

## DEALER AGREEMENT

### SANTA CLARA VALLEY WATER DISTRICT COMMERCIAL PAPER NOTES, SERIES A (TAX-EXEMPT) AND SERIES B (TAXABLE)

December 1, 2024

Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, California 95118-3614

Dear Ladies & Gentlemen:

This Dealer Agreement (the “Dealer Agreement”) confirms the agreement between the undersigned, Barclays Capital Inc. (the “Dealer”) and the Santa Clara Valley Water District, a water supply and flood protection district duly organized and existing under and pursuant to the Constitution and laws of the State of California (“Valley Water”), for the Dealer to act as a non-exclusive dealer in connection with the issuance and delivery of Santa Clara Valley Water District Commercial Paper Notes, Series A (Tax-Exempt) (the “Tax-Exempt Notes”) and Santa Clara Valley Water District Commercial Paper Notes, Series B (Taxable) (the “Taxable Notes” and together with the Tax-Exempt Notes, the “Notes”).

The Notes are to be issued pursuant to an Issuing and Paying Agent Agreement, dated as of December 1, 2024 (the “Issuing and Paying Agent Agreement”), by and between Valley Water and U.S. Bank Trust Company, National Association, as issuing and paying agent (the “Issuing and Paying Agent”). All terms used herein and not defined herein shall have the meanings specified in the Issuing and Paying Agent Agreement.

The Notes are to be issued and delivered for the purposes described in the Issuing and Paying Agent Agreement. The aggregate principal amount of the Notes that may be outstanding at any one time and the aggregate amount of interest to maturity, if any, with respect to such Notes are limited as provided in the Issuing and Paying Agent Agreement. The holders from time to time of the Notes will be entitled to the benefits of a Liquidity Facility, which initially is an irrevocable, transferable direct-pay letter of credit (the “SMBC Letter of Credit”) issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (an initial “Bank”), under and pursuant to a Reimbursement Agreement, dated as of December 1, 2024 (the “SMBC Reimbursement Agreement” and together with the SMBC Letter of Credit and any related fee letter, the initial “Liquidity Facility” under the Issuing and Paying Agent Agreement), by and between Valley Water and the Bank.

#### **1. Appointment of Dealer; Basic Responsibilities of Dealer.**

(a) Subject to the terms and conditions herein contained, Valley Water hereby appoints the Dealer and the Dealer hereby accepts such appointment, as non-exclusive dealer for Valley Water in connection with the offering, issuance and sale of the Notes;

(b) In its capacity as dealer with respect to the Tax-Exempt Notes, the Dealer shall exercise its best efforts to solicit purchases of the Tax-Exempt Notes, on such terms and

conditions, including maturity dates and interest rates, as may prevail from time to time in the tax-exempt commercial paper market, at rates up to the Maximum Rate. In its capacity as a dealer with respect to the Taxable Notes, the Dealer shall use its best efforts to solicit purchases of the Taxable Notes, on such terms and conditions, including maturity dates, yields-to-maturity, or interest rates as may prevail from time to time in the taxable municipal commercial paper market, at rates up to the Maximum Rate. Such amounts and terms and conditions shall be subject to the approval of an Authorized Representative. On or before 12:00 P.M., New York City time, on each day on which Notes, the purchase of which has been solicited by the Dealer, are to be executed and delivered, the Dealer will notify an Authorized Representative (as defined in the Issuing and Paying Agent Agreement) and the Issuing and Paying Agent of the amounts and terms and conditions of such Notes with respect to which the Dealer has received indications of interest from potential purchasers. The receipt by the Dealer of such indications of interest from potential purchasers of Notes shall not constitute legal and binding commitments of such purchasers, and the giving by the Dealer of notice of such indications of interest from potential purchasers of Notes pursuant to this paragraph shall not constitute, or be construed as constituting, notice of the receipt by the Dealer of legal and binding commitments of such purchasers.

(c) It is understood and agreed that the Dealer's responsibilities hereunder will include (i) the soliciting of purchases of Notes from investors that customarily purchase tax-exempt and taxable commercial paper in large denominations, (ii) effecting and processing such purchases, (iii) causing the furnishing, by mail or otherwise (at Valley Water's expense), of such materials as are described in Section 3 hereof, (iv) billing and receiving payment for Notes purchases, and (v) performing such other related functions as may be requested by Valley Water and agreed to by the Dealer.

(d) The Dealer and Valley Water agree that any Notes which the Dealer may purchase or for which the Dealer may arrange the sale will be purchased or sold on the terms and conditions and in the manner provided in this Dealer Agreement. Although: (i) Valley Water has and shall have no obligation to sell the Notes to the Dealer or to permit the Dealer to arrange any sale of the Notes for the account of Valley Water, and (ii) the Dealer has and shall have no obligation to purchase the Notes from Valley Water or to arrange any sale of the Notes for the account of Valley Water, the parties hereto agree that in any case where the Dealer purchases Notes from Valley Water, or arranges for the sale of Notes by Valley Water, such Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of Valley Water contained herein or made pursuant hereto and on the terms and conditions and in the manner provided herein.

**2. The Notes.** As more fully described in the Issuing and Paying Agent Agreement, the Notes will be issuable in minimum denominations of \$100,000 and increments of \$1,000 there above and will have maturities of not more than 270 days from their respective dates of execution and delivery. The Notes may be executed and delivered in registered form, without coupons, or bearer form. The Tax-Exempt Notes will be issued as interest-bearing obligations, the Taxable Notes will be issued as discount or interest-bearing obligations, and in each case Notes will mature at such times as an Authorized Representative may designate upon authorizing the issuance thereof. Principal of and interest on, if any, the Notes will be payable at maturity in immediately available funds at the offices of the Issuing and Paying Agent in New York, New York.

### **3. Furnishing of Memorandum.**

(a) Valley Water agrees to pay the cost of as many copies as the Dealer may reasonably request of the Offering Memorandum, dated December 9, 2024, pertaining to the Notes, each Offering Memorandum and each Supplement (as such terms are hereinafter defined) and any Official Statement of Valley Water and other material approved by Valley Water for use in connection with the offering of the Notes. Such Offering Memorandum, including the cover page and all summary statements, appendices and other materials included or incorporated therein by reference or attached thereto or accompanying therewith (in each case with the approval of Valley Water), as it may be amended or supplemented from time to time by a Supplement or Supplements (as such term is hereinafter defined), is hereinafter referred to as the “Offering Memorandum (2024).” The Dealer will furnish the Offering Memorandum (2024) to each offeree of the Notes at or prior to the date on which such offeree is first offered the Notes.

(b) The Dealer may request an update of the Offering Memorandum (2024) upon a reasonable determination that such an update to the Offering Memorandum (2024) is necessary for the Dealer to remain in compliance with Federal securities laws. If so determined, as promptly as practicable, but in no event more than 90 days (or such longer period agreed to by Valley Water and the Dealer) following a written request by the Dealer, Valley Water shall provide an update to the Offering Memorandum (2024). In such event, such updated memorandum, including the cover page and all summary statements, appendices and other materials included or incorporated therein by reference or attached thereto or accompanying therewith as it may be amended or supplemented from time to time by a Supplement or Supplements (as such term is hereinafter defined), is hereinafter referred to as an “Offering Memorandum.” The Dealer will furnish each Offering Memorandum, if any, to each offeree of Notes offered subsequent to the receipt by the Dealer of such Offering Memorandum.

(c) Each Offering Memorandum, if any, shall be revised in the same manner and within the same period as is provided in paragraph (b) of this Section with respect to the Offering Memorandum (2024). The most current Offering Memorandum (or the Offering Memorandum (2024) if no subsequent Offering Memorandum has been delivered to the Dealer) is hereinafter referred to as the “Memorandum.”

(d) If, during and prior to such time as any Memorandum is used in connection with the offering and sale of the Notes, any event or condition known to Valley Water relating to or affecting Valley Water shall occur which might materially adversely affect the properties, business, condition (financial or other) or results of operations of Valley Water or the ability of Valley Water to perform its obligations under and in respect of this Dealer Agreement, the Notes, the Issuing and Paying Agent Agreement, the Water Utility Parity System Master Resolution or any Liquidity Facility, or which might affect the correctness of any statement of a material fact contained in such Memorandum, Valley Water will promptly notify the Dealer of the circumstances and details of such event or condition. If, as a result of such event or condition or any other event or condition, it is necessary or advisable, in the opinion of the Dealer, to amend or supplement such Memorandum in light of such event or condition, Valley Water will forthwith cooperate with the Dealer in the prompt preparation of a supplement to such Memorandum (a “Supplement”), in form and substance satisfactory to the Dealer, which will so amend or supplement such Memorandum.

(e) The information relating to Valley Water contained in each Memorandum and any Official Statement of Valley Water which accompanies such Memorandum will be true and

correct in all material respects on and as of the respective dates of such Memorandum and such Official Statement of Valley Water.

**4. Representations, Warranties, Covenants and Agreements of Valley Water.**

(a) Valley Water, by its acceptance hereof, represents and warrants that:

(i) Valley Water is duly organized and validly existing under the laws of the State of California and has all the requisite power and authority to execute and deliver the Notes, this Dealer Agreement, the Liquidity Facility or Facilities, the Issuing and Paying Agent Agreement (the “CP Documents”) and to perform its obligations under the CP Documents and the Water Utility Parity System Master Resolution (collectively with the CP Documents, the “Valley Water Documents”);

(ii) The Water Utility Parity System Master Resolution and the CP Resolution were duly adopted, are in full force and effect and have not been repealed, modified or amended;

(iii) the Notes have been duly authorized and issued, and are entitled to the benefits of Issuing and Paying Agent Agreement and the Valley Water Documents do and will constitute the legal, valid and binding obligations of Valley Water, enforceable against Valley Water in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors’ rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and to limitations on legal remedies against public agencies in the State of California; and

(iv) when authenticated and delivered by the Issuing and Paying Agent, the Notes will be in conformity with and entitled to the benefits of the Issuing and Paying Agent Agreement; and

(v) Valley Water shall furnish such information, execute such instruments and take such other action in cooperation with the Dealer as the Dealer may reasonably request in order (1) to qualify the Notes 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 Dealer may designate and (2) to determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification under clause (1) in effect so long as required for distribution of the Notes by the Dealer; provided, however, that in no event shall Valley Water be required to consent to suit or to service of process in any jurisdiction or to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject.

**5. Conditions To Dealer’s Obligations.** The obligations of the Dealer under this Dealer Agreement have been undertaken in reliance on, and shall be subject to, the due performance by Valley Water of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the respective representations, warranties, covenants and agreements of the Valley Water contained herein, in each case on and as of the date of delivery of this Dealer Agreement and on and as of each date on which the Notes are to be issued. The obligations of the Dealer hereunder with respect to each date on which the Notes are to be issued are also subject, at the discretion of the Dealer, to the following further conditions precedent:

(a) The Valley Water Documents and the Liquidity Facility shall be in full force and effect and the Notes to be issued on such date shall have the full benefits of all of the foregoing, all of which shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Dealer, and there shall be in full force and effect such additional resolutions, agreements, instruments and certificates (including such certificates as may be required by Stradling Yocca Carlson & Rauth LLP, Note Counsel, regarding the exclusion from gross income of interest on the Tax-Exempt Notes from federal income tax) and such opinions of counsel, which resolutions, agreements, certificates and opinions of counsel shall be satisfactory in form and substance to the Dealer and Stradling Yocca Carlson & Rauth LLP, Note Counsel, and there shall have been taken in connection therewith and in connection with the issuance of the Notes all such action as shall, in the opinion of the aforesaid Note Counsel, be necessary in connection with the transactions contemplated hereby.

(b) There shall have been no material adverse change in the properties, business, condition (financial or other) or results of operations of Valley Water or the Bank since the date of the Memorandum; and no event of default or breach hereunder or under the Valley Water Documents shall have occurred and be continuing and no event shall have occurred and be continuing which with the passage of time or giving of notice or both, would constitute such an event of default or breach.

(c) At or prior to the first date on which Notes are to be sold pursuant to the terms of the Issuing and Paying Agent Agreement and this Dealer Agreement, the Dealer shall have received:

(i) executed copies of the SMBC Reimbursement Agreement and the Issuing and Paying Agent Agreement; and a transcript of all proceedings relating to the authorization of the Notes, including certified copies of the CP Resolution and the Water Utility Parity System Master Resolution;

(ii) opinions dated as of such date of: (a) Stradling Yocca Carlson & Rauth LLP, Note Counsel in the form attached to the Offering Memorandum (2024) as Appendix A; and (b) counsel to the Bank (each such opinion to be in form and substance as previously agreed to by each such counsel and the Dealer);

(iii) a certificate of Valley Water, executed by any duly authorized official of Valley Water, dated as of such date, as to the accuracy of and compliance with the representations, warranties, covenants and agreements of Valley Water contained in the SMBC Reimbursement Agreement on and as of such date, which certificate may state that the certifications therein set forth are to the best knowledge and belief of such official;

(iv) a certificate of the Bank, executed by a duly authorized representative of the Bank, dated as of such date, as to the correctness of information concerning the Bank which is contained in the Offering Memorandum (2024);

(v) a specimen copy of the SMBC Letter of Credit comprising the Liquidity Facility;

(vi) copies of all documents required by, and delivered pursuant to Section 4.01 of the Reimbursement Agreement (other than the fee letter(s));

(vii) a certificate of the Dealer, as to such matters as Valley Water may reasonably request;

(viii) a certificate of Valley Water executed by any duly authorized official of Valley Water, dated as of or prior to such date, as to the correctness of information concerning Valley Water which is contained in the Offering Memorandum (2024) under the caption "VALLEY WATER AND THE WATER SYSTEM."

(ix) prior to the issuance of any Notes represented by a book-entry note registered in the name of DTC or its nominee, a copy of the executed DTC Letter of Representations with respect thereto; and

(x) copies of such other documents, certificates and opinions as the Dealer shall have reasonably requested.

If on any date Note Counsel informs Valley Water that, because of a change in law or otherwise, the opinion of Note Counsel delivered pursuant to clause (ii) above may no longer be relied upon, Valley Water agrees that: (a) it shall immediately so notify the Dealer, either by written or electronic means; and (b) it shall not issue any Notes at any time thereafter until Note Counsel, or other bond counsel acceptable to the Dealer, issues an opinion in connection with the sale of Notes acceptable in substance to the Dealer.

(d) In addition, the Dealer may immediately suspend its efforts to solicit and arrange sales of the Notes if: (i) a banking moratorium shall have been established by federal, New York or California authorities; (ii) a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or the establishment of minimum or maximum prices on any such national securities exchange shall have occurred; (iii) a war involving the United States shall have been declared or escalated, or any existing conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which in the Dealer's reasonable opinion, materially adversely affects the marketability of the Notes or securities of the general character of the Notes; or (iv) any of the rating agencies then rating the Notes or the Bank shall either downgrade the ratings assigned to the Notes or the Bank so that such Notes are not "Eligible Securities" as defined under Rule 2a-7 of the Investment Company Act of 1940, as amended, or shall suspend or withdraw the then current ratings assigned to the Notes or the Bank.

## **6. Term and Termination of Dealer Agreement.**

(a) This Dealer Agreement shall become effective upon execution by the Dealer and Valley Water and may be canceled by the Dealer or Valley Water at any time on written notice. To be effective, such written notice must be given no less than 30 days prior to such cancellation date with a copy to the Issuing and Paying Agent and the Bank; provided, however, that upon the mutual agreement of the Dealer, Valley Water and the Banks, such written notice may be given fewer than 30 days prior to such cancellation date. Valley Water will use its best efforts to notify the rating agencies then providing a rating on the Notes (in the manner prescribed by Section 8(f) hereof) of the termination of this Dealer Agreement and any change in the dealer for the Notes.

(b) In addition, the Dealer may terminate its obligations under this Dealer Agreement at any time by notifying Valley Water and the Bank in writing or by telegram, telex or other electronic communication of its election to do so, if any event shall have occurred, or information become known, which, in the Dealer's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Memorandum or has the effect that the Memorandum contains an untrue, incorrect or misleading 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 light of the circumstances under which they were made, not misleading, and Valley Water shall fail to supplement the Memorandum in a manner satisfactory to the Dealer within a reasonable period of time after requested to do so by the Dealer.

**7. Payment of Fees and Expenses.**

(a) In consideration of the services to be performed by the Dealer under this Dealer Agreement, Valley Water agrees to pay to the Dealer a fee in the amount of the product of (i) [.05 of 1% divided by 365 or 366], as appropriate, and (ii) the sum of the principal amounts of such Notes outstanding on each day during the billing period (to which reference is made in the next succeeding sentence). It is understood and agreed that (i) payment of such fee shall be made by Valley Water quarterly upon receipt of an invoice therefor from the Dealer, and (ii) the obligation of Valley Water to pay such fee shall survive the termination or cancellation of this Dealer Agreement to the extent that such obligation related to Notes outstanding prior to such termination or cancellation.

(b) All reasonable expenses and costs of the Dealer in effecting the authorization, preparation, issuance, offering, delivery and sale of the Notes (including, without limitation, the expenses and costs of the preparation, printing, photocopying, execution and delivery of the Notes, the Offering Memorandum (2024), each Offering Memorandum, each Supplement, the Liquidity Facility or Facilities, the Issuing and Paying Agent Agreement, this Dealer Agreement and all other agreements and documents contemplated hereby and thereby, including amendments, modifications and supplements to any such agreements and documents at any time during the term of this Dealer Agreement) shall be paid or reimbursed by Valley Water, unless and to the extent that such expenses and costs are paid out of or reimbursed from the proceeds of the Notes.

**8. Miscellaneous.**

(a) All notices, demands and formal actions under this Dealer Agreement shall be in writing and mailed, telecopied, telegraphed or delivered to:

The Dealer:

[NAME]  
[ADDRESS]  
Attention:  
Facsimile Transmission Number:  
Email:

If to Valley Water:

Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, California 95118-3614  
Attn: Charlene Sun, Treasury and Debt Officer  
Telephone No: (408) 630-2528  
Telecopy No.: (408) 979-5685

provided, however, that all notices pursuant to, or contemplated by, the provisions of Section 1 of this Dealer Agreement shall be given by telephonic communication between or among authorized representatives of the parties to this Dealer Agreement and shall be confirmed in writing and mailed, telegraphed or delivered to such parties on the later of the Business Day following the settlement, if any, of the respective transactions to which such notices relate or the Business Day following the telephonic communication. The Dealer and Valley Water may, by notice given under this Dealer Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed;

(b) Any certificate authorized by Valley Water, signed by any authorized official or officials of Valley Water and delivered to the Dealer shall be deemed a representation by Valley Water to the Dealer as to the statements made therein;

(c) This Dealer Agreement will inure to the benefit of and be binding upon Valley Water and the Dealer and their respective successors, and will not confer any rights upon any other person, partnership, association or corporation. The term “successors” shall not include any purchaser of any of the Notes merely because of such purchase. No party to this Dealer Agreement may assign its rights or obligations hereunder to another party without the written consent of the other parties hereto.

(d) All of the representations, warranties and covenants of Valley Water and the Dealer in this Dealer Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer or Valley Water or (ii) delivery of and any payment for any Notes hereunder;

(e) Valley Water acknowledges and agrees, whether or not the Dealer or any affiliate thereof has advised or is currently advising Valley Water on other matters, that in connection with its efforts to solicit and arrange sales of the Notes and any other duties or obligations of the Dealer pursuant to and/or as set forth in this Dealer Agreement: (i) the Dealer is not an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act), an “advisor”) of, and owes no fiduciary duty to, Valley Water or any other person; (ii) the Dealer’s duties and obligations to Valley Water shall be limited to those contractual duties and obligations expressly set forth in this Dealer Agreement; (iii) the Dealer has financial and other interests that differ from those of Valley Water; and (iv) Valley Water has consulted with those independent legal, financial and any other advisors to the extent it deemed appropriate in connection with any questions or other issues it might have relating to the Notes.

(f) Valley Water shall use its best efforts to notify the rating agencies then providing a rating on the Notes (initially Fitch Ratings and Moody’s Investors Service, Inc.) of any



modification of or amendment to the Dealer Agreement. Notice shall be sent by first class mail, postage prepaid;

(g) Section headings have been inserted in this Dealer Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Dealer Agreement and will not be used in the interpretation of any provisions of this Dealer Agreement;

(h) If any provision of this Dealer Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Dealer Agreement invalid, inoperative or unenforceable to any extent whatever;

(i) This Dealer Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which constitute one and the same document; and

(j) This Dealer Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto with the prior written consent of the Bank.

*[Remainder of Page Intentionally Left Blank]*

(k) This Dealer Agreement shall be governed by and construed in accordance with the laws of the State of California. Valley Water and the Dealer agree that any action or proceeding relating in any way to this Dealer Agreement shall be brought and entered into in the courts of State of California or the courts of the United States of America for the Northern District of California.

BARCLAYS CAPITAL INC.

By: \_\_\_\_\_  
Executive Director

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Chief Financial Officer

## DEALER AGREEMENT

### SANTA CLARA VALLEY WATER DISTRICT COMMERCIAL PAPER NOTES, SERIES A (TAX-EXEMPT) AND SERIES B (TAXABLE)

December 1, 2024

Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, California 95118-3614

Dear Ladies & Gentlemen:

This Dealer Agreement (the “Dealer Agreement”) confirms the agreement between the undersigned, BofA Securities, Inc. (the “Dealer”) and the Santa Clara Valley Water District, a water supply and flood protection district duly organized and existing under and pursuant to the Constitution and laws of the State of California (“Valley Water”), for the Dealer to act as a non-exclusive dealer in connection with the issuance and delivery of Santa Clara Valley Water District Commercial Paper Notes, Series A (Tax-Exempt) (the “Tax-Exempt Notes”) and Santa Clara Valley Water District Commercial Paper Notes, Series B (Taxable) (the “Taxable Notes” and together with the Tax-Exempt Notes, the “Notes”).

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(b) The Dealer may request an update of the Offering Memorandum (2024) upon a reasonable determination that such an update to the Offering Memorandum (2024) is necessary for the Dealer to remain in compliance with Federal securities laws. If so determined, as promptly as practicable, but in no event more than 90 days (or such longer period agreed to by Valley Water and the Dealer) following a written request by the Dealer, Valley Water shall provide an update to the Offering Memorandum (2024). In such event, such updated memorandum, including the cover page and all summary statements, appendices and other materials included or incorporated therein by reference or attached thereto or accompanying therewith as it may be amended or supplemented from time to time by a Supplement or Supplements (as such term is hereinafter defined), is hereinafter referred to as an “Offering Memorandum.” The Dealer will furnish each Offering Memorandum, if any, to each offeree of Notes offered subsequent to the receipt by the Dealer of such Offering Memorandum.

(c) Each Offering Memorandum, if any, shall be revised in the same manner and within the same period as is provided in paragraph (b) of this Section with respect to the Offering Memorandum (2024). The most current Offering Memorandum (or the Offering Memorandum (2024) if no subsequent Offering Memorandum has been delivered to the Dealer) is hereinafter referred to as the “Memorandum.”

(d) If, during and prior to such time as any Memorandum is used in connection with the offering and sale of the Notes, any event or condition known to Valley Water relating to or affecting Valley Water shall occur which might materially adversely affect the properties, business, condition (financial or other) or results of operations of Valley Water or the ability of Valley Water to perform its obligations under and in respect of this Dealer Agreement, the Notes, the Issuing and Paying Agent Agreement, the Water Utility Parity System Master Resolution or any Liquidity Facility, or which might affect the correctness of any statement of a material fact contained in such Memorandum, Valley Water will promptly notify the Dealer of the circumstances and details of such event or condition. If, as a result of such event or condition or any other event or condition, it is necessary or advisable, in the opinion of the Dealer, to amend or supplement such Memorandum in light of such event or condition, Valley Water will forthwith cooperate with the Dealer in the prompt preparation of a supplement to such Memorandum (a “Supplement”), in form and substance satisfactory to the Dealer, which will so amend or supplement such Memorandum.

(e) The information relating to Valley Water contained in each Memorandum and any Official Statement of Valley Water which accompanies such Memorandum will be true and

correct in all material respects on and as of the respective dates of such Memorandum and such Official Statement of Valley Water.

**4. Representations, Warranties, Covenants and Agreements of Valley Water.**

(a) Valley Water, by its acceptance hereof, represents and warrants that:

(i) Valley Water is duly organized and validly existing under the laws of the State of California and has all the requisite power and authority to execute and deliver the Notes, this Dealer Agreement, the Liquidity Facility or Facilities, the Issuing and Paying Agent Agreement (the “CP Documents”) and to perform its obligations under the CP Documents and the Water Utility Parity System Master Resolution (collectively with the CP Documents, the “Valley Water Documents”);

(ii) The Water Utility Parity System Master Resolution and the CP Resolution were duly adopted, are in full force and effect and have not been repealed, modified or amended;

(iii) the Notes have been duly authorized and issued, and are entitled to the benefits of Issuing and Paying Agent Agreement and the Valley Water Documents do and will constitute the legal, valid and binding obligations of Valley Water, enforceable against Valley Water in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors’ rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and to limitations on legal remedies against public agencies in the State of California; and

(iv) when authenticated and delivered by the Issuing and Paying Agent, the Notes will be in conformity with and entitled to the benefits of the Issuing and Paying Agent Agreement; and

(v) Valley Water shall furnish such information, execute such instruments and take such other action in cooperation with the Dealer as the Dealer may reasonably request in order (1) to qualify the Notes 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 Dealer may designate and (2) to determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification under clause (1) in effect so long as required for distribution of the Notes by the Dealer; provided, however, that in no event shall Valley Water be required to consent to suit or to service of process in any jurisdiction or to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject.

**5. Conditions To Dealer’s Obligations.** The obligations of the Dealer under this Dealer Agreement have been undertaken in reliance on, and shall be subject to, the due performance by Valley Water of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the respective representations, warranties, covenants and agreements of the Valley Water contained herein, in each case on and as of the date of delivery of this Dealer Agreement and on and as of each date on which the Notes are to be issued. The obligations of the Dealer hereunder with respect to each date on which the Notes are to be issued are also subject, at the discretion of the Dealer, to the following further conditions precedent:

(a) The Valley Water Documents and the Liquidity Facility shall be in full force and effect and the Notes to be issued on such date shall have the full benefits of all of the foregoing, all of which shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Dealer, and there shall be in full force and effect such additional resolutions, agreements, instruments and certificates (including such certificates as may be required by Stradling Yocca Carlson & Rauth LLP, Note Counsel, regarding the exclusion from gross income of interest on the Tax-Exempt Notes from federal income tax) and such opinions of counsel, which resolutions, agreements, certificates and opinions of counsel shall be satisfactory in form and substance to the Dealer and Stradling Yocca Carlson & Rauth LLP, Note Counsel, and there shall have been taken in connection therewith and in connection with the issuance of the Notes all such action as shall, in the opinion of the aforesaid Note Counsel, be necessary in connection with the transactions contemplated hereby.

(b) There shall have been no material adverse change in the properties, business, condition (financial or other) or results of operations of Valley Water or the Bank since the date of the Memorandum; and no event of default or breach hereunder or under the Valley Water Documents shall have occurred and be continuing and no event shall have occurred and be continuing which with the passage of time or giving of notice or both, would constitute such an event of default or breach.

(c) At or prior to the first date on which Notes are to be sold pursuant to the terms of the Issuing and Paying Agent Agreement and this Dealer Agreement, the Dealer shall have received:

(i) executed copies of the SMBC Reimbursement Agreement and the Issuing and Paying Agent Agreement; and a transcript of all proceedings relating to the authorization of the Notes, including certified copies of the CP Resolution and the Water Utility Parity System Master Resolution;

(ii) opinions dated as of such date of: (a) Stradling Yocca Carlson & Rauth LLP, Note Counsel in the form attached to the Offering Memorandum (2024) as Appendix A; and (b) counsel to the Bank (each such opinion to be in form and substance as previously agreed to by each such counsel and the Dealer);

(iii) a certificate of Valley Water, executed by any duly authorized official of Valley Water, dated as of such date, as to the accuracy of and compliance with the representations, warranties, covenants and agreements of Valley Water contained in the SMBC Reimbursement Agreement on and as of such date, which certificate may state that the certifications therein set forth are to the best knowledge and belief of such official;

(iv) a certificate of the Bank, executed by a duly authorized representative of the Bank, dated as of such date, as to the correctness of information concerning the Bank which is contained in the Offering Memorandum (2024);

(v) a specimen copy of the SMBC Letter of Credit comprising the Liquidity Facility;

(vi) copies of all documents required by, and delivered pursuant to Section 4.01 of the Reimbursement Agreement (other than the fee letter(s));

(vii) a certificate of the Dealer, as to such matters as Valley Water may reasonably request;

(viii) a certificate of Valley Water executed by any duly authorized official of Valley Water, dated as of or prior to such date, as to the correctness of information concerning Valley Water which is contained in the Offering Memorandum (2024) under the caption "VALLEY WATER AND THE WATER SYSTEM."

(ix) prior to the issuance of any Notes represented by a book-entry note registered in the name of DTC or its nominee, a copy of the executed DTC Letter of Representations with respect thereto; and

(x) copies of such other documents, certificates and opinions as the Dealer shall have reasonably requested.

If on any date Note Counsel informs Valley Water that, because of a change in law or otherwise, the opinion of Note Counsel delivered pursuant to clause (ii) above may no longer be relied upon, Valley Water agrees that: (a) it shall immediately so notify the Dealer, either by written or electronic means; and (b) it shall not issue any Notes at any time thereafter until Note Counsel, or other bond counsel acceptable to the Dealer, issues an opinion in connection with the sale of Notes acceptable in substance to the Dealer.

(d) In addition, the Dealer may immediately suspend its efforts to solicit and arrange sales of the Notes if: (i) a banking moratorium shall have been established by federal, New York or California authorities; (ii) a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or the establishment of minimum or maximum prices on any such national securities exchange shall have occurred; (iii) a war involving the United States shall have been declared or escalated, or any existing conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which in the Dealer's reasonable opinion, materially adversely affects the marketability of the Notes or securities of the general character of the Notes; or (iv) any of the rating agencies then rating the Notes or the Bank shall either downgrade the ratings assigned to the Notes or the Bank so that such Notes are not "Eligible Securities" as defined under Rule 2a-7 of the Investment Company Act of 1940, as amended, or shall suspend or withdraw the then current ratings assigned to the Notes or the Bank.

## **6. Term and Termination of Dealer Agreement.**

(a) This Dealer Agreement shall become effective upon execution by the Dealer and Valley Water and may be canceled by the Dealer or Valley Water at any time on written notice. To be effective, such written notice must be given no less than 30 days prior to such cancellation date with a copy to the Issuing and Paying Agent and the Bank; provided, however, that upon the mutual agreement of the Dealer, Valley Water and the Banks, such written notice may be given fewer than 30 days prior to such cancellation date. Valley Water will use its best efforts to notify the rating agencies then providing a rating on the Notes (in the manner prescribed by Section 8(f) hereof) of the termination of this Dealer Agreement and any change in the dealer for the Notes.



(b) In addition, the Dealer may terminate its obligations under this Dealer Agreement at any time by notifying Valley Water and the Bank in writing or by telegram, telex or other electronic communication of its election to do so, if any event shall have occurred, or information become known, which, in the Dealer's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Memorandum or has the effect that the Memorandum contains an untrue, incorrect or misleading 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 light of the circumstances under which they were made, not misleading, and Valley Water shall fail to supplement the Memorandum in a manner satisfactory to the Dealer within a reasonable period of time after requested to do so by the Dealer.

**7. Payment of Fees and Expenses.**

(a) In consideration of the services to be performed by the Dealer under this Dealer Agreement, Valley Water agrees to pay to the Dealer a fee in the amount of the product of (i) [.05 of 1% divided by 365 or 366], as appropriate, and (ii) the sum of the principal amounts of such Notes outstanding on each day during the billing period (to which reference is made in the next succeeding sentence). It is understood and agreed that (i) payment of such fee shall be made by Valley Water quarterly upon receipt of an invoice therefor from the Dealer, and (ii) the obligation of Valley Water to pay such fee shall survive the termination or cancellation of this Dealer Agreement to the extent that such obligation related to Notes outstanding prior to such termination or cancellation.

(b) All reasonable expenses and costs of the Dealer in effecting the authorization, preparation, issuance, offering, delivery and sale of the Notes (including, without limitation, the expenses and costs of the preparation, printing, photocopying, execution and delivery of the Notes, the Offering Memorandum (2024), each Offering Memorandum, each Supplement, the Liquidity Facility or Facilities, the Issuing and Paying Agent Agreement, this Dealer Agreement and all other agreements and documents contemplated hereby and thereby, including amendments, modifications and supplements to any such agreements and documents at any time during the term of this Dealer Agreement) shall be paid or reimbursed by Valley Water, unless and to the extent that such expenses and costs are paid out of or reimbursed from the proceeds of the Notes.

**8. Miscellaneous.**

(a) All notices, demands and formal actions under this Dealer Agreement shall be in writing and mailed, telecopied, telegraphed or delivered to:

The Dealer:

BofA Securities, Inc.  
One Bryant Park, New York, NY 10036  
Attention: Brendan Troy / Miguel Ruiz / Thomas Loffredo  
Email: dg.temm@bofa.com

If to Valley Water:

Santa Clara Valley Water District  
5750 Almaden Expressway

San Jose, California 95118-3614  
Attn: Charlene Sun, Treasury and Debt Officer  
Telephone No: (408) 630-2528  
Telecopy No.: (408) 979-5685

provided, however, that all notices pursuant to, or contemplated by, the provisions of Section 1 of this Dealer Agreement shall be given by telephonic communication between or among authorized representatives of the parties to this Dealer Agreement and shall be confirmed in writing and mailed, telegraphed or delivered to such parties on the later of the Business Day following the settlement, if any, of the respective transactions to which such notices relate or the Business Day following the telephonic communication. The Dealer and Valley Water may, by notice given under this Dealer Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed;

(b) Any certificate authorized by Valley Water, signed by any authorized official or officials of Valley Water and delivered to the Dealer shall be deemed a representation by Valley Water to the Dealer as to the statements made therein;

(c) This Dealer Agreement will inure to the benefit of and be binding upon Valley Water and the Dealer and their respective successors, and will not confer any rights upon any other person, partnership, association or corporation. The term "successors" shall not include any purchaser of any of the Notes merely because of such purchase. No party to this Dealer Agreement may assign its rights or obligations hereunder to another party without the written consent of the other parties hereto.

(d) All of the representations, warranties and covenants of Valley Water and the Dealer in this Dealer Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer or Valley Water or (ii) delivery of and any payment for any Notes hereunder;

(e) Valley Water acknowledges and agrees, whether or not the Dealer or any affiliate thereof has advised or is currently advising Valley Water on other matters, that in connection with its efforts to solicit and arrange sales of the Notes and any other duties or obligations of the Dealer pursuant to and/or as set forth in this Dealer Agreement: (i) the Dealer is not an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act), an "advisor") of, and owes no fiduciary duty to, Valley Water or any other person; (ii) the Dealer's duties and obligations to Valley Water shall be limited to those contractual duties and obligations expressly set forth in this Dealer Agreement; (iii) the Dealer has financial and other interests that differ from those of Valley Water; and (iv) Valley Water has consulted with those independent legal, financial and any other advisors to the extent it deemed appropriate in connection with any questions or other issues it might have relating to the Notes.

(f) Valley Water shall use its best efforts to notify the rating agencies then providing a rating on the Notes (initially Fitch Ratings and Moody's Investors Service, Inc.) of any modification of or amendment to the Dealer Agreement. Notice shall be sent by first class mail, postage prepaid;

(g) Section headings have been inserted in this Dealer Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Dealer Agreement and will not be used in the interpretation of any provisions of this Dealer Agreement;

(h) If any provision of this Dealer Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Dealer Agreement invalid, inoperative or unenforceable to any extent whatever;

(i) This Dealer Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which constitute one and the same document; and

(j) This Dealer Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto with the prior written consent of the Bank.

*[Remainder of Page Intentionally Left Blank]*

(k) This Dealer Agreement shall be governed by and construed in accordance with the laws of the State of California. Valley Water and the Dealer agree that any action or proceeding relating in any way to this Dealer Agreement shall be brought and entered into in the courts of State of California or the courts of the United States of America for the Northern District of California.

BOFA SECURITIES, INC.

By: \_\_\_\_\_  
Executive Director

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Chief Financial Officer

## DEALER AGREEMENT

### SANTA CLARA VALLEY WATER DISTRICT COMMERCIAL PAPER NOTES, SERIES A (TAX-EXEMPT) AND SERIES B (TAXABLE)

December 1, 2024

Santa Clara Valley Water District  
5750 Almaden Expressway  
San Jose, California 95118-3614

Dear Ladies & Gentlemen:

This Dealer Agreement (the “Dealer Agreement”) confirms the agreement between the undersigned, J.P. Morgan Securities LLC (the “Dealer”) and the Santa Clara Valley Water District, a water supply and flood protection district duly organized and existing under and pursuant to the Constitution and laws of the State of California (“Valley Water”), for the Dealer to act as a non-exclusive dealer in connection with the issuance and delivery of Santa Clara Valley Water District Commercial Paper Notes, Series A (Tax-Exempt) (the “Tax-Exempt Notes”) and Santa Clara Valley Water District Commercial Paper Notes, Series B (Taxable) (the “Taxable Notes” and together with the Tax-Exempt Notes, the “Notes”).

The Notes are to be issued pursuant to an Issuing and Paying Agent Agreement, dated as of December 1, 2024 (the “Issuing and Paying Agent Agreement”), by and between Valley Water and U.S. Bank Trust Company, National Association, as issuing and paying agent (the “Issuing and Paying Agent”). All terms used herein and not defined herein shall have the meanings specified in the Issuing and Paying Agent Agreement.

The Notes are to be issued and delivered for the purposes described in the Issuing and Paying Agent Agreement. The aggregate principal amount of the Notes that may be outstanding at any one time and the aggregate amount of interest to maturity, if any, with respect to such Notes are limited as provided in the Issuing and Paying Agent Agreement. The holders from time to time of the Notes will be entitled to the benefits of a Liquidity Facility, which initially is an irrevocable, transferable direct-pay letter of credit (the “SMBC Letter of Credit”) issued by Sumitomo Mitsui Banking Corporation, acting through its New York Branch (an initial “Bank”), under and pursuant to a Reimbursement Agreement, dated as of December 1, 2024 (the “SMBC Reimbursement Agreement” and together with the SMBC Letter of Credit and any related fee letter, the initial “Liquidity Facility” under the Issuing and Paying Agent Agreement), by and between Valley Water and the Bank.

#### **1. Appointment of Dealer; Basic Responsibilities of Dealer.**

(a) Subject to the terms and conditions herein contained, Valley Water hereby appoints the Dealer and the Dealer hereby accepts such appointment, as non-exclusive dealer for Valley Water in connection with the offering, issuance and sale of the Notes;

(b) In its capacity as dealer with respect to the Tax-Exempt Notes, the Dealer shall exercise its best efforts to solicit purchases of the Tax-Exempt Notes, on such terms and

conditions, including maturity dates and interest rates, as may prevail from time to time in the tax-exempt commercial paper market, at rates up to the Maximum Rate. In its capacity as a dealer with respect to the Taxable Notes, the Dealer shall use its best efforts to solicit purchases of the Taxable Notes, on such terms and conditions, including maturity dates, yields-to-maturity, or interest rates as may prevail from time to time in the taxable municipal commercial paper market, at rates up to the Maximum Rate. Such amounts and terms and conditions shall be subject to the approval of an Authorized Representative. On or before 12:00 P.M., New York City time, on each day on which Notes, the purchase of which has been solicited by the Dealer, are to be executed and delivered, the Dealer will notify an Authorized Representative (as defined in the Issuing and Paying Agent Agreement) and the Issuing and Paying Agent of the amounts and terms and conditions of such Notes with respect to which the Dealer has received indications of interest from potential purchasers. The receipt by the Dealer of such indications of interest from potential purchasers of Notes shall not constitute legal and binding commitments of such purchasers, and the giving by the Dealer of notice of such indications of interest from potential purchasers of Notes pursuant to this paragraph shall not constitute, or be construed as constituting, notice of the receipt by the Dealer of legal and binding commitments of such purchasers.

(c) It is understood and agreed that the Dealer's responsibilities hereunder will include (i) the soliciting of purchases of Notes from investors that customarily purchase tax-exempt and taxable commercial paper in large denominations, (ii) effecting and processing such purchases, (iii) causing the furnishing, by mail or otherwise (at Valley Water's expense), of such materials as are described in Section 3 hereof, (iv) billing and receiving payment for Notes purchases, and (v) performing such other related functions as may be requested by Valley Water and agreed to by the Dealer.

(d) The Dealer and Valley Water agree that any Notes which the Dealer may purchase or for which the Dealer may arrange the sale will be purchased or sold on the terms and conditions and in the manner provided in this Dealer Agreement. Although: (i) Valley Water has and shall have no obligation to sell the Notes to the Dealer or to permit the Dealer to arrange any sale of the Notes for the account of Valley Water, and (ii) the Dealer has and shall have no obligation to purchase the Notes from Valley Water or to arrange any sale of the Notes for the account of Valley Water, the parties hereto agree that in any case where the Dealer purchases Notes from Valley Water, or arranges for the sale of Notes by Valley Water, such Notes will be purchased or sold by the Dealer in reliance on the representations, warranties, covenants and agreements of Valley Water contained herein or made pursuant hereto and on the terms and conditions and in the manner provided herein.

**2. The Notes.** As more fully described in the Issuing and Paying Agent Agreement, the Notes will be issuable in minimum denominations of \$100,000 and increments of \$1,000 there above and will have maturities of not more than 270 days from their respective dates of execution and delivery. The Notes may be executed and delivered in registered form, without coupons, or bearer form. The Tax-Exempt Notes will be issued as interest-bearing obligations, the Taxable Notes will be issued as discount or interest-bearing obligations, and in each case Notes will mature at such times as an Authorized Representative may designate upon authorizing the issuance thereof. Principal of and interest on, if any, the Notes will be payable at maturity in immediately available funds at the offices of the Issuing and Paying Agent in New York, New York.

### **3. Furnishing of Memorandum.**

(a) Valley Water agrees to pay the cost of as many copies as the Dealer may reasonably request of the Offering Memorandum, dated December 9, 2024, pertaining to the Notes, each Offering Memorandum and each Supplement (as such terms are hereinafter defined) and any Official Statement of Valley Water and other material approved by Valley Water for use in connection with the offering of the Notes. Such Offering Memorandum, including the cover page and all summary statements, appendices and other materials included or incorporated therein by reference or attached thereto or accompanying therewith (in each case with the approval of Valley Water), as it may be amended or supplemented from time to time by a Supplement or Supplements (as such term is hereinafter defined), is hereinafter referred to as the “Offering Memorandum (2024).” The Dealer will furnish the Offering Memorandum (2024) to each offeree of the Notes at or prior to the date on which such offeree is first offered the Notes.

(b) The Dealer may request an update of the Offering Memorandum (2024) upon a reasonable determination that such an update to the Offering Memorandum (2024) is necessary for the Dealer to remain in compliance with Federal securities laws. If so determined, as promptly as practicable, but in no event more than 90 days (or such longer period agreed to by Valley Water and the Dealer) following a written request by the Dealer, Valley Water shall provide an update to the Offering Memorandum (2024). In such event, such updated memorandum, including the cover page and all summary statements, appendices and other materials included or incorporated therein by reference or attached thereto or accompanying therewith as it may be amended or supplemented from time to time by a Supplement or Supplements (as such term is hereinafter defined), is hereinafter referred to as an “Offering Memorandum.” The Dealer will furnish each Offering Memorandum, if any, to each offeree of Notes offered subsequent to the receipt by the Dealer of such Offering Memorandum.

(c) Each Offering Memorandum, if any, shall be revised in the same manner and within the same period as is provided in paragraph (b) of this Section with respect to the Offering Memorandum (2024). The most current Offering Memorandum (or the Offering Memorandum (2024) if no subsequent Offering Memorandum has been delivered to the Dealer) is hereinafter referred to as the “Memorandum.”

(d) If, during and prior to such time as any Memorandum is used in connection with the offering and sale of the Notes, any event or condition known to Valley Water relating to or affecting Valley Water shall occur which might materially adversely affect the properties, business, condition (financial or other) or results of operations of Valley Water or the ability of Valley Water to perform its obligations under and in respect of this Dealer Agreement, the Notes, the Issuing and Paying Agent Agreement, the Water Utility Parity System Master Resolution or any Liquidity Facility, or which might affect the correctness of any statement of a material fact contained in such Memorandum, Valley Water will promptly notify the Dealer of the circumstances and details of such event or condition. If, as a result of such event or condition or any other event or condition, it is necessary or advisable, in the opinion of the Dealer, to amend or supplement such Memorandum in light of such event or condition, Valley Water will forthwith cooperate with the Dealer in the prompt preparation of a supplement to such Memorandum (a “Supplement”), in form and substance satisfactory to the Dealer, which will so amend or supplement such Memorandum.

(e) The information relating to Valley Water contained in each Memorandum and any Official Statement of Valley Water which accompanies such Memorandum will be true and

correct in all material respects on and as of the respective dates of such Memorandum and such Official Statement of Valley Water.

**4. Representations, Warranties, Covenants and Agreements of Valley Water.**

(a) Valley Water, by its acceptance hereof, represents and warrants that:

(i) Valley Water is duly organized and validly existing under the laws of the State of California and has all the requisite power and authority to execute and deliver the Notes, this Dealer Agreement, the Liquidity Facility or Facilities, the Issuing and Paying Agent Agreement (the “CP Documents”) and to perform its obligations under the CP Documents and the Water Utility Parity System Master Resolution (collectively with the CP Documents, the “Valley Water Documents”);

(ii) The Water Utility Parity System Master Resolution and the CP Resolution were duly adopted, are in full force and effect and have not been repealed, modified or amended;

(iii) the Notes have been duly authorized and issued, and are entitled to the benefits of Issuing and Paying Agent Agreement and the Valley Water Documents do and will constitute the legal, valid and binding obligations of Valley Water, enforceable against Valley Water in accordance with their terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors’ rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), and to limitations on legal remedies against public agencies in the State of California; and

(iv) when authenticated and delivered by the Issuing and Paying Agent, the Notes will be in conformity with and entitled to the benefits of the Issuing and Paying Agent Agreement; and

(v) Valley Water shall furnish such information, execute such instruments and take such other action in cooperation with the Dealer as the Dealer may reasonably request in order (1) to qualify the Notes 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 Dealer may designate and (2) to determine the eligibility of the Notes for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification under clause (1) in effect so long as required for distribution of the Notes by the Dealer; provided, however, that in no event shall Valley Water be required to consent to suit or to service of process in any jurisdiction or to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject.

**5. Conditions To Dealer’s Obligations.** The obligations of the Dealer under this Dealer Agreement have been undertaken in reliance on, and shall be subject to, the due performance by Valley Water of its obligations and agreements to be performed hereunder and to the accuracy of and compliance with the respective representations, warranties, covenants and agreements of the Valley Water contained herein, in each case on and as of the date of delivery of this Dealer Agreement and on and as of each date on which the Notes are to be issued. The obligations of the Dealer hereunder with respect to each date on which the Notes are to be issued are also subject, at the discretion of the Dealer, to the following further conditions precedent:



(a) The Valley Water Documents and the Liquidity Facility shall be in full force and effect and the Notes to be issued on such date shall have the full benefits of all of the foregoing, all of which shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Dealer, and there shall be in full force and effect such additional resolutions, agreements, instruments and certificates (including such certificates as may be required by Stradling Yocca Carlson & Rauth LLP, Note Counsel, regarding the exclusion from gross income of interest on the Tax-Exempt Notes from federal income tax) and such opinions of counsel, which resolutions, agreements, certificates and opinions of counsel shall be satisfactory in form and substance to the Dealer and Stradling Yocca Carlson & Rauth LLP, Note Counsel, and there shall have been taken in connection therewith and in connection with the issuance of the Notes all such action as shall, in the opinion of the aforesaid Note Counsel, be necessary in connection with the transactions contemplated hereby.

(b) There shall have been no material adverse change in the properties, business, condition (financial or other) or results of operations of Valley Water or the Bank since the date of the Memorandum; and no event of default or breach hereunder or under the Valley Water Documents shall have occurred and be continuing and no event shall have occurred and be continuing which with the passage of time or giving of notice or both, would constitute such an event of default or breach.

(c) At or prior to the first date on which Notes are to be sold pursuant to the terms of the Issuing and Paying Agent Agreement and this Dealer Agreement, the Dealer shall have received:

(i) executed copies of the SMBC Reimbursement Agreement and the Issuing and Paying Agent Agreement; and a transcript of all proceedings relating to the authorization of the Notes, including certified copies of the CP Resolution and the Water Utility Parity System Master Resolution;

(ii) opinions dated as of such date of: (a) Stradling Yocca Carlson & Rauth LLP, Note Counsel in the form attached to the Offering Memorandum (2024) as Appendix A; and (b) counsel to the Bank (each such opinion to be in form and substance as previously agreed to by each such counsel and the Dealer);

(iii) a certificate of Valley Water, executed by any duly authorized official of Valley Water, dated as of such date, as to the accuracy of and compliance with the representations, warranties, covenants and agreements of Valley Water contained in the SMBC Reimbursement Agreement on and as of such date, which certificate may state that the certifications therein set forth are to the best knowledge and belief of such official;

(iv) a certificate of the Bank, executed by a duly authorized representative of the Bank, dated as of such date, as to the correctness of information concerning the Bank which is contained in the Offering Memorandum (2024);

(v) a specimen copy of the SMBC Letter of Credit comprising the Liquidity Facility;

(vi) copies of all documents required by, and delivered pursuant to Section 4.01 of the Reimbursement Agreement (other than the fee letter(s));

(vii) a certificate of the Dealer, as to such matters as Valley Water may reasonably request;

(viii) a certificate of Valley Water executed by any duly authorized official of Valley Water, dated as of or prior to such date, as to the correctness of information concerning Valley Water which is contained in the Offering Memorandum (2024) under the caption "VALLEY WATER AND THE WATER SYSTEM."

(ix) prior to the issuance of any Notes represented by a book-entry note registered in the name of DTC or its nominee, a copy of the executed DTC Letter of Representations with respect thereto; and

(x) copies of such other documents, certificates and opinions as the Dealer shall have reasonably requested.

If on any date Note Counsel informs Valley Water that, because of a change in law or otherwise, the opinion of Note Counsel delivered pursuant to clause (ii) above may no longer be relied upon, Valley Water agrees that: (a) it shall immediately so notify the Dealer, either by written or electronic means; and (b) it shall not issue any Notes at any time thereafter until Note Counsel, or other bond counsel acceptable to the Dealer, issues an opinion in connection with the sale of Notes acceptable in substance to the Dealer.

(d) In addition, the Dealer may immediately suspend its efforts to solicit and arrange sales of the Notes if: (i) a banking moratorium shall have been established by federal, New York or California authorities; (ii) a general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange or the establishment of minimum or maximum prices on any such national securities exchange shall have occurred; (iii) a war involving the United States shall have been declared or escalated, or any existing conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which in the Dealer's reasonable opinion, materially adversely affects the marketability of the Notes or securities of the general character of the Notes; or (iv) any of the rating agencies then rating the Notes or the Bank shall either downgrade the ratings assigned to the Notes or the Bank so that such Notes are not "Eligible Securities" as defined under Rule 2a-7 of the Investment Company Act of 1940, as amended, or shall suspend or withdraw the then current ratings assigned to the Notes or the Bank.

## **6. Term and Termination of Dealer Agreement.**

(a) This Dealer Agreement shall become effective upon execution by the Dealer and Valley Water and may be canceled by the Dealer or Valley Water at any time on written notice. To be effective, such written notice must be given no less than 30 days prior to such cancellation date with a copy to the Issuing and Paying Agent and the Bank; provided, however, that upon the mutual agreement of the Dealer, Valley Water and the Banks, such written notice may be given fewer than 30 days prior to such cancellation date. Valley Water will use its best efforts to notify the rating agencies then providing a rating on the Notes (in the manner prescribed by Section 8(f) hereof) of the termination of this Dealer Agreement and any change in the dealer for the Notes.

(b) In addition, the Dealer may terminate its obligations under this Dealer Agreement at any time by notifying Valley Water and the Bank in writing or by telegram, telex or other electronic communication of its election to do so, if any event shall have occurred, or information become known, which, in the Dealer's reasonable opinion, makes untrue, incorrect or misleading in any material respect any statement or information contained in the Memorandum or has the effect that the Memorandum contains an untrue, incorrect or misleading 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 light of the circumstances under which they were made, not misleading, and Valley Water shall fail to supplement the Memorandum in a manner satisfactory to the Dealer within a reasonable period of time after requested to do so by the Dealer.

**7. Payment of Fees and Expenses.**

(a) In consideration of the services to be performed by the Dealer under this Dealer Agreement, Valley Water agrees to pay to the Dealer a fee in the amount of the product of (i) [.05 of 1% divided by 365 or 366], as appropriate, and (ii) the sum of the principal amounts of such Notes outstanding on each day during the billing period (to which reference is made in the next succeeding sentence). It is understood and agreed that (i) payment of such fee shall be made by Valley Water quarterly upon receipt of an invoice therefor from the Dealer, and (ii) the obligation of Valley Water to pay such fee shall survive the termination or cancellation of this Dealer Agreement to the extent that such obligation related to Notes outstanding prior to such termination or cancellation.

(b) All reasonable expenses and costs of the Dealer in effecting the authorization, preparation, issuance, offering, delivery and sale of the Notes (including, without limitation, the expenses and costs of the preparation, printing, photocopying, execution and delivery of the Notes, the Offering Memorandum (2024), each Offering Memorandum, each Supplement, the Liquidity Facility or Facilities, the Issuing and Paying Agent Agreement, this Dealer Agreement and all other agreements and documents contemplated hereby and thereby, including amendments, modifications and supplements to any such agreements and documents at any time during the term of this Dealer Agreement) shall be paid or reimbursed by Valley Water, unless and to the extent that such expenses and costs are paid out of or reimbursed from the proceeds of the Notes.

**8. Miscellaneous.**

(a) All notices, demands and formal actions under this Dealer Agreement shall be in writing and mailed, telecopied, telegraphed or delivered to:

The Dealer:

J.P. Morgan Short Term Trading  
383 Madison Avenue, 3rd floor  
New York, New York 10179-0001  
Email: JP\_Muni\_CP@jpmorgan.com

If to Valley Water:

Santa Clara Valley Water District  
5750 Almaden Expressway

San Jose, California 95118-3614  
Attn: Charlene Sun, Treasury and Debt Officer  
Telephone No: (408) 630-2528  
Telecopy No.: (408) 979-5685

provided, however, that all notices pursuant to, or contemplated by, the provisions of Section 1 of this Dealer Agreement shall be given by telephonic communication between or among authorized representatives of the parties to this Dealer Agreement and shall be confirmed in writing and mailed, telegraphed or delivered to such parties on the later of the Business Day following the settlement, if any, of the respective transactions to which such notices relate or the Business Day following the telephonic communication. The Dealer and Valley Water may, by notice given under this Dealer Agreement, designate other addresses to which subsequent notices, requests, reports or other communications shall be directed;

(b) Any certificate authorized by Valley Water, signed by any authorized official or officials of Valley Water and delivered to the Dealer shall be deemed a representation by Valley Water to the Dealer as to the statements made therein;

(c) This Dealer Agreement will inure to the benefit of and be binding upon Valley Water and the Dealer and their respective successors, and will not confer any rights upon any other person, partnership, association or corporation. The term "successors" shall not include any purchaser of any of the Notes merely because of such purchase. No party to this Dealer Agreement may assign its rights or obligations hereunder to another party without the written consent of the other parties hereto.

(d) All of the representations, warranties and covenants of Valley Water and the Dealer in this Dealer Agreement shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of the Dealer or Valley Water or (ii) delivery of and any payment for any Notes hereunder;

(e) Valley Water acknowledges and agrees, whether or not the Dealer or any affiliate thereof has advised or is currently advising Valley Water on other matters, that in connection with its efforts to solicit and arrange sales of the Notes and any other duties or obligations of the Dealer pursuant to and/or as set forth in this Dealer Agreement: (i) the Dealer is not an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act), an "advisor") of, and owes no fiduciary duty to, Valley Water or any other person; (ii) the Dealer's duties and obligations to Valley Water shall be limited to those contractual duties and obligations expressly set forth in this Dealer Agreement; (iii) the Dealer has financial and other interests that differ from those of Valley Water; and (iv) Valley Water has consulted with those independent legal, financial and any other advisors to the extent it deemed appropriate in connection with any questions or other issues it might have relating to the Notes.

(f) Valley Water shall use its best efforts to notify the rating agencies then providing a rating on the Notes (initially Fitch Ratings and Moody's Investors Service, Inc.) of any modification of or amendment to the Dealer Agreement. Notice shall be sent by first class mail, postage prepaid;

(g) Section headings have been inserted in this Dealer Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Dealer Agreement and will not be used in the interpretation of any provisions of this Dealer Agreement;

(h) If any provision of this Dealer Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Dealer Agreement invalid, inoperative or unenforceable to any extent whatever;

(i) This Dealer Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which constitute one and the same document; and

(j) This Dealer Agreement shall only be amended, supplemented or modified in a writing signed by both of the parties hereto with the prior written consent of the Bank.

*[Remainder of Page Intentionally Left Blank]*

(k) This Dealer Agreement shall be governed by and construed in accordance with the laws of the State of California. Valley Water and the Dealer agree that any action or proceeding relating in any way to this Dealer Agreement shall be brought and entered into in the courts of State of California or the courts of the United States of America for the Northern District of California.

J.P. MORGAN SECURITIES LLC

By: \_\_\_\_\_  
Executive Director

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Chief Financial Officer