

\$[_____]
CITY OF RIVERSIDE
TAXABLE PENSION OBLIGATION REFUNDING BONDS
2017 SERIES A

BOND PURCHASE AGREEMENT

[_____], 2017

City of Riverside
3900 Main Street
Riverside, California 92522

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) offers to enter into this Bond Purchase Agreement (the “Purchase Agreement”) with the City of Riverside (the “City”), which, upon your acceptance hereof, will be binding upon the City and the Underwriter. This offer is made subject to the written acceptance of this Purchase Agreement by the City and delivery of such acceptance to us at our office specified below prior to 11:59 p.m., California Time, on the date hereof, and the conditions set forth herein. Capitalized terms used herein and not otherwise defined will have the meanings given such terms in the Official Statement described below.

The Chief Financial Officer or other Authorized City Officer shall execute this Purchase Agreement. The term “Authorized City Officer” shall include the Mayor, the Treasurer, the Chief Financial Officer and the City Manager, or designees thereof.

1. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter hereby agrees to purchase from the City for offering to the public, and the City hereby agrees to cause the Trustee (defined below) to authenticate and deliver to the Underwriter, all (but not less than all) of the \$[_____] aggregate principal amount of the City of Riverside Taxable Pension Obligation Refunding Bonds 2017 Series A (the “Bonds”). The Bonds will be purchased at a price of \$[_____], being the principal amount of the Bonds, [plus/less] a net original issue [premium/discount] of \$[_____] and less an Underwriter’s discount of \$[_____]. The Bonds shall bear interest at the rates, and shall mature in the years shown on Exhibit A hereto, which is incorporated herein by this reference.

The Bonds shall be issued pursuant to pursuant to Articles 10 and 11 (commencing with section 53570) of Chapter 3 of Division 2 of Title 5 of the California Government Code, a First Supplemental Trust Agreement dated June 1, 2005, a Second Supplemental Trust Agreement, dated June 1, 2008, a Third Supplemental Trust Agreement, dated May 1, 2009, a Fourth Supplemental Trust Agreement, dated May 1, 2010, a Fifth

Supplemental Trust Agreement, dated May 1, 2011, a Sixth Supplemental Trust Agreement, dated May 1, 2012, a Seventh Supplemental Trust Agreement dated May 1, 2013, an Eighth Supplemental Trust Agreement dated May 1, 2014, a Ninth Supplemental Trust Agreement dated May 1, 2015, a Tenth Supplemental Trust Agreement dated May 1, 2016 and a Eleventh Supplemental Trust Agreement dated as of May 1, 2017 (collectively, the “Supplemental Trust Agreements”), between the City and U.S. Bank National Association, as trustee (the “Trustee”), supplementing a Trust Agreement (together with the Supplemental Trust Agreements, the “Trust Agreement”) dated as of June 1, 2004, between the City and the Trustee.

The proceeds of the Bonds will be used to (i) refund the City’s outstanding the City of Riverside Taxable Pension Obligation Refunding Bond Anticipation Notes, 2016 Series A (the “Prior Notes”) and (ii) pay the costs of issuing the Bonds.

The Underwriter agrees to make a bona fide public offering of all the Bonds at the initial public offering price or prices (or yields) set forth on Exhibit A attached hereto and made a part hereof; provided, however, the Underwriter reserves the right to change such initial public offering price as the Underwriter deems necessary or desirable, in its sole discretion in connection with the marketing of the Bonds, and to sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or higher than the yields set forth in the Official Statement. The Underwriter also reserves the right (a) to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market, and (b) to discontinue such stabilizing, if commenced, at any time. A “bona fide public offering” shall include an offering to institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

The City 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 City and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and has not assumed a fiduciary responsibility in favor of the City with respect to the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the City on other matters); (iii) the only obligations the Underwriter has to the City with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; (iv) the City has consulted its own legal, financial and other advisors to the extent it has deemed appropriate; (v) the Underwriter has financial interests that may differ from and be adverse to those of the City; and (vi) the Underwriter has provided the City with certain disclosures required under the rules of the Municipal Securities Rulemaking Board (the “MSRB”).

The City hereby acknowledges receipt from the Underwriter of disclosures required by the MSRB Rule G-17, relating to disclosures concerning the Underwriter’s role in the transaction, disclosures concerning the Underwriter’s compensation, conflict disclosures, if any, and disclosures concerning complex municipal securities financing, if any.

2. The City has authorized the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement dated [____], 2017 relating to the Bonds, which, together with the cover page and all appendices thereto, is herein called the “Preliminary Official Statement.” The Underwriter hereby represents that it has received and reviewed the Preliminary Official Statement. The City 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 or accretion rate(s), reoffering yield(s) to maturity, 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 permitted pursuant to Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”).

The Underwriter hereby agrees to deliver a copy of the Official Statement to the MSRB through the Electronic Municipal Marketplace Access website of the MSRB on or before the Closing Date and otherwise to comply with all applicable statutes and regulations in connection with the offering and sale of the Bonds, including, without limitation, MSRB Rule G-32 and the Rule. The City agrees to deliver to the Underwriter as many copies of the Official Statement as the Underwriter will reasonably request as necessary to comply with paragraph (b)(4) of the Rule. The City agrees to deliver the final Official Statement within seven business days after the execution hereof, or such earlier date identified by the Underwriter to be necessary to allow the Underwriter to meet its obligations under the Rule and Rule G-32 of the MSRB.3.

3. At 8:00 a.m., California Time, on [____], 2017, or at such other time or on such other date as shall have been mutually agreed upon by you and us (the “Closing Date”), you will deliver to us, through the facilities of The Depository Trust Company (“DTC”) in New York, New York, or at such other place as we may mutually agree upon, the Bonds in fully registered book-entry form, duly executed and registered in the name of Cede & Co., as nominee of DTC, and at the offices of Stradling Yocca Carlson & Rauth, A Professional Corporation, as bond counsel (“Bond Counsel”), in Newport Beach, California, the other documents set forth in Section 7 below. The delivery of the Bonds is referred to as the “Closing.”

4. The Trust Agreement, an Escrow Agreement, dated as of May 1, 2017 (the “Escrow Agreement”), between U.S. Bank National Association, as escrow agent (the “Escrow Agent”) and a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”) with respect to the Bonds shall be executed and delivered substantially in the respective forms heretofore reviewed by the Underwriter, with only such changes therein as shall be mutually agreed upon by the parties hereto.

5. The City represents, warrants and covenants to the Underwriter that:

(a) The City is a validly existing and operating local agency (as defined in Section 53570 of the California Government Code) under the laws of the State of California, and has all necessary power and authority to adopt its resolution adopted on April 25, 2017 (the “City Resolution”), to enter into and perform its duties under the Bonds, the Trust Agreement, the Continuing Disclosure Certificate, the Escrow Agreement and this Purchase Agreement, and, when executed and delivered by the respective parties thereto, the Bonds, the Trust Agreement, the Continuing Disclosure Certificate, the Escrow Agreement and this Purchase Agreement will

constitute legally valid and binding obligations of the City, enforceable in accordance with their respective terms. The Bonds, the Trust Agreement, the Continuing Disclosure Certificate, the Escrow Agreement, this Purchase Agreement and the Official Statement are collectively, referred to herein as the “City Documents”.

(b) To the best knowledge of the City, neither the execution and delivery of the City Documents, nor the approval and execution of the Official Statement or this Purchase Agreement, nor compliance with the provisions on the City’s part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, including the contract between the California Public Employees’ Retirement System (“PERS”) and the City Council of the City, effective July 1, 1945 as amended, (the “PERS Contract”), nor does any such execution, delivery, adoption or compliance result in the security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the City Documents.

(c) By all necessary official action, the City has duly adopted the City Resolution, has authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents, and has approved the use by the Underwriter of the Preliminary Official Statement and the Official Statement (as such terms are defined herein) and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(d) Except as may be required under blue sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory agency having jurisdiction over the City required for the execution and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Official Statement and this Purchase Agreement.

(e) To the best of the City’s knowledge and belief, other than as disclosed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending, or threatened, against the City, nor to the best knowledge and belief of the City is there any basis therefor, to restrain or enjoin the application by the City of the revenues as described in the Official Statement as security for the Bonds, or in any way contesting or affecting the validity of City documents, or contesting the powers of the City to enter into or perform its obligations under any of the foregoing.

(f) The Preliminary Official Statement as of its date did not contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading and the Official Statement as of its date and as of the Closing Date will not contain any untrue statement of a material fact, or omit to state a material fact necessary in order to make

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

(g) The City agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that in no event shall the City be required to take any action which would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject.

(h) By official action of the City prior to or concurrently with the execution hereof, the City has duly approved the distribution of the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in the City Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Purchase Agreement.

(i) To the best knowledge of the City, it is not in breach of or default under any material applicable law or administrative regulation of the State of California or the United States or any material applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject and in connection with which the City is obligated to make payments from its own funds, including the PERS Contract, 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 an event of default under any such instrument the consequence of which could be the materially and adversely affect the performance of the City under the City Documents.

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

(k) At or prior to the Closing, the City shall have duly authorized, executed and delivered the Continuing Disclosure Certificate. The Continuing Disclosure Certificate shall comply with the provisions of the Rule and be substantially in the form attached to the Preliminary Official Statement and Official Statement as APPENDIX F. Based on a review of its prior undertakings under the rule, and except as otherwise disclosed in the Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to said Rule to provide annual reports or notices of material events during the last five years.

(l) The financial statements of, and other financial information regarding the City and its obligations contained in the Official Statement fairly present the financial position of the City as of the dates and for the periods therein set forth, the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied, the unaudited financial statements (if any) have been prepared on a basis substantially consistent with the audited financial statements included in the Official Statement and reflect all adjustments necessary to that affect, and the other financial information

has been determined on a basis substantially consistent with that of the City's audited financial statements included in the Official Statement.

(m) The City will apply the proceeds of the Bonds in accordance with the Trust Agreement.

(n) The City will deliver all opinions, certificates, letters and other instruments and documents reasonably required by the Underwriter and this Purchase Agreement.

(o) Any certificate of the City delivered to the Underwriter shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(p) As of the time of acceptance hereof and as of the Closing the City does not and will not have outstanding any indebtedness which is payable from the City's general fund except as disclosed in the Official Statement.

(q) The City hereby agrees to notify the Underwriter of any event or occurrence that may affect the accuracy or completeness of any information set forth in the Official Statement relating to the City until the date which is twenty-five (25) days following the Closing.

(r) If at any time prior to twenty-five (25) days following the "end of the underwriting period" (as defined in the Rule) or until such time (if earlier) as the Underwriter shall no longer hold any of the Bonds for sale, the City will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall object in writing or which shall be disapproved by the Underwriter; and if any event relating to or affecting the City shall occur as a result of which it is necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser, forthwith prepare and furnish (at the expense of the City) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance reasonably satisfactory to the Underwriter) which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser, not misleading. The City shall be entitled to presume that unless otherwise notified by the Underwriter in writing, the end of the underwriting period shall be the date of the Closing.

(s) The City does not need the consent of its auditor to include its comprehensive annual financial report for the fiscal year ended June 30, 2016 as an appendix to the Official Statement.

6. [Reserved].

7. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and agreements of the City contained herein, and the

opinions of Bond Counsel and Disclosure Counsel, counsel to the Trustee/Escrow Agent, the City Attorney and counsel to the Underwriter required hereby. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) At the time of the Closing, the City Documents all as described in the Official Statement, shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the City Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and 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 hereby.

(b) At or prior to the Closing, the Underwriter shall receive the following documents, in each case satisfactory in form and substance to them and their counsel:

(1) A Certified copy of the City Resolution.

(2) The unqualified approving opinion of Bond Counsel, dated the date of the Closing, addressed to the City and the Underwriter (or a reliance letter to the Underwriter), in substantially the form attached as APPENDIX D to the Official Statement;

(3) A supplemental opinion of Bond Counsel, addressed to the Underwriter, in form and substance to the effect that:

(i) The statements and information contained in the Official Statement on the cover page and under the captions "INTRODUCTION," "REFUNDING PLAN," "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," "VALIDATION" and in APPENDICES C and D, insofar as such statements purport to summarize certain provisions of the Bonds, the City Documents and such counsel's opinion with respect to the validity of, and certain State of California tax matter relating to, the Bonds, are true and accurate in all material respects;

(ii) The Bonds are exempt from registration under the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Agreement is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended; and

(iii) The City Documents have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, constitute the legal, valid and binding agreements of the City enforceable against it in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, fraudulent conveyance or other laws affecting the enforcement of creditors' rights generally and equitable remedies if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and limitations on remedies against cities, and except as the enforceability of the indemnification

or waiver provisions contained in the Purchase Agreement may be limited by applicable securities laws or public policy.

(4) An opinion of the City Attorney of the City, dated the Closing Date and addressed to the Underwriter and the City, to the effect that: (i) the City is a general law city and a municipal corporation duly organized and validly existing under the Constitution and laws of the State of California; (ii) the City Resolution was fully adopted at one or more meetings of the City Council, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; (iii) to the best of such counsel's knowledge and belief, other than as disclosed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the City, to restrain or enjoin the application of the City's general fund or in any way contesting or affecting the validity of the City Documents, wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the City's obligations hereunder or under the City Documents; and (iv) the representations and warranties of the City as set forth in the City Documents are, as to all matters of law and after reasonable investigation, true and accurate on and as of the Closing Date as though made on such date, and such representation and warranties are, as to all other matters, true and accurate to the best knowledge and belief of such counsel on and as of the Closing Date as though made on such date, except that the City Attorney shall not be required to render any opinion regarding the financial condition of the City.

(5) A defeasance opinion of Bond Counsel, dated the date of the Closing addressed to the City and the Underwriter, relating to the Prior Notes in such form as may be acceptable to the Underwriter.

(6) An opinion of counsel to the Trustee and Escrow Agent (collectively, the "Bank"), dated the Closing Date and addressed to the City and the Underwriter, to the effect that: (i) the Bank has been duly organized and is validly existing and in good standing as a national banking association under the laws of the United States of America with full corporate power to enter into and perform its obligations under the Trust Agreement and the Escrow Agreement, and to undertake the trust of the Trust Agreement; (ii) the Bank has duly authorized, executed and delivered the Trust Agreement and the Escrow Agreement and by all proper corporate action has authorized acceptance of the trust of the Trust Agreement; (iii) assuming the due authorization, execution and delivery by the other party thereto, the Trust Agreement and the Escrow Agreement constitute the legally valid and binding obligations of the Bank, enforceable against the Bank in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws or equitable principles relating to or limiting creditors' rights generally; (iv) the Bonds have been validly authenticated and delivered by the Bank; (v) exclusive of federal or state securities laws and regulations, other than routine filings required to be made with governmental agencies in order to preserve the Bank's authority to perform a trust business (all such routine filings such counsel believes to have been made), no authorization, approval, consent or other order of any governmental agency or, to such counsel's knowledge, any other person or corporation is required for the valid

authorization, approval, consent or other order of any governmental agency or, to such counsel's knowledge, any other person or corporation is required for the valid authorization, execution and delivery of the Trust Agreement and the Escrow Agreement by the Bank or the authentication and delivery of the Bonds; and (vi) the execution and delivery of the Trust Agreement and the Escrow Agreement, and compliance with the provisions thereof, will not conflict with or constitute a breach of or default under, the Bank's duties or obligations under said document or under any law, administrative regulation, court decree, resolution, charter, by-laws, or other agreement to which the Bank is subject or by which it is bound.

(7) An opinion of Jones Hall, Disclosure Counsel, dated the Closing Date and addressed to the City and the Underwriter, substantially to the effect that, based upon its participation in the preparation of the Official Statement, Disclosure Counsel advises the City and the Underwriter as a matter of fact and not opinion that, during the course of its role as disclosure counsel with respect to the Bonds, no facts came to the attention of the attorneys in the firm rendering legal services in connection with such role which caused Disclosure Counsel to believe that the Official Statement as of its date contained, or as of the date of Closing contains, any untrue statement of a material fact or as of its date omitted, or as of the date of Closing, omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (in each case except for financial statements, the information set forth in the Appendices to the Official Statement (other than Appendices C and D), any CUSIP numbers, financial, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, or any information about book-entry, tax-exemption, DTC included or referred to therein, which Disclosure Counsel expressly excludes from the scope of such letter and as to which Disclosure Counsel expresses no opinion or view).

(8) A certificate of the Authorized Officer or other designated official of the City, dated the Closing Date, to the effect that (i) the representations and warranties of the City in this Purchase Agreement are true and correct on and as of the Closing Date as if made on and as of the Closing Date, and the City has complied with and performed all of its covenants and agreements in this Agreement to be complied with and performed at or prior to the Closing, and (ii) nothing has come to such officer's attention which would lead such officer to believe that, the information with respect to the City, the City's general fund and the Bonds contained in the Official Statement, contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, said certificate otherwise being in form and substance acceptable to Bond Counsel and to the Underwriter.

(9) A no-litigation certificate of the City, dated the Closing Date, to the effect that, other than as disclosed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending, or threatened, against the City, nor to the best knowledge and belief of the City is there any basis therefor, to restrain or enjoin the

application by the City of the revenues of its general fund as described in the Official Statement as security for the Bonds, or in any way contesting or affecting the validity of the City Documents, or contesting the powers of the City to enter into or perform its obligations under any of the foregoing.

(10) Duly executed copies of the City Documents.

(11) Two executed copies of the Official Statement.

(12) Two certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of documents such as the Bonds, the Trust Agreement and the Escrow Agreement.

(13) A certificate of the Bank dated the Closing Date, signed by a duly authorized officer of the Bank, in form and substance satisfactory to the City and the Underwriter, to the effect that: (i) the Bank is a national banking association duly organized and in good standing under the laws of the United States of America and has all necessary power and authority to enter into and perform its duties under the Trust Agreement and the Escrow Agreement; (ii) the Bank is duly authorized to enter into the Trust Agreement and the Escrow Agreement and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Trust Agreement; (iii) the Bonds have been duly authenticated and delivered by the Bank to the Underwriter pursuant to the Trust Agreement; (iv) the Bank is not in breach of or default under any law or administrative rule or regulation of the State of California or the United States of America, or of any department, division, agency or instrumentality thereof, or any applicable court or administrative decree or order, or any other instrument to which the Bank is a party or is otherwise subject or bound and which would materially impair the ability of the Bank to perform its obligations under the Trust Agreement and the Escrow Agreement; (v) the execution and delivery of the Trust Agreement and the Escrow Agreement and authentication and delivery of the Bonds will not conflict with or constitute a breach of or default under the Bank's duties under such documents, or any law, administrative regulation, court decree, resolution, charter, bylaws or other agreement to which the Bank is subject or by which it is bound; (vi) the representations and agreements of the Bank in the Trust Agreement and the Escrow Agreement are true and correct in all material respects as of the Closing Date; and (vii) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, served on, or, to the best knowledge of such officer, threatened against, the Bank, affecting the existence of the Bank or the titles of its officers to their respective offices, or in any way contesting or affecting the validity or enforceability of the Trust Agreement against the Bank, or contesting the power of the Bank or its authority to enter into, adopt or perform its obligations under the Trust Agreement and the Escrow Agreement, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Trust Agreement and the Escrow Agreement against the Bank or the authentication and delivery of the Bonds.

(14) Evidence as of the Closing satisfactory to the Underwriter that the Bonds have received the ratings identified in the Official Statement.

(15) A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code.

(16) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel and Counsel for the Underwriter may reasonably request to evidence compliance by the Trustee with legal requirements, the truth and accuracy, as of the time of the Closing, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the Trustee, the Authority and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(c) All matters relating to this Purchase Agreement, the Bonds and the sale thereof, the City Documents and the consummation of the transactions contemplated by this Purchase Agreement shall have been approved by the Underwriter and Counsel for the Underwriter.

If the conditions to the Underwriter's obligations contained in this Purchase Agreement are not satisfied or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the City shall have any further obligation hereunder.

8. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City contained herein and the performance by the City 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) Representations True. The representations and warranties of the City 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 City shall be in compliance with each of the agreements made by it in this Purchase Agreement;

(b) Obligations Performed. At the time of the Closing, (i) the Official Statement, the City Documents 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 us; (ii) all actions 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 City shall perform or have performed all of its obligations required under or specified in the City Documents or the Official Statement to be performed at or prior to the Closing;

(c) Adverse Rulings. 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 City, be threatened which has any of the effects described in Section 5(e) hereof or contesting in any way the completeness or accuracy of the Official Statement;

(d) Termination. The Underwriter shall have the right to terminate in its absolute discretion the Underwriter's obligations under this Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds by notifying the City of its election to do so if, after the execution hereof and prior to the Closing:

(1) any action shall have been taken by the Securities and Exchange Commission or by a court which would require registration of any security under the Securities Act of 1933, as amended, or qualification of any indenture under the

Trust Indenture Act of 1939, as amended, in connection with the public offering of the Bonds, or any action shall have been taken by any court or by any governmental authority suspending the offering or sale of the bonds or the use of the Official Statement or any amendment or supplement thereto, or any proceeding for that purpose shall have been initiated or threatened in any such court or by any such authority;

(2) (i) the Constitution of the State of California shall be amended or an amendment shall be proposed, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of California law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State of California by an official, agency or department thereof, affecting the tax status of the City, its property or income, its notes or bonds (including the Bonds) or the interest thereon, which in the reasonable judgment of the Underwriter would make it impracticable to market the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, on the terms and in the manner contemplated in the Official Statement;

(3) (i) trading generally shall have been suspended or materially limited on or by, as the case may be, any of the New York Stock Exchange, the National Association of Securities Dealers, Inc, (ii) trading of any securities of the City shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities in New York shall have been declared by either Federal or New York State authorities, (iv) a material disruption in securities settlement, payment or clearance services in the United States shall have occurred; or (v) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis that, in the judgment of the Underwriter, is material and adverse and in the case of any of the events specified in clauses (i) through (v), such event singly or together with any other such event makes it, in the reasonable judgment of the Underwriter, impracticable to market the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, on the terms and in the manner contemplated in the Official Statement;

(4) the withdrawal or downgrading, or any notice shall have been given of any intended or potential downgrading, of any rating of the City's outstanding indebtedness by a national rating agency which makes it, in the reasonable judgment of the Underwriter, impracticable to market the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, on the terms and in the manner contemplated in the Official Statement;

(5) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or a court of competent jurisdiction rules that the issuance of the Bonds would not be valid;

(6) Circular 230 of the Department of the Treasury is amended, with an effective date prior to the Closing Date, in a form which would make it

impracticable, in the reasonable opinion of the Underwriter, for the Underwriter to sell the Bonds at the prices set forth herein; or

(7) 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 contained 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.

9. Performance by the City of its obligations under this Purchase Agreement is conditioned upon (i) performance by the Underwriter of its obligations hereunder and (ii) receipt by the Underwriter of all opinions and certificates to be delivered at the Closing by persons and entities other than the City.

10. The City will pay or cause to be paid the expenses incident to the performance of its obligations hereunder and certain expenses relating to the sale of the Bonds, including but not limited to (a) the cost of the preparation and printing or other reproduction of the City Documents; (b) the fees and disbursements of Bond Counsel, Disclosure Counsel, Trustee and Escrow Agent and their counsel and any other experts or other consultants retained by the City; (c) the costs and fees of the credit rating agencies; (d) the cost of preparing and delivering the definitive Bonds; and (e) the cost of providing immediately available funds on the Closing Date. The Underwriter will pay the expenses of the preparation of this Purchase Agreement and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including CDIAAC fees and the fee and disbursements of Underwriter's Counsel.

11. Any notice or other communication to be given to the City under this Agreement will be given by delivering the same in writing to the City, at the address set forth above, Attention: City Manager; any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, 515 South Figueroa Street, Suite 1800 Los Angeles, CA 90071, Attention: John Kim.

12. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter) and no other persons, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All covenants and representations of the City 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 and shall survive the delivery of and payment for the Bonds.

13. 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.

14. This Purchase Agreement shall be governed by the laws of the State of California applicable to contracts made and performed in such State.

15. This Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Respectfully submitted,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED, AS UNDERWRITER**

By: _____
Managing Director

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

CITY OF RIVERSIDE

By: _____

Title: _____

Time of Execution: _____

EXHIBIT A TO THE BOND PURCHASE AGREEMENT

**[\$_____]
CITY OF RIVERSIDE
TAXABLE PENSION OBLIGATION REFUNDING BONDS
SERIES 2017**

MATURITY SCHEDULE

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

Optional Redemption. The Bonds are not subject to redemption prior to their stated maturity.