority Bonds or the market price of the Authority Bonds, in the opinion of the Authority, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State of California, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State of California, or by a tentative decision with respect to legislation reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or the Senate of the Congress of the United States or either house of the Legislature of the State of California, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State of California by the Governor of the State of California in an executive communication, affecting the tax status of the Authority or the City, their property or income, their bonds (including the Authority Bonds) or the interest thereon, or any tax exemption granted or authorized by the Bond Law;

(ii) the United States becomes engaged in: hostilities which have resulted in a declaration of war or national emergency, or there occurs any other outbreak of hostilities, or a local, national or international calamity or crisis, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Authority, would affect materially and adversely the ability of the Authority to market the Authority Bonds (it being agreed by the Authority that there is no outbreak, calamity or crisis of such a character as of the date hereof);

(iii) there occurs a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or California State authorities;

(iv) there occurs a withdrawal or downgrading of any rating assigned to any securities of the City by a national municipal bond rating agency; or

(v) an event occurs which in the opinion of the Authority requires a supplement or amendment to the Official Statement, and such supplement or amendment is not agreed to by the City.

Section 7. Conditions to Closing. The Authority has entered into this Purchase Agreement in reliance upon the representations, warranties and agreements of the City contained herein and to be contained in the documents and instruments to be delivered on the Closing Date, and upon the performance by the City of their respective obligations hereunder, both as of the date hereof and as of the Closing Date. Accordingly, the Authority's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Reassessment Bonds shall be subject to the performance by the City of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and shall also be subject to the following conditions:

(a) It is a condition to the City's sale and delivery of the Reassessment Bonds to the Authority, and to the Authority's purchase of the Reassessment Bonds and the obligations of the Authority to accept delivery of and to pay for the Reassessment Bonds, that the entire aggregate principal amount of the Reassessment Bonds authorized by the Authority Bond Indenture shall be delivered by the City, and accepted and paid for by the Authority, on the Closing Date.

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

(c) On the Closing Date the Resolutions and the City Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, and the Official Statement shall not have been amended, modified or supplemented, except in either case as may have been agreed to by both the Authority and the Underwriter.

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

(e) On or prior to the Closing Date, the Authority and the Underwriter shall receive each of the following documents:

(1) Documents Required to be Received by the Trustee. All documents and opinions required to be received by the Trustee prior to the

application of proceeds of the Authority Bonds to the purchase of the Reassessment Bonds.

(2) Bond Counsel Opinion. An opinion of Bond Counsel, in form and substance satisfactory to the City, the Authority and the Underwriter, dated the Closing Date, approving, without qualification, the validity of the Reassessment Bonds.

(3) Reliance Letter. A letter of Bond Counsel, dated the date of the Closing Date and addressed to the Authority and the Underwriter, to the effect that the opinion referred to in the preceding subparagraph (2) may be relied upon by the Authority and the Underwriter to the same extent as if such opinion were addressed to them.

(4) Supplemental Opinion. A supplemental opinion, dated the date of the Closing Date and addressed to the Authority and the Underwriter, of Bond Counsel to the effect that

(i) this Purchase Agreement has been duly authorized, executed and delivered by, and, assuming due authorization, execution and delivery by the Authority, constitutes a legal, valid and binding agreement of the City enforceable in accordance with its terms, except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought, and

(ii) the statements contained in the Official Statement (including the cover page and the Appendices thereto), insofar as such statements purport to summarize certain provisions of the Reassessment Bonds, the City Documents or the Resolutions, accurately summarize the information presented therein.

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

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

(ii) The Resolutions are in full force and effect at the date of the Closing Date and have not been amended, modified or supplemented, except as agreed to by the Authority and the Underwriter;

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

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

Official Statement, that would materially and adversely affect the Reassessment Bonds or the City's performance under the City Documents.

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

(i) the City Documents have been duly authorized, executed and delivered by, and, assuming due authorization, execution and delivery, constitute the legal, valid and binding agreement of the City enforceable in accordance with their terms, except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought,

(ii) the Resolutions have been duly adopted, is in full force and effect and have not been modified, amended or rescinded, and

(iii) except as described in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending or threatened, wherein an unfavorable decision, ruling or finding would: (A) affect the creation, organization, existence or powers of the City, or the District; (B) enjoin or restrain the issuance, sale and delivery of the Reassessment Bonds, the receipt of any other moneys or property pledged or to be pledged under the Indentures or the pledge thereof; (C) in any way question or affect any of the rights, powers, duties or obligations of the City with respect to the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Reassessment Bonds; (D) in any way question or affect any authority for the issuance of the Reassessment Bonds, or the validity or enforceability of the Reassessment Bonds, the Resolutions or the City Documents; (E) in any way question or affect this Purchase Agreement or the transactions contemplated by the City Documents, the Official Statement or the documents referred to in the Official Statement and (F) the statements in the Official Statements relating to the City are true and accurate.

(7) City Documents. An executed copy of each of the City Documents.

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

(9) Fiscal Agent Certificate. A certificate of the Fiscal Agent, dated the date of Closing, addressed to the City and the Underwriter, in form and substance acceptable to the Underwriter, to the following effect:

(i) the Fiscal Agent has all necessary power to enter into the Reassessment Bonds Fiscal Agent Agreements; and

(ii) the Reassessment Bonds Fiscal Agent Agreements have been duly authorized, executed and delivered by the Fiscal Agent and each of the Reassessment Bonds Fiscal Agent Agreements constitute the legal, valid and binding obligation of the Fiscal Agent enforceable in accordance with its 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 the Fiscal Agent that has not been obtained is or will be required for the execution and delivery of the Reassessment Bonds Fiscal Agent Agreements or the performance by the Fiscal Agent of its duties and obligations under the Reassessment Bonds Fiscal Agent Agreements;

(iv) the execution and delivery by the Fiscal Agent of the Reassessment Bonds Fiscal Agent Agreements and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Fiscal Agent 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 the Fiscal Agent 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); and

(v) 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 to the best knowledge of the Fiscal Agent, threatened against the Fiscal Agent which in the reasonable judgment of the Fiscal Agent would affect the existence of the Fiscal Agent or in any way contesting or affecting the validity or enforceability of the Reassessment Bonds Fiscal Agent Agreements or contesting the powers of the Fiscal Agent or its authority to enter into and perform its obligation thereunder.

(10) Escrow Verification. Evidence satisfactory to the Underwriter, Bond Counsel and counsel to the Underwriter reflecting the defeasance in whole of the Prior Assessment Bonds.

(11) Fiscal Agent Counsel Opinion. The opinion of counsel to the Fiscal Agent, dated the date of the Closing, addressed to the Underwriter, to the effect that:

(i) the Fiscal Agent is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Reassessment Bonds Fiscal Agent Agreements.

(ii) the Reassessment Bonds Fiscal Agent Agreements have been duly authorized, executed and delivered by the Fiscal Agent and constitute the legal, valid and binding obligations of the Fiscal Agent 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.

(12) Compliance with Requirements for Refunding of Prior Assessment Bonds. Evidence that all the conditions in the Act for the refunding of the Prior Assessment Bonds have been complied with, including recordation of the Reassessment Diagram and the Notice of Reassessment in the real property records of San Joaquin County.

(13) Reassessment Report. A copy of the Reassessment Report prepared by and certified by the NBS Government Finance Group, as reassessment engineer (the "Reassessment Engineer").

(14) Closing Certificate of Reassessment Engineer. A certificate dated the Closing Date and signed by an authorized representative of the Reassessment Engineer, in the form attached as Exhibit B.

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

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Authority, but the approval of the Authority shall not be unreasonably withheld. Receipt of, and payment for, the Reassessment Bonds shall constitute evidence of the satisfactory nature of such as to the Authority.

The performance of any and all obligations of the City hereunder and the performance of any and all conditions contained herein for the benefit of the Authority may be waived by the Authority in its sole discretion.

If the City is unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the Reassessment Bonds contained in this Purchase Agreement, or if the obligations of the Authority to purchase, accept delivery of and pay for the Reassessment Bonds is terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate, and neither the Authority nor the City shall be under further obligation hereunder, except that the respective obligations of the City and the Authority set forth in Sections 8 and 9 below shall continue in full force and effect.

Section 8. Payment of Expenses. The Authority and the City shall determine which portion of expenses incurred in connection with issuance of the Authority Bonds and the Reassessment Bonds will be paid by each respective entity, in such proportion as is in compliance with all applicable laws.

Section 9. Survival of Representations, Warranties and Agreements. All of the City's representations, warranties and agreements contained in this Purchase Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Authority or (ii) delivery of and payment for the Reassessment Bonds pursuant to this Purchase Agreement.

Section 10. Entire Agreement. This Purchase Agreement is made solely for the benefit of the City, the Authority and the Underwriter (as third-party beneficiary hereunder), including each of their successors and assigns, and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 11. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 12. Severability. If any one or more of the provisions contained herein is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 13. Governing Law. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State of California.

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

STOCKTON FINANCING AUTHORITY

By _____

CITY OF STOCKTON, for and on behalf of
Reassessment District No. 2016-1
(March/Holman) and Reassessment District
No. 2016-2 (Waterford Estates East Phase
II)

By _____

EXHIBIT A

\$ _____
LIMITED OBLIGATION REFUNDING IMPROVEMENT BONDS
CITY OF STOCKTON
Reassessment District No. 2016-1
(March/Holman)

Maturity Schedule

<u>Maturity Date</u> <u>(September 2)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
--	---------------------------	----------------------

\$ _____
LIMITED OBLIGATION REFUNDING IMPROVEMENT BONDS
CITY OF STOCKTON
Reassessment District No. 2016-2
(Waterford Estates East Phase II)

Maturity Schedule

<u>Maturity Date</u> <u>(September 2)</u>	<u>Principal Maturity</u>	<u>Interest Rate</u>
--	---------------------------	----------------------

EXHIBIT B**Limited Obligation Refunding Improvement Bonds****City of Stockton****Reassessment District No. _____****(_____)****Reassessment Engineer Certificate**

[Closing Date]

City of Stockton
[Underwriter]

We have acted as the Reassessment Engineer in connection with the above-referenced bonds (the "Bonds"). With our consent, the Reassessment Report prepared by our firm (the "Reassessment Report") is reproduced as part of the Preliminary Official Statement dated _____, 2016, and the Official Statement dated _____, 2016, for the Bonds. We hereby certify that as of this date the statements and information contained in the Official Statement that are sourced to us and the summary of the Reassessment Report do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in light of circumstances under which they were made, not misleading.

Further, the Reassessment Report complies with the requirements of Streets & Highways Code Section 9523 and, in the opinion of the undersigned, the Reassessment, as set forth in the Reassessment Report, complies with Streets & Highways Code Section 9525(a).

Sincerely,

WILLDAN FINANCIAL SERVICES

By: _____

Name: _____

Title: _____