

BOND PURCHASE CONTRACT

\$ _____ *

**DISCOVERY BAY PUBLIC FINANCING AUTHORITY
(Contra Costa County, California)
SERIES 2012 ENTERPRISE REVENUE BONDS
(Water and Wastewater Financing Projects)**

August __, 2012

Discovery Bay Public Financing Authority
1800 Willow Lake Road
Discovery Bay, CA 94505

Town of Discovery Bay Community Services District
1800 Willow Lake Road
Discovery Bay, CA 94505

Ladies and Gentlemen:

The undersigned, Kinsell, Newcomb & De Dios, Inc. (the “Underwriter”), hereby offers to enter into this Bond Purchase Contract (this “Purchase Contract”) with the Discovery Bay Public Financing Authority (the “Authority”) and the Town of Discovery Bay Community Services District (the “District”), for the purchase by the Underwriter and execution and delivery to be caused by the Authority under an Indenture (the “Indenture”), dated as of August 1, 2012, by and between the Authority and _____, as the trustee (the “Trustee”) of the Bonds described herein. This offer is made subject to acceptance by the Authority and the District prior to midnight, California time, on the date hereof. If this offer is not so accepted, this offer will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the District at any time prior to acceptance. Upon acceptance, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the Authority, the District and the Underwriter.

The District and the Authority acknowledge and agree that: (i) the purchase and sale of the Bonds (as defined below) pursuant to this Purchase Contract is an arm’s-length commercial transaction between the District, Authority 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 principal and are not acting as Municipal Advisor (as defined in Section 15B of The Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the District or Authority 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 District or Authority on other matters); and (iv) the District and Authority have consulted their own legal, financial and other advisors to the extent they have deemed appropriate.

Section 1. Purchase and Sale.

Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the Authority for offering to the public, and the Authority hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the “Discovery Bay Public Financing Authority, Series 2012 Enterprise Revenue Bonds (Water and Wastewater Financing Projects), in the aggregate principal amount of \$_____ (the “Bonds”), in the aggregate principal amount of \$_____” at a purchase price equal to \$_____ (being the aggregate principal amount of the Bonds less net Original Issue Discount of \$_____, and less Underwriter’s Discount of \$_____).

Section 2. Description of the Bonds.

The Bonds shall be issued pursuant to an Indenture of Trust (the “Indenture”) dated as of August 1, 2012, by and between the Authority and _____, California, as Trustee (the “Trustee”) and pursuant to Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act (commencing with Section 6584) (the “Law”) and a resolution of the Authority adopted on August 12, 2010 (the “Resolution”).

The Bonds are special limited obligations of the Authority. The Bonds are payable solely from and secured by a first pledge of the Revenues (defined herein) received by the Authority from the Town of Discovery Bay Community Services District (the “District”) under (i) a Water Installment Sale Agreement related to the District’s Water Enterprise (the “Water Enterprise”), dated as of August 1, 2012, by and between the District, as purchaser, and the Authority, as seller (the “Water Installment Sale Agreement”), and (ii) a Wastewater Installment Sale Agreement related to the District’s Wastewater Enterprise (the “Wastewater Enterprise” and collectively with the Water Enterprise, the “Utility Enterprises”), dated as of August 1, 2012, by and between the District, as purchaser, and the Authority, as seller (the “Wastewater Installment Sale Agreement” and, collectively with the Water Installment Sale Agreement, the “Installment Sale Agreements”), and from certain interest and other income derived from certain funds and accounts held under the Indenture (collectively, the “Revenues”).

The obligation of the District to make payments under each of the Installment Sale Agreements is limited solely to Net Revenues consisting generally of all gross income and revenue from the Water Enterprise, and from the Wastewater Enterprise, respectively, less the maintenance and operations costs of the Water Enterprise and the Wastewater Enterprise, respectively.

Pursuant to the terms of (i) a Water System Conveyance Agreement, dated as of August 1, 2012 (the “Water Conveyance Agreement”) between the District and the Authority, the District has agreed to sell and transfers to the Authority all of its right, title and interest in and to the Water Property (as described in the Water Conveyance Agreement), and the Authority has agreed to purchase and accept from the District all of the District’s right, title and interest in and to the Water Property, subject to the obligation of the Authority to resell the Water Property to the District pursuant to the Water Installment Sale Agreement, and (ii) a Wastewater System Conveyance Agreement, dated as of August 1, 2012 (the “Wastewater Conveyance Agreement” and, collectively with the Water Conveyance Agreement, the “Conveyance Agreements”) between the District and the Authority, the District has agreed to sell and transfers to the Authority all of its right, title and interest in and to the Wastewater Property (as described in the Wastewater

Conveyance Agreement), and the Authority has agreed to purchase and accept from the District all of the District's right, title and interest in and to the Wastewater Property, subject to the obligation of the Authority to resell the Wastewater Property to the District pursuant to the Wastewater Installment Sale Agreement.

The Bonds shall be as described in the Indenture and the Official Statement dated the date hereof relating to the Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the "Official Statement"). The proceeds of the Bonds shall be applied by the Authority as set forth in the Indenture.

This Purchase Contract, the Indenture, the Installment Sale Agreements and the Conveyance Agreements are hereafter collectively referred to as the "Agreements."

Section 3. Public Offering.

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

Section 4. Delivery of Official Statement.

The Authority has delivered or caused to be delivered to the Underwriter prior to the execution of the Purchase Contract or the first offering of the Bonds, whichever first occurs, copies of the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"). Such Preliminary Official Statement is the preliminary version of the Official Statement deemed final by the Authority for purposes of rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule") and approved for distribution by resolution of the Authority. The Authority shall have executed and delivered to the Underwriter a certification to such effect in the form attached hereto as Appendix B.

The Authority and the District hereby represents and warrant that the Preliminary Official Statement was "deemed final" as of its date, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of the Rule.

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

The District will undertake, pursuant to the Indenture and a continuing disclosure certificate (the "Continuing Disclosure Certificate"), to provide certain annual financial information and notices of the

occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement.

Section 5. The Closing.

At 8:30 a.m., California time, on August __, 2012, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Authority and the Underwriter, the Authority will deliver (i) the Bonds in definitive form to the Underwriter at the Depository Trust Company in New York, New York, or such other location as may be specified by the Underwriter, with CUSIP identification numbers printed thereon, in fully registered form and registered in the name of Cede & Co., and (ii) the closing documents hereinafter mentioned at the offices of the Underwriter in Carlsbad, California, or another place to be mutually agreed upon by the Authority and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal funds wire payable to the order of the Trustee on behalf of the Authority. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the "Closing." The Bonds will be delivered in such denominations and deposited in the account or accounts specified by the Underwriter pursuant to written notice not later than five business days prior to Closing. The Bonds will be made available to the Underwriter for inspection and packaging not less than 24 hours prior to the Closing.

Section 6. Representations, Warranties and Covenants.

The Authority, and in some instances the District, represents, warrants and covenants to the Underwriter that:

(a). Due Organization, Existence and Authority.

The Authority is a joint exercise of powers authority duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement, dated as of July 1, 2012 by and between the District and the Byron Bethany Irrigation District (the "Irrigation District"), and under the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Act"), with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Indenture, the Conveyance Agreements, the Installment Sale Agreements, the Resolution and the Continuing Disclosure Certificate (together, the "Bond Documents") and to carry out and consummate the transactions contemplated by the Bond Documents and the Official Statement.

(b). Due Authorization and Approval.

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

appropriate) has complied, and will at the Closing be in compliance in all respects, with the terms of the Bond Documents and the Official Statement.

(c) Official Statement Accurate and Complete.

The Preliminary Official Statement was as of its date, and the final Official Statement is, and at all times subsequent to the date of the final Official Statement up to and including the Closing, true and correct in all material respects, and the Preliminary Official Statement and the final Official Statement contain, and up to and including the Closing will contain, no misstatement of any material fact and do not, and up to and including the Closing will not, omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

(d). Underwriter's Consent to Amendments and Supplements to Official Statement.

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

(e). No Breach or Default.

As of the time of acceptance hereof and as of the time of the Closing, except as otherwise disclosed in the Official Statement, neither the District nor the Authority is not and will not be in breach of or in default under any applicable constitutional provision, law or administration rule or regulation of the State of California or the United States, or any applicable judgment or decree or any indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District or the Authority is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or event of default under any such instrument; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Bond Documents and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States, or any applicable judgment, decree, license, permit, indenture, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority or the District (or any of its respective officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever join any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Bond Documents.

(f). No Litigation.

As of the time of acceptance hereof and the Closing, except as may be disclosed in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government authority, public board or body, pending or threatened (i) in any way questioning the corporate

existence of the Authority or the District or the titles of the officers of the Authority or the District to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the Bond Documents or the consummation of the transactions contemplated hereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority and its authority to pledge the revenues securing the Bonds or the District making the installment payments; (iii) which may result in any material adverse change relating to the District or the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the final Official Statement or any supplement or amendment thereof or asserting that the Preliminary Official Statement or the final Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceedings, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

Section 7. Closing Conditions.

The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the Authority and 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 Contract to purchase and pay for the Bonds shall be subject to the following additional conditions:

(a). Bring-Down Representation.

The representations, warranties and covenants of the Authority and the District contained herein shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(b). Executed Agreements and Performance.

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

(c). Closing Documents.

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

Section 8. Closing Documents.

In addition to the other conditions to the Underwriter's obligations under this Purchase Contract to purchase and pay for the Bonds, at or before the Closing the Underwriter shall receive each of the following

documents, provided that the actual payment for the Bonds by the Underwriter and the acceptance of delivery thereof shall be conclusive evidence that the requirements of this Section 8 shall have been satisfied or waived by the Underwriter:

(a). Bond Opinion.

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

(b). Trustee's Certificate.

A certificate of the Trustee, dated the date of Closing, in form and substance acceptable to the Underwriter, to the following effect:

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

(ii). To the best of the knowledge of the Trustee, the Indenture has been duly authorized, executed and delivered by the Trustee and constitutes the legal, valid and binding obligation of the Trustee enforceable in accordance with its respective 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.

(iii). To the best of the knowledge of the Trustee, no consent, approval, authorization or other action by any governmental or regulatory agency having jurisdiction over the Trustee that has not been obtained is or will be required for the authentication and delivery of the Bonds or the performance by the Trustee of its duties under the Agreements which pertain to the Trustee (the "Trustee Documents"), except as such may be required under the state securities or blue sky laws in connection with the distribution of the Bonds by the Underwriter.

(iv). To the best of the knowledge of the Trustee, the execution and delivery by the Trustee of the Trustee Documents and the authentication of the Bonds, and compliance with the terms thereof will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over the Trustee or any of its activities or properties (except that no representation, warranty or agreement is made by the Trustee with respect to any Federal or state securities or blue sky laws or regulations), or (except with respect to the lien of the Indenture) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Trustee.

(v). To the best of the knowledge of the Trustee, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public

board or body served upon or threatened against or affecting the existence of the Trustee or seeking to prohibit, restrain or enjoin the authentication and delivery of the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Bonds, the Trustee Documents or contesting the powers of the Trustee to enter into and perform its obligation under any of the foregoing, wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby, or which, in any way, would adversely affect the validity of the Bonds, the Trustee Documents or any agreement or instrument to which the Trustee is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby.

(vi). Subject to the provisions of the Indenture, the Trustee will apply the proceeds from the Bonds to the purposes specified in the Indenture.

(c). Authority Certificate; District Certificate.

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

(i). The representations, warranties and covenants of the Authority contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing, and the Authority has complied with all of the terms and conditions of this Purchase Contract required to be complied with by the Authority at or prior to the date of the Closing.

(ii). The Authority is a joint powers authority duly organized and validly existing under the laws of the State of California.

(iii). The Resolution of the Authority approving and authorizing the issuance and sale of the Bonds and approving related agreements and actions has been duly adopted, and the Resolution is in full force and effect and has not been modified, amended or rescinded.

(iv). No event affecting the Authority has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(v). Except as otherwise disclosed in the Official Statement and to the best knowledge of such signing officer after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending or threatened against the Authority, challenging the creation, organization or existence of the Authority, or the validity of the Authority Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the Bond Documents or contesting the authority of the Authority to enter into or perform its obligations under any of the Bond Documents, or under which a determination adverse to the Authority would have a material adverse effect upon the financial condition or the Revenues of the Authority, or which, in any manner, questions the right of the Authority to pledge the Net Revenues to the payment of the Bonds.

2). A certificate of the District, dated the date of the Closing signed on behalf of the District by the President, Vice-President, General Manager, or other duly authorized officer of the District to the effect that:

(i). The representations, warranties and covenants of the District contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing, and the District has complied with all of the terms and conditions of this Purchase Contract required to be complied with by the District at or prior to the date of the Closing.

(ii). The District is duly organized and validly existing under the laws of the State of California.

(iii). The Resolution of the District approving and authorizing the issuance and sale of the Bonds and approving related agreements and actions has been duly adopted, and the Resolution is in full force and effect and has not been modified, amended or rescinded.

(iv). No event affecting the District has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(v). Except as otherwise disclosed in the Official Statement and to the best knowledge of such signing officer after due inquiry, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending or threatened against the District, challenging the creation, organization or existence of the District, or the validity of the Bond Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the Bond Documents or contesting the authority of the District to enter into or perform its obligations under any of the applicable Bond Documents, or under which a determination adverse to the District would have a material adverse effect upon the financial condition or the Net Revenues of the District, or which, in any manner, questions the right of the District to pledge the Net Revenues to the Installment Payments pledged in the Installment Sale Agreements.

(d). Original Executed Documents.

An original executed copy of each of the Bond Documents.

(e). Additional Documents.

Such additional certificates, instruments and other documents as Bond Counsel, Disclosure Counsel, the Authority, the District or the Underwriter may reasonably deem necessary.

If the Authority shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and none of the Underwriter, the Authority nor the Authority shall be

under further obligation hereunder, except as further set forth in Section 10.

Section 9. Termination Events.

The Underwriter shall have the right to terminate this Purchase Contract, without liability therefore, by notification to the Authority if at any time between the date hereof and the Pre-Closing:

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

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

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

(4). legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental district having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect;

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

(6). a general banking moratorium shall have been established by Federal or California authorities;

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

(8). any rating of the Bonds shall have been downgraded, suspended or withdrawn by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds;

(9). the commencement of any action, suit or proceeding described in Section 6(f) with respect to the District which, in the judgment of the Underwriter, materially adversely affects the market price of the Bonds; or

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

Section 10. Notice.

Any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to: Kinsell, Newcomb & De Dios, Inc., 2776 Gateway Rd., Carlsbad, CA 92009.

Section 11. Entire Agreement.

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

Section 12. Counterparts.

This Purchase Contract 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. Severability.

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

Section 14. Governing Law.

The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California.

Section 15. No Assignment.

The rights and obligations created by this Purchase Contract shall be governed shall not be subject to assignment by the Underwriter, the District or the Authority without the prior written request of the other parties hereto.

KINSELL, NEWCOMB & DE DIOS, INC.

By: _____

Title: _____

Read, Accepted and Agreed as of the date first stated above:

DISCOVERY BAY PUBLIC FINANCING AUTHORITY

By: _____

Title: _____

Read, Accepted and Agreed as of the date first stated above:

DISCOVERY BAY COMMUNITY SERVICES DISTRICT

By: _____

Title: _____

APPENDIX A

MATURITY SCHEDULE

| <u>Maturity</u> <u>(December 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>Yield</u> |
|--|-----------------------------------|--------------------------------|--------------|
|--|-----------------------------------|--------------------------------|--------------|

\$ _____ . . . % Term Bond Due December 1, 20__ – Price ____ . ____ %
\$ _____ . . . % Term Bond Due December 1, 20__ – Price ____ . ____ %

APPENDIX B

[Form of] RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents that he or she is a duly appointed and acting Authorized Representative of the “Discovery Bay Public Financing Authority” (the “Authority”), and as such is duly authorized to execute and deliver this Certificate and further hereby certifies and reconfirms on behalf of the Authority as follows:

(1) This Certificate is delivered in connection with the offering and sale of the above-captioned “Discovery Bay Public Financing Authority, Series 2012 Enterprise Revenue Bonds (the “Bonds”) in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement (“Preliminary Official Statement”).

(3) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule.

IN WITNESS WHEREOF, the undersigned has executed this Certificate as of this __ day of August __, 2012.

DISCOVERY BAY PUBLIC FINANCING AUTHORITY

By: _____

Title: _____