

BOND PURCHASE AGREEMENT

ROSEVILLE FINANCING AUTHORITY

\$35,870,000[^]
REVENUE BONDS
2006 SERIES A (SENIOR LIEN BONDS)
(Insured)

\$4,645,000[^]
REVENUE BONDS
2006 SERIES B (JUNIOR LIEN BONDS)
(Uninsured)

[^ March 23, 2006](#)

Roseville Financing Authority
311 Vernon Street
Roseville, California 95678

Ladies and Gentlemen:

The undersigned (the "Underwriter") offers to enter into this Bond Purchase Agreement (this "Purchase Agreement") with the Roseville Financing Authority (the "Authority") which will be binding upon the Authority and the Underwriter upon the acceptance hereof by the Authority. This offer is made subject to its acceptance by the Authority by execution of this Purchase Agreement and its delivery to the Underwriter on or before 5:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indentures (as hereinafter defined).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the (i) Roseville Financing Authority Roseville Financing Authority Revenue Bonds, 2006 Series A (Senior Lien Bonds) (the "Series A Bonds") and (ii) Roseville Financing Authority Roseville Financing Authority Revenue Bonds, 2006 Series B (Junior Lien Bonds) (the "Series B Bonds," and together with the Series A Bonds, the "Bonds"). The purchase price for the Series A Bonds shall be [^] \$35,631,967.70 (being the aggregate principal amount thereof [^] (\$35,870,000), less an underwriter's discount of [^] \$215,220.00, less an original issue discount of [^] \$22,812.30) and the purchase price for the Series B Bonds shall be [^] \$4,555,849.75 (being the aggregate principal amount thereof [^] (\$4,645,000), less an underwriter's discount of [^] \$58,062.50, less an original issue discount of [^] \$31,087.75).

Section 2. Description of the Bonds. The Bonds shall be issued pursuant to an Indenture of Trust (the "Indenture") dated as of April 1, 2006 by and between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee") and pursuant to the

Marks-Roos Local Bond Pooling Act (the "Bond Law") and a resolution of the Authority adopted on [^] March 15, 2006 (the "Bond Resolution"). The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the "Official Statement").

The proceeds of the Bonds shall be applied by the Authority to finance (i) the purchase of \$33,120,000[^] City of Roseville Highland Reserve North Community Facilities District No. 1 Special Tax Refunding Bonds, Series 2006 (the "Highland Reserve North CFD Refunding Bonds") and the \$6,245,000[^] City of Roseville Woodcreek East Community Facilities District No. 1 Special Tax Refunding Bonds, Series 2006 (the "Woodcreek East CFD Bonds", and together with the Highland Reserve North CFD Bonds, the "CFD Bonds") and (ii) the acquisition and construction of public capital improvements. The CFD Bonds are being issued, in part, to refund the following bonds (collectively, the "Prior CFD Bonds"):

- (a) \$33,470,000 original principal amount of City of Roseville Highland Reserve North Community Facilities District No. 1 Special Tax Bonds, Series 1999; and
- (b) the \$5,465,000 City of Roseville Woodcreek East Community Facilities District No. 1 Special Tax Bonds, Series 2000.

The CFD Bonds will be purchased by the Authority in accordance with a CFD Bonds Purchase Agreement dated the date hereof (the "CFD Bonds Purchase Agreement"), by and between the Authority and the City, for and on behalf of the Highland Reserve North Community Facilities District No. 1 and the Woodcreek East Community Facilities District No. 1 (together, the "CFDs").

The CFD Bonds will be issued pursuant to a respective Bond Indenture, dated as of April 1, 2006 (the "Bond Indenture") for each CFD, by and between the City and The Bank of New York Trust Company, N.A., as trustee (the "CFD Trustee").

Concurrently with issuance of the Bonds, [^] Ambac Assurance Corporation (the "Insurer") will issue a [^] financial guaranty insurance policy (the "Policy") securing payment of debt service on the Series A Bonds.

Section 3. Public Offering. The Underwriter agrees to make a bona fide public offering of all the Bonds initially at the public offering prices (or yields) set forth on Appendix A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Appendix A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Section 4. Delivery of Official Statement. The Authority and the City delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement or the first offering of the Bonds, whichever first occurs, copies of the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"). Such Preliminary Official Statement is the official statement deemed final by the Authority for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") and approved for distribution by

resolution of the Authority. The Authority shall have executed and delivered to the Underwriter a certification to such effect in the form attached hereto as Appendix B.

Within seven (7) business days from the date hereof, the Authority shall deliver to the Underwriter a final Official Statement, executed on behalf of the Authority by an authorized representative of the Authority and dated the date hereof, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the Authority and the Underwriter.

The City, for and on behalf of itself and the Authority, will undertake, pursuant to the Bond Indenture, the Indenture and a continuing disclosure certificate (the "Continuing Disclosure Certificate"), to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Section 5. The Closing. At 8:00 a.m., California time, on [^] April 4, 2006, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority, the City and the Underwriter, the Authority will deliver (i) the Bonds in definitive form to the Underwriter at The Depository Trust Company in New York, New York, or such other location as may be specified by the Underwriter, with CUSIP identification numbers printed thereon, in fully registered form and registered in the name of Cede & Co., and (ii) the closing documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel") or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal funds wire payable to the order of the Trustee on behalf of the Authority. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." The Bonds will be delivered in such denominations and deposited in the account or accounts specified by the Underwriter pursuant to written notice not later than five business days prior to Closing. The Bonds will be made available to The Depository Trust Company for inspection not less than 24 hours prior to the Closing.

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

(a) Due Organization, Existence and Authority. The Authority is a joint powers authority duly organized and existing under the laws of the State of California, with full right, power and authority to execute, deliver and perform its obligations under the Indenture and the CFD Bonds Purchase Agreement (together, the "Authority Documents") and to carry out and consummate the transactions contemplated by the Authority Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action of the Authority, including but not limited to the Bond Resolution, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations contained in, the Authority Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable

principles relating to or affecting creditors' rights generally. The Authority has complied, and will at the Closing be in compliance in all respects, with the terms of the Authority Documents.

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

(d) Underwriter's Consent to Amendments and Supplements to Official Statement. The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(e) No Breach or Default. As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, the Authority is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States, or any applicable judgment or decree or any Indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States, or any applicable judgment, decree, license, permit, indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

(f) No Litigation. As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government authority, public board or body, is or will be pending or threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby, or contesting the

exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority and its authority to pledge the revenues securing the Bonds; (iii) which may result in any material adverse change relating to the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the final Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the final Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

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

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

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

(c) Issuance and Purchase of CFD Bonds. Concurrent with the issuance of the Bonds and the purchase thereof by the Underwriter in accordance with this Purchase Agreement, the City shall have issued the the CFD Bonds, and the CFD Bonds shall have been delivered to the Authority under and in accordance with the CFD Bonds Purchase Agreement, and all conditions set forth in the CFD Bonds Purchase Agreement to the issuance and delivery of the CFD Bonds shall have been satisfied.

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

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

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

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

(i) The statements contained in the Official Statement (including the cover page and the Appendices thereto), insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture or federal tax law, accurately summarize the information presented therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical information contained therein.

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

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

(i) the Authority is duly organized and validly existing as a joint exercise of powers agency under and by virtue of the Constitution and laws of the State, with full legal right, power and authority to adopt the Bond Resolution, execute the Authority Documents and carry out the Authority's obligations contemplated by the Bond Resolution and the Authority Documents;

(ii) the Bond Resolution was duly adopted at a meeting of the Board of Directors of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Bond Resolution is in full force and effect and has not been amended or repealed;

(iii) the Authority has duly and validly executed and delivered the Authority Documents, and the Authority Documents constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought;

(iv) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the Authority has been served with process or to the knowledge of the Counsel to the Authority, threatened, in any way affecting the existence of the Authority or the titles of the Authority's officials to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Indenture, or the collection or application of the Revenues to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Authority Documents or any action of the Authority contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Official Statement or the powers of the Authority or its authority with respect to the Bonds, the Authority Documents or any action on the part of the Authority contemplated by any of said documents, wherein an unfavorable decision, ruling, or finding could materially adversely affect the validity or enforceability of the Bonds or the Authority Documents;

(v) the execution and delivery of the Bonds and the Authority Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument of which the Authority is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Authority to perform its obligations under the Bonds or the Authority Documents; and

(vi) all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the Issuer, to perform its obligations under the Bonds or the Authority Documents, have been obtained or made, as the case may be, and are in full force and effect.

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

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

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

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

(i) The Authority is a joint powers authority duly organized and existing under the laws of the State of California, with full right, power and authority to execute, deliver and perform its obligations under the Authority Documents and to carry out and consummate the transactions contemplated by the Authority Documents and the Official Statement.

(ii) By all necessary official action of the Authority, including but not limited to the Bond Resolution, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations contained in, the Authority Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. The Authority has complied, and will at the Closing be in compliance in all respects, with the terms of the Authority Document

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Ladies and Gentlemen:

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Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the (i) Roseville Financing Authority [^] Revenue Bonds, 2006 Series A (Senior Lien Bonds) (the "Series A Bonds") and (i) Roseville Financing Authority Roseville Financing Authority Revenue Bonds, 2006 Series B (Junior Lien Bonds) (the "Series B Bonds," and together with the Series A Bonds, the "Bonds"). The purchase price for the Series A Bonds shall be [^] \$36,046,040.55 (being the aggregate principal amount thereof [^] (\$35,870,000), less an underwriter's discount of [^] \$215,220.00, plus an original issue premium of [^] \$ 391,260.55) and the purchase price for the Series B Bonds shall be [^] \$4,555,849.75 (being the aggregate principal amount thereof [^] (\$4,645,000), less an underwriter's discount of [^] \$58,062.50, less an original issue discount of [^] \$31,087.75).

Section 2. Description of the Bonds. The Bonds shall be issued pursuant to an Indenture of Trust (the "Indenture") dated as of April 1, 2006 by and between the Authority and The Bank of New York Trust Company, N.A., as trustee (the "Trustee") and pursuant to the

Marks-Roos Local Bond Pooling Act (the "Bond Law") and a resolution of the Authority adopted on [^] March 15, 2006 (the "Bond Resolution"). The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the "Official Statement").

The proceeds of the Bonds shall be applied by the Authority to finance (i) the purchase of \$33,120,000[^] City of Roseville Highland Reserve North Community Facilities District No. 1 Special Tax Refunding Bonds, Series 2006 (the "Highland Reserve North CFD Refunding Bonds") and the \$6,245,000[^] City of Roseville Woodcreek East Community Facilities District No. 1 Special Tax Refunding Bonds, Series 2006 (the "Woodcreek East CFD Bonds", and together with the Highland Reserve North CFD Bonds, the "CFD Bonds") and (ii) the acquisition and construction of public capital improvements. The CFD Bonds are being issued, in part, to refund the following bonds (collectively, the "Prior CFD Bonds"):

- (a) \$33,470,000 original principal amount of City of Roseville Highland Reserve North Community Facilities District No. 1 Special Tax Bonds, Series 1999; and
- (b) the \$5,465,000 City of Roseville Woodcreek East Community Facilities District No. 1 Special Tax Bonds, Series 2000.

The CFD Bonds will be purchased by the Authority in accordance with a CFD Bonds Purchase Agreement dated the date hereof (the "CFD Bonds Purchase Agreement"), by and between the Authority and the City, for and on behalf of the Highland Reserve North Community Facilities District No. 1 and the Woodcreek East Community Facilities District No. 1 (together, the "CFDs").

The CFD Bonds will be issued pursuant to a respective Bond Indenture, dated as of April 1, 2006 (the "Bond Indenture") for each CFD, by and between the City and The Bank of New York Trust Company, N.A., as trustee (the "CFD Trustee").

Concurrently with issuance of the Bonds, [^] Ambac Assurance Corporation (the "Insurer") will issue a [^] financial guaranty insurance policy (the "Policy") securing payment of debt service on the Series A Bonds.

Section 3. Public Offering. The Underwriter agrees to make a bona fide public offering of all the Bonds initially at the public offering prices (or yields) set forth on Appendix A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Appendix A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Section 4. Delivery of Official Statement. The Authority and the City delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement or the first offering of the Bonds, whichever first occurs, copies of the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"). Such Preliminary Official Statement is the official statement deemed final by the Authority for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") and approved for distribution by

resolution of the Authority. The Authority shall have executed and delivered to the Underwriter a certification to such effect in the form attached hereto as Appendix B.

Within seven (7) business days from the date hereof, the Authority shall deliver to the Underwriter a final Official Statement, executed on behalf of the Authority by an authorized representative of the Authority and dated the date hereof, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the Authority and the Underwriter.

The City, for and on behalf of itself and the Authority, will undertake, pursuant to the Bond Indenture, the Indenture and a continuing disclosure certificate (the "Continuing Disclosure Certificate"), to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Section 5. The Closing. At 8:00 a.m., California time, on [^] April 5, 2006, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority, the City and the Underwriter, the Authority will deliver (i) the Bonds in definitive form to the Underwriter at The Depository Trust Company in New York, New York, or such other location as may be specified by the Underwriter, with CUSIP identification numbers printed thereon, in fully registered form and registered in the name of Cede & Co., and (ii) the closing documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation, San Francisco, California ("Bond Counsel") or another place to be mutually agreed upon by the Authority, the City and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal funds wire payable to the order of the Trustee on behalf of the Authority. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." The Bonds will be delivered in such denominations and deposited in the account or accounts specified by the Underwriter pursuant to written notice not later than five business days prior to Closing. The Bonds will be made available to The Depository Trust Company for inspection not less than 24 hours prior to the Closing.

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

(a) Due Organization, Existence and Authority. The Authority is a joint powers authority duly organized and existing under the laws of the State of California, with full right, power and authority to execute, deliver and perform its obligations under the Indenture and the CFD Bonds Purchase Agreement (together, the "Authority Documents") and to carry out and consummate the transactions contemplated by the Authority Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action of the Authority, including but not limited to the Bond Resolution, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations contained in, the Authority Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable

principles relating to or affecting creditors' rights generally. The Authority has complied, and will at the Closing be in compliance in all respects, with the terms of the Authority Documents.

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

(d) Underwriter's Consent to Amendments and Supplements to Official Statement. The Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(e) No Breach or Default. As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, the Authority is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States, or any applicable judgment or decree or any Indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States, or any applicable judgment, decree, license, permit, indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

(f) No Litigation. As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government authority, public board or body, is or will be pending or threatened (i) in any way questioning the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the Authority Documents or the consummation of the transactions contemplated thereby, or contesting the

exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority and its authority to pledge the revenues securing the Bonds; (iii) which may result in any material adverse change relating to the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the final Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the final Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

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

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

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

(c) Issuance and Purchase of CFD Bonds. Concurrent with the issuance of the Bonds and the purchase thereof by the Underwriter in accordance with this Purchase Agreement, the City shall have issued the the CFD Bonds, and the CFD Bonds shall have been delivered to the Authority under and in accordance with the CFD Bonds Purchase Agreement, and all conditions set forth in the CFD Bonds Purchase Agreement to the issuance and delivery of the CFD Bonds shall have been satisfied.

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

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

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

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

(i) The statements contained in the Official Statement (including the cover page and the Appendices thereto), insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture or federal tax law, accurately summarize the information presented therein; provided that Bond Counsel need not express any opinion with respect to any financial or statistical information contained therein.

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

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

(i) the Authority is duly organized and validly existing as a joint exercise of powers agency under and by virtue of the Constitution and laws of the State, with full legal right, power and authority to adopt the Bond Resolution, execute the Authority Documents and carry out the Authority's obligations contemplated by the Bond Resolution and the Authority Documents;

(ii) the Bond Resolution was duly adopted at a meeting of the Board of Directors of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Bond Resolution is in full force and effect and has not been amended or repealed;

(iii) the Authority has duly and validly executed and delivered the Authority Documents, and the Authority Documents constitute the legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought;

(iv) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the Authority has been served with process or to the knowledge of the Counsel to the Authority, threatened, in any way affecting the existence of the Authority or the titles of the Authority's officials to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Indenture, or the collection or application of the Revenues to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Authority Documents or any action of the Authority contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Official Statement or the powers of the Authority or its authority with respect to the Bonds, the Authority Documents or any action on the part of the Authority contemplated by any of said documents, wherein an unfavorable decision, ruling, or finding could materially adversely affect the validity or enforceability of the Bonds or the Authority Documents;

(v) the execution and delivery of the Bonds and the Authority Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument of which the Authority is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Authority to perform its obligations under the Bonds or the Authority Documents; and

(vi) all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the Issuer, to perform its obligations under the Bonds or the Authority Documents, have been obtained or made, as the case may be, and are in full force and effect.

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

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

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

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

(i) The Authority is a joint powers authority duly organized and existing under the laws of the State of California, with full right, power and authority to execute, deliver and perform its obligations under the Authority Documents and to carry out and consummate the transactions contemplated by the Authority Documents and the Official Statement.

(ii) By all necessary official action of the Authority, including but not limited to the Bond Resolution, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations contained in, the Authority Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally. The Authority has complied, and will at the Closing be in compliance in all respects, with the terms of the Authority Documents.

(iii) The Preliminary Official Statement was as of its date, and the final Official Statement is, true and correct in all material respects, and the Preliminary Official Statement and the final Official Statement contain no misstatement of any material fact and do not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading; provided, however, no representation is made with respect to information therein relating to the Depository Trust Company and its book-entry only system or the Insurer.

(iv) Except as otherwise disclosed in the Official Statement, the Authority is not and will not be in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States, or any applicable judgment or decree or any Indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States, or any applicable judgment, decree, license, permit, indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

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

(vi) No event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment

thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

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

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

(ii) The Trustee is duly authorized to enter into the Indenture.

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

(g) Disclosure Counsel Letter. An letter from Jones Hall, A Professional Law Corporation ("Disclosure Counsel"), dated the Closing Date, and addressed to the Authority and the Underwriter, to the effect that:

(i) during the course of serving as counsel to the Authority in connection with the execution and delivery of the Bonds and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that would lead them to believe that the Official Statement (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion included in the Official Statement, information regarding the Insurer and its Policy, information regarding DTC, and the appendices to the Official Statement as to which no opinion need be expressed), as of the date thereof or the Closing Date, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(h) Original Executed Documents. An original executed copy of each of the Authority Documents.

(i) Policy-Related Documents. The Policy issued by the Insurer, along with a certificate and/or opinion of counsel, satisfactory to the the Authority, the Underwriter and Bond Counsel, of the Insurer regarding the enforceability of the Policy and the statements in the Official Statement regarding the Insurer and the Policy.

(j) Certificate of MuniFinancial Inc. A certificate in form and substance as set forth in Exhibit C hereto, of MuniFinancial Inc., Temecula, California ("Special Tax Administrator") dated as of the Closing Date.

(k) Certificate of Economic Planning Systems. A certificate in form and substance as set forth in Exhibit D hereto, of Economic Planning Systems, Sacramento, California ("Special Tax Consultant"), dated as of the Closing Date

(l) Verification Report. A verification report of The Arbitrage Group, Tuscaloosa, Alabama with respect to the CFD Bonds as to (i) the sufficiency of amounts deposited into the respective Escrow Funds established under the Bond Indentures to redeem the respective Prior CFD Bonds and (ii) that the Revenues to be available to the Trustee, assuming timely payment of debt service on the CFD Bonds, will be sufficient to permit the timely payment of the principal of and interest on all Outstanding Bonds.

(m) Certificate of the Underwriter. A certificate of the Underwriter, in form and substance satisfactory to Bond Counsel, to the following effect as to each respective CFD:

(i) The net interest cost to maturity plus the principal amount of the portion of the CFD Bonds attributable to refunding the Prior CFD Bonds is less than the net interest cost to maturity plus the principal amount of the Prior CFD Bonds;

(ii) The maturity schedule of the CFD Bonds is structured so that the maturity dates of the portions of the CFD Bonds attributable to refunding each of the Prior CFD Bonds do not exceed the latest maturity date of the related Prior CFD Bonds;

(iii) The CFD Bonds are being purchased by the Authority at a price to yield (as defined in Government Code Section 6592.5) not in excess of 1% of the yield of the Bonds;

(iv) If applied as set forth in the Indenture, at least 95% of the Revenues received by the Authority will be used for the purposes specified in Government Code Section 6592.5(b).

(v) The Revenues to be available to the Trustee, assuming timely payment of debt service on the CFD Bonds, will be sufficient to permit the timely payment of the principal of and interest on all Outstanding Bonds.

(vi) The Underwriter acknowledges that Jones Hall, A Professional Law Corporation, will rely upon these certifications in rendering its opinions in connection with issuance of the Bonds and the CFD Bonds.

(n) Bring-Forward Certificate. A certificate of the City Clerk to the effect that the following resolutions and ordinances of the City Council relating to the CFDs remain in full force and effect and have not been amended, supplemented, superseded or repealed by any other action of the City Council since their respective dates of adoption, for each CFD: (i) Resolution of Formation, (ii) Ordinance Levying Special Tax, (iii) Resolution Determining Necessity to Incur Bonded Indebtedness; and (iv) Resolution Declaring Results of Special Election.

(o) Notice of Public Hearing Pursuant to Government Code Section 6586.5. Notice of Public Hearing, along with proof of publication.

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

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

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

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

(b) the marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any Federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially adversely affecting the federal or State tax status of the Authority, or the interest on bonds or notes or obligations of the general character of the Bonds; or

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

(d) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental district having jurisdiction of the subject matter

shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

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

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

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

(h) the commencement of any action, suit or proceeding described in Section 6(f)(iii) or 6(g)(iii) with respect to either the Authority or the City which, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

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

Section 10. Expenses. The Underwriter shall be under no obligation to pay and the Authority shall pay or cause to be paid the expenses incident to the performance of the obligations of the Authority hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the Authority Documents and the cost of preparing, printing, issuing and delivering the definitive Bonds, (b) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the Authority and the City; (c) the fees and disbursements of Bond Counsel and Disclosure Counsel; and (d) the cost of printing of the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing of the Official Statement, including the requisite number of copies thereof for distribution by the Underwriter.

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

Section 11. Notice. Any notice or other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter

under this Purchase Agreement may be given by delivering the same in writing to: Piper Jaffray & Co., 345 California Street, Suite 2200, San Francisco, CA 94104, Attention: Mr. Rick Kiss.

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

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

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

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

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

PIPER JAFFRAY & CO., as Underwriter

By: _____
Managing Director

Accepted as of the date first stated above:

ROSEVILLE FINANCING AUTHORITY

By: _____
Treasurer

APPENDIX A
Maturity Schedule of 2006 Series A Bonds

<u>^ Payment</u> <u>^ Date (Sept 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
2006	1,045,000.00	3.250%	3.250%	100.000%
2007	1,185,000.00	3.300%	3.300%	100.000%
2008	1,225,000.00	3.250%	3.400%	99.654%
2009	1,270,000.00	3.375%	3.450%	99.758%
2010	1,310,000.00	4.000%	3.500%	102.022%
2011	1,360,000.00	3.500%	3.600%	99.510%
2012	1,410,000.00	4.000%	3.650%	101.980%
2013	1,470,000.00	3.625%	3.750%	99.195%
2014	1,520,000.00	5.000%	3.850%	108.187%
2015	1,600,000.00	3.850%	3.920%	99.450%
2016	1,660,000.00	5.000%	3.980%	108.617%
2017	1,745,000.00	4.000%	4.050%	99.543%
2018	1,815,000.00	4.000%	4.150%	98.553%
2019	1,885,000.00	4.000%	4.230%	97.661%
2020	1,965,000.00	4.125%	4.320%	97.921%
2021	2,040,000.00	4.200%	4.380%	97.995%
2022	2,130,000.00	4.250%	4.450%	97.685%
2025	6,990,000.00	5.000%	4.400%	104.962%
2027	2,245,000.00	4.500%	4.610%	98.509%
Total	\$35,870,000.00	=	=	=

Maturity Schedule of 2006 Series B Bonds

<u>Principal</u> <u>Payment Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
2006	230,000.00	3.600%	3.600%	100.000%
2007	145,000.00	3.700%	3.700%	100.000%
2008	145,000.00	3.800%	3.800%	100.000%
2009	150,000.00	3.900%	3.900%	100.000%
2010	170,000.00	4.000%	4.050%	99.797%
2011	180,000.00	4.100%	4.200%	99.517%
2012	180,000.00	4.250%	4.350%	99.442%
2013	185,000.00	4.375%	4.450%	99.527%
2014	190,000.00	4.375%	4.550%	98.785%
2015	200,000.00	4.500%	4.600%	99.239%
2016	205,000.00	4.500%	4.650%	98.769%
2017	225,000.00	4.600%	4.700%	99.120%
2018	230,000.00	4.625%	4.750%	98.834%
2019	240,000.00	4.700%	4.800%	99.015%
2020	245,000.00	4.750%	4.850%	98.967%
2021	265,000.00	4.750%	4.900%	98.386%
2022	280,000.00	4.850%	4.950%	98.881%
2027	1,180,000.00	5.000%	5.030%	99.604%
Total	\$4,645,000.00	=	=	=

APPENDIX B

ROSEVILLE FINANCING AUTHORITY

[^] \$35,870,000

REVENUE BONDS

2006 SERIES A (SENIOR LIEN BONDS)
(Insured)

[^] \$4,645,000

REVENUE BONDS

2006 SERIES B (JUNIOR LIEN BONDS)
(Uninsured)

RULE 15c2-12 CERTIFICATE

The undersigned hereby certify and represent that they are, respectively, a duly appointed and acting authorized officer of the Roseville Financing Authority (the "Authority"), and a duly appointed and acting authorized officer of the City of Roseville (the "City"), and as such are duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Authority and the City, as applicable, as follows:

(1) This Certificate is delivered in connection with the offering and sale of the (i) Roseville Financing Authority Roseville Financing Authority Revenue Bonds, 2006 Series A (Senior Lien Bonds) (the "Series A Bonds") and (i) Roseville Financing Authority Roseville Financing Authority Revenue Bonds, 2006 Series B (Junior Lien Bonds) (the "Series B Bonds," and together with the Series A Bonds, 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 (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean 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 the Rule.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of this [^] 20th day of [^] March, 2006.

ROSEVILLE FINANCING AUTHORITY

By _____

CITY OF ROSEVILLE

By _____

APPENDIX C

ROSEVILLE FINANCING AUTHORITY

^ \$35,870,000
REVENUE BONDS
2006 SERIES A (SENIOR LIEN BONDS)
(Insured)

^ \$4,645,000
REVENUE BONDS
2006 SERIES B (JUNIOR LIEN BONDS)
(Uninsured)

CERTIFICATE OF SPECIAL TAX ADMINISTRATOR

MuniFinancial Inc., Temecula, California, California ("Special Tax Administrator"), was retained as Special Tax Administrator and assisted in the preparation of the Official Statement dated ^ March 23, 2006 (the "Official Statement") relating to the above-referenced bonds (the "Bonds") and, in particular, Tables _____ through _____ and the text related thereto.

With respect to the ^ \$33,120,000 City of Roseville Highland Reserve North Community Facilities District No. 1 Special Tax Refunding Bonds, Series 2006 (the "Highland Reserve North CFD Refunding Bonds") and the ^ \$6,245,000 City of Roseville Woodcreek East Community Facilities District No. 1 Special Tax Refunding Bonds, Series 2006 (the "Woodcreek East CFD Bonds", and together with the Highland Reserve North CFD Bonds, the "CFD Bonds"), we hereby certify that all information supplied by us for use in the Official Statement was true and correct as of the date of the Official Statement and remains true and correct as of the date hereof, and such information does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

Dated: [Closing Date]

MUNIFINANCIAL INC.

By: _____

APPENDIX D

ROSEVILLE FINANCING AUTHORITY

\$ _____*
REVENUE BONDS
2006 SERIES A (SENIOR LIEN BONDS)
(Insured)

\$ _____*
REVENUE BONDS
2006 SERIES B (JUNIOR LIEN BONDS)
(Uninsured)

CERTIFICATE OF SPECIAL TAX CONSULTANT

Economic & Planning Systems, Sacramento, California, California ("Special Tax Consultant"), was retained as Special Tax Consultant and assisted in the preparation of the Official Statement dated [^] March 20, 2006 (the "Official Statement") relating to the above-referenced bonds (the "Bonds"). Capitalized terms used herein and not otherwise defined shall have the meanings assigned to them in the Official Statement.

With respect to the [^] \$33,120,000 City of Roseville Highland Reserve North Community Facilities District No. 1 Special Tax Refunding Bonds, Series 2006 (the "Highland Reserve North CFD Refunding Bonds") and the [^] \$6,245,000 City of Roseville Woodcreek East Community Facilities District No. 1 Special Tax Refunding Bonds, Series 2006 (the "Woodcreek East CFD Bonds", and together with the Highland Reserve North CFD Bonds, the "CFD Bonds"), we hereby certify as follows:

(i) The Special Taxes in the Highland Reserve North Community Facilities District No. 1 and the Woodcreek East Community Facilities District No. 1, if collected in the maximum amounts permitted pursuant to the rate and method of apportionment for each CFD (less the amount the Special Taxes are being reduced as described in (iv) below), would generate at least _____ of the gross annual debt service on each respective series of CFD Bonds, provided that (1) the annual debt service figures on the attached debt service schedule, which were relied upon by Special Tax Consultant, are substantially true and correct and (2) no representation is made as to actual amounts of the Special Taxes that will be collected in future years.

(ii) All information with respect to the rate and method of apportionment for the CFDs in the Official Statement is true and correct as of the date of the Official Statement and as of the date hereof.

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

Dated: [Closing Date]

ECONOMIC PLANNING SYSTEMS

By: _____