

\$ _____
CITY OF SUNNYVALE
Water Revenue Bonds,
Series 2017A

\$ _____
CITY OF SUNNYVALE
Taxable Water Revenue Bonds,
Series 2017A-T

BOND PURCHASE CONTRACT

December __, 2017

City of Sunnyvale
 650 West Olive Avenue
 Sunnyvale, CA 94086

Ladies and Gentlemen:

J.P. Morgan Securities LLC, (the “Underwriter”) offers to enter into this Bond Purchase Contract (this “Purchase Contract”) with the City of Sunnyvale (the “City”). This offer is made subject to the City’s acceptance by execution of this Purchase Contract and delivery of the same to the Underwriter on or before 11:59 p.m. on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the City at any time prior to such acceptance. Upon the City’s acceptance hereof, the Purchase Contract will be binding upon the City and the Underwriter.

Capitalized terms used in this Purchase Contract and not otherwise defined herein shall have the respective meanings set forth for such terms in the Indenture (defined below).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations set forth in this Purchase Contract, the Underwriter agrees to purchase from the City, and the City agrees to sell and deliver to the Underwriter, all (but not less than all) of the City’s \$_____ Water Revenue Bonds, Series 2017A (the “Series2017A Bonds”) and \$_____ Taxable Water Revenue Bonds Series 2017A-T (the “Series 2017A-T” and, together with the Series 2017A Bonds, the “Bonds”) at a purchase price of \$_____ (being an amount equal to the principal amount of the Bonds (\$_____), plus an original issue premium of \$_____, less an underwriter’s discount of \$_____). The obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be conditioned on the sale and delivery of all of the Bonds by the City to the Underwriter at Closing.

Section 2. Bond Terms; Authorizing Instruments. (a) The Bonds shall be dated their date of delivery and shall mature and bear interest and be subject to redemption as shown on Exhibit A attached hereto. The Bonds shall be as described in, and shall be issued and secured under, an Indenture of Trust (the “Indenture”), dated as of December 1, 2017, between the City and U.S. Bank National Association, as trustee (the “Trustee”). The Bonds are payable and subject to prepayment as provided in the Indenture and as described in the Official Statement (defined below). The Bonds will be issued pursuant to the City of Sunnyvale Municipal Utilities Revenue Bond Law, which was enacted by the City Council on April 6, 2010.

(b) The Bonds will be payable from and secured by the City’s pledge of “Net Revenues” under and as defined in the Indenture, consisting primarily of gross revenues received from the City’s

municipal water enterprise (the “Water System”) minus the amount required to pay all operation and maintenance costs of the Water System.

(c) A portion of the proceeds of the Bonds will be deposited in an escrow account established under an Escrow Deposit and Trust Agreement dated as of December 1, 2017 (the “Escrow Agreement”), by and among the City, the Sunnyvale Financing Authority (the “Authority”) and U.S. Bank National Association, as escrow bank. These amounts will be used to refund and defease a portion of the outstanding City of Sunnyvale Water Revenue Bonds, Series 2010” (the “Prior Bonds”) relating to the Water System. The proceeds of the portion of the Prior Bonds to be refunded were used to pay the costs of certain capital improvements to the Water System, fund a debt service reserve fund for the Prior Bonds and to pay costs of issuance of the Prior Bonds.

Section 3. Public Offering; Establishment of Issue Price.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Series 2017A Bonds and shall execute and deliver to the Commission at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit D, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of Series 2017A Bonds. All actions to be taken by the City under this section to establish the issue price of Bonds may be taken on behalf of the City by the City’s municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City’s municipal advisor.

(b) The Underwriter confirms that the Underwriters have offered the Series 2017A Bonds to the public on or before the date of this Purchase Contract 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. Except for the Hold-the-Price Maturities (defined below), the City will treat the first price at which 10% of each maturity of the Series 2017A Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). Exhibit A sets forth the maturities of the Series 2017A Bonds with respect to which the 10% test has been satisfied as of the execution of the Purchase Contract (“10% Test Maturities”)

(c) Exhibit D also sets forth, as of the date of this Purchase Contract, the maturities, if any, of Bonds for which the 10% test has not been satisfied (the “Hold-the-Price Maturities”) and for which the City and the Underwriter, agree that the restrictions set forth in the next sentence shall apply, which will allow the City 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 Series 2017A Bonds, the Underwriter will neither offer nor sell unsold Series 2017A Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

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

(d) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Series 2017A Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such retail distribution agreement, as applicable, to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The City acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2017A Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Securities to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series 2017A Bonds.

(e) The Underwriter acknowledges that sales of any Series 2017A 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:

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

(2) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017A 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 Series 2017A 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 Series 2017A Bonds to the public),

(3) a purchaser of any of Series 2017A 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

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

Section 4. Official Statement; Continuing Disclosure.

(a) The City has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Contract, copies of the Preliminary Official Statement dated December __, 2017 relating to the Bonds (the "Preliminary Official Statement"). The City ratifies, confirms and approves the use and distribution by the Underwriter of the Preliminary Official Statement, in connection with the sale of the Bonds. It is acknowledged by the City that the Underwriter may deliver the Preliminary Official Statement and a final Official Statement (as hereinafter defined) electronically over the internet and in printed paper form. The City deems such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 ("Rule 15c2-12") except for information allowed to be omitted by Rule 15c2-12. Within seven (7) business days from the date hereof and in any event not less than two days prior to the date of Closing (as defined below), the City shall deliver to the Underwriter a final Official Statement, executed on behalf of the City by an authorized representative of the City and dated the date hereof, which shall be in the form of the Preliminary Official Statement with only those changes necessary to reflect information permitted to be omitted by paragraph (b)(1) of Rule 15c2-12, and such other amendments or supplements as shall have been approved by the City and the Underwriter and such additional conformed copies thereof in "designated electronic format" (as defined in MSRB Rule G-32), as the Underwriter may reasonably request in sufficient quantities to comply with Rule 15c2-12 and to meet potential customer requests for copies of the Official Statement. The Official Statement, including the cover page, the appendices thereto and all information incorporated therein by reference is hereinafter referred collectively to as the "Official Statement."

(b) The Underwriter hereby agrees that they will not send any confirmation requesting payment for the purchase of any Bonds unless the confirmation is accompanied by or preceded by the delivery of a copy of the Official Statement. The Underwriter agrees to: (1) provide the City with final pricing information on the Bonds on a timely basis prior to the Closing (2) take any and all other actions necessary to comply with applicable Securities and Exchange Commission rules and MSRB rules governing the offering, sale and delivery of the Bonds to ultimate purchasers; and (3) promptly file a copy of the final Official Statement, including any supplements prepared by the City, with the Municipal Securities Rulemaking Board.

(c) In connection with issuance of the Bonds, and in order to assist the Underwriter with complying with the provisions of Securities and Exchange Commission Rule 15c2-12 ("Rule 15c2-12"), the City will execute a continuing disclosure certificate countersigned by U.S. Bank National Association, as dissemination agent (the "Continuing Disclosure Certificate"), under which the City will undertake to provide certain financial and operating data as required by Rule 15c2-12. The form of the Continuing Disclosure Certificate will be attached as an appendix to the Preliminary and Final Official Statements.

Section 5. Representations, Warranties and Covenants of the City. The City hereby represents, warrants and agrees with the Underwriter that:

(a) **City Resolution.** The city council (the "City Council") of the City has taken official action by Resolution (the "City Resolution") adopted by a majority of the members of the City Council at meetings duly called, noticed and conducted, at which a quorum was present and acting throughout, authorizing the issuance of the Bonds and the execution, delivery and due performance of the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract (collectively, the "City Agreements"), and approving the Preliminary Official Statement and

the Official Statement and the taking of any and all such action as may be required on the part of the City to carry out, give effect to and consummate the transactions contemplated hereby. The Resolution is in full force and effect, and has not been amended or modified.

(b) ***Due Existence and Authority.*** The City is a municipal corporation duly organized and existing under the laws of the State of California (the “State”) and has all necessary power and authority to adopt the City Resolution, to enter into and perform its duties under the City Agreements and, when executed and delivered by the respective parties thereto, each of the City Agreements will constitute a legal, valid and binding obligation of the City enforceable in accordance with its terms.

(c) ***Due Authorization and Enforceability.*** (i) By all necessary official action, the City has duly adopted the City Resolution, has duly authorized the preparation and delivery of the Preliminary Official Statement and the preparation, execution and delivery of the Official Statement, has duly authorized and approved the execution and delivery of, and the performance of its obligations under, the City Agreements, and the consummation by it of all other transactions contemplated by the City Resolution, the City Agreements, the Preliminary Official Statement and the Official Statement. When executed and delivered by their respective parties, the City Agreements (assuming due authorization, execution and delivery by and enforceability against the other parties thereto) will be in full force and effect and each will constitute legal, valid and binding agreements or obligations of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State and (ii) when delivered to and paid for by the Underwriter on the Closing Date in accordance with the provisions of this Purchase Contract, the Bonds will have been duly authorized, executed and delivered and will constitute valid and binding limited obligations of the City in conformity with and entitled to the benefit and security of the Indenture, except as enforcement of such obligations may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors rights generally, the application of equitable principles, the exercise of judicial discretion and the limitations on legal remedies against public entities in the State of California.

(d) ***Preliminary Official Statement; Official Statement.*** The Preliminary Official Statement did not as of its date 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; (ii) the Preliminary Official Statement does not as of the date of this Purchase Agreement 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 (iii) at the time of the City’s acceptance hereof and at all times subsequent thereto up to and including the time of the Closing, the Official Statement does not and 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 the light of the circumstances under which they were made, not misleading.

(e) ***No Breach or Default.*** The City is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States of America or any applicable judgment, decree, resolution, contract or other instrument or any agreement to which the City is a party or is otherwise subject the breach of which would materially affect its ability to perform its obligations under the City Agreements, and the execution and delivery of the Bonds and

the City Agreements and compliance with the provisions thereof will not in any material respect conflict with or constitute a material breach of or default under any applicable law, regulation, decree, writ, order or injunction or any agreement, resolution, contract or other instrument or any agreement to which the City is subject and which is material to the City's ability to perform its obligations under the City Agreements, nor will such execution, delivery and compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Commission under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Indenture.

(f) **No Litigation.** As of the date hereof, there is no action, suit, proceeding or investigation before or by any court, public board or body pending against the City or, to the best knowledge of the City, threatened, wherein an unfavorable decision, ruling or finding would:

(1) affect the creation, organization, existence or powers of the City, or the titles of its members or officers;

(2) in any way question or affect the validity or enforceability of City Agreements or the Bonds, or

(3) in any way question or affect the Purchase Contract or the transactions contemplated by the Purchase Contract, the Official Statement, or any other agreement or instrument to which the City is a party relating to the Bonds, or

(4) wherein an adverse decision would materially adversely affect the financial condition of the Water System.

(g) **No Consent or Approval Required.** There is no consent, approval, authorization or other order of, or filing or registration with, or certification by, any regulatory authority having jurisdiction over the City required for the execution and delivery of this Purchase Contract or the consummation by the City of the other transactions contemplated by the Official Statement or the City Agreements.

(h) **Certificates.** Any certificate signed by any official of the City authorized to do so shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(i) **No Borrowing Defaults.** The City is not in default, and at no time has the City defaulted in any material respect, on any bond, note or other obligation for borrowed money or any agreement under which any such obligation is or was outstanding.

(j) **No Changes in Financial Condition.** The financial statements of the City relating to the Water system as of June 30, 2016 present fairly, in all material respects, the financial position of the Water System as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement, there has not been any materially adverse change in the financial condition of the City or the Water System since June 30, 2016, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(k) **Subsequent Events.**

(l) If any event occurs of which the City has knowledge between the date of this Purchase Contract and the date of the Closing that might or 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 the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter and, if in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in causing the Official Statement to be amended or supplemented in a form and in a manner approved by the Underwriter. If the Official Statement is so amended or supplemented, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to this paragraph) at all times subsequent thereto up to and including the Closing Date, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. All expenses thereby incurred will be paid by the City, and the Underwriter will file, or cause to be filed, the amended or supplemented Official Statement with the Municipal Securities Rulemaking Board.

(1) After the Closing, until the earlier of (i) 25 days after the “end of the underwriting period” (as defined in Securities and Exchange Commission Rule 15c2-12(f)(2)) or (ii) the date when all of the Bonds have been sold by the Underwriter, any event known to the City occurs affecting the City which might cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall notify the Underwriter thereof, and if in the opinion of the Underwriter such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will, at its expense, prepare and furnish to the Underwriter a reasonable number of copies of such supplement to, or amendment of, the Official Statement in a form and in a manner approved by the Underwriter. The City may assume that the “end of the underwriting period,” for purposes of Rule 15c2-12, and the sale of all of the Bonds by the Underwriter, will occur on the Closing Date unless otherwise notified, in writing, by the Underwriter on or prior to the Closing Date. After the earlier of (i) 25 days from the “end of the underwriting period” or (ii) the date when all of the Bonds have been sold by the Underwriter, the City will no longer be obligated to amend or supplement the Official Statement.

(m) ***Rule 15c2-12 Compliance.*** [[In the last five years, the City has not previously failed to comply in all material respects with any undertakings under Rule 15c2-12.]]

(n) ***Compliance with Blue Sky Laws.*** The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request to qualify the Bonds for offer and sale under the “Blue Sky” or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided, however, that the City shall not be required to consent to service of process outside of California.

Section 6. The Closing. (a) At 8:00 A.M., San Francisco time, on December __, 2017, or on such earlier or later time or date as may be agreed upon by the Underwriter and the City (the “Closing”), the City shall deliver or cause to be delivered to the Underwriter, the duly executed Bonds in book-entry form through the Trustee via the F.A.S.T. delivery book-entry system of The

Depository Trust Company (“DTC”). Prior to the Closing, the City shall deliver, at the offices of Bond Counsel in San Francisco, California, or such other place as are mutually agreed upon by the Underwriter and the City, the other documents described in this Purchase Contract. On the date of the Closing, the Underwriter shall pay the purchase price of the Bonds as set forth in Section 1 of this Purchase Contract in immediately available funds to the order of the Trustee.

(b) The Bonds shall be issued in fully registered form and shall be prepared and delivered as one Bond for each maturity registered in the name of a nominee of The Depository Trust Company, New York, New York (“DTC”). It is anticipated that CUSIP identification numbers will be inserted on the Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the Bonds in accordance with the terms of this Purchase Contract.

Section 7. Conditions to Underwriter’s Obligations. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the City contained herein and to be contained in the documents and instruments to be delivered on the date of the Closing, and upon the performance by the City of its obligations to be performed hereunder and under such documents and instruments to be delivered at or prior to the date of the Closing. The Underwriter’s obligations under this Purchase Contract are and shall also be subject to the following conditions:

(a) ***Representations and Warranties.*** The representations and warranties of the City contained in this Purchase Contract shall be true and correct in all material respects on the date of this Purchase Contract and on and as of the date of the Closing as if made on the date of the Closing.

(b) ***No Modifications to Official Statement.*** As of the date of the Closing, the Official Statement may not have been amended, modified or supplemented, except in any case as may have been agreed to by the Underwriter.

(c) ***No Modifications to Resolutions or Agreements; Due Performance.***

(i) As of the date of the Closing, the City Resolution and the City Agreements shall be in full force and effect, and may not have been amended, modified or supplemented, except as may have been agreed to by the City and Underwriter,

(ii) the City shall perform or have performed all of its obligations required under or specified in the City Resolution, the City Agreements and this Purchase Contract to be performed at or prior to the date of the Closing;

(d) ***Official Actions.*** As of the date of the Closing, all necessary official action of the City relating to the City Agreements, the City Resolution, the Official Statement, and the sale and delivery of the Bonds shall have been taken and shall be in full force and effect and shall not have been amended, modified or supplemented in any material respect.

(e) ***No Material Changes.*** Subsequent to the date of this Purchase Contract, up to and including the date of the Closing, there shall not have occurred any change in or particularly affecting the City or the Water System, as these matters are described in the Official Statement, which in the

reasonable professional judgment of the Underwriter materially impairs the investment quality of the Bonds.

(f) ***Closing Documents.*** As of or prior to the date of the Closing, the Underwriter shall have received each of the following documents:

- (1) Certified copies of the City Resolution.
- (2) Duly executed copies of the Indenture, the Escrow Agreement, the Continuing Disclosure Certificate and this Purchase Contract.
- (3) The Preliminary Official Statement and the Official Statement, with the Official Statement duly executed on behalf of the City.
- (4) An approving opinion of Bond Counsel, dated as of the Closing, as to the validity of the Bonds and the exclusion of interest on the Bonds from federal gross income and State income taxation, addressed to the City in the form attached as an appendix to the Official Statement, and a reliance letter with respect thereto addressed to the Underwriter.
- (5) A supplemental opinion of Bond Counsel, addressed to the Underwriter, to the effect that:
 - (i) The Purchase Contract has been duly executed and delivered by the City and is valid and binding upon the City, subject to laws relating to bankruptcy, insolvency, reorganization or creditors' rights generally and to the application of equitable principles;
 - (ii) The Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended (the "Securities Act"), and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;
 - (iii) The statements contained in the Official Statement on the cover and under the headings "INTRODUCTION," "THE BONDS," "SECURITY FOR THE BONDS" and "TAX MATTERS," and in "APPENDIX A – Summary of Principal Legal Documents" and "APPENDIX E – Form of Opinion of Bond Counsel," insofar as such statements purport to describe certain provisions of the Bonds, or to state legal conclusions and the opinion of Bond Counsel regarding the tax-exempt nature of the Bonds, present a fair and accurate summary of the provisions thereof; and
 - (iv) The Prior Bonds have been defeased and are no longer outstanding under the indenture pursuant to which they were issued.
- (6) The opinion of Jones Hall, as Disclosure Counsel, addressed to the City and the Underwriter, to the effect that, based upon the information made available to them in the course of their participation in the preparation of the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Official Statement, and having made no independent investigation or verification thereof, no facts have come to their attention that lead them to believe that, as of its date and as of the date of the Closing, the Official Statement (except for Appendix B, D and F thereto, any financial or statistical data or forecasts, numbers, charts, estimates,

projections, assumptions or expressions of opinion, or any information about DTC or its book-entry only system, as to which no opinion or view need be expressed) contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(7) An opinion of the City Attorney, dated as of the Closing addressed to the City and the Underwriter, in form and substance acceptable to the Underwriter, to the effect that:

(i) The City is a municipal corporation organized and validly existing under the laws of the State of California with full legal right, power and authority to perform all of its obligations under the City Agreements.

(ii) The City has duly authorized, executed and delivered the Purchase Contract and the Escrow Agreement, and assuming due authorization, execution and delivery by the other parties thereto, as necessary, the Purchase Contract and the Escrow Agreement constitute the legal, valid and binding agreement of the City enforceable against the City in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, moratorium, insolvency, equitable remedies and other laws affecting creditors' rights or remedies.

(iii) To the best of the City Attorney's knowledge, there is no action, suit or proceeding before or by any court, public board or body pending or threatened wherein an unfavorable decision, ruling or finding would

(a) affect the creation, organization, existence or powers of the City or the titles of its officers to their respective offices,

(b) in any way question or affect the validity or enforceability of the City Agreements or the Bonds,

(c) find illegal, invalid or unenforceable the Bonds or the City Agreements or the transactions contemplated thereby, or any other agreement or instrument related to the issuance of the Bonds to which the City is a party, or

(d) have a material adverse effect on the financial condition of the Water System.

(iv) The execution and delivery of the Bonds and the City Agreements and the other instruments contemplated by any of such documents to which the City is a party, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States or any department, division, agency or instrumentality of either thereof, or any applicable court or administrative decree or order or any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the City is a party or is otherwise subject or bound in a manner which would materially adversely affect the City's performance under the City Agreements.

(8) An executed certificate of the City, dated as of the date of the Preliminary Official Statement, in the form attached as Exhibit B.

(9) An executed closing certificate of the City, dated as of the Closing, in the form attached as Exhibit C.

(10) The opinion of counsel of the Trustee, dated as of the Closing, addressed to the City and the Underwriter, to the effect that:

(i) The Trustee is a national banking association duly organized, validly existing and in good standing under the laws of the State, having full powers and authority and being qualified to enter into, accept and administer the trust created under the Indenture and to enter into the Indenture.

(ii) The Indenture has been duly authorized, executed and delivered by the Trustee, and, assuming due authorization, execution and delivery by the other parties thereto, the Indenture constitutes a legal, valid and binding agreement of the Trustee enforceable in accordance with its terms, subject to laws relating in bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought.

(iii) The Trustee is qualified to enter into, accept and administer the obligations of the Escrow Agent created under the Escrow Agreement, and to enter into the Escrow Agreement.

(iv) The Escrow Agreement has been duly authorized, executed and delivered by the Trustee, and, assuming due authorization, execution and delivery by the other parties thereto, the Indenture constitutes a legal, valid and binding agreement of the Trustee enforceable in accordance with its terms, subject to laws relating in bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and the application of equitable principles if equitable remedies are sought.

(11) A copy of the report of Causey Demgen & Moore P.C. with respect to the sufficiency of the amounts deposited pursuant to the Escrow Agreement and related matters.

(12) An Arbitrage Certificate duly signed on behalf of the City.

(13) Evidence of required filings with the California Debt and Investment Advisory Commission.

(14) Evidence that the Bonds have been rated “___” by Standard & Poor’s and “___” by Moody’s.

(15) A copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book-entry system.

(16) [[The concurrent issuance by the City of its bonds captioned “City of Sunnyvale Water Revenue Bonds, Series 2017.”]]

(17) An opinion of Bond Counsel as to the defeasance of the Prior Bonds, in accordance with the documents under which the Prior Bonds were issued, as of the Closing Date.

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

All of the opinions, letters, certificates, instruments and other documents mentioned in this Purchase Contract shall be deemed to be in compliance with the provisions of this Purchase Contract if, but only if, they are in form and substance satisfactory to the Underwriter. If the City is unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds are terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the City shall be under further obligations hereunder, except that the respective obligations of the City and the Underwriter to pay expenses set forth in Section 10 of this Purchase Contract shall continue in full force and effect.

Section 8. Conditions to City's Obligations. The performance by the City of its obligations under this Purchase Contract is conditioned upon:

- (i) the performance by the Underwriter of its obligations hereunder and
- (ii) receipt by the City of opinions addressed to the City, and receipt by the Underwriter of opinions addressed to the Underwriter, and the delivery of certificates being delivered on the date of the Closing by persons and entities other than the City.

Section 9. Termination Events. The Underwriter shall have the right to terminate the Underwriter's obligations under this Purchase Contract 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, any of the following events occurs:

- (a) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by any decision issued by a court of the United States (including the United States Tax Court) or of the State of California, by any ruling or regulation (final, temporary or proposed) issued by or on behalf of the Department of the Treasury of the United States, the Internal Revenue Service, or other governmental agency of the United States, or any governmental agency of the State of California, or by a tentative decision or announcement by any member of the House Ways and Means Committee, the Senate Finance Committee, or the Conference Committee with respect to contemplated legislation or by legislation enacted by, pending in, or favorably reported to either the House of Representatives or either House of the Legislature of the State of California, or formally proposed to the Congress of the United States by the President of the United States or to the Legislature of the State of California by the Governor of the State of California in an executive communication, affecting the tax status of the City, its property or income,

its bonds (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended, or California law;

(b) the United States becomes engaged in hostilities that result in a declaration of war or a national emergency, or any other outbreak or escalation of hostilities occurs, or a local, national or international calamity or crisis occurs, financial or otherwise, the effect of such outbreak, calamity or crisis being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds;

(c) there occurs a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, New York State or California State authorities;

(d) a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter is issued or made to the effect that the issuance, offering or sale of the Bonds is or would be in violation of any provision of the Securities Act of 1933, as then in effect, or of the Securities Exchange Act of 1934, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(e) legislation is enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America is rendered, or a ruling or regulation by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter is made or proposed to the effect that the Bonds are not exempt from registration, qualification or other similar requirements of the Securities Act of 1933, as then in effect, or of the Trust Indenture Act of 1939, as then in effect;

(f) in the reasonable judgment of the Underwriter, the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, might be materially and adversely affected because additional material restrictions not in force as of the date hereof is imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(g) the Comptroller of the Currency, The New York Stock Exchange, or other national securities exchange, or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, or financial responsibility requirements of the Underwriter;

(h) a general banking moratorium is established by federal, New York or State authorities;

(i) any legislation, ordinance, rule or regulation is introduced in or be enacted by any governmental body, department or agency in the State or a decision of a court of competent jurisdiction within the State is rendered, which, in the opinion of the Underwriter, after consultation with the City, materially adversely affects the market price of the Bonds;

(j) any federal or California court, authority or regulatory body takes action materially and adversely affecting the collection of Revenues under the Indenture;

(k) any event occurring, or information becoming known that, in the reasonable judgment of the Underwriter, makes untrue any statement of a material fact contained in the Official Statement or results in an omission of a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; or

(l) a rating agency changes, withdraws or suspends its rating on the Bonds, or issues a negative qualification with respect to the Bonds (such as placing the Bonds on credit watch, negative outlook, or any similar outlook or qualification).

Section 10. Payment of Expenses.

(a) The Underwriter shall be under no obligation to pay, and the City shall pay the following expenses incident to the performance of the City's obligations hereunder:

(i) the fees and disbursements of Bond Counsel and Disclosure Counsel;

(ii) the cost of printing and delivering the Bonds, the Preliminary Official Statement and the Official Statement (and any amendment or supplement prepared pursuant to Section 4 of this Purchase Contract);

(iii) the fees and disbursements of accountants, advisers and of any other experts or consultants retained by the City; and

(iv) any other expenses and costs of the City incident to the performance of their respective obligations in connection with the authorization, issuance and sale of the Bonds, including out-of-pocket expenses and regulatory expenses, and any other expenses agreed to by the parties.

(b) The Underwriter shall pay all expenses incurred by it in connection with the public offering and distribution of the Bonds including, but not limited to:

(i) all advertising expenses in connection with the offering of the Bonds;

(ii) fees and expense of Underwriter's counsel; and

(iii) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the Bonds, except as provided in (a) above or as otherwise agreed to by the Underwriter and the City.

Section 11. Notices. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the City at the addresses set forth on the first page of this Purchase Contract, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to:

J.P. Morgan Securities LLC

Section 12. No Fiduciary Role. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the City and the Underwriter, (ii) in connection therewith and with the process leading to such transaction the Underwriter is acting solely as a principal and not the agent or fiduciary of the City, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the City on other matters) and (iv) the City has consulted their own legal and municipal advisors to the extent they have deemed appropriate. The City agrees that they will not claim that the Underwriter has rendered advisory services of any nature or respect, or owe a fiduciary or similar duty to the City in connection with this transaction or the process leading thereto.

Section 13. Survival of Representations, Warranties, Agreements. All of the City's representations, warranties and agreements contained in this Purchase Contract shall remain operative and in full force and effect regardless of: (a) any investigations made by or on behalf of the Underwriter; or (b) delivery of and payment for the Bonds pursuant to this Purchase Contract. The agreements contained in this Section and in Section 10 shall survive any termination of this Purchase Contract.

Section 14. Benefit; No Assignment. This Purchase Contract is made solely for the benefit of the City and the Underwriter (including its successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. The rights and obligations created by this Purchase Contract are not subject to assignment by the Underwriter or the City without the prior written consent of the other party hereto.

Section 15. Severability. If any provision of this Purchase Contract is held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of this Purchase Contract.

Section 16. Counterparts. This Purchase Contract may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute the Purchase Contract by signing any such counterpart.

Section 17. Governing Law. This Purchase Contract shall be governed by the laws of the State of California.

Section 18. Effectiveness. This Purchase Contract shall become effective upon the execution of the acceptance hereof by an authorized officer of the City, and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

J.P. MORGAN SECURITIES LLC

By: _____
Principal

Accepted:

CITY OF SUNNYVALE

By: _____
Name: _____
Title: _____

EXHIBIT A

**\$ _____
CITY OF SUNNYVALE
Water Revenue Bonds,
Series 2017A**

MATURITY SCHEDULES

\$ _____ Serial Bonds

Principal Payment Date <u>(April 1)</u>	\$	<u>Principal</u>	%	<u>Coupon</u>	%	<u>Yield</u>	%	<u>Price</u>
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\$ ____ % Term Bond due April 1, 20__, Yield: __%, Price: __%

* 10% Test Maturities

** Hold-the-Price Maturities

C Priced to par call on April 1, 20__

\$ _____
CITY OF SUNNYVALE
Taxable Water Revenue Bonds,
Series 2017A-T

MATURITY SCHEDULES

\$ _____ **Serial Bonds**

Sinking Fund Payment Date (April 1)	\$	<u>Principal</u>	%	<u>Coupon</u>	%	<u>Yield</u>	%	<u>Price</u>
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\$ ____ % Term Bond due April 1, 20__, Yield: __%, Price: __%

* 10% Test Maturities

** Hold-the-Price Maturities

C Priced to par call on April 1, 20__

Redemption Provisions

Optional Redemption (Series 2017A Bonds). The Series 2017A Bonds maturing on or before April 1, 20__, are not subject to optional redemption prior to maturity. The Series 2017A Bonds maturing on or after April 1, 20__, are subject to redemption prior to their respective maturity dates, at the option of the City, as a whole or in part, as to maturities as determined by the City (and if partial maturities, then by lot), on any date on or after April 1, 20__, from any source of available funds, at the principal amount of the 2017 Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Optional Redemption (Taxable Series 2017A-T Bonds). The Taxable Series 2017A-T Bonds may be redeemed, in whole or in part, at the option of the City, at any time at a redemption price equal to the greater of

(i) 100% of the principal amount of the Taxable Series 2017A-T Bonds to be redeemed, and

(ii) the sum of the present values of the applicable remaining scheduled payments of principal and interest on the Taxable Series 2017A-T Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Taxable Series 2017A-T Bonds are to be redeemed, discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate plus ____ basis points,

plus in each case, accrued and unpaid interest on the Taxable Series 2017A-T Bonds being redeemed to the date fixed for redemption.

For purposes of the foregoing, the following definitions shall apply:

“Treasury Rate” means, with respect to any redemption date, with respect to the Taxable Series 2017A-T Bonds of a particular maturity, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue with respect thereto, computed as of the second business day immediately preceding that redemption date, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price with respect thereto for that redemption date.

“Comparable Treasury Issue” means, with respect to the Taxable Series 2017A-T Bonds of a particular maturity, the United States Treasury security selected by the Independent Investment Banker which has an actual maturity comparable to the remaining average life of the Taxable Series 2017A-T Bonds of such maturity to be redeemed, and that would be utilized in accordance with customary financial practice in pricing new issues of debt securities of comparable maturity to the remaining average life of the Taxable Series 2017A-T Bonds of such maturity to be redeemed.

“Comparable Treasury Price” means, with respect to any redemption date, with respect to the Taxable Series 2017A-T Bonds of a particular maturity, (A) the average of the applicable Reference Treasury Dealer Quotations for that redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (B) if the Independent Investment Banker for the Taxable Series 2017A-T Bonds obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such Quotations.

“Independent Investment Banker” means one of the Reference Treasury Dealers as designated by the City.

“Reference Treasury Dealer” means each of four firms, as designated by the City, and their respective successors; provided, however, that if any of them ceases to be a primary U.S. Government securities dealer in the City of New York (a “Primary Treasury Dealer”), the City will substitute another Primary Treasury Dealer.

“Reference Treasury Dealer Quotation” means, with respect to each Reference Treasury Dealer and any redemption date for the Taxable Series 2017A-T Bonds of a particular maturity, the average, as determined by the Independent Investment Banker and communicated to the City, of the bid and asked prices for the applicable Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker and communicated to the Trustee by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that redemption date.

“Business Day” means any day, other than a Saturday or Sunday, and other than a day on which the Trustee is required, or authorized or not prohibited, by law (including without limitation, executive orders) to close and is closed.

Mandatory Sinking Redemption — Series 2017A Bonds. The Series 2017A Bonds maturing on April 1, 20__ and April 1, 20__ (the “Series 2017A Term Bonds”) are subject to mandatory redemption in whole, or in part by lot, from Sinking Fund Installments made under the

Indenture, at a redemption price equal to the principal amount thereof to be redeemed, without premium, plus accrued interest to the date of redemption, in the aggregate respective principal amounts and on April 1 in the years as set forth in the following tables:

Series 2017A Term Bonds Maturing April 1, 20__

Sinking Fund Redemption Date <u>(April 1)</u>	Principal <u>Amount</u>
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(Maturity)

Series 2017A Term Bonds Maturing April 1, 20__

Sinking Fund Redemption Date <u>(April 1)</u>	Principal <u>Amount</u>
---	----------------------------

(Maturity)

EXHIBIT B

\$ _____ *

**CITY OF SUNNYVALE
Water Revenue Bonds,
Series 2017**

15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of Sunnyvale (the "City"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the City as follows:

- (1) This Certificate is delivered in connection with the offering and sale of the bonds captioned above (the "Bonds") in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule").
- (2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds, the City and the City's water system (the "Preliminary Official Statement").
- (3) As used herein, "Permitted Omissions" means the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.
- (4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of Rule 15c2-12, and the information therein is accurate and complete except for the Permitted Omissions.

Dated: December __, 2017

CITY OF SUNNYVALE

By: _____

Director of Finance

* Preliminary; subject to change.

EXHIBIT C

**\$ _____
CITY OF SUNNYVALE
Water Revenue Bonds,
Series 2017**

CLOSING CERTIFICATE OF THE CITY

The undersigned hereby certifies and represents that he or she is the duly appointed and acting representative of the City of Sunnyvale (the "City"), and is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the City as follows:

(i) The representations, warranties and covenants of the City contained in the Bond Purchase Contract dated as of December __, 2017, by and between the City and J.P. Morgan Securities LLC, as underwriter (the "Purchase Contract"), are true and correct and in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing.

(ii) The City Resolution is in full force and effect at the date of the Closing and has not been amended, modified or supplemented, except as agreed to by the City and the Underwriter.

(iii) The City has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied on or prior to the date of the Closing.

(iv) Subsequent to the date of the Official Statement and on or prior to the date of such certificate, there has been no material adverse change in the condition (financial or otherwise) of the City or the Water System, whether or not arising in the ordinary course of operations, as described in the Official Statement.

(v) The Official Statement does not contain any untrue or misleading statement of a material fact and does not omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading.

Capitalized terms used but not defined herein have the meanings given in the Purchase Contract.

Dated: December __, 2017

CITY OF SUNNYVALE

By: _____

Director of Finance

\$ _____
CITY OF SUNNYVALE
Water Revenue Bonds,
Series 2017A

J.P. Morgan Securities LLC (“J.P. Morgan”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Series 2017A Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the 10% Test 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) J.P. Morgan 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 Series 2017A Bonds is attached to this certificate as Schedule B.
 - (b) As set forth in the Purchase Contract, J.P. Morgan has agreed in writing that, (i) for each Maturity of the Hold-the-Price Maturities, it would neither offer nor sell any of the Series 2017A 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. J.P. Morgan has not offered or sold any Maturity of the Series 2017A Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Series 2017A Bonds during the Holding Period.
3. ***Defined Terms.***
 - (a) *10% Maturities* means those Maturities of the Series 2017A Bonds listed in Schedule A hereto as the “10% Maturities.”
 - (b) *Hold-the-Price Maturities* means those Maturities of the Series 2017A Bonds listed in Schedule A hereto as the “Hold-the-Price Maturities.”
 - (c) *Holding Period* means, with respect to a Hold-the-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 (December __, 2017), or (ii) the date on which the Underwriters have sold at least 10% of such Hold-the-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Price Maturity.
 - (d) *Issuer* means City of Sunnyvale, California
 - (e) *Maturity* means Series 2017A Bonds with the same credit and payment terms. Series 2017A Bonds with different maturity dates, or Series 2017A 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 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 Series 2017A Bonds. The Sale Date of the Series 2017A Bonds is December __, 2017.
- (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 Series 2017A 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 Series 2017A 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 Series 2017A Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents J.P. Morgan’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 Series 2017A Bonds, and by Jones Hall, A Professional Law Corporation in connection with rendering its opinion that the interest on the Series 2017A 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 Series 2017A Bonds. The representations set forth herein are not necessarily based on personal knowledge and, in certain cases, the undersigned is relying on representations made by the other members of the Underwriting Group.

J.P. Morgan Securities LLC

By: _____
Authorized Representative

Dated: December __, 2017