

\$ __, __, __, 000
**NEVADA COUNTY FINANCE AUTHORITY
OPERATIONS CENTER LEASE REVENUE BONDS, SERIES 2019**

BOND PURCHASE AGREEMENT

January __, 2019

Nevada County Finance Authority
c/o County of Nevada
950 Maidu Avenue
Nevada City, California 95959

County of Nevada
950 Maidu Avenue
Nevada City, California 95959

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the “*Underwriter*”) hereby offers to enter into this Bond Purchase Agreement (the “*Bond Purchase Agreement*”) with the Nevada County Finance Authority (the “*Authority*”) and the County of Nevada (the “*County*”) on the basis of the representations, warranties, and covenants contained in this Purchase Agreement and upon the terms and conditions contained herein, for the purchase by the Underwriter from the Authority of \$ __, __, __, 000 principal amount of Nevada County Finance Authority Operations Center Lease Revenue Bonds, Series 2019 (the “*Bonds*”), which upon acceptance, will be binding upon the Authority, the County, and the Underwriter. This offer is made subject to the acceptance by the Authority and the County on or before 11:59 p.m., California time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the Authority and the County at any time prior to such acceptance. If the Underwriter withdraws this offer, or the obligation of the Underwriter to purchase the Bonds is otherwise terminated pursuant to Section 10, the Authority and the County shall have no further obligation to the Underwriter, including the payment of any costs set forth under Section 11(a).

Capitalized terms used in this Purchase Agreement and not otherwise defined herein shall have the meanings given to such terms as set forth in Indenture, dated as of February 1, 2019 (the “*Indenture*”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “*Trustee*”).

Section 1. Purchase and Sale of the Bonds. Upon the terms and conditions and upon the basis of the representations set forth in this Purchase Agreement, the Underwriter agrees to purchase from the Authority, and the Authority agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$ __, __, __, 000 principal amount of the Bonds. The Bonds shall be dated their date of delivery, shall have the maturities and bear interest at the rates per annum, mature on the dates, have the yields, and be subject to redemption all as set forth on the attached Schedule I. The Bonds shall be issued in fully

registered form, in authorized denominations of \$5,000 or any integral multiple thereof and bear interest payable from the date thereof on each April 1 and October 1, commencing April 1, 2019.

The purchase price for the Bonds shall be \$_____,000.____, being the principal amount of the Bonds, plus net original issue premium of \$_____,000.____, and less an Underwriter's discount of \$_____,000.____.

Section 2. Underwriter Not Acting as Agent, Advisor or Fiduciary. The purchase and sale of the Bonds to the Underwriter represents a negotiated transaction, and the Authority and the County each acknowledge and agree that: (i) the transaction contemplated by this Purchase Agreement is an arm's length, commercial transaction among the Authority and the County, and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the Authority or the County; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Authority or the County with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority or the County on other matters); (iii) the Underwriter is acting solely in its capacity as an underwriter for its own account, (iv) the only obligations the Underwriter has to the Authority or the County with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the Authority and the County have each consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate.

Section 3. Description and Purpose of the Bonds. The Bonds are being issued pursuant to the terms of and shall be substantially in the form described in the Indenture. The proceeds of the Bonds will be used to: (i) finance the costs to construct an operations center owned and operated by the County (the "*Project*"); and (ii) pay certain costs associated with the issuance of the Bonds.

The County and the Authority will enter into a Site Lease, dated as of February 1, 2019 (the "*Site Lease*"), pursuant to which the County will lease to the Authority the Rood Administration Center, located in Nevada City, California (such real property and improvements, and equipment are collectively referred to as the "*Leased Facilities*"). The Authority and the County will concurrently enter into a Lease, dated as of February 1, 2019 (the "*Lease*"), pursuant to which the Authority will lease the Leased Facilities back to the County.

The Bonds are special obligations of the Authority payable from and secured by the Base Rental Payments to be made by the County to the Authority under the Lease.

Section 4. Public Offering of the Bonds. The Underwriter agrees to make a bona fide public offering of all the Bonds initially at the public offering prices (or yields) set forth on Schedule I and incorporated herein by reference. Following the initial public offering of the Bonds, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Schedule I. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices subject to Section 13. The Underwriter also reserves the right to: (i) over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time.

Section 5. Delivery of Official Statement; Continuing Disclosure.

(a) The Authority has delivered or caused to be delivered to the Underwriter prior to the execution of this Bond Purchase Agreement, copies of the preliminary official statement, including the

cover pages, appendices, and information incorporated therein by reference with respect to the Bonds, dated January __, 2019 (the “*Preliminary Official Statement*”). Such Preliminary Official Statement is the official statement deemed final by the Authority for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the “*Rule*”) and approved by the Authority and the County for distribution by the Underwriter before the date hereof by the Authority Resolution (defined herein) and by the County Resolution (defined herein), respectively.

(b) Within seven business days from the date hereof, and in any event not later than two business days prior to the Closing Date, the Authority shall deliver to the Underwriter a final Official Statement, executed on behalf of the Authority by an authorized representative, which shall include information permitted to be omitted from the Preliminary Official Statement by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the Authority and the Underwriter (the “*Official Statement*”) and such additional conformed copies thereof as the Underwriter may reasonably request to meet potential customer requests for copies of the Official Statement to comply with the Rule and rules of the Municipal Securities Rulemaking Board (the “*MSRB*”). It is acknowledged by the Authority that the Underwriter may deliver the Preliminary Official Statement and an Official Statement electronically over the internet and in printed paper form. For purposes of this Bond Purchase Agreement, the printed form of the Preliminary Official Statement and the Official Statement are deemed controlling. The Underwriter agrees to file a copy of the Official Statement, including any supplements prepared by the Authority or the County, with the MSRB on its Electronic Municipal Markets Access (“*EMMA*”) system. The Official Statement shall be in substantially the same form as the Preliminary Official Statement and, other than information previously permitted to have been omitted by the Rule, the Authority shall only make such other additions, deletions, revisions in the Official Statement as shall be approved by the Underwriter. The Underwriter hereby agrees to cooperate and assist in the preparation of the Official Statement. The Authority hereby agrees to deliver to the Underwriter an electronic copy of the Official Statement in a form that permits the Underwriter to satisfy its obligations under the rules and regulations of the MSRB and the U.S. Securities and Exchange Commission (“*SEC*”). The Authority hereby authorizes the Underwriter to use the Official Statement and the information contained therein in connection with the offering and sale of the Bonds.

(c) To enable the Underwriter to comply with the Rule, the County will execute a Continuing Disclosure Certificate concurrently with issuance of the Bonds substantially in the form attached as Appendix F to the Official Statement (the “*Continuing Disclosure Certificate*”).

Section 6. Closing.

(a) At [8:30] a.m. California time on February __, 2019, or such other time as shall be agreed upon by the Underwriter, the Authority, and the County (the “*Closing Date*”), the Authority will deliver or cause to be delivered to the Underwriter at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, bond counsel to the Authority (“*Bond Counsel*”) in Newport Beach, California (or such other location as may be designated by the Underwriter and approved by the Authority), the closing documents hereinafter mentioned and, through the facilities of The Depository Trust Company, the Bonds in the form of registered book-entry only bonds evidenced by one certificate for each maturity, and interest rate of Bonds (which may be typewritten) in denominations of \$5,000 or any multiple thereof, duly executed by the Authority and authenticated by the Trustee. Subject to the terms and conditions hereof, the Underwriter will accept delivery of the Bonds in book-entry only form, and the Underwriter will pay the purchase price of the Bonds set forth in Section 1 by Federal Funds wire (such delivery and payment being herein referred to as “*Closing*”).

(b) It is anticipated that CUSIP numbers will be printed on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by

the Underwriter to accept delivery of the Bonds in accordance with the terms of this Bond Purchase Agreement.

Section 7. Representations, Warranties and Agreements of the Authority. The Authority represents and warrants to the Underwriter that:

(a) By Resolution No. _____ adopted on January __, 2019 by a majority of the members of board of directors of the Authority at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout, (the “*Authority Resolution*”), the Authority has taken all action necessary to be taken by it for the execution and issuance of the Bonds, and the execution, delivery and due performance of the Indenture, the Site Lease, the Lease, the Official Statement, and this Purchase Agreement (collectively, the “*Authority Agreements*”) and the taking of any and all actions as may be required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated hereby has been taken, and the Authority Resolution has not been modified, amended, or repealed and is in full force and effect;

(b) The Authority is a joint exercise of powers authority established pursuant to Joint Exercise of Powers Agreement, dated January 19, 1993 (the “*Joint Exercise Agreement*”) between the County and the Nevada County Housing Authority and has all necessary power and authority to adopt the Authority Resolution, to issue the Bonds and to enter into and perform its duties under the Authority Agreements;

(c) This Purchase Agreement constitutes, and upon their issuance and delivery, the Bonds, and upon execution, the Authority Agreements, assuming due authorization, execution and deliver by the other parties thereto will constitute legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium or similar laws or equitable principles relating to or effecting creditors’ rights generally; and the execution and delivery of the Bonds and the Authority Agreements and compliance with the provisions of each thereof will not materially conflict with or constitute a breach of or a default under any applicable constitutional provision, law, administrative regulation court order or consent decree, or any applicable judgment, decree, agreement, note, resolution, indenture or other instrument to which the Authority is a party or is otherwise subject;

(d) The information contained in the Preliminary Official Statement as of its date and as of the date hereof under the caption “THE AUTHORITY” was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) To the best knowledge of the Authority as of the date hereof, except as disclosed in the Preliminary Official Statement and Official Statement there is no action, suit, proceeding or investigation before or by any court, public board or body pending or threatened, wherein an unfavorable decision, ruling or finding would: (i) affect the creation, organization, existence or powers of the Authority, or the titles of its members or officers, (ii) affect, contest, or seek to prohibit, restrain, or enjoin or restrain the issuance, sale and delivery of the Bonds or the validity of the Bonds, or the Authority Agreements, (iii) in any way question or affect any of the rights, powers, duties or obligations of the Authority with respect to the monies to pay the principal of, premium, if any, or interest on the Bonds, (iv) in any way question or affect any authority for the issuance of the Bonds, the validity or enforceability of the Bonds or the Authority Agreements, (v) contest the completeness or accuracy of the Preliminary Official Statement or the transactions completed thereby, (vi) contest the exclusion of interest with respect to the Bonds from gross income for federal income tax purposes;

(f) If, between the date hereof and the date which is 25 days after the “end of the underwriting period” (as defined in Section 7(h)), any event occurs, or facts or conditions become known of which the Authority has knowledge and which in the reasonable opinion Bond Counsel, Schiff Hardin LLP (“*Underwriter’s Counsel*”), or County Counsel as Counsel to the Authority, would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect, the Authority will notify the Underwriter, and, if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will forthwith prepare and furnish to the Underwriter (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading in any material respect. If such notification shall occur subsequent to the Closing, the Authority shall forthwith provide to the Underwriter such certificates as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the end of the underwriting period for the Bonds, the Authority will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(g) If the information contained in the Official Statement is amended or supplemented pursuant to Section 7(f), at the time of such supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the date which is 25 days after the “end of the underwriting period,” as defined in Section 6(h) for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), excluding statements and information under the caption “UNDERWRITING” and contained in APPENDIX C–“DTC AND THE BOOK-ENTRY ONLY SYSTEM,” and information as to prices and interest rates on the inside cover of the Official Statement, will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was made, not misleading in any material respect;

(h) As used herein and for the purposes of the foregoing, the term “end of underwriting period” for the Bonds shall mean the earlier of (i) the Closing Date unless the Authority shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date or (ii) the date on which the end of the underwriting period for the Bonds has occurred under Rule 15c2-12, provided, however, that the Authority may treat as the end of the underwriting period for the Bonds the date specified as such in a notice from the Underwriter stating the date which is the end of the underwriting period;

(i) The Authority shall furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order to qualify the Bonds for offering 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 will assist, if necessary therefor, in the continuation of such qualifications in effect as long as required for the distribution of the Bonds; provided, however, that the Authority shall not be required to qualify as a foreign corporation or to file any general consents to service of process under the laws of any state;

(j) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the Authority required for the execution and delivery of this Purchase Agreement or the execution, delivery and sale of the Bonds or the consummation by the Authority of the other transactions contemplated by the Official Statement, this Purchase Agreement, or the Authority Agreements;

(k) The Authority shall comply with the requirements of the [Tax Exemption Certificate] dated _____, 2019 (the "*Tax Certificate*") executed by the Authority in connection with the delivery of the Bonds;

(l) Any certificate signed by any official of the Authority and delivered to the Underwriter pursuant to this Purchase Agreement or any document contemplated hereby shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(m) The Authority shall apply the net proceeds of the Bonds to construct the Project and otherwise in accordance with the Indenture and as described in the Official Statement; and

(n) The Authority is not in default, and at no time has defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

All representations, warranties and agreements of the Authority shall remain operative and in full force and effect, regardless of any investigations made by or on the Underwriter's behalf, and shall survive the delivery of the Bonds.

Section 8. Representations, Warranties and Agreements of the County. The County represents, warrants and covenants with the Underwriter that:

(a) By Resolution No. _____ adopted on January __, 2019 by a majority of the members of the Board of Supervisors of the County at a meeting duly called, noticed and conducted, at which a quorum was present and acting throughout (the "*County Resolution*"), the County has taken all action necessary to be taken by it for the execution, delivery and due performance of the Site Lease, the Lease, the Continuing Disclosure Agreement, and this Purchase Agreement (collectively, the "*County Agreements*") and the taking of any and all actions as may be required on the part of the County to carry out, give effect to and consummate the transactions contemplated hereby has been taken, and the County Resolution has not been modified, amended, or repealed and is in full force and effect;

(b) The County is a political subdivision organized and existing under and by virtue of the laws of the State and has all necessary power and authority to adopt the County Resolution and to enter into and perform its duties under the County Agreements;

(c) This Purchase Agreement constitutes, and upon execution the County Agreements, assuming due authorization, execution and delivery by the other respective parties thereto, as applicable, will constitute the legal, valid and binding obligations of the County enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally; and the execution and delivery of the County Agreements and compliance with the provisions thereof will not materially conflict with or constitute a breach of or default under any applicable constitutional provision, law, administrative regulation, court order or consent decree or any applicable judgment or decree,

agreement, note, resolution, indenture, or other instrument to which the County is a party any of its assets may be otherwise subject;

(d) Except for information which is permitted to be omitted pursuant to the Rule, the Preliminary Official Statement as of its date and as of the date hereof (excluding therefrom the information relating to DTC and its book-entry only system, and under the caption "UNDERWRITING," as to which no representations or warranties are made) was and is true and correct in all material respects and did not and does not contain any untrue or misleading statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(e) To the best knowledge of the County, as of the date hereof, except as disclosed in the Preliminary Official Statement and the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best of the County's knowledge after reasonable investigation, threatened, where an unfavorable decision, ruling or finding would: (i) in any way question the corporate existence of the County or the titles of the officers of the County to their respective offices; (ii) affect, contest or seek to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or the validity of the Bonds, the County Agreements, or the consummation of the transactions contemplated thereby; (iii) result in any material adverse change relating to the County; (iv) contest the completeness or accuracy of the Preliminary Official Statement or any supplement or amendment thereto, or asserting that the Preliminary 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;

(f) To the knowledge of the County, there is no public vote or referendum pending or proposed to amend or repeal any tax, the results of which could materially adversely affect the transactions contemplated by the County Agreements or the Official Statement or the validity or enforceability of the Bonds;

(g) If, between the date hereof and the date which is 25 days after the "end of the underwriting period" (as defined in Section 6(h)), any event occurs, or facts or conditions become known of which the County has knowledge and which in the reasonable opinion Bond Counsel, Underwriter's Counsel, or County Counsel, would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect, the County will notify the Underwriter, and, if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the County will forthwith prepare and furnish to the Underwriter (at the expense of the County) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to prospective purchasers, not misleading in any material respect. If such notification shall occur subsequent to the Closing, the County shall forthwith provide to the Underwriter such certificates as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. For the purposes of this subsection, between the date hereof and the date which is 25 days after the end of the underwriting period for the Bonds, the County will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(h) At the date hereof and as of the Closing Date, except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, the County will be in compliance with the covenants and agreements contained in the County Agreements, and no event of default and no event has occurred and is continuing which, with the passage of time or giving of notice, or both, would constitute an event of default thereunder shall have occurred and be continuing;

(i) All approvals, consents and orders of any governmental authority or agency having jurisdiction in the matter which would constitute a condition precedent to the due performance by the County of its obligations under the County Agreements have been duly obtained or made, and are, and will be as of the Closing Date, in full force and effect;

(j) Any certificate signed by any officer of the County and delivered to the Underwriter pursuant to the County Agreements or any document contemplated hereby or thereby shall be deemed a representation and warranty by the County to the Underwriter as to the statements made therein and that such officer shall have been duly authorized to execute the same;

(k) The Official Statement, at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Official Statement will not contain any misstatement of a material fact or omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (excluding therefrom the information relating to DTC and its book-entry only system and under the caption "UNDERWRITING," as to which no representations or warranties are made);

(l) As of the time of acceptance hereof and as of the time of the Closing, the County is not and 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 relating to the County to which the County is a party, or any of its assets 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 or default would materially adversely affect the security of the Bonds or the County's performance under the County Agreements; and, as of such times, except as disclosed in the Preliminary Official Statement and the Official Statement, the authorization, execution and delivery of the County Agreements and the Bonds and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance agreement or other instrument relating to the County (or any of its officers in their respective capacities as such), 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 Bonds and the County Agreements;

(m) Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, in the past five years the County has not failed to comply in all material respects with all of its prior continuing disclosure undertakings entered into in accordance with the Rule;

(n) The County shall apply the net proceeds of the Bonds to construct, install, and equip the Project in accordance with the Indenture, as described in the Official Statement;

(o) The County is not in default on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is outstanding; and

(p) Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, material adverse change in the financial condition or operating results of the County has occurred since June 30, 2018, and there has been no occurrence, circumstance, or combination thereof that is reasonably expected to result in any such a material adverse change. The County financial statements and the other financial information in the Official Statement about the County fairly present the financial position and operating results of the County as of the dates and for the periods therein set forth. The audited financial statements have been prepared in accordance with the generally accepted accounting principles consistently applied, and the other financial information in the Official Statement has been determined on a basis substantially consistent with that of the audited financial statements for the County included in the Official Statement.

All representations, warranties and agreements of the County shall remain operative and in full force and effect, regardless of any investigations made by or on the Underwriter's behalf, and shall survive the delivery of the Bonds.

Section 9. Conditions to the Obligations of the Underwriter. The Underwriter hereby enters into this Bond Purchase Agreement in reliance upon the representations and warranties of the County contained herein and the representations and warranties to be contained in the documents and instruments to be delivered on the Closing Date and upon the performance by the Authority, the County, and the Trustee of their respective obligations both on and as of the date hereof. Accordingly, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy of the representations and warranties of the Authority and the County contained herein as of the date hereof and as of the Closing Date, to the accuracy of the statements of the officers and other officials of the Authority, the County, and the Trustee made in any certificate or document furnished pursuant to the provisions hereof, to the performance by the Authority, the County, and the Trustee of their respective obligations to be performed hereunder and under the Authority Agreements and the County Agreements to which it is a party at or prior to the date hereof and at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) On the Closing Date, the Authority Agreements and the County Agreements shall have been duly authorized, executed and delivered by the Authority and the County, respectively, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and shall be in full force and effect; and there shall be in full force and effect such resolutions of the Board of Directors of the Authority and of the Board of Supervisors of the County as, in the opinion of the Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(b) On the Closing Date, all necessary action of the Authority relating to the issuance and sale of the Bonds will have been taken and will be in full force and effect and will not have been amended, modified or supplemented;

(c) On or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(i) Authority Resolution, Authority Agreements, County Resolution and County Agreements. Certified copies of the Authority Resolution and the County Resolution, and copies

of the Authority Agreements and the County Agreements, each duly executed and delivered by the respective parties thereto;

(ii) Joint Exercise Agreement. A certified copy of the Joint Exercise Agreement.

(iii) Preliminary Official Statement and Official Statement. The Preliminary Official Statement, and the Official Statement, executed on behalf of the Authority by an authorized representative of the Authority;

(iv) Opinion of Bond Counsel. The approving opinion of Bond Counsel, dated the date hereof and addressed to the County, in substantially the form of Appendix E to the Official Statement, and a letter of such counsel, dated the Closing Date, and addressed to the Underwriter and the Trustee to the effect that such opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them;

(v) Supplemental Opinion of Bond Counsel. A supplemental opinion Bond Counsel addressed to the Underwriter, dated the date of the Closing substantially in the form attached as Exhibit B.

(vi) Opinion of Disclosure Counsel. A letter of Stradling Yocca Carlson & Rauth, a Professional Corporation, disclosure counsel to the County ("Disclosure Counsel"), dated the date of the Closing, addressed to the County and the Underwriter substantially to the following effect: (A) as of the date of the Preliminary Official Statement and as of _____, 2019, no facts came to the attention of the attorneys in our firm rendering legal services in connection with this matter which caused us to believe that the Preliminary Official Statement (except for any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion included therein, the information in Appendices A through E, information regarding DTC and its book-entry only system and information permitted to be omitted from the Preliminary Official Statement pursuant to Rule 15c2-12 of the Securities and Exchange Commission as to all of which we express no opinion or view) contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (B) as of the date of the Official Statement and as of the Closing Date, no facts came to the attention of the attorneys in our firm rendering legal services in connection with this matter which caused us to believe that the Official Statement (except for any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion included therein, the information in Appendices A, through E and information regarding DTC and its book-entry only system, as to all of which we express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(vii) Opinion of County Counsel as Counsel to the Authority. The opinion of the County Counsel, as counsel to the Authority, dated the Closing Date and addressed to the Underwriter and the Trustee, to the effect that: (A) the Authority is a joint exercise of powers entity duly organized and existing under and by virtue of the laws of the State; (B) the Authority Resolution was duly adopted at a meeting of the Board of Directors of the Authority that 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 is in full force and effect and has not been amended or repealed; (C) other than as otherwise disclosed in the Preliminary Official Statement and the

Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of such counsel after reasonable investigation, threatened against or affecting the Authority, to restrain or enjoin the execution, delivery or sale of the Bonds or the collection or payment of the funds that are the source of security under the Indenture, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Authority Agreements or the Joint Exercise Agreement, or in any way contesting or affecting the existence of the Authority or the title of any official of the Authority to such person's office, or contesting the power of the Authority or its authority with respect to the Authority Agreements or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting 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; (D) the execution and delivery by the Authority of the Bonds and the Authority Agreements, the adoption of the Authority Resolution, and compliance by the Authority with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach or default under any agreement or other instrument to which the Authority is a party, including the Joint Exercise Agreement or by which it is bound or by any existing law, regulation, court order or consent decree to which the Authority or any of its assets is subject; (E) as authorized by the Authority Resolution, the Bonds and the Authority Agreements have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute legal, valid and binding agreements of the Authority enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the limitations on legal remedies against public agencies in the State and the application of equitable principles if equitable remedies are sought; and (F) no authorization, approval, consent, or other order of the United States of America, the State, or any other governmental authority or agency within the State having jurisdiction over the Authority is required for the valid authorization, execution, delivery of the Bonds and performance by the Authority of the Authority Agreements or for the adoption of the Authority Resolution which has not been obtained;

(viii) *Opinion of County Counsel.* The opinion of the County Counsel dated the Closing Date and addressed to the Underwriter and the Trustee, to the effect that: (A) The County is a political subdivision duly organized and existing under and by virtue of the laws of the State; (B) The County Resolution was duly adopted at a meeting of the Board of Supervisors of the County that 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 is in full force and effect and has not been amended or repealed; (C) other than as otherwise disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of such counsel after reasonable investigation, threatened against or affecting the County, to restrain or enjoin the execution, delivery or sale of the Bonds or the collection or payment of the funds that are the source of security under the Indenture, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the County Agreements, or in any way contesting or affecting the existence of the County or the title of any official of the County to such person's office, or contesting the power of the County or its authority with respect to the County Agreements or contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting 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; (D) the execution and delivery by the County of the County Agreements, the adoption of the County Resolution, and compliance by the County with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the County a breach or default under any agreement or other instrument to which the County is a party, or by which it is bound or by any existing law, regulation, court order or consent decree to which the County or any of its assets is subject; (E) as authorized by the County Resolution, the County Agreements have been duly authorized, executed and delivered by the County and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute legal, valid and binding agreements of the County enforceable in accordance with their respective terms, subject to laws relating to bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the limitations on legal remedies against public agencies in the State and the application of equitable principles if equitable remedies are sought; and (F) no authorization, approval, consent, or other order of the United States of America, the State, or any other governmental authority or agency within the State having jurisdiction over the County is required for the valid authorization, execution, delivery and performance by the County of the County Agreements or for the adoption of the County Resolution which has not been obtained;

(ix) Opinion of Underwriter's Counsel. An opinion of Underwriter's Counsel, dated the Closing Date, and addressed to the County and the Underwriter, to the effect that, based upon the information made available to them in the course of their participation in the preparation of the Preliminary Official Statement and the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the the Preliminary Official Statement and the Official Statement, and having made no independent investigation or verification thereof, no information has come to the attention of the attorneys rendering legal services in connection with such representation that lead them to believe that, as of the date of the Preliminary Official Statement and as of the date of Closing the Official Statement (except for any financial or statistical data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, or any information concerning the book-entry only system or, included therein, as to which no opinion or view need be expressed) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; that the Bonds are exempt from registration under the Securities Act of 1933, as amended; the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and the Continuing Disclosure Certificate provides a suitable basis for the Underwriter, in connection with the Offering (as defined in the Rule) of the Bonds to make a reasonable determination as required by section (b)(5) of such Rule;

(x) Certificate of the Authority. A certificate of the Authority, dated the Closing Date, and executed by a duly authorized officer of the Authority to the effect that: (A) the representations and warranties of the Authority contained in the Purchase Agreement are true and correct in all material respects on and as of the date of Closing as if made on the Closing Date; (B) the information contained in the Official Statement (including any financial and statistical data contained therein) is true and correct in all material respects and the information in the Official Statement (including any financial and statistical data contained therein) does not omit any statement or information which is necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect; (C) the Authority has duly authorized by the Authority Resolution, the execution and delivery of the Authority Agreements, and the taking of any and all such action as may be

required on the part of the Authority to carry out, give effect to and consummate the transactions contemplated thereby; the Authority Resolution was adopted at a meeting duly noticed and at which a quorum was present, and the Authority Resolution has not been modified or amended and is in full force and effect; (D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Authority that has not been obtained is or will be required for the issuance and delivery of the Bonds or the consummation by the Authority of the other transactions contemplated by the Authority Agreements and the Official Statement, except as such may be required for the state securities or blue sky laws; (E) the execution and delivery by the Authority of the Authority Agreements and compliance with the terms thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any lease, indenture, bond, note, resolution or any other agreement or instrument to which the Authority is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Authority or any of its activities or properties; (F) the Authority is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any lease, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject which breach or default would materially adversely affect the ability of the Authority to perform its obligations under the Authority Agreements, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; and (G) except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending or, to the best knowledge of the Authority, threatened against or affecting the existence of the Authority or seeking to prohibit, restrain or enjoin the issuance and delivery of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or the Authority Agreements or contesting the powers of the Authority to enter into, adopt or perform its obligation under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby and by the Official Statement, or which, in any way, would materially adversely affect the validity of the Bonds, the Authority Agreements, or any agreement or instrument to which the Authority is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Official Statement;

(xi) *Certificate of the County.* A certificate of the County, dated the Closing Date, and executed by a duly authorized officer of the County to the effect that: (A) the representations and warranties of the County contained in the Purchase Agreement are true and correct in all material respects on and as of the date of Closing as if made on the Closing Date; (B) the information contained in the Official Statement (including any financial and statistical data contained therein) is true and correct in all material respects and the information in the Official Statement (including any financial and statistical data contained therein) does not omit any statement or information which is necessary to make the statements and information therein, in the light of the circumstances under which they were made, not misleading in any material respect; (C) the County has duly authorized by the County Resolution, the execution and delivery of the County Agreements, and the taking of any and all such action as may be required on the part of the County to carry out, give effect to and consummate the transactions contemplated thereby; the County Resolution was adopted at a meeting duly noticed and at which a quorum was present, and the County Resolution has not been modified or amended and is in full force and effect; (D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the County that has not been obtained is or will be required for the issuance and delivery of the Bonds or the consummation by the County of the other transactions contemplated by the County Agreements and the Official Statement, except as such

may be required for the state securities or blue sky laws; (E) the execution and delivery by the County of the County Agreements and compliance with the terms thereof, will not conflict with, or result in a violation or breach of, or constitute a default under, any lease, indenture, bond, note, resolution or any other agreement or instrument to which the County is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the County or any of its activities or properties; (F) the County is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any lease, indenture, bond, note, resolution, agreement or other instrument to which the County is a party or is otherwise subject which breach or default would materially adversely affect the ability of the County to perform its obligations under the County Agreements, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute such a default or an event of default under any such instrument; (G) except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending or, to the best knowledge of the County, threatened against or affecting the existence of the County or seeking to prohibit, restrain or enjoin the issuance and delivery of the Bonds or in any way contesting or affecting the validity or enforceability of the Bonds or the County Agreements or contesting the powers of the County to enter into, adopt or perform its obligation under any of the foregoing, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated hereby and by the Official Statement, or which, in any way, would materially adversely affect the validity of the Bonds, the County Agreements, or any agreement or instrument to which the County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby and by the Official Statement; and (H) no event has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing Date any statement or information contained in the Official Statement, as then supplemented or amended or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(xii) Opinion of Counsel to Trustee. The opinion of counsel to the Trustee, dated the date of closing, addressed to the County and the Underwriter, substantially in the form attached as Exhibit C;

(xiii) Bylaws of Trustee. Certified copies of excerpts from the bylaws of the Trustee authorizing the execution and delivery of the Indenture;

(xiv) Certificate of the Trustee. A certificate of a duly authorized official of the Trustee, dated the Closing Date, to the effect that: (A) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (B) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the Indenture; (C) when delivered to and paid for by the Underwriter at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (D) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, material agreement or material instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture,

nor will any such execution, delivery, adoption 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 the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, material agreement or material instrument, except as provided by the Indenture; and (E) to the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoining the authentication and delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Indenture against the Trustee, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriter;

(xv) Tax Certificate. The Tax Certificate of the County in form and substance acceptable to Bond Counsel;

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

(xvii) California Debt and Investment Advisory Commission Filings. A copy of the Notice of Proposed Sale and Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the California Government Code;

(xviii) DTC Blanket Letter of Representations. A copy of the County's executed Blanket Letter of Representation to The Depository Trust Company;

(xix) Rating Letter. Evidence that the rating on the Bonds as set forth in the Official Statement are in full force and effect as of the Closing Date; and

(xx) Miscellaneous. Such additional legal opinions, certificates, instruments or evidences thereof and other documents as Bond Counsel or Underwriter's Counsel may request to evidence the due authorization, execution and delivery of the Bonds and the conformity of the Bonds, the County Agreements with the terms of the Bonds and the descriptions thereof in the Official Statement.

Section 10. Termination by the Underwriter. The Underwriter shall have the right to terminate this Bond Purchase Agreement, without liability therefor, by notification to the Authority and the County if at any time at or prior to the Closing:

(a) Any event shall occur or facts are discovered which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(b) The marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially and adversely affected by disruptive events,

occurrences or conditions in the securities or debt markets, including but not limited to, an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Bond Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the County, or the interest on bonds or notes or obligations of the general character of the Bonds; or

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

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

(e) There shall have occurred any outbreak or escalation of hostilities or terrorist activities or other local, national or international calamity or crisis, or a default with respect to the debt obligations of, or the institution of proceedings under the federal bankruptcy laws by or against, any state of the United States or agency thereof, or any city in the United States having a population of over one million, the effect of which on the financial markets of the United States will be such as in the Underwriter's reasonable judgment, makes it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds; or

(f) There shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to the County's obligations; or

(g) The commencement of any action, suit or proceeding described in Section 6(m) which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(h) The declaration of a general banking moratorium by federal, New York or California authorities, the general suspension of trading on any national securities exchange or a material disruption in securities settlement, payment or clearance services, which event, in the reasonable judgment of the Underwriter, would materially adversely affect the market price of the Bonds; or

(i) The imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to net capital requirements of, the Underwriter, which, in the judgment of the Underwriter, would materially adversely affect the market price of the Bonds; or

(j) There shall have been any materially adverse change in the affairs of the Authority or the County which in the Underwriter's reasonable judgment materially adversely affects the ability of the Underwriter to market the Bonds.

If the Authority or the County shall be unable to satisfy the conditions contained in this Bond Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and none of the Underwriter, the Authority, or the County shall be under further obligation hereunder except as set forth in Section 11.

Section 11. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the County shall pay or cause to be paid the expenses incident to the performance of the obligations of the County hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the County Agreements and the cost of preparing, printing, issuing and delivering the definitive Bonds, (b) the fees and disbursements of KNN Public Finance, LLC (the "*Municipal Advisor*"), as municipal advisor to the County, any counsel, accountants, agents or other experts or consultants retained by the County, (c) the fees and disbursements of Counsel to the County, Bond Counsel and Disclosure Counsel, (d) the fees and disbursements of the Trustee, and (e) the cost of preparation and printing of the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement and any supplements and amendments thereto, including the requisite number of copies thereof for distribution by the Underwriter. The County and the Underwriter intend that the County will pay all expenses of the County's employees that are incidental to implementing this Bond Purchase Agreement, including, but not limited to, meals, transportation, and lodging, of those employees, and the County shall reimburse the Underwriter if the Underwriter pays for any of such expenses on behalf of the County.

(b) The Underwriter shall pay all expenses incurred by it in connection with the public offering and distribution of the Bonds including, but not limited to: (i) all out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, (ii) fees and expenses of Underwriter's Counsel, and other expenses (except as provided above), shall be paid by the Underwriter from the Underwriter's discount set forth in Section 1.

Section 12. Blue Sky. The Authority and the County will cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that neither the Authority or the County shall be required to consent to suit or to service of process in any jurisdiction or take any action which would subject the Authority or the County to general or unlimited service of process in any jurisdiction in which it is not now subject.

Section 13. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Bonds may be taken on behalf of the Authority by the Municipal Advisor and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

(b) Except as otherwise set forth in Schedule A to 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 (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “*initial offering price*”), or at the corresponding yield or yields, set forth in Schedule A to Exhibit A attached hereto, except as otherwise set forth therein. Schedule A also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “*hold-the-offering-price rule*”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

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

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

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

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

Section 14. Notices. Any notice or other communication to be given to the Authority or the County under this Bond Purchase Agreement may be given by delivering the same in writing at the

address set forth above and any such notice or other communication to be given to the Underwriter shall be delivered to the following address:

Raymond James & Associates, Inc.
One Embarcadero, Suite 650
San Francisco, CA 94111
Attention: Robert J. Larkins, Managing Director
Telephone: (415) 616-8025
Facsimile: (415) 616-8070

Section 15. Parties in Interest. This Bond Purchase Agreement is made solely for the benefit of the Authority and the County and the Underwriter and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations and warranties of the parties hereto contained in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter or the County until the earlier of (a) delivery of and payment for the Bonds hereunder and (b) any termination of this Bond Purchase Agreement.

Section 16. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall constitute but one and the same instrument.

Section 17. Effectiveness. This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution by the Underwriter and the acceptance hereof by the duly authorized representatives of the Authority and the County and shall be valid and enforceable as of the time of such acceptance.

Section 18. Choice of Law. The validity, interpretation and performance of this Bond Purchase Agreement shall be governed by the laws of the State, without regard to conflicts of law.

Section 19. Severability. In the event any provision of this Bond Purchase Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 20. Entire Agreement. The Bond Purchase Agreement, when accepted by the Authority and the County in writing as heretofore specified, shall constitute the entire agreement between the County and the Underwriter.

Section 21. Headings. The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be part hereof.

Section 22. No Assignment. The rights and obligations created by this Bond Purchase Agreement shall not be subject to assignment by the Underwriter, the Authority, or the County without the prior written consent of the other parties hereto.

IN WITNESS WHEREOF, the parties hereto, by their representatives thereunto duly authorized, have executed and delivered this Agreement, effective as of the day and year first above written.

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Robert J. Larkins
Managing Director

Accepted at _____ [AM/PM] as of the date hereof:

NEVADA COUNTY FINANCE AUTHORITY

By: _____
Alison Lehman
Executive Director

NEVADA COUNTY

By: _____
Alison Lehman
County Executive Officer

APPROVED AS TO FORM:

NEVADA COUNTY FINANCE AUTHORITY

By: _____
Alison Barratt-Green
County Counsel

SCHEDULE I

NEVADA COUNTY FINANCE AUTHORITY
OPERATIONS CENTER LEASE REVENUE BONDS, SERIES 2019

<u>Maturity Date</u> (November 1)	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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REDEMPTION PROVISIONS

Optional Redemption. The Bonds maturing on or after November 1, 20__ are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after November 1, 20__, shall be subject to optional redemption, in whole or in part from such maturities as are selected by the Authority in integral multiples of \$5,000 (notice of which determination shall be given by the Authority to the Trustee), on any date on or after November 1, 20__, from any available source of funds, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

Extraordinary Redemption. The Bonds are subject to redemption on any date prior to their respective stated maturities, as a whole, or in part as nearly as practicable on a pro-rata basis among maturities in integral multiples of \$5,000 as determined by the Trustee, from title and property insurance proceeds and eminent domain proceeds, to the extent provided in the Lease, at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the redemption date.

EXHIBIT A

ISSUE PRICE CERTIFICATE

\$ __, __, 000

**NEVADA COUNTY FINANCE AUTHORITY
OPERATIONS CENTER LEASE REVENUE BONDS, SERIES 2019**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Raymond James & Associates, Inc. (“Raymond James”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

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

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

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

(b) As set forth in the Bond Purchase Agreement, by and between the Issuer (defined herein) and the Underwriter dated January __, 2019, the Underwriter has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

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

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

(c) “Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2019), or (ii) the date on which the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) “Issuer” means the Nevada County Finance Authority.

(e) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

(g) “Related Party” means any entity if an Underwriter and such entity are subject, directly or indirectly, to (i) 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), (ii) more than 50% common ownership of their capital interests or profit interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(h) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is January __, 2019.

(i) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the interpretation of Raymond James of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the tax certificate with respect to the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: February __, 2019

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Name: _____

SCHEDULE A TO EXHIBIT A

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

SCHEDULE B TO EXHIBIT A
PRICING WIRE OR EQUIVALENT COMMUNICATION

EXHIBIT B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

EXHIBIT C

FORM OF OPINION OF TRUSTEE'S COUNSEL

February __, 2019

County of Nevada
Nevada City, California

Raymond James & Associates, Inc.
San Francisco, California

Re: Nevada County Finance Authority Operations Center Lease Revenue Bonds, Series 2019
(the "Bonds")

Ladies and Gentlemen:

I am a Managing Counsel in the Legal Department of The Bank of New York Mellon Trust Company, N.A. ("BNY Mellon") and I am delivering this opinion in connection with the execution and delivery of that certain Indenture dated as of February 1, 2019 (the "Indenture"), between the Santa Clara County Financing Authority and BNY Mellon, as trustee. All capitalized terms used herein not otherwise defined shall be as defined in the Indenture.

In rendering the opinions set forth below, I have examined the originals, or copies certified to my satisfaction, of such agreements (including, without limitation, the Indenture), certificates and other statements of government officials and corporate officers of BNY Mellon, documents and other papers as I deemed relevant and necessary as a basis for such opinion and have relied as to factual matters on representations, warranties and other statements therein. With respect to parties other than BNY Mellon, in such examination, I have assumed the authenticity of all documents submitted to me as originals, the genuineness of all signatures, the legal capacity of natural persons and the conformity to the originals of all documents submitted to me as copies. In my examination of documents (including, without limitation, the Indenture) executed by parties other than BNY Mellon, I have also assumed that, if the opinions set forth in paragraphs (1) through (5) below referred to such parties and such documents, such opinions would be true and correct with respect to such parties and such documents.

The opinions expressed herein are limited to the laws of the State of California and the Federal law of the United States, and I do not express any opinion herein concerning any other law.

Based upon the foregoing, I am of the opinion that:

(1) BNY Mellon is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization and has the corporate power to execute and deliver the Indenture, and any other documentation relating to the Indenture, and to perform its obligations under the Indenture.

(2) The execution and delivery by BNY Mellon of the Indenture and any other documentation relating to the Indenture, and its performance of its obligations under the Indenture, have been and are as of the date hereof duly authorized by all necessary corporate action.

(3) No approval, authorization or other action by, or filing with, any governmental body or regulatory authority (which has not been obtained) is required in connection with the due execution, delivery and performance by BNY Mellon of the Indenture.

(4) The Indenture has been duly executed and delivered by BNY Mellon and constitutes the valid and legally binding obligation of BNY Mellon enforceable against it in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law).

(5) BNY Mellon has duly authenticated and delivered the Bonds on the date hereof in its capacity as trustee under the Indenture.

My opinions are subject to the following assumptions and qualifications:

I express no opinion as to (a) any transactions not specifically referred to herein; (b) any provision of the Indenture to the extent it provides that a party is entitled to recover more than its actual damages under the Indenture; (c) any right, remedy or provision of the Indenture (including without limitation any termination payment provisions thereof) which, if determined to be a penalty, a court or other authority or body may have the discretion to invalidate or decline to enforce; (d) the enforcement of rights with respect to indemnification and contribution obligations; (e) any provision relating to severability; (f) any provision purporting to waive or limit rights to trial by jury, oral amendments to written agreements or rights of set-off; (g) any provision relating to submission to jurisdiction, venue or service of process; (h) any provision purporting to prohibit, restrict or require the consent of the other party for the transfer of, or the creation, attachment or perfection of a security interest in, the Indenture or an interest therein, which may be limited by applicable law or considerations of public policy; (i) any provision that provides that the rights of the parties to the Indenture may not be assigned by a party without the prior written consent of the other party or parties, which may be limited by the Uniform Commercial Code; (j) the tax consequences of any transaction under the Indenture; (k) any Federal securities laws, pension and employee benefit laws (e.g., ERISA), anti-money laundering laws, trading with the enemy laws, or other laws of special or general application not normally covered in an opinion on capacity and enforceability, in accordance with market practice; or (l) the priority, perfection, attachment or validity of any security interest created under the Indenture or the enforcement of remedies in connection therewith.

This opinion is based upon facts and law in existence on the date hereof and I disclaim any obligation to advise you of any changes therein occurring after the date hereof. This opinion is given for the use and benefit of the addressees and no other party or entity is entitled to rely on it.

Very truly yours,

Rhea L. Ricard
Managing Counsel