

PLACEMENT AGENT AGREEMENT

\_\_\_\_\_, 2015

MAYOR AND COUNCIL  
TOWN OF ORO VALLEY, ARIZONA

Re: Town of Oro Valley, Arizona, Excise Tax Revenue Refunding Obligations,  
Series 2015 (Bank Qualified)

Upon the terms and conditions and based upon the representations, warranties and covenants set forth herein, Stifel, Nicolaus & Company, Incorporated (the "Placement Agent") offers to enter into this Placement Agent Agreement (this "Placement Contract") with the Town of Oro Valley, Arizona (the "Town"), which, upon acceptance of this offer and subject to Paragraph 5 hereof, shall be binding upon the Town and the Placement Agent. This offer is made subject to acceptance of this Placement Contract by the Town before or on \_\_\_\_\_, 2015, and, if not so accepted, will be subject to withdrawal by the Placement Agent upon notice delivered to your office at any time prior to acceptance hereof. If the obligations of the Placement Agent shall be terminated for any reason permitted hereby, neither the Placement Agent nor the Town shall be under further obligation hereunder.

The above-captioned obligations (the "Obligations") are to be executed and delivered pursuant to a Resolution of the Town Council adopted on \_\_\_\_\_, 2015 (the "Resolution").

1. The Placement Agent shall use its best efforts to locate purchasers for the Obligations (the "Purchasers") at a purchase price determined as provided in the Resolution (the "Purchase Price") and on terms consistent with the Resolution. If the Purchasers purchase the Obligations on the hereinafter defined Closing Date, the Town will pay a placement fee equal to \$\_\_\_\_\_ (the "Fee") to the Placement Agent.

2. The undersigned, on behalf of the Town, but not individually, hereby represents and warrants to the Placement Agent (and it shall be a condition of the obligation of the Placement Agent to perform under this Placement Contract that it shall be represented and warranted on the Closing Date) that:

(a) The Town is duly organized and validly existing under the laws of the State of Arizona (the "State") with power to adopt the Resolution, perform the

agreements on its part contained therein and in the agreements approved thereby and cause the issuance, sale and delivery of the Obligations.

(b) The Town has complied and, in all respects on the Closing Date will be in compliance, with all of the provisions of applicable law of the State.

(c) The Town has duly adopted the Resolution, and the Town has duly authorized and approved the execution and delivery of this Placement Contract, the Obligation Purchase Agreement, the Trust Agreement and the Agreement (as such terms are defined in the Resolution and, collectively, the "Documents"), as well as the performance of its obligations contained in the Resolution and the consummation by it of all other transactions contemplated hereby.

(d) The Town is not in breach of or default under any applicable law or administrative regulation of the State or any department, division, agency or instrumentality thereof, or of the United States, or any applicable judgment or decree or any loan agreement, note, resolution, certificate, agreement or other instrument to which the Town is a party or is otherwise subject, which breach or default would materially and adversely affect the Town or its ability to perform its duties and obligations under the Documents, and the execution and delivery of the Documents, the adoption of the Resolution and the issuance, sale, execution and delivery of the Obligations and compliance with the provisions of each will not conflict materially with or constitute a material breach of or default under any applicable law or administrative regulation of the State or under any certificate, agreement or other instrument to which the Town is a party or is otherwise subject, which breach or default would materially and adversely affect the Town or its ability to perform its duties and obligations under the Documents.

(e) No litigation is pending or overtly threatened in any court in any way affecting the existence of the Town or the title of the members of the Town Council to their respective offices or seeking to restrain or to enjoin the sale, execution or delivery of the Obligations, or the collection or pledge of any revenues pledged or to be pledged under the Trust Agreement and the Agreement to pay the payments due under the Agreement and applied to the principal of and interest on the Obligations, or in any way contesting or affecting the validity or enforceability of the Obligations, the Resolution or the Documents, or contesting the powers of the Town or the members of the Town Council with respect to the Obligations.

3. (a) At or prior to \_\_\_\_ \_\_.m. M.S.T. on November 2, 2015, or such other date agreed to by the Town and the Placement Agent (the "Closing Date"), the Obligations will be delivered, in definitive fully registered and physically certificated form, duly executed, in denominations specified by the Purchasers, together with the other documents hereinabove mentioned, upon payment of the Purchase Price by wire transfer, in immediately available funds, to the Town. Delivery as aforesaid shall be made at a time and place, as shall have been mutually agreed upon by authorized representatives of the Placement Agent and the Town, and such payment shall be made simultaneously therewith. This payment and delivery is herein called the "Closing."

(b) On the Closing Date, the Placement Agent shall receive a copy of each of the following documents, each dated the Closing Date:

(i) a certified copy of the Resolution;

(ii) an opinion of Special Counsel, Gust Rosenfeld P.L.C. ("Special Counsel") in form and substance satisfactory to the Placement Agent;

(iii) a certificate, signed by an authorized officer of the Town, to the effect that (i) the representations, warranties and covenants of the Town contained herein are true and correct in all material respects on and as of the Closing Date, with the same effect as if made on the Closing Date; (ii) no litigation is pending or, to the knowledge of such officer, threatened in any court in any way affecting the existence of the Town or the titles of its officers or directors to their respective positions, or seeking to restrain or to enjoin the sale, execution or delivery of the Obligations, or the collection of any revenues of the Town pledged or to be pledged to pay the principal of and interest on the Obligations, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Obligations, the Resolution or the Documents, or contesting the powers of the Town or its authority with respect to the Obligations, the Resolution or the Documents (but in lieu of or in conjunction with such certificate, the Placement Agent may, in the sole discretion of an authorized representative thereof, accept certificates or opinions of counsel to the Town, acceptable to such representative, that in the opinion of such counsel the issues raised in any pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit) and (iii) the Town has complied in all material respects with the Resolution and the terms of the Obligations and the Documents and satisfied all material conditions on its part to be performed or satisfied at or prior to the delivery of the Obligations; and

(iv) such additional certificates, instruments or opinions as Special Counsel, the Town or the Placement Agent may deem necessary or desirable.

All certificates, instruments, opinions and documents referred to above and any resolutions shall be in form and substance satisfactory to authorized representatives of Special Counsel, the Town and the Placement Agent.

4. The obligation of the Placement Agent to use its best efforts to place the Obligations shall be subject to the performance by the Town of the obligations thereof provided hereby in all material respects at or prior to the Closing, and the accuracy in all material respects of the representations and warranties of the Town contained herein and shall also be subject to the following conditions:

(a) The Resolution shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Placement Agent;

(b) The Town shall have arranged for payment of the Fee at the time of the Closing and

(c) All of the other obligations of the Town required under or specified in this Placement Contract and the Resolution to be performed at or prior to the Closing shall have been performed in all material respects.

5. This Placement Contract may be terminated by the Placement Agent by notification in writing to you at your office if at any time subsequent to the date hereof and at or prior to the Closing: (i) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the offering, sale and execution and delivery of the Obligations without registration thereof or obligations of the general character of the Obligations is in violation of any provision of the Securities Act of 1933 or of the Trust Indenture Act of 1939; (ii) in the Congress of the United States, legislation shall be enacted or a bill shall be favorably reported out of committee of either house, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that securities of the Town or of any similar body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933 or the Trust Indenture Act of 1939; (iii) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency; (iv) there shall have occurred a general suspension of trading on the New York Stock Exchange; (v) a general banking moratorium shall have been declared by the United States, State of New York, or the State authorities; (vi) there shall have occurred since the date of this Placement Contract any materially adverse change in the affairs or financial condition of the Town or (vii) the purchase of and payment for the Obligations on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

6. There shall be paid solely from the proceeds of the sale of the Obligations, upon or promptly after the Closing: (a) the cost, if any, of the preparation and printing of the Obligations; (b) the fees and disbursements of Special Counsel and of any other counsel or consultants retained by the Town and (c) the Fee. The Placement Agent shall be under no obligation to pay any expenses incident to this Placement Contract.

7. The agreements and all representations and warranties herein set forth have been and are made for the benefit of the Placement Agent and the Town, and no other person shall acquire or have any right under or by virtue of this Placement Contract.

8. This Placement Contract shall become effective upon the execution of the acceptance hereof by an authorized officer of the Town and shall be valid and enforceable as of the time of such acceptance. This Placement Contract may be executed in several counterparts, each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

9. This Placement Contract shall be governed by and construed in accordance with the law of the State. As required by the provisions of Section 38-511, Arizona Revised Statutes, notice is hereby given that the State, its political subdivisions (including the Town) or any department or agency of either may, within three (3) years after its execution, cancel any contract, without penalty or further obligation, made by the State, its political subdivisions or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any of the departments or agencies of either is, while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract. The cancellation shall be effective when written notice from the Governor or the chief executive officer or governing body of the political subdivision is received by all other parties to the contract unless the notice specifies a later time. The State, its political subdivisions or any department or agency of either may recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the State, its political subdivisions or any department or agency of either from any other party to the contract arising as the result of the contract. This Section is not intended to expand or enlarge the rights of the Town hereunder except as required by such Section. Each of the parties hereto hereby certifies that it is not presently aware of any violation of such Section which would adversely affect the enforceability of this Placement Contract and covenants that it shall take no action which would result in a violation of such Section.

10. **Regulatory Disclosure:** The Town is aware of Section 975 of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the Securities and Exchange Commission's adopted rule commonly known as the "Municipal Advisor Rule" (SEC Rule 15Ba1-1 to 15Ba1-8 -"the Rule") and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter or placement agent for a particular issuance of municipal securities. Some of the services that the Placement Agent will be called upon to perform, such as providing advice with respect to the sizing, structure, timing and terms of the Obligations issuance, are services that are also commonly provided by financial advisory firms.

However, in providing such services for the Obligations, the parties understand and agree that the Placement Agent is serving as a placement agent for this transaction and is permitted to give advice and recommendations under the "underwriter exclusion" provision of the Rule. The Town agrees that the Placement Agent will not be serving as the Town's financial advisor or acting as an agent or fiduciary for the Town and that the Town will be consulting with its own legal, financial and other advisors. This Placement Contract and relationship shall be executed, approved or acknowledged by the Town Council.

11. **Disclosures Required by MSRB Rule G-17 Concerning the Role of the Placement Agent:** Municipal Securities Rulemaking Board Rule G-17 requires a placement agent to deal fairly at all times with both municipal issuers and investors. The Placement Agent's primary role is to place the Obligations directly with an investor or investors on behalf of the Town without first purchasing the Obligations, and the Placement Agent has financial and other interests that differ from those of the Town. Unlike a municipal advisor, the Placement Agent does not have a fiduciary duty to the Town under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Town without regard to its own financial

or other interests. The Placement Agent will review the official statement for the securities, if any, in accordance with, and as part of, its respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.

12. If any provision of this Placement Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance or of rendering any other provision or provisions of this Placement Contract invalid, inoperative or unenforceable to any extent whatever.

13 This Placement Contract shall be governed by and construed in accordance with the laws of the State of Arizona.

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Respectfully submitted,

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED

\_\_\_\_\_  
\_\_\_\_\_, Managing Director

ACCEPTED this \_\_\_ day of \_\_\_\_, 2015.

TOWN OF ORO VALLEY, ARIZONA

\_\_\_\_\_  
Finance Director

ATTEST:

\_\_\_\_\_  
Town Clerk