

\$ _____
CITY OF LA HABRA
(Orange County, California)
Pension Obligation Bonds, Series 2021
(Federally Taxable)

BOND PURCHASE AGREEMENT

December 14, 2021

City of La Habra
110 East La Habra Boulevard
La Habra, CA 90631

Ladies and Gentlemen:

B of A Securities Inc. (the "Underwriter") offers to enter into this Bond Purchase Agreement (the "Purchase Agreement") with you, the City of La Habra, California (the "City"), which, upon acceptance will be binding upon the City and the Underwriter.

This offer is made subject to written acceptance by the City at or prior to 5:00 p.m., California time, 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 the acceptance hereof by the City. Upon such acceptance the Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the City and the Underwriter.

1. Purchase and Sale. Upon the terms and conditions and in reliance on the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the \$_____ City of La Habra (Orange County, California) Pension Obligation Bonds, Series 2021 (Federally Taxable) (the "Bonds").

The proceeds of the Bonds will be used by the City to (i) finance a portion of the City's unfunded accrued actuarial liability to the California Public Employees Retirement System ("PERS") for the benefit of the City's miscellaneous and safety employees, and (ii) pay the costs of issuance of the Bonds.

The purchase price for the Bonds shall be \$_____ (representing the \$_____ aggregate principal amount of the Bonds, and less \$_____ of Underwriter's discount).

The Bonds shall be described in the Preliminary Official Statement (as defined below), except for information permitted to be excluded by the Rule (as defined below), and the Official Statement (as defined below). The Bonds will mature, bear interest at the rate per annum, and be subject to redemption as shown on Exhibit B hereto. The Bonds are being issued pursuant to a Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

The execution and delivery of the Trust Agreement and the issuance and sale of the Bonds have been approved by resolutions of the City dated July 19, 2021, and November 15, 2021 (collectively, the "Resolutions"), and the Bonds shall be as described in, and shall be secured under and pursuant to, the Trust Agreement. The Bonds shall be payable as provided in the Trust Agreement.

The Trust Agreement, the Bonds, the Continuing Disclosure Certificate dated as of the Closing Date (the "Continuing Disclosure Certificate"), executed and delivered by the City, and this Purchase Agreement are referred to collectively herein as the "Legal Documents," and all capitalized terms not otherwise defined herein shall have the meanings as defined in the Trust Agreement.

Pursuant to the City's PERS Agreement, the City Council of the City (the "Council") is obligated to appropriate annually to PERS the amount necessary to pay retirement benefits accruing to City's members of PERS, and to amortize the unfunded accrued actuarial liability with respect to such pension benefits.

The Bonds are absolute and unconditional obligations imposed upon the City by law and enforceable against the City pursuant to the PERS Agreement and are not limited as to payment to any special source of funds of the City.

2. Delivery of the Official Statement and Other Documents.

(a) The City agrees to deliver to the Underwriter, at such address as the Underwriter shall specify, as many copies of the Official Statement dated the date hereof relating to the Bonds (as supplemented and amended from time to time, the "Official Statement") as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule") and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The City agrees to deliver the Official Statement within the earlier of (i) seven (7) business days after the execution hereof or (ii) two (2) business days prior to the Closing Date.

(b) The City hereby authorizes the approval of the Official Statement, by execution thereof by a duly authorized officer of the City. By execution of this Purchase Agreement, the City confirms that the Preliminary Official Statement dated December 6, 2021 with respect to the Bonds (the "Preliminary Official Statement") was deemed final by the City for purposes of the Rule on the date thereof.

(c) The Underwriter shall give notice to the City on the Closing if any participating underwriter, as such term is defined in the Rule, remains obligated to deliver the Official Statement pursuant to paragraph (b)(4) of the Rule after the Closing. If such notice is given, then the Underwriter shall provide a subsequent notice of the date on which no participating underwriter, as such term is defined in the Rule, remains obligated to deliver the Official Statement pursuant to paragraph (b)(4) of the Rule.

(d) If the Underwriter provides notice pursuant to Section 2(c) hereof that Official Statements are required under the Rule after the Closing, then, until the earlier to occur of the date on which no participating underwriter (as such term is defined in the Rule) remains obligated to deliver the Official Statement pursuant to paragraph (b)(4) of the Rule or ninety (90) days after the Closing (as hereinafter defined), the City shall (i) apprise the Underwriter of all material developments, if any, occurring with respect to the City after delivery of the Bonds to the Underwriter, and (ii) provide the Underwriter with such information regarding the City,

its current financial condition and ongoing operations as the Underwriter may reasonably request.

3. The Closing. At 8:00 a.m., Pacific Standard time, on December 28, 2021, or at such other time or on such earlier or later date as the City and the Underwriter mutually agree, the City and the Trustee will deliver or cause to be delivered to the Underwriter the Bonds in book-entry form through the facilities of The Depository Trust Company, New York, New York (“DTC”), duly executed and the other documents hereinafter mentioned shall be delivered at the offices of Quint & Thimmig LLP in Larkspur, California or at such other location as shall have been mutually agreed upon by the City and the Underwriter. Subject to the terms and conditions hereof, the Underwriter will accept delivery of the Bonds and pay the purchase price thereof by federal funds to the order of the Trustee in an amount equal to the Purchase Price as set forth in Section 1 hereof (which such delivery of and payment for the Bonds is herein called the “Closing,” and which such date is herein called the “Closing Date”).

The Bonds shall be issued in fully registered form and shall be prepared and delivered as one bond per maturity registered in the name of Cede & Co., as nominee of 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 Agreement.

4. Public Offering. The Underwriter intends to make an initial bona fide public offering of all of the Bonds at the offering price set forth in Exhibit B. The Underwriter reserves the right to change such initial public offering price or yield as the Underwriter deems necessary following the initial public offering period in connection with the marketing of the Bonds. The City hereby authorizes the Underwriter to use the forms or copies of the Resolutions, the Legal Documents and the Official Statement and the information contained therein in connection with the public offering and sale of the Bonds. The City hereby ratifies and confirms its authorization of the distribution and use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Bonds.

5. City Representations, Warranties and Agreements. The City represents, warrants to and agrees with the Underwriter that, as of the date hereof and as of the date of the Closing:

(a) *Due Organization and Operation; Legal, Valid and Binding Obligations.* The City is a municipal corporation and general law city duly organized and operating pursuant to the Constitution and laws of the State of California and has all necessary power and authority to adopt the Resolutions, and to enter into and perform its duties under the Legal Documents, the Resolutions have been adopted and have not been rescinded, and the Legal Documents, when executed and delivered by the respective parties thereto, will constitute legal, valid and binding obligations of the City enforceable against the City in accordance with their respective terms, except as the 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.

(b) *No Conflict.* The adoption of the Resolutions and the execution and delivery of the Legal Documents, and compliance with the provisions thereof, will not in any material respect conflict with, or constitute a breach of or default under, the City’s duties under the Legal Documents, the Resolutions or any law, administrative regulation, court decree, resolution, by-laws, loan agreement, trust agreement, indenture, bond, note or other agreement to which the City is subject or by which it or any of its property is bound which such conflict, breach or

default would have a material adverse effect on the financial condition of the City or the ability of the City to perform its obligations under the Legal Documents.

(c) *No Consents Required.* After due inquiry, except as may be required under blue sky or other securities laws of any state, or with respect to any permits or approvals heretofore received which are in full force and effect or the requirement for which is otherwise disclosed in the Official Statement, there is no consent, approval, authorization or other order of, or filing with, or certification by, any governmental authority, board, agency or commission or other regulatory authority having jurisdiction over the City, other than the approval and authorization of the Council, required for the adoption of the Resolutions and execution and delivery of the Legal Documents or the consummation by the City of the other transactions contemplated by the Official Statement, the Resolutions or the Legal Documents, including this Purchase Agreement.

(d) *No Litigation.* There is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or, to the knowledge of the City, threatened against the City to restrain or enjoin the delivery of the Bonds, or in any way contesting or affecting the validity of the Legal Documents, the Resolutions or the Bonds, or contesting the powers of the City to enter into or perform its obligations under any of the foregoing, or contesting the accuracy or completeness of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto.

(e) *Preliminary Official Statement Correct and Complete.* The Preliminary Official Statement, as of its date and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit (except as permitted by the Rule) to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading except that no representation and warranty is made concerning statements and information relating to DTC or the Book-Entry System.

(f) *Official Statement Correct and Complete.* The Official Statement (excluding the statements and information relating to DTC and the Book-Entry System) does not and (unless amended or supplemented pursuant to Section 5(k) hereof) at all times subsequent hereto to and including the Closing Date will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) *Blue Sky Cooperation.* The City agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may request; provided, that the City shall not be required to take any action which, in the opinion of the Council, would subject the City to jurisdiction, personal or otherwise, in any jurisdiction in which it is not now so subject or to qualify to do business in any jurisdiction where it is not now so qualified.

(h) *Due Approval of Official Statement Distribution.* By official action of the City prior to the execution hereof, the City has duly approved the distribution of the Preliminary Official Statement and the distribution of the Official Statement, has duly adopted the Resolutions and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the Legal Documents and the consummation by it of all other transactions contemplated by the Official Statement and the Legal Documents, including this Purchase Agreement.

(i) *No Breach or Default.* Except as described in the Preliminary Official Statement and the Official Statement, the City is not in breach of or in default under any applicable law or

administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject which breach or default would have a material and adverse impact upon the financial condition of the City or on the City's ability to perform its obligations under the Legal Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument. The City is not in default as to the payment of principal or interest with respect to any debt obligation issued by the City or with respect to any debt obligation guaranteed by the City as guarantor.

(j) *Agreement to Notify Underwriter Regarding Official Statement.* The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not affect any such amendment or supplement without the written consent of the Underwriter. The City will advise the Underwriter promptly of the institution of any proceedings known to it seeking to prohibit or otherwise affect the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(k) *Agreement to Amend Official Statement.* If, at any time from the date hereof to and including twenty-five (25) days after the end of the underwriting period, in the reasonable opinion of the Underwriter, the Official Statement as then amended or supplemented includes an untrue statement of a material fact, or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City will prepare an amendment or supplement to the Official Statement; provided that all expenses thereby incurred (including printing expenses) will be paid for by the City.

Unless otherwise notified in writing by the Underwriter on or prior to the date of the Closing, the City may assume that the "end of the underwriting period" for the Bonds for all purposes of Rule 15c2-12 under the Securities and Exchange Act of 1934 is the date of the Closing. In the event such notice is given in writing by the Underwriter, the Underwriter agrees to notify the City in writing following the occurrence of the "end of the underwriting period" as defined in Rule 15c2-12 for the Bonds. The "end of the underwriting period" as used in the Purchase Agreement shall mean the Closing Date or such later date as to which notice is given by the Underwriter in accordance with the preceding sentence.

(l) *Amendments to Official Statement Correct and Complete.* If the information contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date twenty-five (25) days after the end of the underwriting period, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will be true and correct in all material respects and such information will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the information therein, in the light of the circumstances under which it was made, not misleading except that no representation and warranty is made concerning statements and information relating to DTC or the Book-Entry System. If at any time prior to the earlier of (i) receipt of notice from the Underwriter pursuant to Section 2(c) hereof that Official Statements are no longer required to be delivered; and (ii) twenty-five (25) days after the end of the underwriting period, any event occurs with respect to the City as a result of which the Official Statement as then amended or supplemented might include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City shall promptly notify the Underwriter in writing of such event. Any information supplied by

the City for inclusion in any amendment or supplement to the Official Statement will not contain any untrue statement of a material fact relating to the City or omit to state any material fact relating to the City necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that no representation and warranty is made concerning statements and information relating to DTC or the Book-Entry System.

(m) *City Financial Statements.* The financial statements of, and other financial information regarding, the City in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of the operations of the City as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles consistently applied. Except as disclosed in the Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any material adverse change in the financial condition of the City since June 30, 2020, and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(n) *Compliance with Continuing Disclosure.* Except as disclosed in the Preliminary Official Statement, the City is, and at all times during the previous five years has been, in material compliance with all of its prior continuing disclosure undertakings under the Rule, and at or prior to the Closing Date, the City will undertake pursuant to the Continuing Disclosure Certificate to provide certain annual financial information and notices of the occurrence of certain events. The form of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

(o) *Limitation on Issuance.* Except as disclosed in the Official Statement, or in the ordinary course of business, the City will not, prior to the Closing, offer or issue any bonds, notes or other obligations for borrowed money payable from the General Fund of the City.

6. Conditions to the Obligations of the Underwriter. The Underwriter has entered into the Purchase Agreement in reliance upon the representations, warranties and agreements of the City contained herein, the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing, the performance by the City of its obligations hereunder and the opinion of Quint & Thimmig LLP, Bond Counsel to the City ("Bond Counsel"), counsel to the Trustee, counsel to the City and counsel to the Underwriter described hereafter. Accordingly, the Underwriter's obligations under the Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon and subject to (i) the performance by the City and the Trustee of their obligations to be performed hereunder and under such documents and instruments as shall reasonably be requested by the Underwriter or its counsel at or prior to the Closing and (ii) the accuracy in all material respects, in the reasonable judgment of the Underwriter, of the representations and warranties of the City herein as of the date hereof and as of the time of the Closing Date, and shall also be subject to the following additional conditions:

(a) *Bring-down of Representations.* The representations, warranties and agreements of the City contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date.

(b) *Default Judgment.* Copies of the default judgment, dated November 4, 2021, entered in favor of the City in connection with *City of La Habra v. All Persons Interested, etc.*, Case No. 30-2021-01216131-CU-MC-CXC filed in the Superior Court of California for the County of Orange (the "Default Judgment").

(c) *Authorization, Execution and Delivery of Documents.* At the Closing, the Legal Documents, the Bonds and the Official Statement shall have been duly authorized, executed and delivered by the respective parties thereto, in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and said agreements shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and each shall be in full force and effect.

(d) *No Amendment of Official Statement.* At the Closing, the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter.

(e) *Marketability Adversely Affected.* In the reasonable judgment of the Underwriter, between the date hereof and the Closing or the ability of the Underwriter to enforce contracts for the sale of the Bonds, the market price or the marketability of the Bonds at the initial offering prices set forth in the Official Statement shall not have been materially adversely affected by reason of any of the following:

(1) **Legislation, Judicial Decisions or Rulings.** An amendment to the Constitution of the United States or the Constitution of the State of California shall have been passed or legislation enacted, introduced in the Congress or in the legislature of the State of California or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made:

(i) *Regarding State Tax Exemption* – by or on behalf of the State of California or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of imposing California personal income taxation upon payments of the general character of the interest as would be received by the owners of the Bonds; or

(ii) *Regarding Federal or State Tax Rates* – by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or by or on behalf of the State of California or the California Franchise Tax Board, with the purpose or effect, directly or indirectly, of changing the federal or State of California income tax rates, respectively; or

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

(2) **War.** The declaration of war or engagement in or escalation of major military hostilities by the United States or the occurrence of an act of terrorism or any other national emergency or calamity or the escalation thereof relating to the effective operation of the government or the financial community in the United States;

(3) **Banking Moratorium.** The declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange or a material disruption in commercial banking or securities settlement or clearance services;

(4) **Securities Exchange Restrictions.** Trading generally shall have been suspended or materially limited on or by the New York Stock Exchange or other national securities exchange, or the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(5) **Regarding Federal Securities Laws.** An order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of the Bonds, or the execution, delivery, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of any federal securities law as amended and then in effect;

(6) **Official Statement Untrue or Incomplete.** Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (regardless of whether or not a supplement to the Official Statement is prepared pursuant to Sections 5(k) or 5(l));

(7) **Negative Rating Action.** Any nationally recognized statistical rating agency shall downgrade, suspend or withdraw (or announce their intent to downgrade, suspend or withdraw) any rating of the Bonds, or shall issue (or announce their intent to issue) any negative qualification with respect to the Bonds) (such as being placed on "credit watch" with negative implications or "negative outlook" or any similar qualification);

(8) **Pending SEC Action.** Any proceeding shall be pending or threatened by the SEC against the City; or

(9) **Market Disruption.** A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred.

(10) **Litigation.** Any litigation shall be instituted or be pending at the time of the Closing to restrain or enjoin the issuance, sale or delivery of the Bonds, or in any way contesting or affecting any authority for or the validity of the proceedings authorizing and approving the Resolutions, the Legal Documents or the existence or powers of the City with respect to its obligations under the Legal Documents.

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

(1) **Opinion of Bond Counsel.** The approving opinion of Bond Counsel in substantially the form included as Appendix G to the Official Statement, dated the date

of Closing, addressed to the City (with a reliance letter to the Underwriter and the Trustee);

(2) **Supplemental Opinion of Bond Counsel.** A supplemental opinion of Bond Counsel in substantially the form attached hereto as Exhibit A;

(3) **Opinion of City Attorney.** An opinion of the City Attorney, dated the date of Closing, in form and substance satisfactory to the Underwriter, addressed to the City, the Trustee and the Underwriter, to the effect that:

(i) Due Organization and Existence – the City is a public entity duly organized and validly existing under the Constitution and the laws of the State of California;

(ii) Due Adoption – the Resolutions approving the issuance and sale of the Bonds and authorizing the execution and delivery of the Legal Documents and approving the Official Statement were duly adopted at meetings of the Council which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and have not been modified, amended or rescinded;

(iii) No Litigation – except as disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the City, which would materially and adversely impact the City's ability to complete the transactions described in and contemplated by the Official Statement or in any way contesting or affecting the validity of the Legal Documents or the Bonds;

(iv) No Conflict – the execution and delivery of the Legal Documents, the approval of the Official Statement, and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject;

(v) Due Authorization, Execution and Delivery; Legal, Valid and Binding Agreements – the Legal Documents have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding agreements 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 and by the application of equitable principles and by the limitations on legal remedies imposed on actions against cities in the State of California; and

(vi) No Consents Required – Official Statement, Legal Documents – no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California, other than the Council, is required for the valid authorization, execution and delivery of the Legal Documents and the approval of the Official Statement.

(4) **Opinion of Trustee's Counsel.** The opinion of counsel to the Trustee, dated the date of Closing, addressed to the City and the Underwriter, to the effect that:

(i) The Trustee is a national banking association duly organized and validly existing under the laws of the jurisdiction of its organization and has the corporate power to execute and deliver the Agreement, and to perform its obligations under the Agreement.

(ii) The execution and delivery by the Trustee of the Trust Agreement, and its performance of its obligations under the Trust Agreement, have been and are as of the date hereof duly authorized by all necessary corporate action.

(iii) No approval, authorization or other action by, or filing with, any governmental body or regulatory authority (which has not been obtained) is required in connection with the due execution, delivery and performance by the Trustee of the Trust Agreement.

(iv) The Trust Agreement has been duly executed and delivered by the Trustee and constitutes the valid and legally binding obligation of the Trustee enforceable against it in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (regardless of whether enforcement is sought as a proceeding in equity or at law).

(5) **Letter of Disclosure Counsel.** The negative assurance letter of Quint & Thimmig LLP, Larkspur, California, Disclosure Counsel to the City ("Disclosure Counsel"), dated the Closing Date and addressed to the City and the Underwriter, to the effect that based upon their participation in the preparation of the Preliminary Official Statement and the Official Statement as Disclosure Counsel, without assuming any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement nor making any representation regarding independent verification of the accuracy, completeness or fairness of any of the statements contained in the Official Statement, such counsel advises that during the course of such representation of the City as disclosure counsel on this matter, no information has come to their attention which would lead them to believe that the Preliminary Official Statement as of its date and as of the date of the Purchase Agreement and the Official Statement as of its date or as of the date of Closing (except for any financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion contained in the Official Statement, the information in Appendices B, C, D, E and F, the information about book-entry or DTC or the Book Entry system included therein, as to which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted 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.

(6) **Opinion of Underwriter's Counsel.** The opinion of Katten Muchin Rosenman LLP ("Underwriter's Counsel"), dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter.

(7) **City No Litigation Certificate.** A certificate, dated the date of Closing, signed by a duly authorized official of the City satisfactory in form and substance to the

Underwriter, to the effect that no action, suit or proceeding is pending or, to the best of his or her knowledge, threatened against the City (a) to restrain or enjoin the execution or delivery of any of the Bonds or the Legal Documents, (b) in any way contesting or affecting the validity of the Bonds, the Legal Documents, or the authority of the City to enter into the Legal Documents, (c) in any way contesting or affecting the powers of the City in connection with any action contemplated by the Official Statement or the Purchase Agreement, (d) in anyway contesting the accuracy or completeness of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or (e) in any way materially affecting the ability of the City to perform its obligations under the Legal Documents.

(8) **Legal Documents.** A copy of each of the Legal Documents.

(9) **Official Statement.** A copy of the Official Statement.

(10) **Trustee Resolution.** A copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Bonds and the Trust Agreement.

(11) **Trustee's Representations, Warranties and Agreements.** At the time of and as a condition to Closing, the Trustee, subject to the limitations provided herein, will represent, warrant to and agree with the Underwriter pursuant to a certificate, dated the date of Closing, that as of the date of Closing:

(i) Due Organization and Existence - the Trustee is duly organized and existing as a national banking association duly organized and existing under the laws of the United States of America having the full power and authority to enter into and perform its duties under the Trust Agreement and to execute and deliver the Bonds to the Underwriter pursuant to the terms of the Trust Agreement;

(ii) Due Authorization; Valid and Binding Obligations - the Trustee is duly authorized to enter into the Trust Agreement;

(iii) No Conflict - the execution and delivery by the Trustee of the Trust Agreement, and compliance with the terms thereof, will not, in any material respect, conflict with, or result in a violation or breach of, or constitute a default under, any material agreement or material instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties, which conflict breach or default would materially adversely affect the ability of the Trustee to perform its obligations under the Trust Agreement or (except with respect to the lien of the Trust Agreement) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee;

(iv) Consents – exclusive of federal or state securities laws and regulations, other than routine filings required to be made with governmental agencies in order to preserve the Trustee's authority to perform a trust business (all of which routine filing, to the best of the Trustee's knowledge, have been made), no consent, approval, authorization or other action by any governmental or

regulatory authority having jurisdiction over the Trustee is or will be required for the execution and delivery by the Trustee of the Trust Agreement or the execution and delivery of the Bonds; and

(v) No Litigation – to the Trustee’s knowledge, there is no litigation pending or threatened against or affecting the Trustee to restrain or enjoin the Trustee’s participation in, or in any way contesting the powers of the Trustee with respect to, the transactions contemplated by the Bonds and the Trust Agreement.

(12) **Resolutions.** Copies of the Resolutions, adopted by the City and certified by the City Clerk, authorizing the execution and delivery of the Legal Documents;

(13) **City Bring-Down Certificate.** A certificate of an authorized officer of the City, dated the date of Closing, confirming as of such date the representations and warranties of the City contained in the Purchase Agreement;

(14) **Rating.** Evidence from S&P Global Ratings that the Bonds have been rated “___” by such agency;

(15) **CDIAC Notices.** Evidence of required filings with the California Debt and Investment Advisory Commission;

(16) **Validation.** A copy of the validation judgment; and

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

(g) All matters relating to the Purchase Agreement, the Bonds and the sale thereof, the Official Statement, the Legal Documents and the consummation of the transactions contemplated by the Purchase Agreement shall have been approved by the Underwriter and counsel for the Underwriter, such approval not to be unreasonably withheld.

If the conditions to the Underwriter’s obligations contained in the Purchase Agreement are not satisfied or if the Underwriter’s obligations shall be terminated for any reason permitted by the Purchase Agreement, the Purchase Agreement shall terminate and neither the Underwriter nor the City shall have any further obligations hereunder, except that the respective obligations of the City and the Underwriter set forth in Paragraph 8 hereof (relating to expenses) hereof shall continue in full force and effect.

7. Expenses.

(a) The City shall pay or cause to be paid from the proceeds of the Bonds or other funds available to it the expenses incident to the performance of its obligations hereunder, including but not limited to: (i) the cost of printing and distribution of the Official Statement in reasonable quantities and all other documents (other than as set forth in the next succeeding paragraph) prepared in connection with the transactions contemplated hereby, including distribution costs and all mailing, including overnight and express delivery, costs; (ii) the fees and disbursements

of the Trustee in connection with the execution and delivery of the Bonds; (iii) the fees and disbursements of Bond Counsel, Disclosure Counsel, Wulff, Hansen & Co., as Municipal Advisor to the City, and any other experts or consultants retained by the City in connection with the transactions contemplated hereby; and (vi) expenses incurred on behalf of the City's employees which are incidental to the issuance of the Bonds, including, but not limited to, meals, transportation, and lodging.

(b) The Underwriter shall pay, which shall be included in the expense component of the Underwriter's discount: (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the fees and expenses of Underwriter's Counsel, including their fees in connection with the qualification of the Bonds for sale under the Blue Sky or other securities laws and regulations of various jurisdictions; (iii) California Debt and Investment Advisory Commission fees; and (iv) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, including CUSIP fees.

8. Notices.

(a) *Underwriter.* Any such notice or other communication to be given to the Underwriter may be given by delivering the same to the Underwriter, BofA Securities, Inc., 555 California Street, Suite 1160, San Francisco, CA 94104, Attention: Ms. Holly Vocal, Director.

(b) *City.* Any notice or communication to be given the City under the Purchase Agreement may be given by delivering the same to the City of La Habra, 110 East La Habra Boulevard, La Habra, CA 90631, Attention: City Manager.

All notices or communications hereunder by any party shall be given and served upon each other party.

9. Parties in Interest; Force and Effect. The Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof.

All representations, warranties and agreements of the City or the Underwriter pursuant to the Purchase Agreement, shall remain operative and in full force and effect regardless of (i) any investigation made by or on behalf of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to the Purchase Agreement; or (iii) termination of the Purchase Agreement but only to the extent provided by the last paragraph of Paragraph 6 hereof, regarding preconditions of Closing.

10. Counterparts. The 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.

11. Governing Law. The Purchase Agreement shall be governed by the laws of the State of California.

12. Entire Agreement. The Purchase Agreement when accepted by you in writing as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the City and the Underwriter (including the successors or assigns thereof). No other person shall acquire or have any right hereunder or by virtue hereof.

13. Headings. The headings of the paragraphs of the Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

14. Unenforceable Provisions. If any provision of the Purchase Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperable or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of the Purchase Agreement invalid, inoperative or unenforceable to any extent whatsoever.

15. Role of Underwriter. The City acknowledges and agrees that: (i) the Underwriter is not acting as a municipal advisor within the meaning of Section 15B of the Securities Exchange Act, as amended, (ii) the primary role of the Underwriter, as an underwriter, is to purchase securities, for resale to investors, in an arm's length commercial transaction between the City and the Underwriter and the Underwriter has financial and other interests that differ from those of the City; (iii) the Underwriter is acting solely as a principal and is not acting as a municipal advisor, financial advisor or fiduciary to the City and has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Purchase Agreement; and (v) the City has consulted its own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

16. Effectiveness. The Purchase Agreement shall become effective upon the execution of the acceptance hereof by the Finance Director of the City or his or her designee and shall be valid and enforceable at the time of such acceptance and acknowledgment.

BOFA SECURITIES, INC., as Underwriter

By _____
Title _____

Accepted:

CITY OF LA HABRA

By _____
City Manager

Time of Execution: _____

EXHIBIT A

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

[Closing Date]

BofA Securities, Inc.
555 California Street, Suite 1160
San Francisco, CA 94104

\$ _____
City of La Habra
(Orange County, California)
Pension Obligation Bonds, Series 2021
(Federally Taxable)
(Supplemental Opinion)

Ladies and Gentlemen:

This opinion is addressed to you, as underwriter, pursuant to Section 6(f)(2) of the Purchase Agreement, dated December 14, 2021 (the "Purchase Agreement"), between BofA Securities, Inc.(the "Underwriter") and the City of La Habra (the "City"), providing for the purchase of \$ _____ aggregate principal amount of the City of La Habra (Orange County, California) Pension Obligation Bonds, Series 2021 (Federally Taxable) (the "Bonds"). The Bonds are being issued by the City under the provisions of Articles 10 and 11 (commencing with section 53570) of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Bond Law"), and a Trust Agreement, dated as of December 1, 2021 (the "Trust Agreement"), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Trust Agreement, and if not defined in the Trust Agreement, in the Purchase Agreement.

In addition to the opinions set forth in our final legal opinion (the "Bond Opinion") concerning the validity of the Bonds and certain other matters, dated the date hereof and addressed to the City, and based on and subject to the matters referred to in such Bond Opinion (which are hereby incorporated herein by reference), and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:

1. The Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. The Purchase Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, constitute the legal, valid and binding agreements of the City, enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting generally the enforcement of creditors' rights and except as their enforcement may be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases if equitable remedies are sought and by the limitations on legal remedies against public agencies in the State.

3. The information contained in the Official Statement on the cover and under the captions "THE BONDS" (excluding any information relating to DTC and its book-entry system), "SECURITY FOR THE BONDS," "VALIDATION," "TAX MATTERS," APPENDIX A—SUMMARY OF CERTAIN PROVISIONS OF THE TRUST AGREEMENT, APPENDIX E—FORM OF CONTINUING DISCLOSURE CERTIFICATE and APPENDIX G—FORM OF BOND COUNSEL OPINION, to the extent they purport to summarize certain provisions of the Bonds, the Trust Agreement, the Continuing Disclosure Certificate, the Default Judgment and the form and content of Bond Counsel's approving opinion with respect to the treatment of interest on the Bonds under State or federal law, are accurate in all material respects.

This letter is delivered to and for the sole benefit of the above addressees, is issued for the sole purpose of the transaction specifically referred to herein, and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. The provision of this opinion to you shall not create any attorney-client relationship between our firm and the Underwriter. This opinion may not be relied upon by any other person, firm, corporation or other entity without our prior written consent, and we have no obligation to update this opinion.

EXHIBIT B

MATURITIES, RATES, YIELDS, PRICES AND REDEMPTION PROVISIONS

\$ _____
CITY OF LA HABRA
(Orange County, California)
Pension Obligation Bonds, Series 2021
(Federally Taxable)

MATURITY SCHEDULE

<u>Maturity (November 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
----------------------------------	-----------------------------	--------------------------	--------------	--------------

T Term Maturity

Optional Redemption. The Bonds maturing on or before November 1, _____, are not subject to optional redemption prior to their respective stated maturities. The Bonds maturing on and after November 1, _____, are subject to optional redemption from any source of available funds of the City, prior to their respective maturities, in whole or in part among maturities as specified by the City, and by lot within a maturity, on any date on or after November 1, _____, upon at least forty-five (45) days prior written notice to the Trustee from the City, at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds maturing on November 1, _____, are also subject to mandatory sinking fund redemption on November 1 in the years, and in the amounts, as set forth in the following table, at a redemption price equal to one hundred percent (100%) of the principal amount thereof to be redeemed (without premium), together with interest accrued thereon to the date fixed for redemption:

Sinking Fund Redemption Date (November 1)	Principal Amount to be Redeemed
_____	_____

†Maturity