

\$ _____
HUNTINGTON BEACH CITY SCHOOL DISTRICT
(ORANGE COUNTY, CALIFORNIA)
ELECTION OF 2016 GENERAL OBLIGATION BONDS, SERIES B

BOND PURCHASE AGREEMENT

_____, 2018

Huntington Beach City School District
 17011 Beach Blvd., Suite 560,
 Huntington Beach, California 92647

The undersigned, Raymond James & Associates, Inc. (the “Underwriter”), acting on its own behalf and not as a fiduciary or agent of any other party, hereby offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the Huntington Beach City School District (the “District”) which, upon the acceptance hereof, will be binding upon the District and the Underwriter. By execution of this Purchase Agreement, the District acknowledges the terms hereof and recognizes that it will be bound by certain of the provisions hereof, and to the extent binding on the District, acknowledges and agrees to such terms. This offer is made subject to the written acceptance of this Purchase Agreement by the District and delivery of such acceptance to the Underwriter at or prior to 11:59 p.m., California time, on the date hereof.

Section 1. Purchase and Sale of the Bonds. Upon the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the District for reoffering to the public and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the \$_____ aggregate principal amount of the District’s Huntington Beach City School District (Orange County, California) Election of 2016 General Obligation Bonds, Series B (the “Bonds”). The Bonds shall be issued in the principal amounts and shall bear interest at the rates set forth in Exhibit A hereto and shall be issued in fully registered book-entry form, in the authorized denominations of \$5,000 or any integral multiple thereof. The Bonds shall bear interest payable from the date thereof and such interest shall be payable on each February 1 and August 1, commencing February 1, 2019.

The Underwriter shall purchase the Bonds at a price of \$_____ (the “Purchase Price”) (which represents the aggregate principal amount of the Bonds, [plus/less] [net] original issue [premium/discount] of \$_____, and less underwriter’s discount in the amount of \$_____). From the Purchase Price for the Bonds, the Underwriter shall withhold and hereby agrees to wire on the Closing Date (as defined below), \$_____ in immediately available funds to U.S. Bank National Association, as costs administrator, to pay the costs of issuance of the Bonds as provided in Section 11 of this Purchase Agreement. The remaining

amount of the Purchase Price (\$ _____) shall be delivered to or upon the order of the County of Orange (the “County”) on behalf of the District, in immediately available funds, by check, draft or wire transfer.

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the District; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the District on other matters) nor has it assumed any other obligation to the District except the obligations expressly set forth in this Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the District; and (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The District also acknowledges that it previously received from the Underwriter a letter regarding Municipal Securities Rulemaking Board (“MSRB”) Rule G-17 Disclosures, and that it has provided the Underwriter an acknowledgement of such letter.

Section 2. The Bonds. The Bonds shall be dated the date of delivery, and shall mature on the dates and be subject to redemption prior to their maturity all as set forth in the Exhibit A hereto. The Bonds shall otherwise be as described in and shall be issued and secured pursuant to the provisions of the resolution of the Board of Trustees of the District (the “Board of Trustees”) adopted on October 16, 2018 (the “Resolution”), which provides for the terms of the Bonds, the resolution of the Board of Supervisors of the County, adopted on October 30, 2018, with respect to the issuance of the Bonds by the District, this Purchase Agreement and Article 4.5 of Chapter 3, of Part 1 of Division 2 of Title 5 of the Government Code (the “Act”). The Bonds were authorized under and pursuant to a bond authorization approved by more than 55% of the voters of the District voting at an election held on November 8, 2016 (the “Election”) approving an amount not more than \$159,850,000 of general obligation bonds of the District. The Bonds are being issued to fund projects authorized at the Election.

In order to assist the Underwriter with compliance with Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the District will enter into the Continuing Disclosure Agreement, to be dated the Closing Date (the “Continuing Disclosure Agreement”).

The Bonds shall be executed and delivered under and in accordance with the provisions of this Purchase Agreement and the Resolution. The Bonds shall be in definitive form, shall bear CUSIP numbers, and shall be in fully registered form, registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”).

Section 3. Use of Documents. The District hereby authorizes the Underwriter to use, in connection with the offer and sale of the Bonds, this Purchase Agreement, the Preliminary Official Statement (defined below), the Official Statement (defined below), the Resolution, the

Continuing Disclosure Agreement of the District, to be dated the Closing Date, and all information contained herein and therein and all of the documents, certificates or statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

Section 4. Establishment of Issue Price. (a) The Underwriter agrees to assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the District and Bond Counsel (as defined herein), 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 District under this Section to establish the issue price of the Bonds may be taken on behalf of the District by the District’s municipal advisor, Isom Advisors, a Division of Urban Futures, Inc. (the “Municipal Advisor”), and any notice or report to be provided to the District may be provided to the District’s Municipal Advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the District will treat the first price (meaning single) at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District 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 District 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 (as defined herein) has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel (as defined herein). For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the end of the day immediately following the day of execution of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a

price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

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

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

(d) The Underwriter confirms that:

(1) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

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

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

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

(e) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity

allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The District acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires.

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

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

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (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);

(3) 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) 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 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

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

Section 5. Preliminary Official Statement and Official Statement. The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement with respect to the Bonds, dated [_____], 2018 (the “Preliminary Official Statement”). The District represents that it deems the Preliminary Official Statement to be final as of its date, except for either revisions or additions to the offering price(s), interest rate(s), yield(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery date, rating(s) and other terms of the Bonds which depend upon the foregoing as provided in and pursuant to the Rule. By the execution of this Purchase Agreement, the District ratifies the use by the Underwriter of the Preliminary Official Statement.

The District hereby agrees to deliver or cause to be delivered to the Underwriter, not later than the seventh (7th) business day following the date this Purchase Agreement is signed, copies of a final Official Statement substantially in the form of the Preliminary Official Statement, with only such changes therein as shall have been accepted by the Underwriter and the District (such Official Statement with such changes, if any, and including the cover page and all appendices, exhibits, maps, reports and statements included therein or attached thereto, and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, being herein called the “Official Statement”) in such quantities as may be requested by the Underwriter in order to permit the Underwriter to comply with paragraph (b)(4) of the Rule and with the rules of the MSRB; provided, however, that the failure of the District to comply with this requirement due solely to the acts of the Underwriter, its counsel or agents, shall not be considered cause for the Underwriter to refuse to accept delivery of and pay for the Bonds. The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail (or other equally prompt means) not later than the first business day following the date upon which each such request is received. The Underwriter agrees to file the Official Statement with the MSRB through its Electronic Municipal Market Access system.

Each party hereto agrees that it will notify the other party hereto if, within the period from the date of this Purchase Agreement to and including the date which is 25 days following the End of the Underwriting Period (as hereinafter defined), such party discovers any pre-existing or subsequent fact or becomes aware of the occurrence of any event, in any such case which might cause the Official Statement (as the same may have been theretofore supplemented or amended) to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. If, in the written opinion of the District or the Underwriter, the preparation and publication of a supplement or amendment to the Official Statement is, as a result of such fact or event (or any other event which becomes known to the District or the Underwriter during such period), necessary so that the Official Statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall, at its

expense, supplement or amend the Official Statement in such a manner so that the Official Statement, as so supplemented or amended, does not contain any untrue statement of a material fact or omit 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 furnish copies of such supplement or amendment to the Underwriter in such numbers as the Underwriter may reasonably request. The District and the Underwriter agree that they will cooperate in the preparation of any such amendment or supplement. As used herein, the term “End of the Underwriting Period” means the later of such time as (a) the District delivers the Bonds to the Underwriter, or (b) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the “End of the Underwriting Period” shall be deemed to be the Closing Date (as defined herein). Any notice delivered pursuant to this provision shall be written notice delivered to the District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the End of the Underwriting Period.

Section 6. Closing. At 8:30 a.m., California time, on [December 12], 2018, or at such other time or on such other date as shall have been mutually agreed upon by the parties hereto (the “Closing” or “Closing Date”), the District shall direct U.S. Bank National Association, as the paying agent (the “Paying Agent”), to deliver to the Underwriter, through the facilities of DTC, or at such other place as the District and the Underwriter may mutually agree upon, the Bonds in fully registered book-entry form, duly executed, and shall cause the other documents hereinafter mentioned to be delivered at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”) in Newport Beach, California. Upon fulfillment of all conditions to closing herein, the Underwriter shall accept such delivery and pay the purchase price thereof in immediately available funds (by wire transfer or such other manner of payment as the Underwriter and the District shall reasonably agree upon) to the account of the District.

Section 7. Representations, Warranties and Agreements of the District. The District hereby represents, warrants and agrees with the Underwriter that:

(a) The District is a school district duly organized and validly existing under the laws of the State of California (the “State”), with the power to issue the Bonds under the laws of the State and pursuant to the Act;

(b) (i) At or prior to the Closing, the District will have taken all action required to be taken by it to authorize the issuance and delivery of the Bonds, (ii) the Resolution was duly adopted at a meeting of the Board of Trustees, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting at the time of adoption, and the Resolution has not been amended, modified or rescinded, (iii) the District has full legal right, power and authority to enter into this Purchase Agreement and the Continuing Disclosure Agreement, to adopt the Resolution, to issue and to deliver the Bonds to the Underwriter, to perform its obligations under each such document or instrument and to carry out and effectuate the transactions contemplated by this Purchase Agreement and the Resolution, (iv) the execution and delivery or adoption of and the performance by the District of the obligations represented by, the Bonds, the Resolution, the Continuing Disclosure Agreement and this Purchase

Agreement have been duly authorized and such authorization shall be in full force and effect at the time of the Closing, (v) this Purchase Agreement constitutes, and, when executed and delivered, the Continuing Disclosure Agreement will constitute, a valid and legally binding obligation of the District, enforceable against the District in accordance with its terms, and (vi) the District has duly authorized the consummation by it of all transactions contemplated by this Purchase Agreement;

(c) No consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Bonds or the consummation of the other transactions effected or contemplated herein or hereby, except for such actions as may be necessary to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriter may reasonably request, or which have not been taken or obtained;

(d) The District will comply with the applicable provisions of the Internal Revenue Code of 1986, as amended, with respect to the Bonds;

(e) As of the time of acceptance hereof and as of the time of the Closing, the District is not and will not be, in any manner which would adversely affect the transactions contemplated hereby and by the Resolution, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would adversely affect the transactions contemplated hereby and by the Resolution, a default or event of default under any such instrument; and, as of such times, to the best knowledge of the District, the issuance of the Bonds, the execution, delivery and performance of this Purchase Agreement, the Resolution, the Continuing Disclosure Agreement and the Bonds and the compliance with the provisions hereof and thereof and of the Resolution do not conflict with or constitute on the part of the District a violation of, or material default under, any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject and do not conflict with or result in a violation or breach of, or constitute a material default under, any agreement, indenture, mortgage, lease or other instrument to which the District is a party or by which it is bound or to which it is subject;

(f) As of the time of acceptance hereof, no action, suit, proceeding, hearing or investigation is pending (in which service of process has been completed against the District) or, to the best knowledge of the District, otherwise pending or threatened against the District (i) in any way affecting the existence of the District or in any way challenging

the respective powers of the several offices of the District or the titles of the officials of the District to such offices; (ii) seeking to restrain or enjoin the sale, issuance or delivery of any of the Bonds, the application of the proceeds of the sale of the Bonds or the levy of any taxes contemplated by the Resolution, or in any way contesting or affecting the validity or enforceability of the Bonds, this Purchase Agreement, the Continuing Disclosure Agreement or the Resolution or contesting the powers of the District or its authority with respect to the Bonds, this Purchase Agreement, the Continuing Disclosure Agreement or the Resolution, (iii) contesting the completeness or accuracy of the Preliminary Official Statement, or (iv) in which a final adverse decision could (A) result in any material adverse impact on the financial condition of the District, (B) materially adversely affect the operations of the District or the consummation of the transactions contemplated by this Purchase Agreement, the Continuing Disclosure Agreement or the Resolution, (C) declare this Purchase Agreement to be invalid or unenforceable in whole or in material part, or (D) adversely affect the exclusion of the interest paid on the Bonds from gross income for federal income tax purposes or the exemption of such interest on the Bonds from California personal income taxation;

(g) Preparation and distribution of the Preliminary Official Statement and the Official Statement have been duly authorized by the Board of Trustees; the information contained therein (excluding the statements and information relating to the book entry system and any information provided by the Underwriter, and so identified as source thereof, for inclusion in the Preliminary Official Statement and the Official Statement) is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation and warranty is made concerning statements and information relating to the book entry system or any information provided by the Underwriter, and so identified as source thereof, for inclusion in the final Official Statement;

(h) The Preliminary Official Statement (excluding information under the caption "ORANGE COUNTY EDUCATIONAL INVESTMENT POOL" and in Appendix F thereto, CUSIP numbers and information relating to DTC and its book-entry system as to which no view need be expressed) was as of its date and the date hereof, and the Official Statement (excluding information under the caption "ORANGE COUNTY EDUCATIONAL INVESTMENT POOL" and in Appendix F thereto, CUSIP numbers and information relating to DTC and its book-entry system as to which no view need be expressed) is, and 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 Preliminary Official Statement as of its date and the date hereof did not, and the Official Statement does not and at all times subsequent to the date of the Official Statement up to and including the Closing will not, contain a material misstatement of any material fact or omit any statement necessary to make the statements contained therein, in light of the circumstances in which such statements were made, not misleading. At the time of the Closing, there shall not have been any material adverse changes in the financial condition of the District since the date of the Official Statement;

(i) The District agrees that if at any time before the Closing any event occurs as a result of which the Official Statement as then in effect would include any untrue statement of a material fact or omit to state any fact necessary to make the statements made therein not misleading in any material respect, the District shall promptly prepare an amendment or supplement that will correct such statement or omission. The District will advise the Underwriter promptly of any proposal to so amend or supplement the Official Statement and will effect such amendment or supplement in a form and manner approved by the Underwriter;

(j) The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter if and as the Underwriter may reasonably request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations or such states and jurisdictions, provided, however, that the District shall not be required to consent to service of process in any jurisdiction in which they are not so subject as of the date hereof;

(k) To assist the Underwriter in complying with the Rule, the District will undertake, pursuant to the Resolution and the Continuing Disclosure Agreement, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement;

(l) The Preliminary Official Statement and the Official Statement do not omit reference to any instance, in the preceding five years, in which the District has failed to comply in a material respect with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events;

(m) Between the date hereof and the Closing, without the prior written consent of the Underwriter, the District will not have issued any bonds, notes or other obligations for borrowed money except for such borrowing as may be described in or contemplated by the Official Statement;

(n) The District agrees to take all steps required by law and by the County to ensure that the Board of Supervisors of the County annually levies a tax upon all taxable property in the District sufficient to pay the principal of and interest on the Bonds as and when the same become due;

(o) The audited financial statements of the District for the fiscal year ended June 30, [2017], were prepared in accordance with generally accepted accounting principles consistently applied and fairly present the financial position and results of operation of the District for the period and at the date set forth therein, and there has been no material adverse change in the business, affairs, financial position, results of operations or condition, financial or otherwise, of the District since the date of such financial statements, except as otherwise disclosed in the Official Statement;

(p) The District has not received a qualified or negative certification in its most recent interim report pursuant to Section 42130 *et seq.* of the California Education Code; and

(q) Any certificates signed by any officer of the District and delivered to the Underwriter shall be deemed a representation and warranty by the District to the Underwriter, but not by the person signing the same, as to the statements made therein.

Section 8. Representations, Warranties and Agreements of the Underwriter. The Underwriter hereby represents, warrants and agrees with the District that:

(a) The Underwriter is duly authorized to execute this Purchase Agreement and to take any action under this Purchase Agreement required to be taken by it; and

(b) The Underwriter has, and has had, no financial advisory relationship (as such term is defined in California Government Code Section 53590) with the District with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship (as such term is defined in California Government Code Section 53590).

Section 9. Conditions to Closing. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the District contained herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of Closing. The Underwriter's obligations under this Purchase Agreement are and shall be subject at the option of the Underwriter, to the following further conditions at the Closing:

(a) The representations and warranties of the District contained herein shall be true, complete and correct in all material respects at the date hereof and at and as of the Closing, as if made at and as of the Closing, and the statements made in all certificates and other documents delivered to the Underwriter at the Closing pursuant hereto shall be true, complete and correct in all material respects on the date of the Closing; and the District shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) At the time of the Closing, (i) the Official Statement, this Purchase Agreement, the Continuing Disclosure Agreement and the Resolution shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the parties hereto; (ii) all actions under the Act which, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby, shall have been duly taken and shall be in full force and effect; and (iii) the District shall perform or has performed all of its obligations required under or specified in the Resolution, this Purchase Agreement or the Continuing Disclosure Agreement to be performed at or prior to the Closing;

(c) No decision, ruling or finding shall have been entered by any court or governmental authority since the date of this Purchase Agreement (and not reversed on

appeal or otherwise set aside), or to the best knowledge of the District, shall be pending (in which service of process has been completed against the District) or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, this Purchase Agreement or the Continuing Disclosure Agreement, or (C) in any way contesting the existence or powers of the District, or contesting in any way the completeness or accuracy of the Official Statement;

(d) Between the date hereof and the Closing, the market price for the Bonds, or the market for or marketability or the ability of the Underwriter to enforce contracts for the sale of the Bonds at the initial offering prices set forth in the Official Statement, shall not have been materially adversely affected by reason of any of the following:

(1) legislation enacted by the Congress of the United States, or by the legislature of the State, or introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court of the United States or the State or by the United States Tax Court, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) by or on behalf of the United States Treasury Department, or by or on behalf of the Internal Revenue Service or other federal or State authority, which would have the purpose or effect of changing, directly or indirectly, the federal income tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof or State tax consequences of interest on obligations of the general character of the Bonds in the hands of the holders thereof; or

(ii) by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, to the effect that the Bonds, or obligations of the general character of the Bonds, including any and all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Resolution is not exempt from qualification under the Trust Indenture Act of 1939, as amended;

(2) the declaration of war or engagement in or escalation of major military hostilities by the United States or the occurrence of any other national or international emergency or calamity or crisis relating to the effective operation of the government or the financial community in the United States;

(3) the declaration of a general banking moratorium by federal, New York or State authorities having jurisdiction, or the general suspension of trading on any national securities exchange or fixing of minimum or maximum prices for trading or maximum ranges for prices for securities on any national securities exchange, whether by virtue or a determination by that exchange or by order of

the Securities and Exchange Commission or any other governmental authority having jurisdiction or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

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

(5) the imposition by the New York Stock Exchange, other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds, or 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 the net capital requirements of, the Underwriter;

(6) an order, decree or injunction of any court of competent jurisdiction, or order, filing, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction over the subject matter thereof, 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, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws, as amended and then in effect;

(7) the occurrence of or any notice given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to the District's outstanding indebtedness by a national rating agency;

(8) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information set forth in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; or

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

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

(1) A certificate of the Clerk of the Board of Trustees to the effect that (i) the copy of the Resolution attached thereto is a true and correct copy thereof, and (ii) the Resolution was duly adopted and has not been modified, amended, rescinded or revoked and is in full force and effect on the Closing; Date;

(2) Executed copies of the Continuing Disclosure Agreement and the Official Statement;

(3) An approving opinion of Bond Counsel, substantially in the form attached as Appendix A to the Official Statement, relating to the Bonds, dated the Closing Date and addressed to the District;

(4) A reliance letter from Bond Counsel to the effect that the Underwriter may rely upon the approving opinion described in (e)(3) above;

(5) A certificate, dated the Closing Date, signed by an appropriate official of the District, to the effect that (i) such official is authorized to execute the Continuing Disclosure Agreement and this Purchase Agreement, (ii) the representations and warranties of the District herein are true and correct in all material respects as of the date of Closing, (iii) the District has complied with all the terms of the Resolution, Continuing Disclosure Agreement and this Purchase Agreement to be complied with by the District prior to or concurrently with the Closing and the Resolution, Continuing Disclosure Agreement and this Purchase Agreement are in full force and effect; (iv) to the best of such official's knowledge, no litigation is pending or threatened (either in state or federal courts) (A) seeking to restrain or enjoin the execution, sale or delivery of any of the Bonds, (B) in any way contesting or affecting the authority for the execution, sale or delivery of the Bonds, the Continuing Disclosure Agreement or this Purchase Agreement, or (C) in any way contesting the existence or powers of the District, (v) such official has reviewed the Official Statement and on such basis certifies that the Official Statement does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, (vi) each of the conditions listed in Section 9(e) of this Purchase Agreement has been satisfied on the Closing Date and the District is not aware of any other condition of this Purchase Agreement that has not been satisfied on the Closing Date, and (vii) the Bonds being delivered on the Closing Date to the Underwriter under this Purchase Agreement substantially conform to the descriptions thereof contained in the Resolution and this Purchase Agreement;

(6) A supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that (i) statements contained in the Official Statement under the captions "THE SERIES B BONDS" (excluding any

and all information contained under the subheadings “– Book-Entry Only System” and “– Sources and Uses of Funds”) and “LEGAL MATTERS – Tax Matters,” insofar as such statements expressly summarize certain provisions of the Bonds and the Resolution, and the form and content of Bond Counsel’s approving opinion, are accurate in all material respects, (ii) assuming due authorization, execution and delivery by all the parties thereto other than the District, the Continuing Disclosure Agreement and this Purchase Agreement have each been duly executed and delivered by the District and constitute valid and binding obligations of the District, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors’ rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought (provided that no opinion need be rendered regarding the adequacy of the Continuing Disclosure Agreement for purposes of the Rule), and (iii) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Resolution is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(7) The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, as disclosure counsel to the District (“Disclosure Counsel”), addressed to the District and the Underwriter, dated the Closing Date, to the effect that based on such counsel’s participation in conferences with representatives of the Underwriter, the District, the Paying Agent, their respective counsel, the District’s Municipal Advisor, and others, during which conferences the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed (but with no inquiry made of other attorneys in such counsel’s firm not working directly on the issuance of the Bonds who may have information material to the issue), and in reliance thereon, on oral and written statements and representations of the District and others and on the records, documents, certificates and opinions described therein, such counsel advises the District and the Underwriter, as a matter of fact and not opinion, that, during the course of its engagement as disclosure counsel no facts came to the attention of such counsel’s attorneys rendering legal services in connection with such representation which caused such counsel to believe that the Preliminary Official Statement as of its date and as of the date of the Purchase Agreement and the Official Statement as of its date and as of the Closing Date (except for any CUSIP numbers, financial, accounting, statistical, economic or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about DTC or its book-entry system, ratings, rating agencies, the Underwriter, underwriting, and Appendices [B, D, E and F], included or referred to therein, as to which such counsel need express no opinion or view) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(8) A non-arbitrage certificate of the District relating to the Bonds in form and substance satisfactory to Bond Counsel;

(9) Evidence satisfactory to the Underwriter that any ratings described in the Preliminary Official Statement and the Official Statement are in full force and effect as of the Closing Date;

(10) A certificate of the Paying Agent in form and substance satisfactory to Bond Counsel;

(11) Certificates of the appropriate officials of the District evidencing their determinations respecting the Preliminary Official Statement in accordance with the Rule;

(12) A copy of the resolution of the Board of Supervisors of the County authorizing the District to issue the Bonds on its own behalf;

(13) The opinion of Orrick, Herrington & Sutcliffe LLP, counsel to the Underwriter, addressed to the Underwriter, dated the Closing Date, satisfactory in form and substance to the Underwriter; and

(14) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence (i) compliance by the District and the Paying Agent with legal requirements, (ii) the truth and accuracy, as of the time of Closing, of the representations of the District herein contained, and (iii) the due performance or satisfaction by the District at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District.

If the District shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement may be canceled by the Underwriter at, or at any time prior to, the time of Closing. Notice of such cancellation shall be given to the District in writing, or by telephone or telegraph, confirmed in writing. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the District hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriter may be waived by the Underwriter in writing at its sole discretion.

Section 10. Conditions to Obligations of the District. The performance by the District of its obligations is conditioned upon (a) the performance by the Underwriter of its obligations hereunder; and (b) receipt by the District and the Underwriter of opinions and certificates being delivered at the Closing by persons and entities other than the District.

Section 11. Expenses. On the Closing Date, the Underwriter will wire \$[_____] from the proceeds of the Bonds and as a portion of the Purchase Price of the Bonds as provided in Section 1 hereof to U.S. Bank National Association, as costs administrator, to be used to pay costs of issuance of the Bonds, including but not limited to the following: (a) the costs of the

preparation and reproduction of the Resolution, the Bonds, this Purchase Agreement and the Continuing Disclosure Agreement, (b) the cost of the printing and distribution of the Preliminary Official Statement and the Official Statement, (c) the cost of the preparation, printing and delivery of the Bonds, (d) the fees and disbursements of Bond Counsel and Disclosure Counsel, and any other consultants to the District, including the District's financial advisor, (e) the fees for the Bond rating(s), including all necessary expenses for travel relating to such rating, (f) the initial fees of the Paying Agent, and (g) all other fees and expenses incident to the issuance and sale of the Bonds. Any such expenses which exceed in the aggregate \$[_____] shall be paid by the District and may be paid from the proceeds of the Bonds. All out-of-pocket expenses of the Underwriter, including the California Debt and Investment Advisory Commission fee, CUSIP Bureau registration fees, expenses for travel (except in connection with securing a rating on the Bonds or sale of the Bonds), the fees and disbursements of Underwriter's counsel and other expenses (except as provided above) shall be paid by the Underwriter.

Section 12. Notices. Any notice or other communication to be given under this Purchase Agreement (other than the acceptance hereof as specified in the first paragraph hereof) may be given by delivering the same in writing if to the District, to the Huntington Beach City School District at 17011 Beach Blvd., Suite 560, Huntington Beach, California 92647, Attention: Assistant Superintendent, Administrative Services, or if to the Underwriter, to Raymond James & Associates, Inc., 2000 Avenue of the Stars, Suite 920-N, Los Angeles, California 90067; Attention: John R. Baracy, Managing Director.

Section 13. Severability. In the event any provision of this 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 14. Parties in Interest; Survival of Representations and Warranties. This Purchase Agreement when accepted by the District in writing as heretofore specified shall constitute the entire agreement between the District and the Underwriter. This Purchase Agreement is made solely for the benefit of the District and the Underwriter (including the successors or assigns of the Underwriter). No person shall acquire or have any rights hereunder or by virtue hereof. All the representations, warranties and agreements of the District in this Purchase Agreement shall survive regardless of (a) any investigation or any statement in respect thereof made by or on behalf of the Underwriter, (b) delivery of and payment by the Underwriter for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

Section 15. Execution in Counterparts. This Purchase Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute but one and the same document.

[Remainder of page left intentionally blank.]

Section 16. Applicable Law. This Purchase Agreement shall be interpreted, governed and enforced in accordance with the law of the State applicable to contracts made and performed in the State.

Very truly yours,

**RAYMOND JAMES & ASSOCIATES,
INC.**

By: _____
John R. Baracy,
Managing Director

Accepted: [_____] , 2018

**HUNTINGTON BEACH CITY
SCHOOL DISTRICT**

Time: _____ p. m. California Time

By: _____
Jon M. Archibald,
Assistant Superintendent,
Administrative Services

EXHIBIT A**MATURITY SCHEDULE**

\$ _____
Huntington Beach City School District
(Orange County, California)
Election of 2016 General Obligation Bonds, Series B

\$ _____ **Serial Bonds**

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering Price Rule</u>
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\$ _____ % Term Bonds due August 1, 20__ – Yield _____% - Price _____%
 [10% Test Satisfied*][10% Test Not Satisfied][Subject to Hold-The-Offering Price Rule]

\$ _____ % Term Bonds due August 1, 20__ – Yield _____% - Price _____%
 [10% Test Satisfied*][10% Test Not Satisfied][Subject to Hold-The-Offering Price Rule]

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

^C Yield to call at par and priced to call at par, on August 1, 20__.

TERMS OF REDEMPTION

Optional Redemption. The Bonds maturing on or before August 1, 20__ are not subject to redemption. The Bonds maturing on or after August 1, 20__ may be redeemed before maturity at

the option of the District on any date on or after August 1, 20_ as a whole, or in part, at a redemption price equal to the principal amount of the Bonds selected for redemption, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 20_ (the “Term Bonds”) are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 20_ at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such Term Bonds to be so redeemed and the date therefor and the final principal payment date are as indicated in the following table:

<u>Redemption Date</u> (August 1)	<u>Principal Amount</u>
†	\$

† Final Maturity.

In the event of a partial optional redemption of any Term Bonds, the sinking fund payments for the Term Bonds shall be reduced as directed in writing by the District or in the absence of written direction then, as nearly as practicable, on a pro rata basis in \$5,000 increments.

EXHIBIT B

CERTIFICATE OF THE UNDERWRITER

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 Huntington Beach City School District (Orange County, California) Election of 2016 General Obligation Bonds, Series B (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 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) Raymond James 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, dated _____, 2018, by and between Raymond James and the Huntington Beach City School District, Raymond James 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 third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party 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 (_____, 2018), or (ii) the date on which Raymond James 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 Huntington Beach City School District.

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

(f) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) [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 _____, 2018.

(h) 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 Raymond James’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

Dated _____, 2018

**RAYMOND JAMES & ASSOCIATES,
INC.**

By: _____
Authorized Representative

SCHEDULE A

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

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)