

\$ _____
STOCKTON PUBLIC FINANCING AUTHORITY
REVENUE BONDS
(ARCH ROAD EAST CFD NO. 99-02)
SERIES 2018A

BOND PURCHASE AGREEMENT

_____, 2018

Stockton Public Financing Authority
 425 North El Dorado Street
 Stockton, California 95202

Ladies and Gentlemen:

RBC Capital Markets, LLC, as underwriter (the “**Underwriter**”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the Stockton Public Financing Authority (the “**Authority**”), which upon acceptance will be binding upon the Underwriter and the Authority. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Authority purchasing from the City of Stockton (the “**City**”), on behalf of, its Arch Road East Community Facilities District No. 99-02 (the “**District**”) its Special Tax Refunding Bonds, Series 2018-A (the “**Series 2018-A Bonds**”) and its Special Tax Bonds, Series 2018-B (the “**Series 2018-B Bonds**,” and together with the Series 2018-A Bonds, the “**CFD Bonds**”) and upon the Authority satisfying all of the obligations imposed upon them under this Purchase Agreement. This offer is made subject to the Authority’s acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 11:59 P.M., local time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Indenture of Trust, dated as of December 1, 2018 (the “**Indenture**”), by and between the Authority and Wells Fargo Bank, National Association (“**Wells Fargo**”), as trustee. The CFD Bonds are being issued pursuant to a Fiscal Agent Agreement dated as of December 1, 2018 (the “**Fiscal Agent Agreement**”) by and between the City and Wells Fargo Bank, National Association, as fiscal agent (the “**Fiscal Agent**”).

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority and the Authority hereby agrees to sell to the Underwriter all (but not less than all) of the \$_____ aggregate principal amount of the Stockton Public Financing Authority Revenue Bonds (Arch Road East CFD No. 99-02), Series 2018A (the “**Bonds**”), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the Bonds shall be \$_____ (being 100% of the aggregate principal amount thereof less a net original issue discount of \$_____ and less an Underwriter’s discount of

\$_____). From the proceeds of the Bonds, the Authority agrees to purchase the CFD Bonds from the City pursuant to the terms of the CFD Bonds Purchase Agreement, dated _____, 2018 (the “**CFD Bonds Purchase Agreement**”), by and between the City and the Authority.

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

The CFD Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from special taxes pledged thereto as provided in the Fiscal Agent Agreement.

The CFD Bonds are issued under the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “**Community Facilities District Act**”). The issuance of the CFD Bonds has been duly authorized by the City, pursuant to a resolution (the “**District Resolution**”) adopted by the City Council of the City (the “**City Council**”) on _____, 2018. Pursuant to the District Resolution, the City is duly authorized to execute and deliver the Fiscal Agent Agreement, the Continuing Disclosure Certificate in the form attached to the Preliminary Official Statement as an appendix (the “**Continuing Disclosure Certificate**”), the Escrow Agreement, dated as of December 1, 2018 (the “**Escrow Agreement**”), among the Authority, the City and Wells Fargo Bank, National Association, as escrow agent (the “**Escrow Agent**”) and the CFD Bonds Purchase Agreement and has approved the form of the Preliminary Official Statement.

The Bonds are being issued by the Authority to (i) acquire the CFD Bonds; (ii) fund a reserve account for the Bonds; and (iii) pay costs of issuance of the Bonds.

A portion of the proceeds of the Series 2018-A Bonds will be used to refund the City of Stockton Arch Road East Community Facilities District No. 99-02 2007 Special Tax Bonds (the “**Prior Bonds**”) and a portion of the proceeds of the Series 2018-B Bonds will be used to finance the acquisition and construction of certain public improvements eligible to be financed by the District.

Prior to the acceptance of this Purchase Agreement by the Authority, the Authority shall have caused to be delivered to the Underwriter the Letter of Representations (the “**Letter of Representations**”) of Norcal Landco, LLC (the “**Norcal Landco**”), US Cactus Stockton LLC (“**US Stockton**”) Prologis (“**Prologis**”) and in substantially the form set forth in Exhibit B hereto.

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

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority, the District or the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority, the District or the City on other matters); (iv) the Underwriter has financial and other interests that differ from those of the Authority, the District or the City; and (v) the Authority, the District and the City have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate. Nothing in the foregoing paragraph is intended to limit the Underwriter's obligations of fair dealing under MSRB Rule G-17 of the Municipal Securities Rulemaking Board (the "**MSRB**").

The Authority acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB and acknowledges that it has engaged Del Rio Advisors, LLC as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) (the "**Municipal Advisor**") and will rely solely on the Municipal Advisor for financial advice with respect to the Bonds.

B. Pursuant to the authorization of the Authority, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2018, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the "**Preliminary Official Statement**." The Authority agrees to execute and deliver a final official statement relating to the Bonds (the "**Official Statement**") which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Quint & Thimmig LLP, as Bond Counsel ("**Bond Counsel**") and Quint & Thimmig LLP, as Disclosure Counsel ("**Disclosure Counsel**"), and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 2(O) hereof. The Authority hereby authorizes and requires the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Authority further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Indenture, the Fiscal Agent Agreement, the Escrow Agreement, this Purchase Agreement, the CFD Bonds Purchase Agreement, and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Authority or the City to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

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

D. In addition, Norcal Landco will execute a continuing disclosure agreement (the "**Developer Continuing Disclosure Agreement**"), pursuant to which Norcal Landco will undertake to provide certain data regarding the development of the property in the District until its

responsibility for the payment of the Special Taxes falls below a certain threshold. The form of the Developer Continuing Disclosure Agreement is attached as an exhibit to the Preliminary and Final Official Statements.

E. Except as the Underwriter and the Authority may otherwise agree, the Authority will deliver to the Underwriter, at the offices of Bond Counsel in Larkspur, California, or at such other location as may be mutually agreed upon by the Underwriter, the City and the Authority, the documents hereinafter mentioned; and the Authority will deliver to the Underwriter through the facilities of The Depository Trust Company (“DTC”) in New York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Authority and authenticated by Wells Fargo in the manner provided for in the Indenture and the Bond Law at 8:30 a.m. California time, on _____, 2018 (the “**Closing Date**”), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the “**Closing**”). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

F. The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change 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.

1. 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 D, 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.

2. 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 Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date 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 Closing Date 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..

3. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “**initial offering**”

price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the 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:

- a. the close of the fifth (5th) business day after the sale date; or
- b. the date on which the Underwriter has sold at least 10% of that maturity of the 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.

4. The Underwriter confirms that:

- a. 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 Date 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 Closing Date may be reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of 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.

- b. 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 Date 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 Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

5. The Authority acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the 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.

6. 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:

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

b. “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 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);

c. 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

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

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

A. The Authority is a joint exercise of powers authority, duly organized and existing under the Constitution and laws of the State of California (the “**State**”), and formed pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code (the “**JPA Act**”), with full right, power and authority to: (i) execute and deliver this Purchase Agreement, the Escrow Agreement and the Indenture; (iii) adopt the Authority Resolution; (iv) issue, sell and deliver the Bonds to the Underwriter as provided herein; (v) purchase the CFD Bonds; and (vi) carry out and consummate the transactions on its part contemplated by this Purchase Agreement, the Indenture and the Official Statement.

The Indenture, the Escrow Agreement, the Bonds, the CFD Bonds Purchase Agreement and this Purchase Agreement are collectively referred to herein as the “**Authority Documents.**”

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

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

D. Up to and including 25 days after the End of the Underwriting Period (as defined below), the Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or

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

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

F. At the time of acceptance hereof there is not, and as of the Closing Date, there will not be any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an “**Action**”) pending (notice of which has been served on the Authority) or to the knowledge of the Authority threatened, in which any such Action: (i) in any way questions the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Revenues (as defined in the Indenture) or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Authority Documents or the consummation of the transactions on the part of the Authority contemplated thereby; (iii) contests the exclusion of the interest on the Bonds from federal or state income taxation or contests the powers of the Authority which may result in any material adverse change relating to the financial condition of the Authority; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or

necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and, as of the time of acceptance hereof, there is not, and as of the Closing Date, there will not be any known basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

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

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

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

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

K. The Revenues constituting the security for the Bonds have been duly and lawfully authorized and may be pledged under the Act and the Constitution and the applicable laws of the State.

L. The Authority will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Official Statement.

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

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

O. The Authority has covenanted to comply with the Internal Revenue Code of 1986, as amended, with respect to the Bonds; and the Authority shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax, of the interest on the Bonds.

P. The Official Statement does not omit reference to any instance, during the last five years, in which the Authority, the City, the District or their affiliated entities failed to comply in all material respects with its previous undertakings pursuant to the Rule.

Q. The total interest cost to maturity on the Bonds plus the principal amount of such Bonds is less than the total remaining interest cost to maturity on the Prior Bonds plus the outstanding principal amount of such Prior Bonds.

R. The Preliminary Official Statement was deemed final by a duly authorized officer of the Authority prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Authority hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Authority shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the MSRB.

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

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

The execution and delivery of this Purchase Agreement by the Authority shall constitute a representation by the Authority to the Underwriter that the representations contained in this Section 2 are true as of the date hereof.

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

A. At the Closing Date, the Authority Resolution, the District Resolution, the Indenture, this Purchase Agreement, the Escrow Agreement, the Fiscal Agent Agreement, the CFD Bonds Purchase Agreement, the CFD Bonds and the Continuing Disclosure Certificate shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the CFD Bonds, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as described in the Preliminary Official Statement, the Authority shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound, and the performance by the Authority of its obligations under the Authority Documents, the Authority Resolution and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Authority of its obligations under the Authority Documents or the Authority Resolution.

C. The information contained in the Official Statement will be, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and will not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or

indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

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

3. Any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

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

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

6. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

7. There shall have occurred any materially adverse change in the affairs or financial condition of the Authority, the City or the District;

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

9. There shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States

is such as to make it impracticable, in the judgment of the Underwriter, following consultation with the Authority, to sell the Bonds;

10. The purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission;

11. Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation or interest rates) or the extension of credit by, or a charge to the net capital requirements of credit by, or a charge to net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States of America, or by Executive Order;

12. A decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended;

13. A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

14. There shall have occurred any national or international calamity or crisis in the financial markets or otherwise of the United States or elsewhere; or

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

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

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

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

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

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

5. The Fiscal Agent Agreement, the Continuing Disclosure Certificate and the CFD Bonds Purchase Agreement, duly executed and delivered by all parties thereto;

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

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

8. An opinion of Bond Counsel, addressed to the Underwriter, the City and Escrow Agent, dated the Closing Date, as to the effective defeasance of the Prior Bonds in form and substance acceptable to the Underwriter;

9. A certificate, dated the Closing Date and signed by the [Treasurer] of the Authority or other authorized officer, to the effect that: (i) the representations of the Authority contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Authority has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Authority Documents and the Authority Resolution at or prior to the Closing Date;

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

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

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

(iii) The Authority Resolution was duly adopted at a regular meeting of the governing body of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Authority Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

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

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

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

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

11. A letter or letters from Disclosure Counsel, dated the Closing Date and addressed to the Authority and to the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the City, the Authority, the Special Tax Consultant (as defined below), Norcal Landco, US Stockton and Prologis and their counsel and consultants, Wells Fargo and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Official Statement as of its date and as of the Closing Date contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any financial statements or other financial, statistical or engineering data or forecasts, numbers, charts, estimates, projections, assumptions, or expressions of opinion, any information about valuation, appraisals, absorption, archeological or environmental matters, or any information about The Depository Trust Company or the book-entry-only system);

12. A Letter of Representations from each of Norcal Landco, US Stockton and Prologis in connection with the printing of the Preliminary Official Statement dated the date of the Preliminary Official Statement, substantially in the form attached as part of Exhibit B hereto or as such Letter of Representation may be modified with the approval of the Underwriter, and a Closing Certificate from each of Norcal Landco, US Stockton and Prologis dated the Closing Date, substantially in the form attached as part of Exhibit B hereto;

13. Such documents as set forth in Section 7(e) of the CFD Bonds Purchase Agreement except as may be waived by the Authority in accordance with its terms;

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

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

16. Certified copies of the general resolution of Wells Fargo authorizing the execution and delivery of certain documents by certain officers of Wells Fargo, which resolution authorizes the execution of the Indenture, the Fiscal Agent Agreement, Escrow Agreement and the authentication of the Bonds and the CFD Bonds;

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

18. An opinion of counsel to Wells Fargo, dated the Closing Date, addressed to the Underwriter, the Authority and the City to the effect that Wells Fargo is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Indenture, the Escrow Agreement and the Fiscal Agent Agreement, and that each of such documents has been duly

authorized, executed and delivered by Wells Fargo and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of Wells Fargo enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

19. An opinion of Kutak Rock LLP, counsel for the Underwriter, dated the date of the Closing, addressed to the Underwriter in form and substance acceptable to the Underwriter;

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

21. An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in a form satisfactory to Bond Counsel for filing, executed by a duly authorized officer of the Authority;

22. A copy of the Report of Proposed Debt Issuance and Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code; and

23. An executed copy of the Developer Continuing Disclosure Agreement from the Developer.

24. The opinion of counsel to Norcal Landco, dated the Closing Date and addressed to the Authority and Underwriter, in the form and substances satisfactory to the Underwriter.

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

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Authority set forth in Section 6 hereof shall continue in full force and effect.

4. Conditions to the Obligations of the Authority.

A. The obligations of the Authority shall be subject to the satisfaction of the conditions contained in Section 5 of this Purchase Agreement.

B. If the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the CFD Bonds contained in the CFD Bonds Purchase Agreement, or if the obligations of the Authority to purchase, accept delivery of and pay for the CFD Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and the Authority shall not be under any further obligation hereunder, except that the obligations set forth in Section 7 hereof shall continue in full force and effect.

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

6. Notices. Any notice of other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to the City of Stockton, 425 N. El Dorado Street, Stockton, CA 95202 Attention: Chief Financial Officer; 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 RBC Capital Markets, LLC, Two Embarcadero Center, Suite 1200, San Francisco, CA 94111, Attention: Municipal Finance Department.

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

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

9. Entire Agreement. This Purchase Agreement, when accepted by the Authority, shall constitute the entire agreement among the Authority and the Underwriter and is made solely for the benefit of the Authority and the Underwriter (including the successors or assigns of any Underwriter). Except for Bond Counsel, no other person shall acquire or have any right hereunder by virtue hereof. All the Authority's representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriter, (b) delivery of and payment for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

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

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

12. Reliance on Representations and Warranties. The Authority hereby acknowledges that the Underwriter, in executing this Purchase Agreement and in paying for the Bonds as provided herein, is relying upon the representations and warranties of the Authority set forth herein.

13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Purchase Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

Very truly yours,

RBC CAPITAL MARKETS, LLC

By: _____
Its: Managing Director

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

**STOCKTON PUBLIC FINANCING
AUTHORITY**

By: _____
Authorized Signatory

Time of Execution: _____ p.m. California time

EXHIBIT A

STOCKTON PUBLIC FINANCING AUTHORITY
REVENUE BONDS
(ARCH ROAD EAST CFD NO. 99-02)
SERIES 2018A

MATURITY SCHEDULE

<i><u>Maturity Date</u></i> <i><u>(September 1)</u></i>	<i><u>Principal</u></i> <i><u>Amount</u></i>	<i><u>Interest Rate</u></i>	<i><u>Yield</u></i>	<i><u>Price</u></i>	<i><u>10% Test</u></i> <i><u>Satisfied</u></i> [*]	<i><u>10% Test</u></i> <i><u>Used</u></i>	<i><u>Hold the</u></i> <i><u>Offering Price</u></i> <i><u>Rule Used</u></i>
2019							
2020							
2021							
2022							
2023							
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2034							
2035							
2036							
2037							
2038							
20__ ^(T)							

^(T) Term Bond.

^(C) Priced to the first optional redemption date of September 1, 20__ at [par].

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

EXHIBIT B

LETTER OF REPRESENTATIONS OF THE DEVELOPER

**STOCKTON PUBLIC FINANCING AUTHORITY
REVENUE BONDS
(ARCH ROAD EAST CFD NO. 99-02)
SERIES 2018A**

_____, 2018

Stockton Public Financing Authority
425 North El Dorado Street
Stockton, California 9520

City of Stockton
425 North El Dorado Street
Stockton, California 9520

RBC Capital Markets, LLC.
Two Embarcadero Center, Suite 1200
San Francisco, CA 94111

Re: *Stockton Public Financing Authority Revenue Bonds (Arch Road East CFD No. 99-02) Series 2018A*

Ladies and Gentlemen:

Reference is made to the Stockton Public Financing Authority Revenue Bonds (Arch Road East CFD No. 99-02), Series 2018A (the “Bonds”) and to the Bond Purchase Agreement (the “Purchase Agreement”) between the Stockton Public Financing Authority (the “Authority”) and RBC Capital Markets, LLC, as underwriter of the Bonds (the “Underwriter”). This Letter of Representations of the Developer (the “Letter of Representations”) is delivered pursuant to and in satisfaction of Section 3(E)(11) of the Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Purchase Agreement.

As used in this Letter of Representations, the term “Actual Knowledge of the Undersigned” means the knowledge that the undersigned currently has as of the date of this Letter of Representations or has obtained through (i) interviews with such current officers and responsible employees of the Developer as the undersigned has reasonably determined are likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents reasonably available to the undersigned and which the undersigned reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer’s current business and operations.

As used in this Letter of Representations, the term “Relevant Entity” of the Developer means any person presently directly or indirectly through one or more intermediaries controlling, controlled by or under common control with the Developer, and about whom information could be material to potential investors in their investment decision regarding the Bonds (including without limitation information relevant to the Developer’s proposed development of the Property (defined herein), or to the Developer’s ability to pay the Special Taxes due with respect to the Property prior to delinquency).

As used in this Letter of Representations, the term “Property” means the real property currently owned by the Developer within the City of Stockton Arch Road East Community Facilities District No. 99-02 (the “Community Facilities District”), as further described in the Preliminary Official Statement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of _____ (the “Developer”), and the undersigned, on behalf of the Developer, further certifies as follows:

(1) The Developer has been duly organized and validly exists in good standing under the laws of the State of _____ and has or will have prior to the Closing, as required, all requisite right, power and authority:

(i) to execute and deliver this Letter of Representations;

(ii) to own and develop the Property, as described in the Preliminary Official Statement;

(iii) [to execute and deliver the Developer Continuing Disclosure Certificate at Closing];

(iv) [to perform its obligations under the Developer Continuing Disclosure Certificate]; and

(v) to carry on its business as described in the Preliminary Official Statement.

(2) [The Developer agrees to execute at Closing the Developer Continuing Disclosure Certificate substantially in the form attached as an appendix to the Preliminary Official Statement, with such additional changes as may be agreed upon by the Underwriter, Bond Counsel and the Developer.]

(3) [Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, neither Developer is aware of any material failures by it or any entity under managerial control of such Developer to comply in all material respects with previous continuing disclosure undertakings in a written certificate or agreement executed by it or its Relevant Entities to provide periodic continuing disclosure reports or notices of material events respecting securities offerings in California within the past five years.]

(4) [To the Actual Knowledge of the Undersigned, execution and delivery of the Developer Continuing Disclosure Certificate, and the performance by the Developer of its obligations under the Developer Continuing Disclosure Certificate, will not conflict with or constitute a breach of or default under any loans, lines of credit, agreements, or other

contractual or financial obligations of the Developer or any applicable law, regulation, judgment or decree.]

(5) To the Actual Knowledge of the Undersigned, neither the Developer nor any of its Relevant Entities is currently in material default on any loans, lines of credit, credit agreements, or other material contractual or financial obligations, or in breach of any applicable law, regulation, judgment or decree, and no event has occurred and is continuing that would constitute such a default or breach, the result of which could reasonably be expected to materially and adversely affect the ability of the Developer:

(i) to own and develop the Property, as described in the Preliminary Official Statement;

(ii) to pay Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency;

(iii) to carry on its business as described in the Preliminary Official Statement; and

(iv) [to perform its obligations under the Developer Continuing Disclosure Certificate.]

(6) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Developer, the Developer has not assumed any obligations under any loans, lines of credit, credit agreements, or other material contractual or financial obligations, or any applicable judgment or decree, which could reasonably be expected to materially and adversely affect the ability of the Developer:

(i) to own and develop the Property, as described in the Preliminary Official Statement,

(ii) to pay Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency, or

(iii) to carry on its business as described in the Preliminary Official Statement.

(7) Except as described in the Preliminary Official Statement, the Developer has no loans outstanding and unpaid and no lines of credit that are secured by the Property.

(8) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, neither the Developer nor any of its Relevant Entities is currently in default in, or, in the last five years, has ever defaulted to any material extent in, the payment of special taxes or assessments in connection with the Community Facilities District or any other community facilities districts or assessment districts in California that was not cured prior to the institution of any enforcement action with a court of law.

(9) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, there is no litigation, inquiry, investigation or administrative proceeding of any nature pending against the Developer (with service of process to the

Developer having been accomplished), or to the Actual Knowledge of the Undersigned, overtly threatened in writing against the Developer, or to the Actual Knowledge of the Undersigned, pending or overtly threatened in writing against any Relevant Entity of the Developer, in each case which, if successful, could reasonably be expected to:

(i) materially and adversely affect the ability of the Developer to own, and develop the Property, as described in the Preliminary Official Statement;

(ii) materially and adversely affect the ability of the Developer to pay Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency;

(iii) materially and adversely affect the ability of the Developer to carry on its business as described in the Preliminary Official Statement;

(iv) [materially adversely affect the ability of the Developer to perform its obligations under the Developer Continuing Disclosure Certificate];

(v) challenge, question the validity or enforceability of, or restrain or enjoin the performance of, the Special Taxes, the Bonds, the Resolution, the Indenture, the Fiscal Agent Agreement, the Developer Continuing Disclosure Certificate or the Bond Purchase Agreement; or

(vi) restrain or enjoin collection of Special Taxes or other sums to be pledged to pay the principal of and interest on the Bonds.

(10) Except as disclosed in the Preliminary Official Statement or in this Letter of Representations:

(i) the Developer and, to the Actual Knowledge of the Undersigned, its Relevant Entities, are solvent;

(ii) to the Actual Knowledge of the Undersigned, there are no proceedings pending (with service of process to the Developer having been accomplished) or overtly threatened in writing in which the Developer or any of its Relevant Entities may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from any or all of its respective debts or obligations, be granted an extension of time to pay its respective debts or obligations, or be granted a reorganization or readjustment of its respective debts or obligations; and

(iii) Neither the Developer nor, to the Actual Knowledge of the Undersigned, any of its Relevant Entities, has filed for bankruptcy or been declared bankrupt in the last 10 years.

(11) As of the date hereof, the information in the sections of the Preliminary Official Statement entitled [“DEVELOPMENT WITHIN THE DISTRICT,” “CONTINUING DISCLOSURE - _____” and “BONDOWNERS’ RISKS AND INVESTMENT CONSIDERATIONS”] concerning the Developer and its Relevant Entities, the Property, the Developer’s development and financing plans, and the Developer’s contractual arrangements (but excluding any information cited as coming from a source other than the Developer) is

true and correct in all material respects, and contains no untrue statement of a material fact and does not omit any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(12) Except as disclosed in the Preliminary Official Statement, the Developer has not submitted an application for, nor received actual notice of,

(i) the formation or authorization of any other assessment district or community facilities district that would include any portion of the Property, or

(ii) the authorization or issuance of any debt secured by an assessment or another special tax to be levied on any portion of the Property, other than the Special Tax.

(13) Except as set forth in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, there are no claims, disputes, lawsuits, actions or contingent liabilities of or against the Developer or its Relevant Entities, or among, by or between the Developer and any contractors working on the development of the Property, which could reasonably be expected to materially and adversely affect:

(i) the ability of the Developer to own and develop the Property, as described in the Preliminary Official Statement;

(ii) the ability of the Developer to pay Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency;

(iii) the ability of the Developer to carry on its business as described in the Preliminary Official Statement; or

(iv) [the ability of the Developer to perform its obligations under the Developer Continuing Disclosure Certificate.]

(14) The Developer covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Developer will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way:

(i) seeks to challenge or overturn the formation of the Community Facilities District;

(ii) seeks to challenge the adoption of the ordinance levying Special Taxes within the Community Facilities District;

(iii) seeks to invalidate the Community Facilities District or any of the Bonds or any refunding obligations; or

(iv) seeks to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto.

The foregoing covenant shall not prevent the Developer in any way from bringing any other action, suit, proceeding, inquiry or investigation at law or in equity relating to the following:

(a) a claim that the Special Tax has not been levied in accordance with the Rate and Method;

(b) the application or use of the Special Taxes levied and collected; or

(c) the enforcement of the obligations of the City or the Community Facilities District under the Indenture or any agreements between the Developer and the City or the Community Facilities District or under which the Developer is a beneficiary.

(15) The Developer has received a copy of the Rate and Method containing the prepayment formula. The Developer acknowledges that any prepayment of the Special Taxes may only be made in accordance with the Rate and Method.

(16) The Developer shall comply with the provision of the Mello-Roos Community Facilities Act of 1982, as amended, relating to the Notice of Special Tax described in California Government Code Section 53341.5 in connection with the sale of the Property.

(17) Based upon its current development plans, including, without limitation, its current budget and subject to economic conditions and risks generally inherent in the development of real property, the Developer anticipates that it will have sufficient funds to (i) carry on its business as described in the Preliminary Official Statement, (ii) own and develop the Property as described in the Preliminary Official Statement, and (iii) pay Special Taxes on the Property (to the extent the responsibility of the Developer) prior to delinquency.

(18) The Developer consents to the issuance of the Bonds. The Developer acknowledges and agrees that the proceeds of such Bonds will be used for the acquisition and construction of the improvements described in the Preliminary Official Statement. The Developer acknowledges that the costs to acquire and construct such improvements are estimates, and that any increase in costs in excess of the estimated costs relating to improvements will reduce the improvements which may be financed by the City, and neither the City, the Authority nor the Community Facilities District has any obligation to provide moneys to pay for any such costs.

(19) As a condition to the issuance of the Bonds, the Developer agrees to deliver a bring-down certificate, dated the Closing Date, in substantially the form attached as Attachment A, to affirm and restate the Developer's certifications, representations and covenants made in this Letter of Representations. If any event related to or affecting the Developer, its Relevant Entities or the ownership, development or sale of the Property occurs, as a result of which it is necessary to modify the bring-down certificate, the Developer agrees to deliver a new bring-down certificate revised to reflect such event.

(20) The Developer acknowledges and agrees that:

(i) in connection with the purchase and sale of the Bonds under the Bond Purchase Agreement, and with the discussions, undertakings and procedures leading up to the consummation of the purchase and sale of the Bonds under the Bond Purchase Agreement, the Underwriter is and has been acting solely as principal and is not acting as the agent or fiduciary of the Developer;

(ii) the Underwriter has not assumed a fiduciary responsibility in favor of the Developer with respect to (a) the offering of the Bonds contemplated hereby or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Developer on other matters), or (b) any other obligation to the Developer with respect to the offering contemplated by the Bond Purchase Agreement; and

(iii) the Developer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering contemplated by the Bond Purchase Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK;
EXECUTION PAGE FOLLOWS]

On behalf of the Developer, I have reviewed the contents of this Letter of Representations and the Developer has consulted with counsel regarding the meaning of its contents. The Developer acknowledges and understands that a variety of state and federal laws, including but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Developer, and that under some circumstances certification as to the matters set forth in this Letter of Representations, without additional disclosures or other action, may not fully discharge all duties and obligations of the Developer under such laws.

[DEVELOPER]

By:_____

ATTACHMENT A

CLOSING CERTIFICATE OF THE DEVELOPER

**STOCKTON PUBLIC FINANCING AUTHORITY
REVENUE BONDS
(ARCH ROAD EAST CFD NO. 99-02)
SERIES 2018A**

_____, 2018

Stockton Public Financing Authority
425 North El Dorado Street
Stockton, California 9520

City of Stockton
425 North El Dorado Street
Stockton, California 9520

RBC Capital Markets, LLC.
Two Embarcadero Center, Suite 1200
San Francisco, CA 94111

Re: *Stockton Public Financing Authority Revenue Bonds (Arch Road East CFD No. 99-02)
Series 2018A*

Ladies and Gentlemen:

Reference is made to the Stockton Public Financing Authority Revenue Bonds (Arch Road East CFD No. 99-02), Series 2018A (the “Bonds”) and to the Bond Purchase Agreement, dated _____, 2018 (the “Purchase Agreement”), between the Stockton Public Financing Authority (the “Authority”) and RBC Capital Markets, LLC, as underwriter of the Bonds (the “Underwriter”). This Closing Certificate of the Developer (the “Closing Certificate”) is delivered by _____ (the “Developer”) pursuant to the Purchase Agreement. Capitalized terms used herein or in the Letter of Representations (defined below) and not otherwise defined have the meanings ascribed to them in the Purchase Agreement. A copy of a Letter of Representations of the Developer (the “Letter of Representations”), dated _____, 2018, delivered by the Developer, is attached hereto as Attachment A.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement relating to the Bonds dated _____, 2018 (the “Official Statement”). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with

the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 9 of the Letter of Representations relating to the Developer, its Relevant Entities, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Relevant Entities (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Relevant Entities) which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "End of the Underwriter Period" as defined in the Purchase Agreement, if any event relating to or affecting the Developer, its Relevant Entities, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Relevant Entities (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Relevant Entities) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the Authority, 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 Developer shall reasonably cooperate with the Authority and the Underwriter in the preparation of an amendment or supplement to the Official Statement in form and substance satisfactory to the Underwriter and counsel to the Authority 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.

4. [The Developer has duly executed and delivered the Developer Continuing Disclosure Agreement, and the Developer Continuing Disclosure Agreement constitutes the legal, valid and binding obligation of the Developer, enforceable against the Developer in accordance with its terms, except as such enforcement is limited by bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance, and other similar laws relating to or affecting the rights of creditors and certain equitable, legal, or statutory principles affecting the enforcement of contractual rights generally, regardless of whether such enforcement is considered in a proceeding in equity or at law.]

5. The undersigned has executed this Closing Certificate solely in his or her capacity as an officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Developer.

[DEVELOPER]

By:_____

EXHIBIT C

SUPPLEMENTAL OPINION OF BOND COUNSEL

[TO COME FROM BOND COUNSEL]

EXHIBIT D

\$ _____

**STOCKTON PUBLIC FINANCING AUTHORITY
REVENUE BONDS
(ARCH ROAD EAST CFD NO. 99-02)
SERIES 2018A**

FORM OF ISSUE PRICE CERTIFICATE

[TO COME FROM BOND COUNSEL]