

BOND PURCHASE AGREEMENT

\$ _____
SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY
SPECIAL TAX REVENUE REFUNDING BONDS, 2018 SERIES A

_____, 2018

South Orange County Public Financing Authority
333 W. Santa Ana Blvd., 3rd Floor
Santa Ana, CA 92701

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the South Orange County Public Financing Authority (the “Authority”) which will be binding upon the Authority and the Underwriter upon the acceptance hereof by the Authority. This offer is made subject to its acceptance by the Authority by execution of this Purchase Agreement and its delivery to the Underwriter on or before 8:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as hereinafter defined).

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s length commercial transaction between the Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as agent, fiduciary or Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended) of the Authority; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the Authority with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or are currently providing other services to the Authority on other matters); (iv) the Underwriter has financial interests that may differ from and be adverse to those of the Authority; and (v) the Authority has consulted with its own legal and financial advisors to the extent it has deemed appropriate.

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the South Orange County Public Financing Authority Special Tax Revenue Refunding Bonds (Ladera Ranch) 2018 Series A (the “Bonds”). The purchase price for the Bonds shall be \$_____ (being the aggregate principal amount thereof \$_____), less an underwriter’s discount of \$_____, and plus a net original issue premium of \$_____. As an accommodation to the Authority, the Underwriter shall pay from the purchase price of the Bonds, by wire transfer, the amount of

\$_____ to the Insurer (as such term is defined herein) to pay the premium for the Reserve Policy (as such terms are defined herein). Such payment and the other actions contemplated hereby to take place at the time of such payment are herein sometimes called the “Closing.”

Section 2. Description of the Bonds. The Bonds shall be issued pursuant to an Indenture of Trust (the “Indenture”) dated as of February 1, 2018 by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”) and pursuant to the Marks Roos Local Bond Pooling Act (the “Bond Law”) and a resolution of the Authority adopted on _____, 2017 (the “Bond Resolution”). The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “Official Statement”).

The proceeds of the Bonds shall be applied by the Authority to finance the purchase of the following issues of Bonds (the “District Bonds”):

(a) \$_____ Community Facilities District No. 99-1 of the County of Orange (Ladera Ranch) Series 2018 Special Tax Bonds (the “CFD No. 99-1 Bonds”) being issued by Community Facilities District No. 99-1 of the County of Orange (Ladera Ranch) (“CFD No. 99-1”) to refund the outstanding Community Facilities District No. 99-1 of the County of Orange (Ladera Ranch) Series 2005 Special Tax Bonds (the “Prior CFD No. 99-1 Bonds”).

(b) \$_____ Community Facilities District No. 2000-1 of the County of Orange (Ladera Ranch) Series 2018 Special Tax Bonds (the “CFD No. 2000-1 Bonds”) being issued by Community Facilities District No. 2000-1 of the County of Orange (Ladera Ranch) (“CFD No. 2000-1”) to refund the outstanding Community Facilities District No. 2000-1 of the County of Orange (Ladera Ranch) Series of 2005 Special Tax Bonds (the “Prior CFD No. 2000-1 Bonds”).

(c) \$_____ Community Facilities District No. 2001-1 of the County of Orange (Ladera Ranch) Series 2018, Special Tax Bonds (the “CFD No. 2001-1 Bonds”) being issued by Community Facilities District No. 2001-1 of the County of Orange (Ladera Ranch) (“CFD No. 2001-1”) to refund the outstanding Community Facilities District No. 2001-1 of the County of Orange (Ladera Ranch) Series 2005 Special Tax Bonds (the “Prior CFD No. 2001-1 Bonds”).

The District Bonds will be purchased by the Authority in accordance with a Bond Purchase Contract dated the date hereof (the “Local Obligations Bond Purchase Contract”), by and among the Authority and County of Orange (the “County”).

Proceeds of the District Bonds will be used to refund the Authority’s Special Tax Revenue Refunding Bonds, 2005 Series A (the “2005 Bonds”) in accordance with an Escrow Agreement, dated as of February 1, 2018 (the “Escrow Agreement”), by and between the Authority and U.S. Bank National Association, as escrow agent (the “Escrow Agent”).

Section 3. Public Offering and Establishment of Issue Price. The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields)

set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

(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 (as defined below) an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit D, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel (as defined below), 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 Authority’s municipal advisor, Fieldman, Rolapp & Associates (the “Municipal Advisor”) and any notice or report to be provided to the Authority may be provided to the Authority’s Municipal Advisor.

(b) [Except as otherwise set forth in Exhibit A attached hereto,] the Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”), identified under the column “10% Test Used” in Exhibit A, 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 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 (as defined below) 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 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, identified under the column “Hold the Offering Price Rule Used,” as of the date of this 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 Issuer 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 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 Purchase Agreement by all parties.

Section 4. Delivery of Official Statement. The Authority has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement or the first offering of the Bonds, whichever first occurs, copies of the Preliminary Official Statement relating to the Bonds (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 for distribution by resolution of the Authority. The Authority shall have executed and delivered to the Underwriter a certification to such effect in the form attached hereto as Appendix B.

The Authority hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, but not less than one (1) business day prior to Closing, an electronic version of the Official Statement and a sufficient number of physical copies of the final Official Statement relating to the Bonds, dated the date hereof, which includes all information permitted to be omitted by Rule 15c2-12 and any amendments or supplements to such Official Statement as have been approved by the Authority and the Underwriter to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending 25 days after the End of the Underwriting Period (as such term is defined herein). The Authority hereby approves of the use and distribution (including the electronic distribution) by the Underwriter of the Preliminary Official Statement and the Official Statement in connection with the offer and sale of the Bonds. The Authority shall have executed and delivered to the Underwriter a certification to such effect in the form attached hereto as Exhibit B. The Underwriter agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement.

The Authority will undertake, pursuant to the Indenture and a continuing disclosure obligation (the "Continuing Disclosure Certificate"), to provide certain annual financial information and notices of the occurrence of certain enumerated events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Section 5. The Closing. At 8:00 a.m., California time, on _____, 2018, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority, the County and the Underwriter, the Authority will deliver (i) the Bonds in definitive form to the Underwriter at The Depository Trust Company in New York, New York, or such other location as may be specified by the Underwriter, with CUSIP identification numbers printed thereon, in fully registered form and registered in the name of Cede & Co., and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, Newport Beach, California ("Bond Counsel") or another place to be mutually agreed upon by the Authority, the County and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal funds wire payable to the order of the Trustee on behalf of the Authority. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." The Bonds will be delivered in such denominations and deposited in the account or accounts specified by the Underwriter pursuant to written notice not later than five business days prior to Closing. The Bonds will be made available to The Depository Trust Company for inspection not less than 24 hours prior to the Closing.

Section 6. Representations, Warranties and Covenants. The Authority represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The Authority is a joint powers authority duly organized and existing under the laws of the State of California, with full right, power and authority to execute, deliver and perform its obligations under this Purchase Agreement, the Indenture, the Escrow Agent, the Continuing Disclosure Certificate and the Local Obligations Purchase Contract (together, the "Authority

Documents”) and to carry out and consummate the transactions contemplated by the Authority Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action of the Authority, including but not limited to the Bond Resolution, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations contained in, the Authority Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Authority Documents will constitute the legally valid and binding obligations of the Authority 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. The Authority has complied, and will at the Closing be in compliance in all respects, with the terms of the Authority Documents.

(c) Official Statement Accurate and Complete. (i) The Preliminary Official Statement was as of its date, and the final Official Statement is, and at all times subsequent to the date of the final Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the final Official Statement contain, and up to and including the Closing will contain, no misstatement of any material fact and do not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading; provided, however, no representation is made with respect to information therein relating to the Depository Trust Company and its book entry only system.

(ii) As of the date hereof and at all times subsequent hereto up to and including the date which is 25 days following the End of the Underwriting Period for the Bonds, 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 the statements therein, in light of the circumstances under which they were made not misleading (except that this representation does not include information relating to The Depository Trust Company, the book-entry-only system, the Insurer or the Reserve Policy).

(iii) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which would cause 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, the Authority will notify the Underwriter, and, if in the opinion of the Underwriter or the Authority, or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate in the preparation of such amendment or supplement to the Official Statement in a form and manner approved by the Underwriter, and shall pay all expenses thereby incurred. 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. As used herein, the term “End of the Underwriting Period” means the later of such time as: (i) the Authority delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives written notice to the contrary, the “End of the Underwriting Period” shall be the date of Closing.

(iv) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (l) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of 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 (except that this representation does not include information relating to The Depository Trust Company or the book-entry-only system, the Insurer or the Reserve Policy).

(v) After the Closing, the Authority will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing or which shall be disapproved by counsel for the Underwriter.

(d) No Breach or Default. As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, the Authority 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 of California or the United States, or any applicable judgment or decree or any Indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents 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 of California or the United States, or any applicable judgment, decree, license, permit, indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the

terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

(e) No Litigation. As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government authority, public board or body, is or will be pending or threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any 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 in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority and its authority to pledge the revenues securing the Bonds; (iii) which may result in any material adverse change relating to the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the final Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the final Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

(f) Compliance with 15c2-12. Except as disclosed in the Official Statement, the Authority has complied in all material respects with any prior continuing disclosure undertaking in regard to Rule 15c2-12 within the previous five years.

Section 7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and covenants herein and the performance by the Authority of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Purchase Agreement to purchase and pay for the Bonds shall be subject to the following additional conditions:

(a) Bring Down Representation. The representations, warranties and covenants of the Authority contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the Authority Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter and (ii) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the Authority Documents.

(c) Issuance and Purchase of District Bonds. Concurrent with the issuance of the Bonds and the purchase thereof by the Underwriter in accordance with this Purchase

Agreement, the District Bonds shall be issued, and the District Bonds shall be delivered to the Authority under and in accordance with the Local Obligations Purchase Contract, and all conditions set forth in the Local Obligations Purchase Contract to the issuance and delivery of the District Bonds shall have been satisfied.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall receive each of the documents identified in Section 8.

Section 8. Closing Documents. In addition to the other conditions to the Underwriter's obligations under this Purchase Agreement to purchase and pay for the Bonds, at or before the Closing the Underwriter shall receive each of the following documents, provided that the actual payment for the Bonds by the Underwriter and the acceptance of delivery thereof shall be conclusive evidence that the requirements of this Section 8 shall have been satisfied or waived by the Underwriter.

(a) Bond Opinion. An approving opinion of Bond Counsel dated the date of the Closing and substantially in the form appended to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the Authority may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it.

(b) Supplemental Opinion. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the date of the Closing substantially to the following effect:

(i) This Purchase Agreement has been duly authorized, executed and delivered by the Authority and constitute the valid, legal and binding agreements of the Authority, enforceable in accordance with their respective terms.

(ii) The statements contained in the Official Statement under the captions "THE BONDS," "SECURITY FOR THE BONDS," "LEGAL MATTERS" and "MISCELLANEOUS - Continuing Disclosure," and in Appendices B and E insofar as such statements expressly summarize certain provisions of the Bonds, the Indenture, the Escrow Agreement and the opinion of such firm concerning the exclusion from gross income for federal income tax purposes and exemption from State of California personal income taxes of interest on the Bonds, are accurate in all material respects.

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

(c) Municipal Advisor Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the Authority's Municipal Advisor addressed to the Underwriter and the Authority to the effect, that, in connection with its participation in the preparation of the Official Statement and without undertaking any independent investigation and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, nothing

has come to the attention of the Municipal Advisor that would lead it to believe that the statements and information contained in the Official Statement as of the date thereof and the date of the Closing, contains an untrue statement of a material fact or omits to state a material fact required to be stated therein as necessary to make the statements therein, in light of the circumstances in which they were made, not misleading.

(d) Authority Counsel Opinion. An opinion of Counsel to the Authority, dated the date of the Closing and addressed to the Underwriter, in form and substance acceptable to Bond Counsel substantially to the following effect:

(i) The Authority is a joint powers authority duly organized and validly existing under the laws of the State of California.

(ii) The Bond Resolution has been duly adopted, is in full force and effect and has not been modified, amended or rescinded.

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

(iv) Except as otherwise disclosed in the Official Statement and to the best knowledge of such counsel after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending or threatened against the Authority, challenging the creation, organization or existence of the Authority, or the validity of the Authority Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or contesting the authority of the Authority to enter into or perform its obligations under any of the Authority Documents, or under which a determination adverse to the Authority would have a material adverse effect upon the financial condition or the revenues of the Authority, or which, in any manner, questions the right of the Authority to pledge the Revenues to the payment of the Bonds.

(e) Disclosure Letter. Stradling Yocca Carlson & Rauth ("Disclosure Counsel"), dated the date of the Closing, addressed to the Underwriter and the Authority, to the effect that, based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that, as of the date of the Closing, the Official Statement (excluding therefrom the reports, financial and statistical data and forecasts therein and the information included in the appendices thereto and information relating to DTC, the Insurer, and the Reserve Policy, as to which no advice need be expressed) contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to

make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) Trustee/Escrow Agent Counsel Opinion. The opinion of counsel to the Trustee/Escrow Agent, dated the date of the Closing, addressed to the Underwriter, to the effect that:

(i) The Trustee/Escrow Agent is a national banking association, duly organized and validly existing under the laws of the United States of America, having full power to enter into, accept and administer the trust created under the Indenture and the Escrow Agreement.

(ii) The Indenture and the Escrow Agreement have been duly authorized, executed and delivered by the Trustee/Escrow Agent and constitute the legal, valid and binding obligations of the Trustee/Escrow Agent enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought.

(g) Authority Certificate. A certificate of the Authority, dated the date of the Closing, signed on behalf of the Authority by the Executive Director, Public Finance Director, Treasurer or other duly authorized officer of the Authority to the effect that:

(i) The representations, warranties and covenants of the Authority contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Authority has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the Authority at or prior to the date of the Closing.

(ii) No event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) Trustee/Escrow Agent's Certificate. A certificate of the Trustee/Escrow Agent, dated the date of Closing, in form and substance acceptable to counsel for the Underwriter, to the following effect:

(i) The Trustee/Escrow Agent is duly organized and existing as a national banking association in good standing under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Indenture and the Escrow Agreement.

(ii) The Trustee/Escrow Agent is duly authorized to enter into the Indenture and the Escrow Agreement.

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

(i) Underwriter's Counsel Letter. An opinion of counsel to the Underwriter, addressed to the Underwriter, in a form acceptable to the Underwriter;

(j) Original Executed Documents. An original executed copy of each of the Authority Documents, along with original executed copies of the Escrow Agreement and the Continuing Disclosure Certificate.

(k) Certificate of Special Tax Consultant. A certificate in form and substance as set forth in Exhibit C hereto, of David Taussig & Associates, Irvine, California ("Special Tax Consultant"), dated as of the Closing Date.

(l) Policy; Reserve Policy. The executed Policy and the executed Reserve Policy issued by the Insurer.

(m) Insurer Certificate. A certificate of the Insurer as to the accuracy of the information in Official Statement relating to the Insurer and the Reserve Policy.

(n) Insurer Counsel Opinion. An opinion of counsel to the Insurer, dated as of the date of Closing, addressed to the Underwriter and the Authority in form and substance acceptable to the Underwriter, substantially to the effect that: (i) the Insurer has been duly incorporated and is validly existing and in good standing under the laws of the state of its incorporation; and (ii) the Reserve Policy constitutes the legal, valid and binding obligation of the Insurer enforceable in accordance with its terms, subject to enforcement, bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors' and/or claimants' rights against insurance companies and to general equity principles.

(o) Escrow Verification. An escrow verification report of _____ (the "Verification Agent") with respect to the refunding of the Prior Bonds.

(p) DTC Letter of Representations. The executed Blanket Letter of Representations of the Authority.

(q) CDIAC Forms. A report of proposed debt issuance, acknowledgement thereof and final report to the California Debt and Investment Advisory Commission with respect to the Bonds.

(r) Additional Documents. Such additional certificates, instruments and other documents as Bond Counsel, Underwriter's Counsel, the Authority or the Underwriter may reasonably deem necessary.

If the Authority shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Authority shall be under further obligation hereunder, except as further set forth in Section 10.

Section 9. Termination Events. The Underwriter shall have the right to terminate this Purchase Agreement, without liability therefor, by notification to the Authority if at any time between the date hereof and prior to the Closing:

(a) any event shall occur 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 opinion of the Underwriter, has been materially adversely affected by 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 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 Authority, 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 authority 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 district 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 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) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(f) a general banking moratorium shall have been established by federal or California authorities; or

(g) the United States has become engaged in hostilities which have resulted in a declaration of war or a national emergency or there has occurred any other outbreak of hostilities or a national or international calamity or crisis, or there has occurred any escalation of existing hostilities, calamity or crisis, financial or otherwise, the effect of which on the financial markets of the United States being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds; or

(h) the commencement of any action, suit or proceeding described in Section 6(e)(i) or 6(e)(ii) with respect to either the Authority or the County which, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

(i) there shall be in force a general suspension of trading on the New York Stock Exchange.

Section 10. Expenses. The Underwriter shall be under no obligation to pay and the Authority shall pay or cause to be paid the expenses incident to the performance of the obligations of the Authority 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 Authority Documents and the cost of preparing, printing, issuing and delivering the definitive Bonds, (b) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the Authority and the County; (c) the fees and disbursements of Bond Counsel; and (d) the cost of printing of the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing of the Official Statement, including the requisite number of copies thereof for distribution by the Underwriter.

The Underwriter shall pay and the Authority shall be under no obligation to pay all expenses incurred by it in connection with the public offering and distribution of the Bonds, including but not limited to (a) reporting fees chargeable by the California Debt and Investment Advisory Commission, (b) the Underwriter Counsel's fee, and (c) CUSIP Service Bureau fees.

Section 11. Notice. Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to such entity at County of Orange, 333 W. Santa Ana Blvd., 3rd Floor, Santa Ana, California, 92701, Attention: Public Finance Director. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to: Stifel Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Sara Brown.

Section 12. Entire Agreement. This Purchase Agreement, when accepted by the Authority, shall constitute the entire agreement between the Authority and the Underwriter and is made solely for the benefit of the Authority and the Underwriter (including the successors or assigns of any Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All the Authority's representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter.

Section 13. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 15. Governing Law. The validity, interpretation and performance of this Purchase Agreement shall be governed by the laws of the State of California.

Section 16. No Assignment. The rights and obligations created by this Purchase Agreement shall not be subject to assignment by the Underwriter or the Authority without the prior written consent of the other parties hereto.

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

By: _____
Managing Director

Accepted as of the date first stated above:

**SOUTH ORANGE COUNTY PUBLIC
FINANCING AUTHORITY**

By: _____
Public Finance Director

Time: _____

APPENDIX A

MATURITY SCHEDULE OF BONDS

Principal Payment Date (September 1)	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
--	-------------------------	----------------------	--------------	--------------

* Term Bonds.

C Priced to call date of _____ 1, ____ at par.

Optional Redemption. The Bonds maturing on or prior to _____ 1, ____ are not subject to optional redemption. The Bonds maturing on or after _____ 1, ____ are subject to redemption prior to their stated maturity dates on any date on or after _____ 1, ____, as selected by the Authority, in integral multiples of \$5,000, at the option of the County from moneys derived by the Authority from any source, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest to the date of redemption, without premium.

Mandatory Redemption from Special Tax Prepayments. The Bonds are subject to mandatory redemption prior to their stated maturity dates on any Interest Payment Date, as selected by the Authority, in integral multiples of \$5,000, from moneys derived by the Authority from mandatory redemption of the District Bonds as a result of Special Tax Prepayments, at redemption prices (expressed as percentages of the principal amounts of the Bonds to be redeemed), together with accrued interest to the date of redemption, as follows:

<u>Redemption Period</u>	<u>Redemption Price</u>
_____ 1, ____ through _____ 1, ____	
_____ 1, ____ and _____ 1, ____	
_____ 1, ____ and _____ 1, ____	
_____ 1, ____ and any Interest Payment Date thereafter	

Mandatory Sinking Fund Redemption. The Bonds maturing on _____ 1, ____ % are subject to mandatory sinking fund redemption prior to maturity, in part, on _____ 1, ____, and on each _____ 1 thereafter by lot, from sinking fund payments at a redemption price equal to the principal amount of Bonds to be redeemed, together with accrued interest to the date of redemption, without premium, as follows:

Redemption Date <u>(_____ 1)</u>	Redemption <u>Amount</u>
--	---

APPENDIX B

\$ _____

**SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY
SPECIAL TAX REVENUE REFUNDING BONDS, 2018 SERIES A**

RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that she is the Public Finance Director of the South Orange County Public Financing Authority (the “Authority”), and, as such, is duly authorized to execute and deliver this certificate and further hereby certifies that:

(1) this certificate is being delivered in connection with the sale and issuance of the South Orange County Public Financing Authority Special Tax Revenue Refunding Bonds, 2018 Series A (the “Bonds”) in order to enable the underwriter of the Bonds to comply with Rule 15c2 12 promulgated under the Securities and Exchange Act of 1934, as amended (the “Rule”);

(2) in connection with the sale and issuance of the Bonds, there has been prepared a Preliminary Official Statement dated _____, 2018 setting forth information concerning the Bonds and the Authority (the “Preliminary Official Statement”); and

(3) except for the Permitted Omissions, the Preliminary Official Statement is deemed final within the meaning of the Rule. As used herein, the term “Permitted Omissions” refers to the offering price(s), interest rates(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all as set forth in the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of _____, 2018.

**SOUTH ORANGE COUNTY PUBLIC
FINANCING AUTHORITY**

By: _____
Public Finance Director

APPENDIX C

\$ _____
SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY
SPECIAL TAX REVENUE REFUNDING BONDS, 2018 SERIES A

CERTIFICATE OF SPECIAL TAX CONSULTANT

David Taussig & Associates, Irvine, California (“Special Tax Consultant”), was retained as Special Tax Consultant and assisted in the preparation of the Official Statement dated _____, 2018 (the “Official Statement”) relating to the above referenced bonds (the “Bonds”).

With respect to each of the Taxing Jurisdictions and the related District Bonds, we hereby certify as follows:

(i) Based upon the Special Tax Consultant’s review of the Official Statement and such other documents as it deems relevant in the circumstances, the Special Tax Consultant hereby certifies that the Special Tax to be levied in the Taxing Jurisdiction, if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment for the Taxing Jurisdiction, would generate at least 110% of the maximum annual debt service on the District Bonds.

(ii) All information with respect to the Rate and Method of Apportionment for each of the Taxing Jurisdictions set forth in the Official Statement was true and correct as of the date of the Official Statement and remains true and correct as of the date hereof.

(iii) All information supplied by us for use in the Official Statement was true and correct as of the date of the Official Statement and remains true and correct as of the date hereof and such information does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Dated: _____, 2018

DAVID TAUSSIG & ASSOCIATES

By: _____

Its: _____

APPENDIX D

\$ _____
**SOUTH ORANGE COUNTY PUBLIC FINANCING AUTHORITY
SPECIAL TAX REVENUE REFUNDING BONDS, 2018 SERIES A**

FORM OF ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”) hereby certifies as set forth below with respect to the sale and issuance of the above-captioned bonds (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) Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, dated _____, 2018, by and among Stifel and the South Orange County Public Financing Authority, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

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 Stifel has sold at least 10% of

such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the South Orange County Public Financing Authority.

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

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

(g) [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 Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate 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.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____

Name: _____

Dated: _____, 2017

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)