

\$(PRINCIPAL AMOUNT)
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(BELLEVUE RANCH WEST) OF THE CITY OF MERCED
2017 SPECIAL TAX REFUNDING BONDS
(IMPROVEMENT AREA NO. 1)

BOND PURCHASE AGREEMENT

December __, 2017

Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced
678 West 18th Street
Merced, California 95340

Ladies and Gentlemen:

The undersigned, Brandis Tallman LLC, (the “**Underwriter**”), offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced (the “**District**”), which Purchase Agreement will be binding upon the District and the Underwriter upon the acceptance hereof by the District. This offer is made subject to its acceptance by the City, on behalf of the District, by execution of this Purchase Agreement and its delivery hereof to the Underwriter on or before 11:00 p.m., California time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon written notice delivered to the District at any time prior to the acceptance hereof by the District. All capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms pursuant to a Fiscal Agent Agreement, dated as of December 1, 2017 (the “**Fiscal Agent Agreement**”), by and between the District and MUFG Union Bank, N.A., as fiscal agent (the “**Fiscal Agent**”).

The District acknowledges and agrees that: (i) the purchase and sale of the Bonds (as defined below) pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the District and the Underwriter and the Underwriter has financial and other interests that differ from those of the District; (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as a municipal advisor, financial advisor or a fiduciary of the District; (iii) the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to: (A) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the District on other matters), or (B) any other obligation to the District except the obligations expressly set forth in this Purchase Agreement; (iv) the only obligations the Underwriter has to the District with respect to the transaction contemplated hereby explicitly are set forth in this Purchase Agreement except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission or the rules of the Municipal Securities Rulemaking Board (“**MSRB**”); and (v) the District has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The District acknowledges that it has previously provided the Underwriter with an acknowledgment of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of representations and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the District for offering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of \$[principal amount] aggregate principal amount of the Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced 2017 Special Tax Refunding Bonds (Improvement Area No. 1) (the “**Bonds**”), at an aggregate purchase price of \$_____ (constituting the aggregate principal amount of the Bonds, plus/less a net original issue premium/discount of \$_____, less an Underwriter’s discount of \$_____). The Bonds shall be dated the Closing Date (as defined herein) and shall have the maturities and bear interest at the rates *per annum* as set forth in Appendix A attached hereto.

Payment for and delivery of the Bonds and the other actions contemplated hereby, shall take place on December ____, 2017, or such other date as may be agreed to between the District and the Underwriter (the “**Closing Date**”).

2. Authorization and Purpose. The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the California Government Code) (the “**Act**”), and are being issued pursuant to a resolution adopted on November 20, 2017, by the City Council of the City (the “**City Council**”), acting as the legislative body of the District (the “**Authorizing Resolution**”), and the Fiscal Agent Agreement, for the purpose of refinancing certain public capital improvements previously financed by the District’s 2006 Special Tax Bonds (the “**Prior Bonds**”) issued and delivered pursuant to a Fiscal Agent Agreement, dated as of June 1, 2006 (the “**2006 Fiscal Agent Agreement**”), by and between U.S. Bank National Association, as fiscal agent (the “**2006 Fiscal Agent**”), and the City, on behalf of the District. The Bonds are payable from the revenues generated by a special tax to be levied on the taxable real property within Improvement Area No. 1 of the District (the “**Special Tax**”) pursuant to a Rate and Method of Apportionment of Special Tax for Improvement Area No. 1 of the District (the “**RMA**”).

The Bonds shall be substantially in the form described in, and shall be issued and secured under the provisions of, the Fiscal Agent Agreement. The Bonds shall be described in the Fiscal Agent Agreement and the Official Statement dated the date hereof relating to the Bonds (which, together with all appendices attached thereto and such amendments or supplements thereto that shall be approved by the Underwriter and the District, is hereinafter called the “**Official Statement**”).

Pursuant to the Fiscal Agent Agreement, a portion of the proceeds from the sale of the Bonds will be transferred to U.S. Bank National Association, as Escrow Bank (the “**Escrow Bank**”) under that certain Escrow Agreement, dated as of December 1, 2017, by and between the District, and the Escrow Bank (the “**Escrow Agreement**”) for deposit in the escrow account created pursuant to the Escrow Agreement.

This Purchase Agreement, the Fiscal Agent Agreement, the Escrow Agreement, and a Continuing Disclosure Agreement related to the District, dated as of December 1, 2017 (the “**Continuing Disclosure Agreement**”), by and between the District and Goodwin Consulting Group, Inc., as dissemination agent, are collectively referred to herein as the “**CFD Documents**.”

3. Public Offering; Establishment of Issue Price. The Underwriter agrees to make a *bona fide* public offering of all the Bonds initially at the public offering prices (or yields) set forth on Appendix A attached hereto and by this reference incorporated herein. 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. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

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

Except as otherwise set forth in Schedule I attached hereto, the District will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the District the price or prices at which the Underwriter has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the District the prices at which Bonds of that maturity have been sold by the Underwriter to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

The Underwriter confirms that the Underwriter has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Schedule I attached hereto, except as otherwise set forth therein. Schedule I also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the District and the Underwriter, agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

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

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

The District acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) the Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that the Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The District further acknowledges that the Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

The Underwriter confirms that:

(a) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Underwriter is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating the Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires, and

(b) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the related pricing wires.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

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

(b) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

(c) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

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

4. Delivery of Official Statement. As soon as practicable, and no later than seven business days after its acceptance hereof, the District shall deliver to the Underwriter (i) one copy of the Official Statement, manually executed by the City on behalf of the District by an authorized officer, and (ii) such reasonable number of certified or conformed copies of the Official Statement as the undersigned may request in order to comply with Rule 15c2-12 of the Securities and Exchange Commission (“Rule 15c2-12”), applicable MSRB rules, and other regulatory requirements relating to the issuance and sale of the Bonds.

The District hereby authorizes the use of the Official Statement in connection with the public offering and sale of the Bonds. The District also consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement of the District, dated November __, 2017, relating to the Bonds (which, together with all appendices thereto, is herein called the “**Preliminary Official Statement**”) in connection with the public offering of the Bonds. The City, acting on behalf of the District, hereby ratify the use by the Underwriter of the Preliminary Official Statement, the CFD Documents, and any other documents or contracts to which the District is a party, including this Purchase Agreement, and all information contained therein, and all other documents, certificates, and statements furnished by the District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement, or in connection with the offer and sale of the Bonds by the Underwriter.

The District represents that it has deemed the Preliminary Official Statement to be “final” as of its date within the meaning of Rule 15c2-12, except for the omission of no more than the following information: the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, redemption provisions, and delivery dates, ratings, and any other matters permitted to be omitted under Rule 15c2-12, as evidenced by the

execution by the District, of a certificate substantially in the form of Appendix H hereto. It is an express condition of the offer of the Underwriter made hereby that the City on behalf of the District deliver the Official Statement, in a form deemed by the City, on behalf of the District, to be final, within seven business days of the date hereof; and the delivery of an Official Statement executed by an authorized representative of the City, on behalf of the District, shall conclusively establish that the District deems the document so delivered to be final. A failure of the District to comply with the requirements of the preceding sentence shall entitle the Underwriter to rescind its offer hereunder.

5. District Representations and Covenants. The District represents and covenants to the Underwriter that:

(a) Due Organization, Existence, and Authority of the District. The District is a community facilities district duly organized and validly existing under the Act. The District has, and at the Closing Date will have, the requisite legal right, power, and authority (i) to enter into the CFD Documents, as applicable, (ii) to adopt the Authorizing Resolution, and to take all other actions on the part of the District relating thereto (collectively, the “**CFD Proceedings**”), (iii) to levy the Special Taxes, (iv) issue, sell, and deliver the Bonds to the Underwriter as provided herein, and (v) to carry out and consummate the transactions on its part contemplated by the CFD Documents, the Authorizing Resolution, and the Official Statement.

The Special Taxes have been duly and lawfully authorized and may be levied under the Act and, pursuant to the Act, the Special Taxes constitute a valid and legally binding lien on the properties upon which they have been levied.

(b) Due Authorization and Approval of CFD Documents. By all necessary official action, the City has, as the legislative body of the District, duly authorized and approved the adoption or execution and delivery by the District of, and the performance by the District of the obligations on its part contained in, the Authorizing Resolution and the CFD Documents, and has approved the use by the Underwriter of the Preliminary Official Statement and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified, or rescinded. When executed and delivered by the parties thereto, the CFD Documents will constitute the valid and binding obligations of the District, enforceable against the District in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws or equitable principles relating to or affecting creditors’ rights generally. To the District’s knowledge, the District has complied, and will at the Closing Date be in compliance in all material respects, with the terms of the Authorizing Resolution and the CFD Documents.

(c) Official Statement Accurate. To the District’s knowledge, the information with respect to the District, Improvement Area No. 1, the Authorizing Resolution, the Act, the RMA, the CFD Proceedings, and the CFD Documents in the Preliminary Official Statement (as of its date) and in the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing Date will be, true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Prior to and upon delivery of the Bonds and up to and including 25 days

after the End of the Underwriting Period (as defined in Section 5(d) below), the Official Statement will be amended and supplemented, at the expense of the District, so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

(d) Amendments and Supplements to Official Statement. Prior to and upon delivery of the Bonds and up to and including 25 days after the End of the Underwriting Period, the District will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The District will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale, or distribution of the Bonds. As used herein, the term **“End of the Underwriting Period”** means the later of such time as (i) the Bonds are delivered to the Underwriter, or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the date of the Closing (as defined herein). Any notice delivered pursuant to this provision shall be written notice delivered to the City and the District at or prior to the Closing, and shall specify a date (other than the date of Closing) to be deemed the “End of the Underwriting Period.”

(e) No Breach or Default. To the District’s knowledge, as of the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Official Statement, the District is not in breach of or in default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement, or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is continuing, which would constitute a default or event of default under any such instrument which breach, default, or event could have an adverse effect on the ability of the District to perform its obligations under the Authorizing Resolution or the CFD Documents and, as of such times, except as disclosed in the Official Statement, the authorization, execution, and delivery of the CFD Documents and compliance by the District with the provisions of each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law, or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement, or other instrument to which the District (or any of its officers) are subject, or by which it or any of its properties are bound, nor will any such authorization, execution, delivery, or compliance result in the creation or imposition of any lien, charge, or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation, or instrument, except as may be provided by the CFD Authorizing Resolution or the CFD Documents.

(f) No Litigation. At the time of acceptance hereof there is and as of the Closing there will be no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, government agency, public board, or body (collectively and individually, an **“Action”**) pending (notice of which has been served on the District) or, to the knowledge of the District, threatened, in which any such Action (i) in any way questions the corporate existence of

the District or the titles of the officers of the District to their respective offices, (ii) affects, contests, or seeks to prohibit, restrain, or enjoin the issuance or delivery of any of the Bonds, the lien, the levy, or the collection of the Special Taxes, or the payment or collection of any amounts pledged or to be pledged to pay principal of, premium, if any, or interest on the Bonds, or in any way contests or affects the validity of the Authorizing Resolution, or the CFD Documents or the consummation of the transactions on the part of the District contemplated thereby, (iii) contests the exclusion of the interest on the Bonds from federal or state income taxation or contests the powers of the District that may result in any material adverse change relating to the financial condition of the District, or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted 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) Further Cooperation: Blue Sky. The District will furnish such information, execute such instruments, and take such other action in cooperation with the Underwriter and at the expense of the Underwriter as the Underwriter may reasonably request in order (i) to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate, and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the District will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

(h) Bonds Issued Per Fiscal Agent Agreement. The Bonds and the other CFD Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement. The Bonds, when issued, executed, and delivered in accordance with the Fiscal Agent Agreement and sold to the Underwriter as provided herein, will be validly issued and outstanding limited obligations of the District, entitled to the benefits of the Fiscal Agent Agreement. The Fiscal Agent Agreement creates a valid pledge of the moneys in certain funds and accounts established pursuant to the Fiscal Agent Agreement, subject in all cases to the provisions of the Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(i) Consents and Approvals. All authorizations, approvals, licenses, permits, consents, elections, and orders of or filings with any governmental authority, legislative body, board, agency, or commission having jurisdiction in the matters that are required by Closing for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the District of, its obligations in connection with the CFD Documents have been duly obtained or made and are in full force and effect.

(j) No Other Obligations. Between the date of this Purchase Agreement and the Closing Date, the District will not offer or issue any bonds, notes, or other obligations for borrowed money not previously disclosed to the Underwriter, or without the Underwriter’s prior written consent.

(k) No Adverse IRS Listing. The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certifications may not be relied upon.

(l) Certificates. Any certificate signed by any authorized officer of the City on behalf of the District and delivered to the Underwriter in connection with the issuance and sale of the Bonds shall be deemed to be a representation and covenant by the District to the Underwriter as to the statements made therein.

(m) Covenants and Cooperation. The District will faithfully perform and abide by all of its covenants and undertakings contained in the Authorizing Resolution and the CFD Documents, as the same may be amended from time to time, until such time as the Bonds have been paid in full or moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any.

(n) Tax-Exempt Status. The District shall not take or omit to take, as is appropriate, any action that would adversely affect the exclusion from gross income under federal tax law of the interest on the Bonds or that would cause the Bonds to become arbitrage bonds under Section 148 of the Internal Revenue Code of 1986, as amended (the “**Code**”), and the regulations thereunder.

(o) Public Debt. Except as disclosed in the Official Statement, to the best of the City’s and District’s knowledge and without investigation of any kind, no other public debt secured by the Special Taxes or any other tax or assessment levied by the City or the District on the land in Improvement Area No. 1 of the District is in the process of being authorized and no assessment district or community facilities district has been or is in the process of being formed by the City that include any portion of the land within Improvement Area No. 1 of the District. All outstanding public debt and all authorized but unissued debt of the City that is applicable to the property within Improvement Area No. 1 of the District is accurately described in the Official Statement.

(p) Bond Proceeds. The District will apply the proceeds of the Bonds in accordance with the Fiscal Agent Agreement and the Escrow Agreement, and as described in the Official Statement.

(q) Continuing Disclosure. The District will undertake, pursuant to the Continuing Disclosure Agreement, to provide annual reports and notices of certain events to certain information repositories. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. The District will promptly prepare and distribute, or cause to be prepared and distributed, all documents or reports as required now or in the future to be prepared and distributed pursuant to the Continuing Disclosure Agreement. Except as otherwise disclosed in the Official Statement and based on a review of their respective previous undertakings, neither the City, its relevant entities nor the District have failed to comply with any of their continuing disclosure undertakings previously entered into pursuant to the provisions of Rule 15c2-12 within the last five years.

6. The Closing. At 8:00 a.m., California time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the District and the Underwriter, (i) the District will deliver the Bonds in definitive form in New York, New York, or such other place as the District and the Underwriter shall mutually agree upon, and (ii) the District will deliver the closing documents hereinafter mentioned at the offices of Norton Rose Fulbright US LLP (“**Bond Counsel**”), Los Angeles, California, or another place to be mutually agreed upon by the District and the Underwriter. The Underwriter will accept delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof in federal funds payable to the order of the District or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “**Closing**.” The Bonds will be delivered in such denominations and deposited in the account or accounts specified by the Underwriter pursuant to written notice delivered not later than five business days prior to the Closing. The Bonds will be made available to the Underwriter for inspection and packaging not less than 72 hours prior to the Closing.

7. Closing Conditions. The Underwriter has entered into this Purchase Agreement in reliance upon the representations and covenants herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter’s obligations under this Purchase Agreement are and shall be subject to the following additional conditions:

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

(b) Executed Agreements and Performance Thereunder. At the time of the Closing, (i) the CFD Documents shall be in full force and effect and shall not have been amended, modified, or supplemented except with the written consent of the Underwriter, (ii) there shall be in full force and effect such resolutions, including the Authorizing Resolution, as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions on the part of the District contemplated by the Official Statement and the CFD Documents, (iii) the District shall perform or have performed its obligations required or specified in the CFD Documents to be performed at or prior to Closing, and (iv) the Official Statement shall not have been supplemented or amended except as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing under this Purchase Agreement, the Authorizing Resolution or the CFD Documents, and the District shall not be in default in the payment of principal or interest on any of its bonded indebtedness which default shall adversely impact the ability of the District to make payment on the Bonds.

(d) Closing Documents. At or prior to the Closing, the Underwriter shall have received each of the documents required under Section 8 below.

(e) Termination Events. The Underwriter shall have the right to cancel its obligation to purchase the Bonds and to terminate this Purchase Agreement by written notice to the District if, between the date of this Purchase Agreement and the Closing Date, in the

Underwriter's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

(i) Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the cover page of the Official Statement, of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the District terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

(1) Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or the legislature of the State or recommended to the Congress by the President of the United States of America or a member of the President's Cabinet, the Department of the Treasury, the Internal Revenue Service or any member of Congress or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other federal or State authority with appropriate jurisdiction, with the purpose or effect, directly or indirectly, of imposing federal or State income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

(2) Legislation introduced in or enacted (or resolution passed) by the Congress, or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States of America or a member of the President's Cabinet, or an order, decree, injunction or decision issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice 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 obligations of the general character of the Bonds, the Authorizing Resolution or the CFD Documents, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Fiscal Agent Agreement is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

(3) A general suspension of trading in securities on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction;

(4) There shall have occurred, (I) any material outbreak or escalation of hostilities or the declaration by the United States of America of a national emergency or war, (II) any other calamity or crisis in the financial markets of the United States of America or elsewhere, or (III) the sovereign debt rating of the United States of America is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations; or

(5) Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or the District shall have occurred;

(ii) The introduction, proposal or enactment of any amendment to the federal or California Constitution or any action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the District, their property, income, securities (or interest thereon), the validity or enforceability of Special Taxes;

(iii) Any event occurring or information becoming known which, in the judgment of the Underwriter, makes untrue or incorrect in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(iv) A general banking moratorium shall have been declared by federal, State of New York or State of California officials authorized to do so or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(v) Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation in interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the Comptroller of the Currency, the Securities and Exchange Commission or any other federal or State agency or the Congress of the United States of America, or by Executive Order;

(vi) A decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended;

(vii) Any rating on the Bonds is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(viii) Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City or the District.

Upon the occurrence of a Termination Event and the termination of this Purchase Agreement by the Underwriter, all obligations of the District and the Underwriter under this Purchase Agreement shall terminate, without further liability, except that the District and the Underwriter shall pay their respective expenses as set forth in Section 8 below.

8. Closing Documents. At or prior to the Closing, the Underwriter shall receive the following documents:

(a) Bond Counsel Opinions. With respect to the Bonds, an approving opinion of Bond Counsel, dated the Closing Date and substantially in the form included as Appendix F to the Official Statement, together with a letter or letters from such counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such opinion addressed to the District may be relied upon by the Underwriter to the same extent as if they were addressed to the Underwriter;

(b) Supplemental Opinion. One or more supplemental opinions of Bond Counsel, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter to the following effect:

(i) the CFD Documents have been duly authorized, executed, and delivered by the District and constitute valid and binding obligations of the District enforceable against the District in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, or other laws affecting enforcement of creditors' rights, or by the application of equitable principles if equitable remedies are sought;

(ii) the Bonds conform as to form and tenor to the descriptions thereof contained under the caption "THE BONDS" in the Official Statement, and the statements contained in the Official Statement under the captions "INTRODUCTION," "SOURCES OF PAYMENT FOR THE BONDS," "LEGAL MATTERS - Tax Matters," "APPENDIX C – SUMMARY OF THE FISCAL AGENT AGREEMENT," and "APPENDIX F – FORM OF OPINION OF BOND

COUNSEL,” insofar as such statements purport to summarize certain provisions of the Act, the Bonds, the CFD Documents, the Authorizing Resolution, the CFD Proceedings, or applicable provisions of the United States Internal Revenue Code of 1986, are accurate in all material respects; and

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

(c) Opinion of City Attorney. An opinion of the City Attorney, as counsel to the District, dated the Closing Date and addressed to the District and the Underwriter, substantially in the form of Appendix C hereto;

(d) Opinion of Counsel to Fiscal Agent. One or more opinions of counsel to the Fiscal Agent, all dated the Closing Date and addressed to the District and the Underwriter, in form and substance satisfactory to the District and the Underwriter;

(e) Certificates of District. (i) A certificate of the District, dated the date of the Preliminary Official Statement, signed by a duly authorized representative of the District, substantially in the form of Appendix H hereto; and (ii) a certificate of the District, dated the Closing Date, signed by a duly authorized representative of the District, substantially in the form of Appendix D hereto;

(f) Closing Certificate of the Fiscal Agent. A certificate of the Fiscal Agent, dated the Closing Date, substantially in the form of Appendix E hereto;

(g) Closing Certificate of CFD Administrator. A certificate of Goodwin Consulting Group, Inc., as CFD Administrator (the “CFD Administrator”), dated the Closing Date, substantially in the form of Appendix G hereto;

(h) Closing Certificate of the Escrow Bank. A certificate of the Escrow Bank, dated the Closing Date, substantially in the form of Appendix F hereto;

(i) Opinion of Disclosure Counsel to the District. A letter from Norton Rose Fulbright US LLP, Los Angeles, California, as disclosure counsel to the District, dated the Closing Date and addressed to the District and the Underwriter, in form and substance acceptable to counsel for the Underwriter to the effect that, without having undertaken to determine independently the accuracy, completeness, or fairness of the information in the Official Statement, nothing has come to such counsel’s attention as of the date of Closing that would lead it to believe that such information therein pertaining to the District and the CFD Documents (excluding any financial or statistical data and forecasts included therein, as to which no opinion need be expressed) 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;

(j) Written Confirmation Regarding Continuing Disclosure. Written confirmation from Applied Best Practices LLC in a form acceptable to the Underwriter, that other than as disclosed in the Official Statement, the City and its related entities have timely filed

materially complete continuing disclosure reports with respect to the City's and its related entities' continuing disclosure requirements relating to Rule 15c2-12 in each of the last five fiscal years;

(k) Closing Certificate of Appraiser. A letter dated the Closing Date from Seevers Jordan Ziegenmeyer (the "**Appraiser**") addressed to the Underwriter and the District to the effect that it has prepared the appraisal report (the "**Appraisal**") with respect to certain property located within the District, and that (a) the Appraisal, set forth in Appendix D to the Official Statement, may be included in the Preliminary Official Statement and the Official Statement, (b) the Appraisal in Appendix D and the information in the Official Statement referring to the Appraisal do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, and (c) nothing has come to the attention of the Appraiser that would lead the Appraiser to believe that the value of the property in the District is less than the minimum value of such property reported in the Appraisal;

(l) Appraisal. A copy of the Appraisal;

(m) G-17 Letter. G-17 letter from the Underwriter acknowledged by the District; Opinion of Counsel to Underwriter.

(n) Underwriter Counsel Opinion. An opinion of Nossaman LLP, as counsel to the Underwriter ("**Underwriter's Counsel**"), dated the Closing Date and addressed to the Underwriter, concerning such matters as the Underwriter may request;

(o) CDIAC Statements. A copy of the filings made for the Bonds with the California Debt and Investment Advisory Commission in accordance with Sections 8855 and 53583, as applicable, of the California Government Code;

(p) Tax Certificate. A tax certificate for the Bonds, dated the Closing Date and prepared by Bond Counsel, executed by the City on behalf of the District, and satisfactory to the Underwriter;

(q) CFD Documents. Fully executed copies of each of the CFD Documents;

(r) Official Statement. One copy of the Official Statement manually executed on behalf of the City on behalf of the District by an authorized officer, and such reasonable number of certified or conformed copies of the foregoing as the Underwriter may request in order to comply with Rule 15c2-12, applicable Municipal Securities Rulemaking Board rules, and other regulatory requirements relating to the issuance and sale of the Bonds;

(s) District Resolution. Copies certified by the City Clerk of the City of the Authorizing Resolution;

(t) Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared by Bond Counsel for filing in connection with the Bonds;

(u) Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Underwriter or its counsel may reasonably deem necessary; and

(v) Transcripts. Two (2) transcripts containing the documents listed in this Section, together with any other documents relating to the authorization and issuance of the Bonds.

If the District shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter or the District shall be under further obligation hereunder, except as further set forth in Section 9 hereof.

9. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the District shall pay or cause to be paid from any legally available funds, the following expenses incident to the issuance of the Bonds and performance of the obligations of the District hereunder: (i) the costs of the preparation and printing of the Bonds; (ii) the fees and disbursements of Bond Counsel; (iii) the fees and disbursements of Disclosure Counsel; (iv) the cost of preparation, printing, and mailing of the Preliminary Official Statement and Official Statement and any supplements and amendments thereto, including a reasonable number of copies thereof for distribution by the Underwriter; and (v) the fees and disbursements of accountants, advisers, and any other experts or consultants retained by the City, including the fees and expenses of the Fiscal Agent and the Escrow Bank and their respective counsels, the Municipal Advisor, and the CFD Administrator.

(b) The Underwriter shall pay the following expenses: (i) all advertising expenses in connection with the public offering of the Bonds; (ii) the CDIA fee; (iii) the CUSIP Bureau fee; (iv) the fees and disbursements of Underwriter's Counsel; and (v) all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, except as noted in Section 10(a) above.

10. Notices. Any notice or other communication to be given to the City or the District under this Purchase Agreement may be given by delivering the same in writing to such entities at 678 West 18th Street, Merced, California 95340, Attention: Finance Officer. 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 Brandis Tallman LLC, 22 Battery Street, Ste. 500, San Francisco, CA 94111, Attention: Rick Brandis.

11. Entire Agreement. This Agreement is made solely for the benefit of the District and the Underwriter (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the representations and agreements of the District contained in this Purchase Agreement shall remain operative and in full force and effect regardless of (i) any investigations made by or on behalf of the Underwriter, or (ii) delivery of any payment for the Bonds pursuant to this Purchase Agreement. The agreements contained in this Section and in Section 12 shall survive any termination of this Purchase Agreement.

12. Survival of Representations and Warranties. All representations and warranties

of the parties made in, pursuant to, or in connection with this Purchase Agreement shall survive the execution and delivery of this Purchase Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Purchase Agreement or in connection with the transactions contemplated by this Purchase Agreement constitute representations and warranties by such party under this Purchase Agreement.

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

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

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

16. 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.

BRANDIS TALLMAN LLC

By: _____
Authorized Signatory

Accepted as of the date first stated above:

CITY OF MERCED, on behalf of

COMMUNITY FACILITIES DISTRICT NO.
2005-1 (BELLEVUE RANCH WEST) OF THE
CITY OF MERCED

By: _____
Venus Rodriguez, Interim Finance Officer

Date of Execution: _____

Time of Execution: _____

APPENDIX A

**Community Facilities District No. 2005-1
(Bellevue Ranch West) of the City of Merced
2017 Special Tax Refunding Bonds
(Improvement Area No. 1)**

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
--	-----------------------------------	--------------------------------

* Yield to par call date of September 1, 20____.

2017 Series Term Bonds Mandatory Sinking Fund Redemption:

<u>20</u>	<u>Term</u>	<u>20</u>	<u>Term</u>	<u>20</u>	<u>Term</u>
Redemption	Redemption	Redemption	Redemption	Redemption	Redemption
Date	Amount	Date	Amount	Date	Amount

APPENDIX B
FORM OF ISSUE PRICE CERTIFICATE

SCHEDULE I

APPENDIX C

FORM OF OPINION OF CITY ATTORNEY

[LETTERHEAD OF CITY ATTORNEY]

Brandis Tallman LLC
22 Battery Street, Ste. 500
San Francisco, CA 94111

Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced
678 West 18th Street
Merced, California 95340

Re: \$_____ Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced, 2017 Special Tax Refunding Bonds (Improvement Area No. 1)

Ladies and Gentlemen:

We serve as the City Attorney for the City of Merced, California (the “City”) and have acted in such capacity on behalf of Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced (the “District”) in connection with the issuance by the District of its 2017 Special Tax Refunding Bonds (Improvement Area No. 1) (the “Bonds”). As legal counsel to the City and the District, we are providing this opinion pursuant to Section 8(c) of that certain Bond Purchase Agreement, dated December __, 2017 (the “Purchase Agreement”), by and between the District and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

Whenever a statement herein is qualified by “to my knowledge,” or similar phrase, it is intended to indicate that, during the course of our representation of the District whether in connection with the transaction described herein, no information that would give us current actual knowledge of the inaccuracy of such statement has come to our attention. However, unless otherwise noted herein, we have not undertaken any independent investigation to determine the accuracy of such statements, and any reference to any documents in this letter should not be regarded as evidence of such an investigation. Furthermore, no inference as to our knowledge of any matters bearing upon the accuracy of any such statements should be drawn from the fact of our representation of the District, either past or present.

As to questions of fact material to our opinion, we have relied upon representations the District contained in the CFD Documents and in the certified proceedings and other certifications of public officials and others furnished to us in connection with the closing of the subject transaction, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion, under existing law, that:

1. The District is a duly organized and validly existing as a community facilities district under and by virtue of the laws of the State of California.

2. The resolution adopted by the City Council of the City (the “City Council”), on behalf of the District, approving the execution and delivery of the Bonds and the CFD Documents, was duly adopted at a meeting of the City Council, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout; and such resolution is in full force and effect and has not been modified, amended, or rescinded as of the date hereof.

3. Except as stated in the Official Statement, there is no action, suit, proceeding, inquiry, or investigation before or by any court, public board, or body pending with respect to which any of the District has been served with process or, to my knowledge, threatened, wherein an unfavorable decision, ruling, or finding would: (a) affect the creation, organization, existence, or powers of the District, or the titles of its City Council members or their respective offices; (b) enjoin or restrain the issuance, sale, and delivery of the Bonds, the lien, the levy, and the collection of the Special Taxes, or the pledge thereof; (c) in any way question or affect any of the rights, powers, duties, or obligations of any of the District with respect to the Special Taxes or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (d) in any way question or affect any authority for the issuance of the Bonds, the validity or enforceability of the Bonds, or the CFD Documents; or (e) in any way question or affect the transactions contemplated by the CFD Documents or the Official Statement.

The opinions expressed above are subject to the following limitations, qualifications and exceptions:

(i) the effects of bankruptcy, insolvency, reorganization, preference, fraudulent transfer, moratorium or other similar laws relating to or affecting the rights or remedies of creditors;

(ii) the effects of general principles of equity, whether considered in a proceeding in equity or at law (including the possible unavailability of specific performance or injunctive relief), concepts of materiality, reasonableness, good faith and fair dealing, and the discretion of the court before which a proceeding is brought;

(iii) the unenforceability under certain circumstances under law or court decisions of provisions for the indemnification or exculpation of or contribution to a party with respect to a liability where such indemnification, exculpation or contribution is contrary to public policy;

(iv) certain rights, remedies and waivers may be limited or rendered ineffective by applicable California laws or judicial decisions governing such provisions, but such laws or judicial decisions do not render the documents invalid or unenforceable as a whole; and

(v) we express no opinion as to the validity or enforceability of any provisions for liquidated damages, default interest, late charges, monetary penalties, prepayment or make-whole premiums or other economic remedies and call to your attention the provisions of Sections 1717 and 1717.5 of the California Civil Code, which limit and create obligations for the payment of attorney’s fees.

4. Without having undertaken to determine independently the accuracy or completeness of the statements in the Official Statement, to the best of our current actual knowledge, we have no reason to believe that the Official Statement (excluding therefrom the financial and statistical data and forecasts included therein and information about The Depository Trust Company, as to which no opinion is expressed) 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.

This letter is furnished only to you and is solely for your benefit in connection with the transactions covered hereby. This letter may not be relied upon by you for any other purpose, or furnished to, assigned to, quoted to or relied upon by any other person, firm or entity for any purpose, without my prior written consent, which may be granted or withheld in my discretion.

Respectfully submitted,

BERLINER COHEN

JOLIE HOUSTON
City Attorney
City of Merced

APPENDIX D

**\$(PRINCIPAL AMOUNT)
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(BELLEVUE RANCH WEST) OF THE CITY OF MERCED
2017 SPECIAL TAX REFUNDING BONDS
(IMPROVEMENT AREA NO. 1)**

CLOSING CERTIFICATE OF DISTRICT

The undersigned, on behalf of the Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced (the “District”), hereby makes the following certifications pursuant to Section 8(e) of the Bond Purchase Agreement, dated December __, 2017 (the “Purchase Agreement”), by and between the District and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

1. I am a duly authorized officer of the City and as such I am familiar with the facts herein certified and authorized and qualified to certify the same.

2. The representations and covenants of the District contained in the Purchase Agreement are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date.

3. The District has complied with all agreements and covenants, and satisfied all conditions, on its part to be complied with or satisfied under the Purchase Agreement at or prior to the Closing.

4. The CFD Proceedings are in full force and effect and have not been amended, modified, or supplemented.

5. The information regarding the District, Improvement Area No. 1, the CFD Documents, the Authorizing Resolution, the Bonds, the Act, and the CFD Proceedings in the Official Statement is true and correct in all material respects.

6. With respect to the discussion in the Official Statement, insofar as such discussion purports to summarize information concerning the City, the District, Improvement Area No. 1, the Act, the Bonds, the CFD Proceedings, the Authorizing Resolution, and the CFD Documents, nothing has come to the attention of the District that would leave it to believe that such discussion 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.

7. No authorization, approval, consent, or other order of any governmental entity or regulatory authority having jurisdiction over the activities of the City or the District that has not been obtained is or will be required for the valid authorization, execution, and delivery of the CFD

Documents by the District, the issuance of the Bonds, or the performance by the District, of its obligations under the CFD Documents.

Dated: December ___, 2017

CITY OF MERCED, on behalf of

COMMUNITY FACILITIES DISTRICT
NO. 2005-1 (BELLEVUE RANCH WEST) OF
THE CITY OF MERCED

By: _____
_____, _____

APPENDIX E

\$(PRINCIPAL AMOUNT) COMMUNITY FACILITIES DISTRICT NO. 2005-1 (BELLEVUE RANCH WEST) OF THE CITY OF MERCED 2017 SPECIAL TAX REFUNDING BONDS (IMPROVEMENT AREA NO. 1)

CLOSING CERTIFICATE OF FISCAL AGENT

The undersigned, on behalf of and MUFG Union Bank, N.A., as fiscal agent (the “Fiscal Agent”) under the Fiscal Agent Agreement, dated as of December 1, 2017 (the “Fiscal Agent Agreement”), by and between Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced (the “District”) and the Fiscal Agent, hereby makes the following certifications pursuant to Section 8(f) of the Bond Purchase Agreement, dated December __, 2017 (the “Purchase Agreement”), by and between the District and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

1. I am a duly authorized officer of the Fiscal Agent and as such I am familiar with the facts herein certified and authorized and qualified to certify the same.

2. The Fiscal Agent has been duly organized and is validly existing and in good standing as a national banking association under the laws of the United States, with full corporate power to undertake its obligations under of the Fiscal Agent Agreement..

3. The Fiscal Agent has duly authorized, executed, and delivered the Fiscal Agent Agreement and by all proper corporate action has authorized the acceptance of its respective obligations thereunder.

4. The Bonds have been validly authenticated and delivered by the Fiscal Agent in accordance with the terms of the Fiscal Agent Agreement.

5. Pursuant to the Fiscal Agent Agreement, the Fiscal Agent will apply the proceeds from the Bonds to the purposes specified in the Fiscal Agent Agreement.

6. No authorization, approval, consent, or other order of any governmental entity or regulatory authority having jurisdiction over the banking and trust activities of the Fiscal Agent that has not been obtained is or will be required for the valid authorization, execution, and delivery of the Fiscal Agent Agreement by the Fiscal Agent or the performance by the Fiscal Agent of its obligations under the Fiscal Agent Agreement.

7. To the best of my knowledge, the execution and delivery by the Fiscal Agent of the Fiscal Agent Agreement, and compliance with the respective provisions thereof, will not conflict with or constitute a breach of or default under, the Fiscal Agent’s duties or obligations under any

law, administrative regulation, court decree, resolution, charter, bylaws, agreement, instrument, or commitment applicable to or binding upon the Fiscal Agent.

Dated: December ___, 2017

MUFG UNION BANK, N.A.

By: _____
Authorized Signatory

APPENDIX F

**\$(PRINCIPAL AMOUNT)
COMMUNITY FACILITIES DISTRICT NO. 2003-1
(BELLEVUE RANCH EAST) OF THE CITY OF MERCED
2017 SPECIAL TAX REFUNDING BONDS
(IMPROVEMENT AREA NO. 1)**

**CLOSING CERTIFICATE OF
U.S. BANK NATIONAL ASSOCIATION**

The undersigned, on behalf of and U.S. Bank National Association (the “Bank”), as escrow bank (the “Escrow Bank”) under the Escrow Agreement, dated as of December 1, 2017 (the “Escrow Agreement”), by and between Community Facilities District No. 2003-1 (Bellevue Ranch East) of the City of Merced (the “District”) and the Escrow Bank, hereby makes the following certifications pursuant to Section 8(h) of the Bond Purchase Agreement, dated December __, 2017 (the “Purchase Agreement”), by and between the District and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

1. I am a duly authorized officer of the Bank and as such I am familiar with the facts herein certified and authorized and qualified to certify the same.
2. The Bank has been duly organized and is validly existing and in good standing as a national banking association under the laws of the United States, with full corporate power to undertake its obligations under of the Escrow Agreement.
3. The Bank has duly authorized, executed, and delivered the Escrow Agreement and by all proper corporate action has authorized the acceptance of its respective obligations thereunder.
4. No authorization, approval, consent, or other order of any governmental entity or regulatory authority having jurisdiction over the banking and trust activities of the Bank that has not been obtained is or will be required for the valid authorization, execution, and delivery of the Escrow Agreement by the Bank or the performance by the Bank of its obligations under the Escrow Agreement.
5. To the best of my knowledge, the execution and delivery by the Bank of the Escrow Agreement, and compliance with the respective provisions thereof, will not conflict with or constitute a breach of or default under, the Bank’s duties or obligations under any law, administrative regulation, court decree, resolution, charter, bylaws, agreement, instrument, or commitment applicable to or binding upon the Bank.

Dated: December ___, 2017

U.S. BANK NATIONAL ASSOCIATION

By: _____
Authorized Signatory

APPENDIX G

**\$(PRINCIPAL AMOUNT)
COMMUNITY FACILITIES DISTRICT NO. 2005-1
(BELLEVUE RANCH WEST) OF THE CITY OF MERCED
2017 SPECIAL TAX REFUNDING BONDS
(IMPROVEMENT AREA NO. 1)**

CLOSING CERTIFICATE OF CFD ADMINISTRATOR

The undersigned, on behalf of Goodwin Consulting Group, Inc. (the “CFD Administrator”), hereby makes the following certifications pursuant to Section 8(g) of the Bond Purchase Agreement, dated December __, 2017 (the “Purchase Agreement”), by and between the Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced (“District”), and Brandis Tallman LLC, as underwriter. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Purchase Agreement.

1. The undersigned is an authorized representative of the CFD Administrator and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. The CFD Administrator assists the District in the administration of the RMA, as set forth in Appendix B to the Official Statement for the Bonds.

3. If the Special Tax is levied and collected against the property within Improvement Area No. 1 of the District in accordance with the Rate and Method of Apportionment, such Special Tax will annually yield sufficient revenue to make timely payments of the principal of and interest on the Bonds and all outstanding parity bonds issued under the Fiscal Agent Agreement and to pay annual administrative expenses of the District related to the levy and collection of the Special Tax.

4. All information supplied by the CFD Administrator for use in the Official Statement, including without limitation, the information in Appendix B is true and correct in all material respects, and, as of the date of the Official Statement and as of the date hereof, the information contained in the Official Statement relating to the District, the Special Taxes, the RMA, and any other data or information provided by the CFD Administrator and included in the Official Statement, does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

Dated: December __, 2017

GOODWIN CONSULTING GROUP, INC.

By: _____
Authorized Signatory

APPENDIX H

\$(PRINCIPAL AMOUNT) COMMUNITY FACILITIES DISTRICT NO. 2005-1 (BELLEVUE RANCH WEST) OF THE CITY OF MERCED 2017 SPECIAL TAX REFUNDING BONDS (IMPROVEMENT AREA NO. 1)

CERTIFICATE OF DISTRICT REGARDING PRELIMINARY OFFICIAL STATEMENT

The undersigned hereby certifies and represents that Venus Rodriguez is the Interim Finance Officer of the City of Merced, California (the “City”), and as such is duly authorized to execute and deliver this Certificate and further certifies and reconfirms on behalf of the Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced (the “District”), as follows:

1. This Certificate is delivered in connection with the offering and sale of the Community Facilities District No. 2005-1 (Bellevue Ranch West) of the City of Merced 2017 Special Tax Refunding Bonds (Improvement Area No. 1) (the “Bonds”), in order to enable the underwriter of the Bonds to comply with Rule 15c2-12, promulgated under the Securities Exchange Act of 1934 (the “Rule 15c2-12”).

2. In connection with the offering and sale of the Bonds there has been prepared a Preliminary Official Statement, dated November __, 2017, setting forth information concerning the Bonds, the District and other matters (the “Preliminary Official Statement”).

3. As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, redemption provisions, delivery dates, and other terms of the Bonds depending on such matters, all with respect to the Bonds, and any other matters permitted under Rule 15c2-12.

4. The Preliminary Official Statement is, except for the Permitted Omissions, deemed final as of its date within the meaning of Rule 15c2-12.

Dated: November __, 2017

CITY OF MERCED, on behalf of

COMMUNITY FACILITIES DISTRICT
NO. 2005-1 (BELLEVUE RANCH WEST) OF
THE CITY OF MERCED

By: _____
Venus Rodriguez, Interim Finance Officer