REQUEST FOR PROPOSALS (RFP)
FOR
Underwriting Services
Taxable Pension Obligation Bonds

Angelina Garcia
Director of Finance
CITY OF PICO RIVERA
Finance Department
6615 Passons Boulevard
Pico Rivera, CA 90660

February 2022
RFP for Underwriting Services

Introduction

The City of Pico Rivera (the City) is currently accepting proposals from interested underwriting firms in connection with the potential issuance of Pension Obligation Bonds (POBs) to address its unfunded accrued liability (UAL).

As of the most recent Actuarial Valuation as of June 30, 2020, the City’s Unfunded Accrued Liability (UAL) for the Miscellaneous Plan was approximately $42.9 million (roughly 64.7% funded). The City is expected to receive a net credit of approximately $9.6 million for FY21, which is expected to reduce the total UAL to approximately $33 million.

Working with UFI, the City is currently evaluating pension funding strategies, including POBs. The City intends to make a potential recommendation regarding the issuance and structure of POBs to the City Council in the second quarter of 2022. The City is considering the issuance of POBs to fund the full amount of its current UAL. Urban Futures, Inc. (UFI) is serving as Municipal Advisor to the City, Stradling is serving as Bond Counsel, and Nixon Peabody is serving as Disclosure Counsel.

If your firm is interested in responding to this RFP, please read the RFP carefully and fully respond to each question.

1. Overview of City

The City of Pico Rivera is located approximately 11 miles southeast of downtown Los Angeles, on the eastern edge of the Los Angeles Basin, and on the southern edge of the San Gabriel Valley. The City encompasses approximately 8.8 square miles and is located near major highways — Interstate 605 (San Gabriel Freeway), Interstate 5 (Santa Ana Freeway) and Interstate 60 (Pomona Freeway). The City was incorporated in 1958.

A link to the City’s 2021 Annual Comprehensive Financial Report can be found here:


2. Schedule of Events

Anticipated Schedule:

<table>
<thead>
<tr>
<th>ACTION</th>
<th>DATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability of Request for Proposal</td>
<td>February 4</td>
</tr>
<tr>
<td>Proposal Submission Deadline</td>
<td>February 18 at 5:00PM</td>
</tr>
<tr>
<td>Staff Review of Proposals</td>
<td>Week of February 21</td>
</tr>
<tr>
<td>Interview(s) with Top Ranked Underwriters</td>
<td>February 24</td>
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<tr>
<td>Underwriter Selection</td>
<td>February 28</td>
</tr>
<tr>
<td>Council Award (If Applicable)</td>
<td>March 8</td>
</tr>
<tr>
<td>Notice to Proceed</td>
<td>March 9</td>
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</table>
3. Instructions to Proposers

Proposers are to read and understand all of the information contained in this Request for Proposals (RFP). The City's Project Manager for this project is Angelina Garcia, Director of Finance.

Questions Regarding the RFP

Questions regarding the RFP should be directed to the following three individuals (together referred to herein as the “City Contacts”): Angelina Garcia, Director of Finance at the City, and Michael Busch and Branden Kfoury of Urban Futures, Inc., the City’s Municipal Advisor at the following email addresses: AngelinaG@Pico-Rivera.org; Michaelb@urbanfuturesinc.com; and brandenk@urbanfuturesinc.com. Proposers may not contact any other City staff members or City Council members with questions. You are requested to limit your questions to matters relating to this proposal process and financing needs of the City. Proposers should not contact Council members during the selection process regarding this RFP or your proposal.

Proposers must notify the City Contacts of any ambiguity, inconsistency, or error they may find. All questions about the RFP must be submitted via email to the City Contacts by the deadline for submittal of Proposals set forth above. Any changes or corrections to the original RFP or any other information that will affect the proposed financing will be disseminated via email by one of the City Contacts.

General Requirements

The proposal shall address all the items outlined in this Request for Proposal. If a proposer is not able to comply with any requirements of the Request for Proposal, it is the obligation of the Proposer to notify the City Contacts in writing. Failure to comply with these instructions may render the proposal non-responsive.

The City reserves the right to reject any or all submittals and to waive irregularities in any submittal if that is determined to be in the best interest of the City. The City may request additional information from any of the firms submitting proposals. The City shall not be responsible for the cost of preparing a proposal.

Proposals should be addressed to: Angelina Garcia, Director of Finance, and should be submitted electronically no later than 5:00 p.m. (Pacific Time), on February 18, 2022 to the City Contacts at the following email addresses: AngelinaG@Pico-Rivera.org; Michaelb@urbanfuturesinc.com; and brandenk@urbanfuturesinc.com.

4. Scope of Services

The scope of services to be provided by the successful proposer or proposers is expected to include, but not be limited to, the following:

1. Providing review and comment on all documents related to the financing.

2. Identifying, evaluating, and explaining the benefits and risks of alternative financing structures.

3. Optimizing the overall debt structure while maintaining future flexibility.

4. Working with rating agency(s) to seek the highest possible credit rating(s) for the proposed bonds.
5. Assisting the financing team to assess the benefits of credit enhancement for the bonds.

6. Advising the financing team regarding the timing, sizing and structure of the bond issue.

7. Developing a marketing plan which will result in the most favorable terms for the bonds.

8. Marketing the bonds in a manner designed to achieve the lowest possible borrowing cost.

9. Selling the bonds directly to investors to ensure the lowest cost of borrowing.


11. Preparing a post-sale analysis, including, but not limited to, information on placement of the bonds, market conditions at the time of sale, orders, designations, allocations and results of comparable sales.

In addition, the City expects the Underwriter, as part of their responsibilities to investors under the Federal securities laws, to conduct such review as is necessary to attain a reasonable basis for belief in the accuracy and completeness of the key representations in the Official Statement.

5. Proposal Requirements

In developing a response to this request for proposals, proposers should be concise, limiting their response to the specific questions and requirements set forth herein. The proposal shall be limited to 15 pages using a minimum 11-point font size (excluding a maximum two-page cover letter, requested transaction lists, required attachments and regulatory questions). As an aid to evaluation, the proposal should respond to each question or requirement in consecutive order, as follows:

A. Cover Letter - Each response should include a cover letter no longer than two pages.

B. Firm Information

1. Provide a brief description of your firm and its relevant experience with Pension Obligation Bonds and other relevant taxable financings.

2. Describe your firm’s experience with CalPERS Pension Obligation Bonds since January 1, 2017.
   a. Provide a list, in tabular form with a grand total, of all CalPERS Pension Obligation Bond transactions in which the firm has served as senior manager since January 2017, specifically identifying staff members involved and their roles.

C. Qualifications and Experience of Assigned Personnel

1. List the individuals who would work on the proposed financing, including the day-to-day project manager and back-up project manager. Include a brief biography of each individual that specifically addresses their experience relevant to the City’s proposed financing and identify the responsibilities that he or she will be assigned for this engagement. Indicate how you will ensure the accessibility of key personnel to the City during this engagement.

2. Provide the name, address and telephone number of three taxable bond issuer references for whom the proposed project manager and the back-up project manager have carried out similar responsibilities to those contemplated under this RFP.
D. Proposed 2022 Pension Obligation Bonds

1. It is the City’s current expectation to issue taxable pension obligation bonds in 2022. Describe how your firm would structure the 2022 POBs on a traditional fixed rate basis assuming a UAL of $33 million. Please provide the coupons on a maturity-by-maturity basis (as well as the overall TIC) assuming a closing of 6/1/2022. Identify spreads to Treasuries on a maturity-by-maturity basis. Please provide comparable pricing information that supports your proposed spreads to Treasuries. Also, please include a Sources and Uses of Funds with a detailed breakout of all cost assumptions.

2. Given current market conditions, please recommend the optimal POB structure, including any structuring ideas that may be appropriate for funding the UAL. Please discuss any specific structuring considerations that may pertain to POBs in general. In your discussion of any alternative financing ideas that the City should consider, please be clear as to the risks and/or considerations involved with the potential structure.

3. The City has no outstanding POBs. Its current appropriations credit rating is AA-. Please discuss your credit strategy and any effect you believe the proposed POBs will have on the City’s credit.

4. Please discuss the investors you would target for the City’s POBs. Briefly discuss your firm’s marketing strategy for placing the City’s POBs, including whether or not you would use a formal investor relations program and/or internet roadshow. Describe any challenges in the marketing of POBs by a California municipality in the current market.

5. In what circumstances, if any, would you recommend a private placement of POBs rather than a public offering? What would be the pros and cons of such a strategy?

E. Cost Proposal

1. Provide an estimate of your total, not to exceed, underwriting costs associated with serving as sole manager to the City on an approximate $34 million issue of fixed rate POBs. Please note that any payment to the underwriter is contingent on the closing of the bonds. In your response, please specifically include:
   a. Proposed takedown on a maturity-by-maturity basis.
   b. Management Fee, if any.
   c. Expenses (Clearly identify expense estimates.)
   d. Underwriter’s Counsel. Please identify three firms that you would propose to serve as underwriter’s counsel, along with the primary counsel for each firm.

F. Form Bond Purchase Agreement

1. Proposer should review the City’s form Bond Purchase Agreement included in Appendix C and note any exceptions taken to it in its proposal.

G. Regulatory/Compliance

Responses to this section will not count against the 15-page limit.
1. Within the past 36 months, has your firm and/or any of its principals been the subject of any investigation relating to the municipal securities industry by the SEC, NASD, NYSE, or any other State or Federal organization that oversees, regulates, licenses or is otherwise responsible for the municipal securities industry?

2. Within the past 36 months, has your firm and/or any of its principals been involved in any litigation, arbitration, disciplinary or other actions arising from the firm’s underwriting, management or handling of municipal securities?

3. Does there exist any relationship between your firm and any other non-affiliated firm(s) or individuals involving any compensation arrangement that may be associated with your possible engagement to assist with the City’s proposed debt issue?

4. In addition, interested bidders must include the following declaration immediately before the proposer’s signature on the proposal:

   “This proposal is genuine, and not a sham or collusive, nor made in the interest or in behalf of any person not herein named; the proposer has not directly or indirectly induced or solicited any other proposer to submit a sham bid, or any other person, firm or corporation to refrain from submitting a proposal; and the proposer has not in any manner sought by collusion to secure for themselves an advantage over any other proposer.”

H. Required Forms/Proof of Insurance

1. Proposers are requested to submit proof of liability insurance as an attachment to the Proposal.

2. The following forms must be signed and returned with your proposal:
   a. Non-Collusion Affidavit (Appendix A)
   b. Certification of Proposal (Appendix B)

6. Evaluation Criteria

The City expects to evaluate the written proposals based on evaluation criteria listed below. Top-ranking proposers may be invited to participate in an oral interview.

   a. Proposal Submission:                      (20 possible points)
      • Quality of the proposal.
      • Adherence to the requirements.
   
   b. Qualifications of Firm/Personnel:         (35 possible points)
      • Experience of the firm on similar financings in California and nationally
      • Relevant qualifications of key personnel assigned to this financing
      • References
      • Verifiable record of past successes

   c. Analytical/Marketing Approach             (35 possible points)
      • Understanding of the City’s financing objectives
      • Structuring ideas/analysis
      • Distribution capabilities
      • Ability to structure and market the bonds in a manner that will result in the lowest possible cost of capital.
      • Accessibility of key personnel to City staff during the engagement.
d. Pricing (10 possible points)

7. Interviews
Those firms considered most qualified to provide the desired services based on an evaluation of the written proposals may be invited for an interview. Only those individuals who will be involved with this project throughout its duration should be present at the interview.

8. Award to Proposer
Following evaluation and rating by the Finance Director, the City Manager will recommend award to the most qualified proposer providing the best value to the City. The term of the contract will begin after contract award and all required supplemental paperwork, insurance documents, etc. have been received and approved.

9. General Conditions
ADDENDA. Should it be necessary for the City to issue addenda to this RFP during the proposal period, the City will endeavor to notify the known holders of this RFP by email. The addenda will be emailed to all known recipients of this RFP. If any interested person has received the RFP and wishes to receive addenda issued by the City, they should provide their contact information to the City Contacts in an email requesting such addenda not later than two (2) business days prior to the deadline for submittal of Proposals. Proposal should include a notation that the Proposer is aware of all of the addenda which have been issued and has incorporated their provisions in their proposal. Proposers are responsible for insuring that they have obtained all addenda.

ADDITIONAL INFORMATION. The City reserves the right, to request additional information or clarifications from Proposers where it may serve the City’s best interest.

ADDITIONAL SERVICES. The Scope of Work describes the minimum work to be accomplished. Upon final selection of the firm, the Scope of Work may be modified and refined during negotiations with the City.

AUTHORIZED SIGNATURES. Every proposal must be signed by the person or persons legally authorized to bind the Proposer to a contract for the execution of the work. Upon request of the City, any agent submitting a proposal on behalf of a Proposer shall provide a current power of attorney certifying the agent’s authority to bind the Proposer. If an individual makes the proposal, his or her name, signature, and post office address must be shown. If a firm or partnership makes the proposal, the name and post office address of the firm or partnership and the signature of at least one of the general partners must be shown. If a corporation prepares the proposal, the proposal shall show the name of the state under the laws of which the corporation is chartered, the name and post office address of the corporation and the title of the person signing on behalf of the corporation. Upon request of the City, the corporation shall provide a certified copy of the bylaws or resolution of the board of directors showing the authority of the officer signing the proposal to execute contracts on behalf of the corporation.
AWARD OF PROPOSAL. The City reserves the right to negotiate final terms with the selected Proposer, if any. Award may be made to the Proposer offering the most advantageous proposal after consideration of all Evaluation Criteria.

COMPLIANCE WITH LAWS. All proposals shall comply with current federal, state, and other laws relative thereto.

CANCELLATION OF SOLICITATION. The City may cancel this solicitation at any time.

CONFLICT OF INTEREST. By signing the Certification of Proposal (Appendix B), the Proposer declares and warrants that no elected or appointed official, officer or employee of the City has been or shall be compensated, directly or indirectly, in connection with this proposal or any work connected with this proposal. Should any agreement be approved in connection with this Request for Proposals, Proposer declares and warrants that no elected or appointed official, officer or employee of the City, during the term of his/her service with the City shall have any direct interest in that agreement, or obtain any present, anticipated or future material benefit arising therefrom.

COSTS. Costs of developing the proposals, or any other such expenses incurred by the Proposer in responding to this RFP, are entirely the responsibility of the Proposer, and shall not be reimbursed in any manner by the City.

DISQUALIFICATION OF PROPOSER. If there is reason to believe that collusion exists among the Proposers, the City may refuse to consider proposals from participants in such collusion. No person, firm, or corporation under the same or different name, shall make, file, or be interested in more than one proposal for the same work unless alternate proposals are called for. Reasonable grounds for believing that any Proposer is interested in more than one Proposal for the same work will cause the rejection of all Proposals for the work in which a Proposer is interested. Proposers shall submit as part of their Proposal documents the completed Non-Collusion Affidavit (Appendix A).

DOCUMENTS, EXAMINATION OF. It is the responsibility of the Proposer to carefully and thoroughly examine and be familiar with these RFP documents, general conditions, all forms, specifications, drawings, plans, and addenda (if any). Proposer shall satisfy him/herself as to the character, quantity, and quality of work to be performed and materials, labor, supervision, necessary to perform the work as specified by these documents. The failure or neglect of the Proposer to examine documents shall in no way relieve him/herself from any obligations with respect to the solicitation. The submission of a proposal shall constitute an acknowledgment upon which the City may rely that the Proposer has thoroughly examined and is familiar with the RFP documents. The failure or neglect of a Proposer to receive or examine any of the documents shall in no way relieve him from any obligations with respect to the proposal. No claim will be allowed for additional compensation that is based upon a lack of knowledge of any solicitation document.

INTERPRETATION OF RFP DOCUMENTS. The City reserves the right to make corrections or clarifications of the information provided in this RFP. If any person is in doubt as to the true meaning of any part of the specifications or other RFP documents, or finds discrepancies or omissions in the specifications, he may submit to the City a written request for an interpretation or correction.

Oral statement(s), interpretations or clarifications concerning meaning or intent of the contents of this RFP by any person are unauthorized and invalid. Modifications to the RFP, including, but not limited to the scope of work, can be made only by written addendum issued by the City. The contact
person for all questions regarding this RFP is Angelina Garcia, Director of Finance. She can be reached via e-mail at angelinag@pico-rivera.org. Proposers may not contact any other City staff members or City Council members with questions.

The requesting party is responsible for prompt delivery of any requests. When the City considers interpretations necessary, interpretations will be in the form of an addendum to the RFP documents, and when issued, will be sent as promptly as is practical to all parties recorded by the City as having received RFP documents. All such addenda shall become a part of the RFP document. It is the responsibility of each Proposer to ensure the City has their correct business name, mailing address and e-mail address on file. Any prospective Proposer who obtained a set of RFP documents is responsible for advising the City that they have a set of RFP documents and wish to receive subsequent Addenda.

IRREGULARITIES. The City reserves the right to waive non-material irregularities if such would be in the best interest of the City as determined by the City Manager.

NON-DISCRIMINATION. Proposer represents and warrants that it does not and will not discriminate against any employee or applicant for employment because of race, religion, gender, color, national origin, sexual orientation, ancestry, marital status, physical condition, pregnancy or pregnancy related conditions, political affiliation or opinion, age or medical condition.

OFFERS OF MORE THAN ONE PRICE. Proposers are NOT allowed to submit more than one proposal.

OWNERSHIP. All data, documents and other products used or developed during the RFP process become the property of the City upon submission.

NO OBLIGATION. The release of this RFP does not obligate or compel the City to enter into a contract or agreement.

PROPOSAL, REJECTION OF. The City reserves the right to reject any or all proposals or any part of a proposal. The City reserves the right to reject the proposal of any Proposer who previously failed to perform adequately for the City or any other governmental agency. The City expressly reserves the right to reject the Proposal of any Proposer who is in default on the payment of taxes, licenses or other monies due the City.

PROPRIETARY INFORMATION. All bid proposals and documents submitted in response to this RFP shall become the property of the City and a matter of public record pursuant to Government Code sections 6250 et seq. Proposals should not be marked as confidential or proprietary, and City may refuse to consider a proposal so marked. All Information contained within the proposals will become a matter of public record. It is the responsibility of each bidder to clearly identify any and all information contained within their bid proposal that it considers to be confidential and/or proprietary. To the extent that the City agrees with that designation, such information will be held in confidence whenever possible. All other information will be considered public. In the event that a demand for disclosure of information designated as "confidential and/or proprietary" by a bidder is made, the City will notify the bidder in writing of such demand and shall furnish a copy of the City's written response to the requestor. Bidder may then pursue, at its sole cost and expense, any and all appropriate legal action necessary to maintain the confidentiality of such information.

NO PUBLIC BID PROPOSAL OPENING/PUBLIC RECORDS ACT. Bid proposals shall be opened and their contents secured by City staff to prevent disclosure during the evaluative process and
the process of negotiating with competing Proposers. Adequate precautions shall be taken to treat each Proposer fairly and to insure that information gleaned from competing proposals is not disclosed to other Proposers. Prices and other information concerning the proposals shall not be disclosed until a recommendation for award is made to the awarding authority.

REPRESENTATIONS. Proposer understands and acknowledges that the representations made in their submitted proposal are material and important, and will be relied on by the City in evaluation of the proposal. Proposer misrepresentation shall be treated as fraudulent concealment from the City of the facts relating to the proposal.

RFP PART OF AGREEMENT. Should an agreement be awarded, this Request for Proposal and Scope of Services and all conditions may become part of the agreement between the City of Pico Rivera and the successful Proposer.

SEVERABILITY. If any provisions or portion of any provision, of this Request for Proposals are held invalid, illegal or unenforceable, they shall be severed from the Request for Proposals and the remaining provisions shall be valid and enforceable.

VALIDITY. Proposal must be valid for a period of 90 days from the due date.

WITHDRAWAL OF PROPOSAL. Proposers’ authorized representative may withdraw Proposals only by written request received by the City before the Proposal Submittal Deadline.

ATTACHMENTS:
  1) Appendix A: Non-Collusion Affidavit
  2) Appendix B: Certification of Proposal
  3) Appendix C: City’s Form Bond Purchase Agreement
APPENDIX A

NON-COLLUSION AFFIDAVIT

The undersigned declares states and certifies that:

1. This Proposal is not made in the interest of, or on behalf of any undisclosed person, partnership, company, association, organization or corporation. This Proposal is genuine and not collusive or sham.

2. I have not directly or indirectly induced or solicited any other Proposer to put in a false or sham proposal and I have not directly or indirectly colluded, conspired, connived, or agreed with any other Proposer or anyone else to put in sham proposal or to refrain from submitting to this RFP.

3. I have not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the proposal price or to fix any overhead, profit or cost element of the proposal price or to secure any advantage against the City of Pico Rivera or of anyone interested in the proposed financing.

4. All statements contained in the Proposal and related documents are true.

5. I have not directly or indirectly submitted the proposal price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay any fee to any person, corporation, partnership, company, association, organization, RFP depository, or to any member or agent thereof to effectuate a collusive or sham proposal.

6. I have not entered into any arrangement or agreement with any City of Pico Rivera public officer in connection with this proposal.

7. I understand collusive bidding is a violation of State and Federal law and can result in fines, prison sentences, and civil damage awards.

________________________________________
Signature of Authorized Representative

_____________________________  ______________________________
Name of Authorized Representative        Title of Authorized Representative
APPENDIX B
CERTIFICATION OF PROPOSAL

The undersigned hereby submits its proposal and agrees to be bound by the terms and conditions of this Request for Proposal (RFP).

1) Proposer declares and warrants that no elected or appointed official, officer or employee of the City has been or shall be compensated, directly or indirectly, in connection with this proposal or any work connected with this proposal. Should any agreement be approved in connection with this Request for Proposal, Proposer declares and warrants that no elected or appointed official, officer or employee of the City, during the term of his/her service with the City shall have any direct interest in that agreement, or obtain any present, anticipated or future material benefit arising therefrom.

2) Proposer has carefully reviewed its proposal and understands and agrees that the City is not responsible for any errors or omissions on the part of the Proposer and that the Proposer is responsible for them.

3) It is understood and agreed that the City reserves the right to accept or reject any or all proposals and to waive any informality or irregularity in any proposal received by the City.

4) The proposal response includes all of the responses and information required by the Request for Proposal

Name of Proposer:

By: ________________________________
       (Authorized Signature)

Type Name: __________________________
Title: ______________________________

Date: ________________________________
APPENDIX C

CITY’S FORM BOND PURCHASE AGREEMENT
$________
CITY OF PICO RIVERA
PENSION OBLIGATION BONDS, SERIES 2022
(FEDERALLY TAXABLE)

BOND PURCHASE AGREEMENT

___________ __, 2022

City of Pico Rivera
6615 Passons Boulevard
Pico Rivera, California 90660

Ladies and Gentlemen:

_________ (the “Underwriter”) offers to enter into this Bond Purchase Agreement (this “Purchase Agreement”) with the City of Pico Rivera, California (the “City”), which, upon the acceptance by the City, will be binding upon the City and the Underwriter. This offer is made subject to acceptance by the City by the execution of this Purchase Agreement and delivery of the same to the Underwriter prior to 11:59 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. Capitalized terms that are used herein and not otherwise defined shall have the meanings set forth in the Trust Agreement (as such term is defined herein).

Section 1. Purchase and Sale. Upon the terms and conditions and on the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to issue, sell and deliver to the Underwriter all (but not less than all) of the City of Pico Rivera Pension Obligation Bonds, Series 2022 (Federally Taxable) (the “Bonds”) in the aggregate principal amount of $________. The Bonds shall be dated as of their date of delivery. Interest on the Bonds shall be payable semiannually on ____ 1 and ____ 1 in each year, commencing ________ 1, 20__ (each, an “Interest Payment Date”) and will bear interest at the rates and on the dates as set forth in Exhibit A. The purchase price for the Bonds shall be $________ (which represents the principal amount of the Bonds in the amount of $________, less an Underwriter’s discount of $_______).

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering yields set forth in the Official Statement (defined herein); however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds. The Underwriter agrees that, in connection with the public offering and initial delivery of the Bonds to the purchasers thereof from the Underwriter, the Underwriter will deliver or cause to be delivered to each purchaser a copy of the final Official Statement prepared in connection with the Bonds, for the time period required under Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”). Terms defined in the Preliminary Official Statement, and to be set forth in the final Official Statement are used herein as so defined.

The City acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the City and the
Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as a municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the City on other matters); (iv) the only obligations that the Underwriter has to the City with respect to the transaction that is 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, financial and other advisors, as applicable, to the extent that it has deemed appropriate.

Section 2. The Bonds. The Bonds are being issued pursuant to 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 “Refunding Law”) and the Trust Agreement, dated as of ________ 1, 2022 (the “Trust Agreement”), between the City and U.S. Bank Trust Company, National Association, as trustee (together with any successor as trustee under the Trust Agreement, the “Trustee”). The Bonds shall be obligations of the City payable from any lawfully available funds, shall not be limited as to payment to any special source of funds of the City and the payment thereof shall not be subject to appropriation. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The Bonds otherwise shall be as described in the Preliminary Official Statement and the Official Statement, the Refunding Law and the Legal Documents. The Underwriter’s agreement to purchase the Bonds from the City is made in reliance upon the City’s representations, covenants and warranties and on the terms and conditions set forth in this Purchase Agreement.

The City is obligated by the Public Employees’ Retirement Law, constituting Part 3 of Division 5 of Title 2 of the California Government Code (the “Retirement Law”), and the contract between the Board of Administration of the California Public Employees’ Retirement System (“PERS”), established under Government Code sections 20000 through 21500 of (the “Retirement Law”), and the City Council of the City, effective February 1, 1959 (as amended, the “PERS Contract”), to make contributions to PERS: (a) to fund pension benefits for its employees who are members of PERS; (b) to amortize the unfunded actuarial liability with respect to such pension benefits; and (c) to appropriate funds for the purposes described in clauses (a) and (b). The City participates in one retirement plan (with tiers within such plan) under the PERS Contract.

The proceeds of the Bonds will be used: (i) to refund the City’s obligations to PERS evidenced by the one retirement plan in which the City participates pursuant to the PERS Contract and representing the current unfunded accrued liability (the “Unfunded Liability”) with respect to certain pension benefits under the Retirement Law; and (ii) to pay certain costs associated with the issuance and delivery of the Bonds.

Section 3. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth on Exhibit A 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 Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.
Section 4. The Official Statement. By its acceptance of this Purchase Agreement, the City ratifies, confirms and approves of the use and distribution by the Underwriter prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated _________, 2022 (including the cover page, all appendices and all information incorporated therein and any supplements or amendments thereto and as disseminated in its printed physical form or in electronic form in all respects materially consistent with such physical form, the “Preliminary Official Statement”) that the City has deemed “final” as of its date, for purposes of Rule 15c2-12 except for certain omissions permitted to be omitted therefrom by Rule 15c2-12. The City hereby agrees to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof, copies of the final official statement, dated the date hereof, relating to the Bonds (including all information that was previously permitted to be omitted by Rule 15c2-12, the cover page, all appendices, all information incorporated therein and any amendments or supplements as have been approved by the City and the Underwriter (the “Official Statement”)) in such quantity as the Underwriter shall reasonably request to comply with Rule 15c2-12(b)(4) and the rules of the Municipal Securities Rulemaking Board (the “MSRB”). To the extent required by applicable MSRB Rules, the City hereby confirms that it does not object to distribution of the Official Statement in electronic form.

Section 5. Closing. At 8:00 a.m., California time, on __________, 2022, or at such other time or date as the City and the Underwriter mutually agree upon, the City shall deliver or cause to be delivered to the Trustee, and the Trustee shall deliver or cause to be delivered through the facilities of The Depository Trust Company, New York, New York (“DTC”), the Bonds in definitive form, duly executed and authenticated. Concurrently with the delivery of the Bonds, the City shall deliver the documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California (“Bond Counsel”), or another place to be mutually agreed upon by 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 wire transfer in immediately available funds. This payment for and delivery of the Bonds, together with the delivery of the aforementioned documents referenced herein, is called the “Closing.”

The Bonds shall be registered in the name of Cede & Co., as nominee of DTC in denominations of $5,000 and any integral multiple thereof as provided in the Trust Agreement, and shall be made available to the Underwriter at least one (1) business day before the Closing for purposes of inspection and packaging. The City acknowledges that the services of DTC will be used initially by the Underwriter to permit the issuance of the Bonds in book-entry form, and agrees to cooperate fully with the Underwriter in employing such services.

Section 6. Representations, Warranties and Covenants of the City. The City represents, warrants and covenants to the Underwriter as follows.

(a) The City is a general law city and municipal corporation of the State of California (the “State”), duly organized and validly existing pursuant to the Constitution and laws of the State.

(b) The City had full legal right, power and authority to adopt Resolution No. 7134, adopted by a majority of the City Council of the City (the “City Council”) on May 25, 2021 (the “Approving Resolution”) and Resolution No. ____ adopted by a majority of the City Council on ________, 2022 (the “Official Statement Resolution” and, together with the Approving Resolution, the “Resolutions”), and the City has, and upon the Closing will have, full legal right, power and authority: (i) to execute and deliver the Trust Agreement, the Continuing Disclosure
Certificate relating to the Bonds (the “Continuing Disclosure Certificate”) and this Purchase Agreement (collectively, the “Legal Documents”), and to perform its obligations under the Legal Documents, and has by official action 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; (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Legal Documents and the Resolutions.

(c) The City Council has duly and validly adopted the Resolutions at meetings of the City Council that were duly noticed and held and at each which a quorum was present, and the Resolutions have not been modified or amended and are in full force and effect; and the City Council has duly approved the execution and delivery of the Bonds and the other Legal Documents and the performance by the City of its obligations contained therein, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by each of said documents.

(d) The Bonds and the other Legal Documents will be duly executed and delivered by the City on or before the date of the Closing, and the Bonds, when authenticated and delivered to the Underwriter in accordance with the Trust Agreement, and the other Legal Documents will constitute legally valid and binding obligations, enforceable against the City in accordance with their respective terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally.

(e) The City is, and on the date of the Closing will be, in compliance, in all respects, with the Legal Documents.

(f) The City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, and 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, in each case which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents.

(g) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the City that has not been obtained is or will be required for the issuance and delivery of the Bonds or the consummation by the City of the other transactions contemplated by the Trust Agreement.

(h) The adoption of the Resolutions and the execution and delivery by the City of the Legal Documents and the approval by the City of the Official Statement and compliance with the provisions on the City’s part contained in the Legal Documents, will not conflict with, or result in a violation or breach of, or constitute a default under, any law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which conflict, breach or default has or may have a material adverse effect on the ability of the City to carry out its obligations under the Legal Documents, nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any material lien, charge or other security interest or encumbrance of any
nature whatsoever upon any of the properties or assets of City under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, trust agreement, bond, note, resolution, agreement or other instrument, except as provided by the Legal Documents.

(i) Prior to the date hereof, the City has provided to the Underwriter for its review the Preliminary Official Statement, which the City has deemed final for purposes of Rule 15c2-12, has approved the distribution of the Preliminary Official Statement and the Official Statement and has duly authorized the execution and delivery of the Official Statement (including in electronic form). The Preliminary Official Statement, at the date thereof, and as of the date hereof, did not and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading. As of the date hereof and on the Closing, the Official Statement did not and will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein (other than the information relating to DTC and its book-entry system, as to which no view is expressed), in light of the circumstances under which they were made, not misleading.

(j) The City 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 first consulting with the Underwriter. The City 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.

(k) The financial statements relating to the receipts, expenditures and cash balances of the City as of June 30, 2021 as set forth in the Preliminary Official Statement and in the Official Statement fairly represent the financial position and results of operations of the City as of the dates and for the periods therein set forth in accordance with generally accepted accounting principles. Except as disclosed in the Preliminary Official Statement or the Official Statement or as otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial position and results of operations of the City or in its operations since June 30, 2021 and, except as disclosed in the Preliminary Official Statement or the Official Statement or as otherwise disclosed in writing to the Underwriter, there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

(l) As of the time of acceptance hereof and as of the date of the Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the knowledge of the City, threatened: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Legal Documents or the consummation of the transactions contemplated thereby or contesting the power of the City to enter into the Legal Documents; (iii) which may result in any material adverse change to the financial condition of the City or to its ability to make payment of principal or redemption price of and interest on the Bonds when due; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the 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 clause (i) through (iv) of this sentence.

(m) To the extent required by law, the City will undertake, pursuant to the Continuing Disclosure Certificate, to provide annual reports and notices of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. Except as otherwise disclosed in the Preliminary Official Statement, the City has not failed to comply in all material respects with any previous undertakings with regard to Rule 15c2-12 to provide annual reports or notices of enumerated events in the past five years and, the City has been in material compliance during the past five years with its continuing disclosure obligations in accordance with Rule 15c2-12.

(n) Any certificate that is signed by any officer of the City who is authorized to execute such certificate in connection with the issuance, sale and delivery of the Bonds and delivered to the Underwriter shall be deemed a representation and warranty of the City to the Underwriter as to the statements made therein but not of the person signing such certificate.

(o) The City will promptly apply the proceeds of the Bonds to refund the Unfunded Liability as of the date of issuance of the Bonds and to pay costs associated with the issuance and delivery of the Bonds.

(p) During the period from the date hereof until the Closing, the City agrees to furnish the Underwriter with copies of any documents that it files with any regulatory authority which are reasonably requested by the Underwriter.

(q) The City is not in material default, nor has the City been in material default at any time, as to the payment of principal or interest with respect to a material obligation issued by the City or with respect to a material obligation guaranteed by the City as guarantor.

(r) As of the date hereof, the City does not have any revenue bonds, capital lease obligations, installment payment obligations or other material financial obligations, nor other material obligations secured by payments from the general fund of the City, except as disclosed in the Preliminary Official Statement and the Official Statement.

(s) The default judgment dated September 23, 2021 entered in favor of the City in connection with City of Pico Rivera v. All Persons Interested, etc. was duly entered, the appeal period has run without any appeal having been filed, and the default judgment is in full force and effect.

(t) The City had, prior to the adoption of the Approving Resolution, and has, in full force and effect, a Debt Management Policy that complies with Government Code Section 8855(i).

Section 7. Conditions to the Obligations of the Underwriter. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and warranties of the City contained herein. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the date of the Closing shall be subject, at the option of the Underwriter, to the accuracy in all respects of the statements of the officers and other officials of the City, as well as authorized
representatives of the City Attorney, Bond Counsel, Disclosure Counsel and the Trustee made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the City of its obligations to be performed hereunder at or prior to the date of the Closing, and to the following additional conditions:

(a) The representations, warranties and covenants of the City 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) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Legal Documents, the Preliminary Official Statement and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and all such reasonable actions as, in the opinion of Bond Counsel, are reasonably deemed necessary in connection with the transactions contemplated hereby, shall have been done and taken;

(c) At the time of the Closing, no default shall have occurred or be existing under the Legal Documents, or any other agreement or document pursuant to which any of the City’s financial obligations were executed and delivered, and the City shall not be in default in the payment of principal or interest with respect to any of its financial obligations, which default would result in any material adverse change to the financial condition of the City or adversely impact its ability to make payments of the principal or redemption price of and interest on the Bonds when due;

(d) In recognition of the desire of the City and the Underwriter to effect a successful public offering of the Bonds, and in view of the potential adverse impact of any of the following events on such a public offering, this Purchase Agreement shall be subject to termination in the absolute discretion of the Underwriter by notification, in writing, to the City prior to delivery of and payment for the Bonds, if at any time prior to such time:

(i) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is materially adverse such as to make it, in the sole judgment of the Underwriter, impractical to proceed with the purchase or delivery of the Bonds as contemplated by the Official Statement (exclusive of any amendment or supplement thereto); or

(ii) a general banking moratorium shall have been declared by federal, State or New York authorities, or the general suspension of trading on any national securities exchange; or

(iii) any event shall occur which makes untrue any statement or results in an omission to state a material fact necessary to make the statements in the Preliminary Official Statement and the Official Statement, in the light of the circumstances under which they were made, not misleading, which event, in the reasonable opinion of the Underwriter would materially or adversely affect the ability of the Underwriter to market the Bonds; or

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

(v) the marketability of the Bonds or the market price thereof, in the reasonable opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America 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 of America, 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 of America, the Treasury Department of the United States of America, 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 of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration; or

(vi) an order, decree or injunction shall have been issued by any court of competent jurisdiction, or order, ruling, regulation (final, temporary or proposed), official statement or other form of notice or communication issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that: (i) obligations of the general character of the Bonds, or 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 Indenture Act of 1939; or (ii) the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect; or

(vii) legislation shall be introduced, by amendment or otherwise, or be enacted by the House of Representatives or the Senate of the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement, is or would be in violation of any provision of the Securities Act of 1933, as amended and as then in effect, or the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect, or with the purpose or effect of otherwise prohibiting the issuance, offering or sale of the Bonds or obligations of the general character of the Bonds, as contemplated hereby or by the Preliminary Official Statement and the Official Statement; or

(viii) 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, in the Underwriter’s reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or
(ix) the New York Stock Exchange, or other national securities exchange or association or any governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of broker dealers; or

(x) trading in securities on the New York Stock Exchange or the American Stock Exchange shall have been suspended or limited or minimum prices have been established on either such exchange which, in the Underwriter’s reasonable opinion, materially adversely affects the marketability or market price of the Bonds; or

(xi) any rating of the Bonds or the rating of any general fund obligations of the City shall have been downgraded or withdrawn by a national rating service, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(xii) any action shall have been taken by any government in respect of its monetary affairs which, in the reasonable opinion of the Underwriter, has a material adverse effect on the United States securities market, rendering the marketing and sale of the Bonds, or enforcement of sale contracts with respect thereto impracticable; or

(xiii) the commencement of any action, suit or proceeding described in Section 6(l).

(e) at or prior to the Closing, the Underwriter shall receive or have received the following documents, in each case to the reasonable satisfaction, in form and substance, of the Underwriter and ___________________, __________, California (“Underwriter’s Counsel”):

(i) a copy of the default judgment, dated September 23, 2021, entered in favor of the City in connection with City of Pico Rivera v. All Persons Interested, etc., Case No. 21NWCP00205 filed in the Superior Court of California, County of Los Angeles;

(ii) the Resolutions, certified as of the date of the Closing by an authorized official of the City;

(iii) the Legal Documents duly executed and delivered by the respective parties thereto, with only such amendments, modifications or supplements as may have been agreed to in writing by the Underwriter;

(iv) the approving opinion of Bond Counsel, dated the date of the Closing and addressed to the City, in substantially the form attached as an appendix to the Official Statement, together with a reliance letter thereon addressed to the Underwriter;

(v) a supplemental opinion of Bond Counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that:

(A) the statements on the cover of the Official Statement and in the Official Statement under the captions [“INTRODUCTION,” “THE BONDS,” “SECURITY AND SOURCE OF PAYMENT FOR THE BONDS,” “VALIDATION,” and “TAX MATTERS,” and in Appendices C and D], excluding any material that may be treated as included under such captions and appendices by any cross-reference, insofar as such statements expressly summarize provisions of
the Bonds, the Trust Agreement, and Bond Counsel’s final opinion relating to the Bonds, are accurate in all material respects as of the date of the Closing;

(B) the Purchase Agreement has been duly authorized, executed and delivered by the City and is the valid, legal and binding agreement of the City enforceable in accordance with its terms, except that the rights and obligations under the Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors’ rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State, and provided that no opinion is expressed with respect to any indemnification or contribution provisions contained therein; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(vi) the Preliminary Official Statement and the Official Statement, the latter executed on behalf of the City;

(vii) evidence that the rating(s) on the Bonds are as described in the Official Statement;

(viii) a certificate, dated the date of the Closing, signed by a duly authorized officer of the City satisfactory in form and substance to the Underwriter to the effect that: (i) the representations, warranties and covenants of the City contained in this Purchase Agreement are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing by the City, and the City has complied with all of the terms and conditions of the Purchase Agreement required to be complied with by the City at or prior to the date of the Closing; (ii) to the best of such officer’s knowledge, no event affecting the City has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purposes for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (iii) the information and statements contained in the Official Statement (other than information relating to DTC and its book entry system) did not as of its date and do not as of the date of the Closing contain 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 in any material respect; (iv) the City is not in breach of or default under any applicable law or administrative regulation of the State or the United States of America or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, which would have a material adverse impact 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 such a default or an event of default under any such instrument; and (v) no further consent is required for inclusion of its audited financial statements in the Preliminary Official Statement and the Official Statement;

(ix) an opinion, dated the date of the Closing and addressed to the Underwriter, the Trustee and the Bond Counsel, of the City Attorney of the City of Pico Rivera, substantially in the form attached as Exhibit B;
(x) a letter of Nixon Peabody LLP, Los Angeles, California, Disclosure Counsel to the City dated the date of the Closing and addressed to the Underwriter substantially to the effect that, on the basis of the information made available to them in the course of their participation in the preparation of the Official Statement as Disclosure Counsel, but without having undertaken to determine or verify independently, or assuming any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement, no facts have come to the attention of the personnel in such firm directly involved in rendering legal advice and assistance to the City in connection with the preparation of the Official Statement which caused them to believe that: (A) the Preliminary Official Statement as of its date or as of ________, 2022 (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system; statements relating to the treatment of the Bonds or the interest, discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Preliminary Official Statement under the captions [“TAX MATTERS,”] and in [Appendix A and Appendices C through F] to the Preliminary Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, except for such information as is permitted to be excluded from the Preliminary Official Statement pursuant to Rule 15c2-12, including but not limited to information as to pricing, yields, interest rates, maturities, amortization, redemption provisions, debt service requirements, Underwriter’s discount and CUSIP numbers; or (B) the Official Statement as of its date or as of the date of the Closing (excluding therefrom financial, demographic and statistical data; forecasts, projections, estimates, assumptions and expressions of opinions; statements relating to DTC, Cede & Co. and the operation of the book-entry system, statements relating to the treatment of the Bonds or the interest, discount or premium, if any, thereon or therefrom for tax purposes under the law of any jurisdiction; and the statements contained in the Official Statement under the captions [“TAX MATTERS,”] and in [Appendix A and Appendices C through F] to the Official Statement; as to all of which they express no view) contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading;

(xi) an opinion of counsel to the Trustee, addressed to the Underwriter and the City, dated the date of the Closing, to the effect that:

(A) the Trustee is a national banking association that is duly organized and validly existing under the laws of the United States of America, having full corporate power to undertake the trust created under the Trust Agreement;

(B) the Trust Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the City, the Trust Agreement constitutes the valid, legal and binding obligation 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;

(C) the Trustee has duly authenticated the Bonds upon the order of the City;
(D) the Trustee’s actions in executing and delivering the Trust Agreement are in full compliance with, and do not conflict with any applicable law or governmental regulation and, to the best of such counsel’s knowledge, after reasonable inquiry with respect thereto, do not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(E) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(F) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or, to the best of such counsel’s knowledge, threatened against or affecting the Trustee, which would materially adversely impact the Trustee’s ability to complete the transactions contemplated by the Trust Agreement.

(xii) a certificate, dated the date of the Closing, signed by a duly authorized officer of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) the Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Trust Agreement;

(B) the Trustee is duly authorized to enter into the Trust Agreement and has duly executed and delivered the Trust Agreement, and assuming due authorization and execution by the City, the Trust Agreement is legal, valid and binding upon the Trustee and enforceable against the Trustee in accordance with its terms;

(C) the Trustee has duly authenticated the Bonds under the Trust Agreement and delivered the Bonds to or upon the order of the Underwriter;

(D) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is required for the execution and delivery of the Bonds or the consummation by the Trustee of its obligations under the Trust Agreement; and

(E) there is no action, suit, proceeding, inquiry or investigation at law or in equity before or by any court or public body pending or threatened against or affecting the Trustee, which would materially adversely impact the Trustee’s ability to complete the transactions contemplated by the Trust Agreement.

(xiii) the preliminary and final forms required to be delivered to the California Debt and Investment Advisory Commission (“CDIAC”) pursuant to Section 53583 of the Government Code of the State of California and Section 8855(i) and (j) of the Government Code;

(xiv) a copy of the executed Blanket Issuer Letter of Representations by and between the City and DTC relating to the book-entry system;
(xv) an opinion of _____, as Underwriter’s Counsel, substantially to the effect that:

(A) the Bonds are exempt from registration pursuant to 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;

(B) based upon an examination which they have made, and without having undertaken to determine independently or assuming any responsibility for the accuracy or completeness or fairness of the statements, and based on its participation in the conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the City and others and on the records, documents, certificates, opinions and matters therein mentioned, such counsel advises the Underwriter as a matter of fact and not opinion that, during the course of such counsel’s representation of the Underwriter on this matter: (a) as of the date of the Preliminary Official Statement and as of the date of the Official Statement, no facts had come to the attention of the attorneys in such counsel’s firm rendering legal services to the Underwriter in connection with the Preliminary Official Statement which caused it to believe that the Preliminary Official Statement contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (b) as of the date of the Official Statement and as of the date of the Closing, no facts had come to the attention of the attorneys in such counsel’s firm rendering legal service to the Underwriter in connection with the Official Statement which caused it to believe as of the date of the Official Statement and as of the date of the Closing that the Official Statement contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that, such counsel expressly excludes from the scope of this paragraph and expresses no view or opinion about: (i) with respect to the Preliminary Official Statement, any difference in information contained therein compared to what is contained in the Official Statement, whether or not related to pricing or sale of the Bonds, and whether any such difference is material and should have been included in the Preliminary Official Statement; and (ii) with respect to both the Preliminary Official Statement and the Official Statement, any CUSIP numbers, financial, accounting, statistical or economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, management discussion and analysis, environmental matters, environmental litigation, any statements about compliance with prior continuing disclosure undertakings, information relating to DTC and its book-entry system, [Appendix A and Appendices C through F] thereto, and information relating to ratings, rating agencies, tax exemption, included or referred to therein or omitted therefrom, which such counsel expressly excludes from the scope of this paragraph and as to which such counsel expresses no opinion or view, and no responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Preliminary Official Statement or the Official Statement; and

(C) the Continuing Disclosure Certificate satisfies the requirements contained in Rule 15c2-12 for an undertaking for the benefit of the holders of the Bonds to provide the information at the times and in the manner required by Rule 15c2-12;
(xvi) a Rule 15c2-12 certificate, dated the date of the Preliminary Official Statement and executed by the City;

(xvii) a certificate of the PERS actuary setting forth the [amount of the discounted prepayment of the annual contribution of the City to PERS for Fiscal Year 2022-23 together with] acknowledgment of payment of the Unfunded Liability; and

(xviii) such additional legal opinions, proceedings, instruments or other documents as the Underwriter or Underwriter’s Counsel may reasonably request.

If the City shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, this Purchase Agreement shall terminate, and except as set forth in Section 9 hereof, neither the Underwriter nor the City shall be under further obligation hereunder.

Section 8. Changes in Official Statement. Within 90 days after the Closing or within 25 days following the “end of the underwriting period” (as such term is defined in Rule 15c2-12), whichever occurs first, if any event relating to or affecting the Bonds, the Trustee, or the City shall occur as a result of which it is necessary, in the reasonable opinion of the City, after consultation with the Underwriter, to amend or supplement the Official Statement in order to make the Official Statement not misleading in any material respect in the light of the circumstances existing at the time it is delivered to a purchaser, the City will forthwith prepare and furnish to the Underwriter an amendment or supplement that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to purchaser, not misleading. The City shall cooperate with the Underwriter in the filing by the Underwriter of such amendment or supplement to the Official Statement with the MSRB. The Underwriter acknowledges that the “end of the underwriting period” will be the date of the Closing unless the Underwriter otherwise notifies the City in writing that it still owns some or all of the Bonds.

Section 9. Expenses. (a) Whether or not the Underwriter accepts delivery of and pays for the Bonds as set forth herein, it shall be under no obligation to pay, and the City shall pay out of the proceeds of the Bonds or any other legally available funds of the City, all expenses incidental to the performance of the City’s obligations hereunder, including but not limited to the cost of printing and delivering the Legal Documents to the Underwriter, the costs of printing and shipping and electronic distribution of the Preliminary Official Statement and the Official Statement in reasonable quantities, the fees and disbursements of the City, the Trustee and its counsel, Bond Counsel, Disclosure Counsel, City Attorney, the City’s actuaries, accountants, engineers, appraisers, economic consultants and any other experts or consultants retained by the City in connection with the issuance and sale of the Bonds, rating agency fees, advertising expenses, and any other expenses not specifically enumerated in paragraph (b) of this section incurred in connection with the issuance and sale of the Bonds. The City shall pay out of the proceeds of the Bonds, for any expenses incurred by the Underwriter on behalf of the City’s employees and representatives which are incidental to implementing this Purchase Agreement, including meals, transportation, and lodging of those employees and representatives.

(b) Whether or not the Bonds are delivered to the Underwriter as set forth herein, the City shall be under no obligation to pay, and the Underwriter shall be responsible for and pay
(which may be included as an expense component of the Underwriter’s discount), MSRB, CUSIP Bureau and CDIAC fees and expenses to qualify the Bonds for sale under any “blue sky” laws, and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds not specifically enumerated in paragraph (a) of this section, including the cost of preparing this Purchase Agreement and other Underwriter documents, travel expenses and the fees and disbursements of Underwriter’s Counsel.

Section 10. Notices. 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 ______________, ______________, __________, California _____, Attention: _________. Any notice or communication to be given to the City under this Purchase Agreement may be given by delivering the same in writing at the address first set forth above, Attention: City Manager. All notices or communications hereunder by any party shall be given and served upon each other party.

Section 11. Parties in Interest. This 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 in this Purchase Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds.

Section 12. 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 13. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

[UNDERWRITER]

By: ________________________________

Authorized Officer

Accepted:

CITY OF PICO RIVERA

By: ________________________________

City Manager

Time of Execution: ____:____
## EXHIBIT A

### MATURITY SCHEDULE

CITY OF PICO RIVERA
PENSION OBLIGATION BONDS, SERIES 2022
(FEDERALLY TAXABLE)

<table>
<thead>
<tr>
<th>Maturity Date</th>
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</thead>
<tbody>
<tr>
<td>(____ I)</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>$________</td>
<td>______%</td>
<td>%</td>
</tr>
</tbody>
</table>

$________ _____% Term Bond due ____ 1 , 20__; Yield _____%; Price ____%

$________ _____% Term Bond due ____ 1 , 20__; Yield _____%; Price ____%
EXHIBIT B
FORM OF CITY ATTORNEY OPINION

_______, 2022

City of Pico Rivera
Pico Rivera, California

[UNDERWRITER]

City of Pico Rivera
Pension Obligation Bonds, Series 2022
(Federally Taxable)

Ladies and Gentlemen:

We have acted as counsel to the City of Pico Rivera (the “City”) in connection with the issuance and sale by the City of $_______ aggregate principal amount of its City of Pico Rivera Pension Obligation Bonds, Series 2022 (Federally Taxable) (the “Bonds”). We have examined and relied upon originals (or copies certified or otherwise identified to our satisfaction) of such documents, records and other instruments as we deem necessary or appropriate for the purposes of this opinion, including, without limitation: (i) those documents relating to the existence, organization and operation of the City; (ii) Resolution No. 7134, adopted by a majority of the City Council of the City (the “City Council”) on May 25, 2021 (the “Approving Resolution”) and Resolution No. _____, adopted by a majority of the City Council on ___, 2022 (the “Official Statement Resolution” and, together with the Approving Resolution, the “Resolutions”); (iii) all necessary documentation of the City relating to the authorization, execution and delivery of the Trust Agreement, dated as of _____ 1, 2022 (the “Trust Agreement”), between the City and U.S. Bank Trust Company, National Association, as trustee; (iii) the default judgment dated September 23, 2021, entered in favor of the City in connection with City of Pico Rivera v. All Persons Interested, etc., Case No. 21NWCP00205 filed in the Superior Court of California, County of Los Angeles; (iv) the Purchase Agreement, dated _____, 2022 (the “Purchase Agreement”), executed by _______________ (the “Underwriter”), and accepted by the City; (v) the Preliminary Official Statement, dated ________, 2022 (the “Preliminary Official Statement”), relating to the Bonds; (vi) the Official Statement, dated ________, 2022 (the “Official Statement”), relating to the Bonds; (vii) the Continuing Disclosure Certificate, dated ________, 2022 (the “Continuing Disclosure Certificate”), of the City relating to the Bonds; and (viii) such other records, documents, certificates, opinions, and other matters as are in our judgment necessary or appropriate to enable us to render the opinions expressed herein. All capitalized terms used herein and not otherwise defined shall have the meaning given to such terms as set forth in the Trust Agreement.

Based on the foregoing, and with regard to State of California (the “State”) law and United States federal law, we are of the opinion that:

(a) The City is a general law city and municipal corporation of the State, duly organized and validly existing pursuant to the Constitution and laws of the State.
(b) The Resolutions approving and authorizing the execution and delivery of the Bonds, the Trust Agreement, the Purchase Agreement, and the Continuing Disclosure Certificate (collectively, the “Legal Documents”) and approving and authorizing the issuance of the Bonds and the delivery of the Official Statement and other actions of the City were duly adopted at meetings of the governing body of the City which were called and held pursuant to law and with all public notice required by law and at each of which a quorum was present and acting throughout, and such Resolutions are now in full force and effect and have not been amended or superseded in any way.

(c) Except as disclosed in the Preliminary Official Statement and in the Official Statement, there is no action, suit or proceeding pending, or to the best of our knowledge, threatened against the City: (i) to restrain or enjoin the execution or delivery of the Legal Documents; (ii) in any way contesting or affecting the validity of the Legal Documents, the Resolutions or the authority of the City to enter into the Legal Documents; or (iii) in any way contesting or affecting the powers of the City in connection with any action contemplated by the Official Statement, the Resolutions or the Legal Documents.

(d) The execution and delivery of the Legal Documents and compliance with the provisions thereof, 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, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the Legal Documents.

(e) No authorization, approval, consent, or other order of the State or any other governmental body within the State is required for the valid authorization, execution and delivery of the Legal Documents or the consummation by the City of the transactions on its part contemplated therein, except such as have been obtained and except such as may be required under state securities or blue sky laws in connection with the purchase and distribution of the Bonds by the Underwriter.

Very truly yours,