

## **PURCHASE CONTRACT**

\$[\_\_\_\_\_]  
**SANTA CLARA VALLEY WATER DISTRICT  
WATER SYSTEM REFUNDING REVENUE BONDS  
SERIES 2019A**

\$[\_\_\_\_\_]  
**SANTA CLARA VALLEY WATER DISTRICT  
WATER SYSTEM REFUNDING REVENUE BONDS  
TAXABLE SERIES 2019B**

April [\_\_\_], 2019

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

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated, as representative (the “Representative”) of itself, Barclays Capital Inc. and Fidelity Capital Markets, as underwriters (the “Underwriters”), offer to enter into this Purchase Contract (the “Purchase Contract”) with the Santa Clara Valley Water District (the “District”), which will be binding upon the District and the Underwriters upon the acceptance hereof by the District. This offer is made subject to its acceptance by the District by execution of this Purchase Contract and its delivery to the Representative on or before 8:00 p.m., California time, on the date hereof. All terms used herein and not otherwise defined shall have the meanings given to such terms in the Official Statement (as hereinafter defined). The Representative has been duly authorized to execute this Purchase Contract and to take any action hereunder by and on behalf of the Underwriters.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriters hereby agree to purchase, and the District hereby agrees to cause to be delivered to the Underwriters, all (but not less than all) of the District’s \$[\_\_\_\_\_] aggregate principal amount of Water System Refunding Revenue Bonds, Series 2019A (the “Series 2019A Bonds”) and \$[\_\_\_\_\_] Water System Refunding Revenue Bonds, Taxable Series 2019B (the “Taxable Series 2019B Bonds” and together with the Series 2019A Bonds, the “Bonds”). The purchase price for the Series 2019A Bonds shall be \$[\_\_\_\_\_] (representing the \$[\_\_\_\_\_] par amount of the Series 2019A Bonds [plus][minus] \$[\_\_\_\_\_] of net original issue [premium][discount] and less \$[\_\_\_\_\_] Underwriters’ discount). The purchase price for the Taxable Series 2019B Bonds shall be \$[\_\_\_\_\_] (representing \$[\_\_\_\_\_] par amount of the Taxable Series 2019B Bonds [plus][minus] \$[\_\_\_\_\_] of net original issue [premium][discount] and less \$[\_\_\_\_\_] Underwriters’ discount).

2. Description and Purpose of the Bonds. The Series 2019A Bonds shall be issued pursuant to Resolution No. 16-10 (Water Utility Parity System Master Resolution) adopted by the Board of Directors of the District on February 23, 2016 (the “Master Resolution”), Resolution No. 19-[ ] adopted by the Board of Directors of the District on March 26, 2019 (the “2019 Resolution” and, together with the Master Resolution, referred to herein as the “Resolution”), and an Indenture of Trust, dated as of March 1, 2019 (the “Indenture”), by and between the District and U.S. Bank National Association, as trustee (the “Bond Trustee”), providing for the issuance of the Bonds.

The Bonds shall be dated the date of delivery thereof and shall mature on the dates and in the amounts and shall bear interest at the rates shown on Exhibit A hereto. The Bonds shall be secured under, and shall be as described in, and shall be payable and subject to redemption prior to maturity as provided in, the Resolution and the Indenture.

The Bonds are being issued to provide a portion of the money to (i) refund a portion of the currently outstanding Santa Clara Valley Water District Commercial Paper Certificates, Series A (Tax-Exempt) and all of the Santa Clara Valley Water District Commercial Paper Certificates, Series B (Taxable) (the “Commercial Paper Certificates”); and (ii) pay costs of issuance of the Bonds.

Pursuant to the Indenture, the District will deliver a portion of the proceeds of the Bonds to U.S. Bank National Association, as Issuing and Paying Agent (the “Issuing and Paying Agent”), to pay the outstanding Commercial Paper Certificates.

The District will undertake, pursuant to Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”), dated the date of the hereinafter defined Closing (the “Closing Date”), by and between the District and U.S. Bank National Association, as dissemination agent, to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12. The form of the Continuing Disclosure Agreement covering the Bonds is set forth as Appendix F to the Official Statement.

3. Public Offering; Issue Price.

(a) *Bona Fide Public Offering.* The Representative, on behalf of the Underwriters, agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth in Exhibit A hereto. Subject to Section 3(b), the Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; provided, however, that the Underwriters may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority, and the Underwriter reserves the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields set forth on Exhibit A attached hereto. The Underwriters also reserve the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue

such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriters to the District for the Bonds.

(b) *Establishment of Issue Price.*

(i) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Series 2019A Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2019A Bonds.

(ii) [Except as otherwise set forth in Exhibit A attached hereto,] the District will treat the first price at which 10% of each maturity of the Series 2019A Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At the execution of this Purchase Contract, the Representative shall report to the District the price or prices at which the Underwriters have sold to the public each maturity of the Series 2019A Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Series 2019A Bonds, the Representative agrees to promptly report to the District the prices at which Series 2019A Bonds of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Series 2019A Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Series 2019A Bonds of that maturity, provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise within two business days of the request of the Representative, the District or Bond Counsel.] For purposes of this Section, each separate CUSIP number will be treated as a separate maturity of the Series 2019A Bonds.

(iii) [The Representative confirms that the Underwriters have offered the Series 2019A Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2019A Bonds for which the 10% test has not been satisfied and for which the District and the Representative, on behalf of the Underwriters, agree that the restrictions set forth in the next sentence shall apply, which will allow the District to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2019A Bonds, the Underwriters will neither offer nor sell unsold Series 2019A Bonds of that

maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(A) the close of the fifth (5<sup>th</sup>) business day after the sale date; or

(B) the date on which the Underwriters have sold at least 10% of that maturity of the Series 2019A Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the District within two business days after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Series 2019A Bonds to the public at a price that is no higher than the initial offering price to the public.]

(iv) The Representative, on behalf of the Underwriters, represents that no selling group agreement or retail distribution agreement will be used in connection with the initial distribution of the Bonds to the public.

(v) The District acknowledges that, in making the representations set forth in this section, the Representative will rely on the agreement of each Underwriter to comply with the requirements for establishing issue price of the Series 2019A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2019A Bonds, as set forth in an agreement among underwriters and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2019A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2019A Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2019A Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2019A Bonds.

(vi) The Underwriters acknowledge that sales of any Series 2019A Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2019A Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

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

(B) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2019A Bonds to the public and (B) any person that agrees pursuant to a

written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2019A Bonds to the public,

(C) a purchaser of any of the Series 2019A Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(D) “sale date” means the date of execution of this Purchase Contracts by all parties hereto.

4. Delivery of Official Statement and Other Materials. The District has previously authorized the use by the Underwriters prior to the date hereof of the Preliminary Official Statement of the District dated April [\_\_\_], 2019 relating to the Bonds (which, together with all appendices thereto, is referred to herein as the “Preliminary Official Statement”). The District has deemed final the Preliminary Official Statement as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”), except for information permitted to be omitted therefrom by Rule 15c2-12. The District will deliver, within seven business days from the date hereof and in any event not less than two days prior to the date of the Closing (as hereinafter defined), a final form of the official statement dated the date hereof (including all information permitted to be omitted by Rule 15c2-12 and any amendments or supplements to such official statement as have been approved by the District and the Representative) (the “Official Statement”) at the request of the Representative to enable the Underwriters to comply with the rules of the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The District hereby approves of the use and distribution by the Underwriters of the Official Statement in connection with the offer and sale of the Bonds. At the time of or prior to the date of the Closing, the Underwriters shall file a copy of the Official Statement with the Municipal Securities Rulemaking Board. The District hereby authorizes the use by the Underwriters of the Resolution, the Indenture and the Continuing Disclosure Agreement in connection with the public offering and sale of the Bonds.

5. The Closing. At 8:00 a.m., California time, on April [\_\_\_], 2019 or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the District and the Representative, the District will cause to be delivered (i) the Bonds in book-entry form through the facilities of The Depository Trust Company, New York, New York (“DTC”) (delivered through the Trustee via the F.A.S.T. delivery book-entry system of DTC), on behalf of the Underwriters, and (ii) the closing documents hereinafter mentioned at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation (“Bond Counsel”), San Francisco, California

or another place to be mutually agreed upon by the District and the Representative. The Underwriters will accept such delivery of the Bonds and pay the purchase price of such Bonds as set forth in Section 1 hereof in immediately available funds to the order of the District. This payment for and delivery of the Bonds, together with the execution and delivery of the aforementioned documents, is herein called the "Closing."

The Bonds shall be executed, authenticated and delivered under and in accordance with the provisions of this Purchase Contract and the Indenture. The Bonds shall be in definitive form, shall bear CUSIP numbers, and shall be fully registered bonds, registered in the name of Cede & Co., as nominee for The Depository Trust Company, with one bond for each maturity of each series of the Bonds in the principal amount of such maturity.

6. District Representations, Warranties and Covenants. The District represents, warrants and covenants to the Underwriters that:

(a) Due Organization, Existence and Authority. The District is a special district duly organized and existing under the Constitution and laws of the State of California, with full right, power and authority to adopt the Resolution and to execute, deliver and perform its obligations under this Purchase Contract, the Indenture and the Continuing Disclosure Agreement (collectively, the "Financing Documents"), and to perform its obligations under each of the foregoing, and to carry out and consummate the transactions contemplated by the Financing Documents and the Official Statement.

(b) Due Authorization and Approval. The Resolution has been duly and validly adopted by the District, and the District, by all necessary official action, has duly authorized the execution and delivery of the Financing Documents and the Official Statement, and the performance by the District of its obligations contained or described in the Financing Documents and the Official Statement, and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. The Resolution constitutes, and when executed and delivered, each of the Financing Documents will constitute, the legally valid and binding obligation of the District enforceable in accordance with its respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors' rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State of California.

(c) Preliminary Official Statement Accurate and Complete. The Preliminary Official Statement did not, except as revised by the Official Statement and any supplement or amendment prepared pursuant to paragraph (e) below, contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system).

(d) Official Statement Accurate and Complete. As of the date thereof and at all times subsequent thereto, to and including the date that is 25 days following the "End

of the Underwriting Period” for the Bonds, the Official Statement did not and will not contain any untrue statement of a material fact or omit 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 (except no representation is made with respect to information relating to DTC or DTC’s book-entry system). The Underwriters acknowledge that the “End of the Underwriting Period” will be the date of Closing.

(e) District Agreement to Amend or Supplement Official Statement. If, between the date of the Official Statement and the date that is 25 days after the End of the Underwriting Period for the Bonds, an event occurs that would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the District will notify the Underwriters and, if, in the reasonable opinion of the Representative or its counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will cooperate in the preparation of an amendment or supplement to the Official Statement in a form and manner approved by the Representative and shall pay all expenses thereby incurred. For the purposes of this subsection, between the date hereof and the date that is 25 days after the End of the Underwriting Period for the Bonds, the District will furnish such information with respect to itself as the Underwriters may from time to time reasonably request.

(f) Amended Official Statement. If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (e) hereof, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date that is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading (except no representation is made with respect to information relating to DTC or DTC’s book-entry system).

(g) No Material Change in Finances. Except as otherwise described in the Official Statement, there shall not have been any material adverse changes in the financial condition of the District since June 30, 2018.

(h) No Breach or Default. As of the time of acceptance hereof, (A) the District is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued by or on behalf of the District, and (B) the District is not, in any manner which would materially adversely affect the transactions contemplated by this Purchase Contract, the Resolution, the other Financing Documents and the Official Statement, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States of

America, or any applicable judgment or decree or any trust agreement, indenture, installment purchase agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by this Purchase Contract, the Resolution, the other Financing Documents and the Official Statement, a default or event of default under any such instrument; and, as of such time, the adoption by the District of the Resolution and the authorization, execution and delivery of this Purchase Contract and the other Financing Documents, and compliance by the District with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by this Purchase Contract, the Resolution, the other Financing Documents and the Official Statement, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State of California or the United States of America, or any applicable judgment, decree, license, permit, trust agreement, indenture, installment purchase agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the District (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Resolution and the Financing Documents.

(i) No Litigation. As of the time of acceptance hereof, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the District after due investigation, threatened (A) in any way questioning the corporate existence of the District or the titles of the officers of the District to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the adoption of the Resolution or the execution or delivery of the Bonds, this Purchase Contract, or the other Financing Documents, or in any way contesting or affecting the validity of the Bonds or this Purchase Contract, the Resolution, the other Financing Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the District to adopt the Resolution or to enter into this Purchase Contract or the other Financing Documents; (C) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the District or to its ability to pay the principal of and interest with respect to the Bonds when due; or (D) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (A) through (D) of this sentence.



(j) Prior Liens on Net Water Utility System Revenues. The Bonds, when issued, authenticated and delivered in accordance with the Resolution and the Indenture will be valid and legally enforceable obligations of the District in accordance with their terms and the terms of the Resolution; and the Resolution will provide, for the benefit of the holders from time to time of the Bonds and any Bonds and Contracts (as such terms are defined in the Resolution) heretofore or hereafter issued under the Resolution, a legally valid and binding interest in and to the funds pledged under the Resolution as described in the Official Statement; except as described in the Official Statement, upon the issuance of the Bonds, the District does not and will not have outstanding any obligations which obligations are secured by a lien on the Net Water Utility System Revenues superior to or on a parity with the Bonds.

(k) Further Cooperation: Blue Sky. The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order (A) to qualify the Bonds for offer and sale under the Blue Sky or other Bonds laws and regulations of such states and other jurisdictions of the United States of America as the Underwriters may designate and (B) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(l) Consents and Approvals. All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the District of its obligations in connection with, this Purchase Contract, the Resolution and the Financing Documents have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(m) No Other Obligations. Except as disclosed in the Official Statement, between the date of this Purchase Contract and the date of Closing, the District will not, without the prior written consent of the Underwriters, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Net Water Utility System Revenues.

(n) Certificates. Any certificate signed by any official of the District and delivered to the Underwriters shall be deemed to be a representation and warranty by the District to the Underwriters as to the statements made therein.

(o) Continuing Disclosure. Except as otherwise disclosed in the Official Statement, the District has not failed during the previous five years to comply in all material respects with any previous continuing disclosure undertaking that it has entered into pursuant to Rule 15c2-12.

7. Closing Conditions. The Underwriters have entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the District of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Purchase Contract to purchase, to accept delivery of and to pay for the Bonds shall be conditioned, at the option of the Representative, upon the performance by the District of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing and also shall be subject to the following additional conditions:

(a) Official Statement. The Underwriters have received copies of the Official Statement (including all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriters) in such reasonable quantity as the Representative shall have requested.

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

(c) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the Resolution will have been duly adopted and the Official Statement will have been duly authorized, executed and delivered by the District; this Purchase Contract, the Resolution and the Financing Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Representative, (ii) there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Resolution, the Financing Documents and the Official Statement, (iii) the District shall perform or have performed its obligations required or specified in this Purchase Contract, the Resolution and the Financing Documents to be performed at or prior to Closing, and (iv) the Official Statement shall not have been supplemented or amended, except pursuant to Section 7(e) hereof or as otherwise may have been agreed to in writing by the Representative.

(d) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolution, or any other agreement or document pursuant to which any of the District's financial obligations was issued, and the District shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the District to pay the principal of and interest on the Bonds.

(e) Termination Events. Between the date hereof and the date of the Closing, the market price or marketability, at the initial offering price set forth in the Official Statement, of the Bonds shall not have been materially adversely affected in the judgment of the Representative (evidenced by a written notice to the District terminating the obligation of the Underwriters to accept delivery of and make any payment for the Bonds) by reason of any of the following:

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

(ii) an amendment to the Constitution of the United States of America or by any legislation in or by the Congress of the United States of America or by the State of California, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States of America, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States of America, the Treasury Department of the United States of America, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States of America, or the favorable reporting for passage of legislation to either House of the Congress of the United States of America by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State of California court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State of California authority, that in the reasonable judgment of the Representative after consultation with the District, impacts the federal or State of California tax status of the District or the status of the interest on bonds or notes or obligations of the general character of the Bonds, or having the purpose or effect of prohibiting the issuance, offering or sale of obligations on the general character of the Bonds, or the Bonds, as contemplated hereby; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of California, or a decision by any court of competent jurisdiction within the State of California or any court of the United States of America shall be rendered which, in the reasonable judgement of the Representative, impacts the marketability or market price of the Bonds; or

(iv) legislation shall be enacted by the Congress of the United States of America, or a decision by a court of the United States of America shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Bonds and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the execution, delivery, offering or sale of obligations of the general character of

the Bonds, or the execution, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Resolution or the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) the imposition by the New York Stock Exchange or other national securities exchange or any governmental authority of any material restrictions not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally or the material increase of any such restrictions now in force, including those relating to the extension of credit by or the charge to the net capital requirements of, the Underwriters; or

(vi) the declaration of a general banking moratorium by federal, New York or California authorities or the general suspension of trading on any national securities exchange, or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(vii) any new outbreak or escalation of hostilities, declaration by the United States of America of a national emergency or war or other calamity or crisis the effect of which on financial markets is such as to make it, in the judgment of the Representative, impracticable or inadvisable to proceed with the offering or delivery of the Bonds; or

(viii) any rating by Moody's Investors Service or Fitch Ratings, Inc. of the Bonds, or other securities of the District payable from or secured under the Resolution by revenues of the District's Water Utility System on parity with the Bonds, which reflects the creditworthiness of the District shall have been downgraded, suspended or withdrawn by such rating service which, in the Representative's reasonable judgment, impacts the marketability or market price of the Bonds; or

(ix) the commencement of any action, suit or proceeding described in Section 6(i) hereof which, in the reasonable judgment of the Representative, impacts the market price of the Bonds; or

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

(f) Closing Documents. At or prior to the Closing, the Underwriters shall receive with respect to the Bonds the following documents, in each case satisfactory in form and substance to the Representative:

(i) Bond Opinion. Approving opinions of Bond Counsel dated the date of the Closing and substantially in the forms included as Appendix E to the Official Statement, together with letters from such counsel, dated the date of the

Closing and addressed to the Representative, to the effect that the foregoing opinion addressed to the District may be relied upon by the Underwriters to the same extent as if such opinion was addressed to it.

(ii) Supplemental Opinion. A supplemental opinion or opinions of Bond Counsel addressed to the Representative, in form and substance acceptable to the Representative, and dated the date of the Closing substantially to the following effect:

(A) This Purchase Contract has been duly authorized, executed and delivered by the District and is a valid and binding agreement of the District enforceable in accordance with its terms, except that the rights and obligations under this Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California; and

(B) The statements contained in the Official Statement on the cover page and under the captions "INTRODUCTION," "THE REFUNDING PLAN," "THE 2019 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," and "TAX MATTERS — TAX EXEMPT OBLIGATIONS" and in Appendices B, C and E thereto, insofar as such statements purport to summarize certain provisions of the Bonds, the Resolution, the Financing Documents and Bond Counsel's opinion concerning certain federal and State of California tax matters relating to the Bonds, are accurate in all material respects as of the date of the Official Statement and as of the date of Closing.

(iii) Reserved.

(iv) District Counsel Opinion. An opinion of District Counsel, dated the date of the Closing and addressed to the Representative, in form and substance acceptable to the Representative substantially to the following effect:

(A) The District is a special district duly organized and validly existing under the constitution and the laws of the State of California;

(B) The Resolution has been duly adopted at meetings of the board of directors of the District, which were called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and are in full force and effect;

(C) The Bonds, the Financing Documents and the Purchase Contract have been duly authorized, executed and delivered by the District and, assuming the validity thereof against the other parties thereto, constitute the valid, legal and binding agreements of the District

enforceable against the District in accordance with their respective terms and the District has full right, power and authority to carry out and consummate all transactions contemplated by the Financing Documents as of the date of the Official Statement and as of the Closing Date;

(D) The adoption of the Resolution and the execution and delivery of the Bonds, the Financing Documents and the Purchase Contract and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not, conflict with, or constitute, or with the giving of notice or the passage of time would constitute, on the part of the District a breach of or default under, any material agreement or other instrument to which the District is a party or by which it is bound (as determined by reference to a certificate of the District identifying material agreements and instruments) or any existing law, administrative rule, regulation, order, decree, judgment, license or permit to which the District is subject (excluding, however, any opinion as to compliance with any applicable federal securities laws); or by which the District or any of its property is bound;

(E) The Official Statement has been prepared by, or on behalf of, the District under the supervision of the District's Authorized Officer, and executed on its behalf by authorized officers of the District;

(F) The information in the Official Statement relating to the District, the Water Utility System and the operations thereof and Litigation are true and accurate to the best of such counsel's knowledge at and as of the date of the Official Statement and at and as of the date of Closing;

(G) No additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the date of the Closing for the District to adopt the Resolution or to enter into the Financing Documents or the Purchase Contract or to perform its obligations thereunder;

(H) Except as described in the Official Statement, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to such counsel's best knowledge after due investigation, threatened (A) in any way questioning the corporate existence of the District or the titles of the officers of the District to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the adoption of the Resolution or the execution or delivery of the Bonds, this Purchase Contract or the Financing Documents or in any way contesting or affecting the validity of the Bonds or this Purchase Contract, the Resolution, or the Financing Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the

interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the District to adopt the Resolution or to enter into this Purchase Contract or the Financing Documents; (C) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the District or to its ability to pay the principal of and interest on the Bonds when due; or (D) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (A) through (D) above; and

(I) Based on the information made available to him, and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Official Statement (except as set forth in paragraph (F) above), nothing has come to such counsel's attention which would lead him to believe that the Official Statement as of its date and as of the date of Closing (excluding therefrom the financial and statistical data and forecasts included therein, and the information relating to DTC or DTC's book-entry system, as to which no opinion is expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(v) Reserved.

(vi) Trustee Counsel Opinion. The opinion of counsel to the Trustee, dated the date of the Closing, addressed to the Representative, to the effect that:

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

(B) The Trustee acknowledges and accepts its obligations under the Indenture and that such acceptance is in full compliance with, and does not conflict with, any applicable law or governmental regulation currently in effect, and does not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound;

(C) The Continuing Disclosure Agreement has been duly authorized, executed and delivered by the Trustee and, assuming due authorization, execution and delivery by the District, the Continuing Disclosure Agreement constitutes the valid and binding obligation of the Trustee enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(D) The Trustee has duly authenticated the Bonds upon the order of the District;

(E) The Trustee's actions in performing its obligations under the Indenture and in executing and delivering the Continuing Disclosure Agreement is in full compliance with, and does not conflict with any applicable law or governmental regulation and, to the best of such counsel's knowledge, after reasonable inquiry with respect thereto, does not conflict with or violate any contract to which the Trustee is a party or any administrative or judicial decision by which the Trustee is bound; and

(F) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the issuance of the Bonds or the consummation by the Trustee of its obligations under the Indenture or the Continuing Disclosure Agreement.

(vii) Reserved.

(viii) Underwriters' Counsel Opinion. An opinion of Kutak Rock LLP, Underwriters' Counsel, dated the date of the Closing and addressed to the Representative, to the effect that:

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

(B) The Continuing Disclosure Agreement satisfies the Underwriters' obligations under Rule 15c2-12(b)(5); and

(C) Because the primary purpose of their professional engagement was not to establish factual matters and because of the wholly or partially non-legal character of many determinations involved in the preparation of the Official Statement, such counsel is not passing upon and does not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement and makes no representation that they have independently verified the accuracy, completeness or fairness of any such statements; however, in



their capacity as counsel to the Underwriters during the course of the preparation of the Official Statement, they participated in conferences with representatives of the District, District Counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation, as bond counsel, Public Resources Advisory Group, as financial advisor to the District, and the Underwriters, during which the contents of the Official Statement and related matters were discussed and based on their participation in such conferences, and in reliance thereon and on the certificates, opinions and other documents they have reviewed, no information has come to the attention of the lawyers of such firm rendering professional legal services in connection with the Bonds that has caused them to believe that the Official Statement as of its date and as of the date of the Closing (except for information relating to any financial, statistical or economic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any of the Appendices to the Official Statement, or any information about book-entry or DTC, included therein, or as to the information contained in the Official Statement under the caption "TAX MATTERS," as to all of which no opinion or view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(ix) District Certificate. A certificate of the District, dated the date of the Closing, signed on behalf of the District by an "Authorized Officer" of the District as defined in the Resolution, to the effect that:

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

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

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the Resolution or the Financing Documents.

(x) Reserved.

(xi) Trustee's Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Representative, to the effect that:

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

(B) The Trustee has duly executed and delivered the Indenture and the Continuing Disclosure Agreement, and assuming due authorization and execution by the other parties thereto, the Indenture and the Continuing Disclosure Agreement are each legal, valid and binding obligations of the Trustee, and enforceable against the Trustee in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles, if equitable remedies are sought;

(C) The Trustee has duly authenticated the Bonds and delivered the Bonds to or upon the order of the Underwriters; and

(D) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the authentication and delivery of the Bonds or the consummation by the Trustee of its obligations under the Resolution, the Indenture or the Continuing Disclosure Agreement.

(xii) Reserved.

(xiii) Reserved.

(xiv) Transcript. A transcript of all proceedings relating to the authorization, execution, sale and delivery of the Bonds.

(xv) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the District by duly authorized officers of the District.

(xvi) Financing Documents. A certified copy of the Resolution and original executed copy of each of this Purchase Contract and the Financing Documents.

(xvii) District Resolution. Certified copies of the resolution of the District approving the execution and delivery of the Financing Documents and the Certificates and the issuance of the Bonds, certified by the District Clerk.

(xviii) Reserved.

(xix) 15c2-12 Certificate of the District. A certificate executed by an Authorized Officer of the District “deeming final” the Preliminary Official Statement for purposes of Rule 15c2-12.

(xx) Trustee Resolution. Two certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers and employees of the Trustee, which resolution authorizes the execution and delivery of the Continuing Disclosure Agreement.

(xxi) Reserved.

(xxii) 8038-G. Evidence that the federal tax information form 8038-G relating to the Series 2019A Bonds has been prepared for filing.

(xxiii) Tax Certificate. A tax certificate relating to the Series 2019A Bonds in form satisfactory to Bond Counsel.

(xxiv) Blue Sky. A copy of any Blue Sky Memorandum with respect to the Bonds, prepared by Underwriters’ Counsel.

(xxv) CDIAC Statements. A copy of the Notices of Sale required to be delivered to the California Debt Investment and Advisory Commission pursuant to Sections 8855(g) and 53583 of the California Government Code.

(xxvi) Continuing Disclosure Agreement. An executed copy of the Continuing Disclosure Agreement.

(xxvii) Ratings. Evidence from Moody’s Investors Service and Fitch Ratings, Inc. that the Bonds have received uninsured ratings of “[Aa1]” and “[AA],” respectively.

(xxviii) Additional Documents. Such additional legal opinions, certificates, proceedings, instruments and other documents as the Representative, Bond Counsel or Underwriters’ Counsel reasonably may request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the District’s representations and warranties contained herein and of the statements and information contained in the Official Statement and of the due performance or satisfaction by the District and the Trustee on or prior to the date of the Closing of all material agreements then to be performed and conditions then to be satisfied by any of them in connection with the transactions contemplated hereby and by the Resolution and the Financing Documents.

If the District shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither

the Underwriters nor the District shall be under further obligation hereunder, except as further set forth in Section 9 hereof.

8. Expenses. The Underwriters shall be under no obligation to pay and the District shall pay or cause to be paid the expenses incident to the performance of the obligations of the District hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the Resolution and the Financing Documents and the cost of preparing, printing, issuing and delivering the Bonds; (b) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the District; (c) the fees and disbursements of Bond Counsel and District Counsel; (d) the fees and disbursements of the rating agencies; (e) the fees of the Trustee; (f) the cost of printing and distributing the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing and distributing the Official Statement and any supplements and amendments thereto; and (g) expenses (included in the expense component of the Underwriters' spread) incurred on behalf of the District's officers or employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or employees.

The Underwriters shall pay and the District shall be under no obligation to pay all expenses incurred by it in connection with the public offering and distribution of the Bonds, including any advertising expenses, fees, if any, payable to the California Debt Investment and Advisory Commission in connection with the issuance of the Bonds, fees associated with obtaining CUSIP numbers for the Bonds, and the Underwriters shall pay any costs and expenses incurred in connection with the preparation and distribution of any blue sky or any legal investment memoranda and the costs and fees of counsel to the Underwriters.

9. Notice. Any notice or other communication to be given to the District under this Purchase Contract may be given by delivering the same in writing to Santa Clara Valley Water District, 5750 Almaden Expressway, San Jose, California 95814-3686, Attention: Chief Financial Officer.

Any notice or other communication to be given to the Representative or the Underwriters under this Purchase Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 37<sup>th</sup> Floor, San Francisco, California 94104, Attention: Managing Director.

10. Entire Agreement. This Purchase Contract, when accepted by the District, shall constitute the entire agreement between the District and the Underwriters and is made solely for the benefit of the District and the Underwriters (including the successors of the Underwriters). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length, commercial transaction between the District and the Underwriters in which each Underwriter is acting solely as a principal and is not acting as a municipal advisor (within the meaning of Section 15B of the Exchange Act), financial advisor or fiduciary to the District, (ii) the Underwriters have not assumed (individually or collectively) any advisory or fiduciary responsibility to the District with respect to this Agreement, the offering of the Bonds and the discussions, undertakings and procedures leading thereto (irrespective of

whether any Underwriter, or any affiliate of an Underwriter, has provided other services or is currently providing other services to the District on other matters), (iii) the only obligations the Underwriters have to the District with respect to the transactions contemplated hereby are set forth in this Agreement, (iv) the Underwriters have financial and other interests that differ from those of the District and (v) the District has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

11. Benefit. This Purchase Contract is made solely for the benefit of the District and the Underwriters (including the successors thereof) and no other person, partnership or association, shall acquire or have any right hereunder or by virtue hereof. All representations and agreements by the District in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriters and shall survive the issuance of and payment of the Bonds.

12. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

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

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

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

15. No Assignment. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Underwriters or the District without the prior written consent of the other party hereto.

Very truly yours,

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED  
BARCLAYS CAPITAL INC.  
FIDELITY CAPITAL MARKETS

By: STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, as Representative of the  
Underwriters

By: \_\_\_\_\_  
Authorized Officer

Accepted as of the date  
first stated above:

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**

**MATURITY SCHEDULE**

\$[\_\_\_\_\_]

Santa Clara Valley Water District  
Water System Refunding Revenue Bonds  
Series 2019A

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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\$[\_\_\_\_\_]

Santa Clara Valley Water District  
Water System Refunding Revenue Bonds  
Taxable Series 2019B

<u>Maturity Date</u> <u>(June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>
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\_\_\_\_\_

## Redemption of 2019 Bonds

(a) The 2019 Bonds shall be subject to extraordinary redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity and within maturities as directed in a Written Request of the District provided to the Trustee at least 30 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date in integral multiples of \$5,000 from Net Proceeds, upon the terms and conditions of, and as provided for in the Water Utility Parity System Master Resolution, at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium.

(b) The Series 2019A Bonds with stated maturities on or after June 1, 20\_\_ shall be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed in a Written Request of the District provided to the Trustee at least 30 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, on or after June 1, 20\_\_ at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium.

(c) The Series 2019B Bonds with stated maturities on or after June 1, 20\_\_ shall be subject to redemption prior to their respective stated maturities, as a whole or in part on any date in the order of maturity as directed by in a Written Request of the District provided to the Trustee at least 30 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date, on or after June 1, 20\_\_ at a Redemption Price equal to the principal amount thereof plus accrued interest thereon to the Redemption Date, without premium.

(d) The Series 2019A Bonds with stated maturities on June 1, 20\_\_ and June 1, 20\_\_ are subject to mandatory sinking fund redemption in part (by lot), on each June 1 on and after June 1, 20\_\_ and June 1, 20\_\_, respectively, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest evidenced thereby to the Redemption Date, without premium, in accordance with the following schedules:

<i>Redemption Date</i> <i>(June 1)</i>	<i>Principal</i> <i>Amount</i>
	\$

---

\* Final Maturity.

(a) The Series 2019B Bonds with stated maturities on June 1, 20\_\_ and June 1, 20\_\_ (the "Series 2019B Term Bonds") are subject to mandatory sinking fund redemption in part (by lot), on each June 1 on and after June 1, 20\_\_ and June 1, 20\_\_, respectively, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued



interest evidenced thereby to the Redemption Date, without premium, in accordance with the following schedules:

<b><i>Redemption Date</i></b> <b><i>(June 1)</i></b>	<b><i>Principal</i></b> <b><i>Amount</i></b>
	\$

---

\* Final Maturity.

<b><i>Redemption Date</i></b> <b><i>(June 1)</i></b>	<b><i>Principal</i></b> <b><i>Amount</i></b>
	\$

---

\* Final Maturity.

In the event of a redemption pursuant to Section 4.01(a), (c) or (g) the District shall provide the Trustee with a revised sinking fund schedule giving effect to the redemption so completed.

(b) The Series 2019A Bonds shall be subject to redemption prior to June 1, 20\_\_ at the option of the District, as a whole or in part on any Business Day in the order of maturity as directed in a Written Request of the District provided to the Trustee at least 30 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date at the “Make-Whole Redemption Price.” The “Make-Whole Redemption Price,” as determined by the District, is the greater of (1) 100% of the principal amount of the Series 2019A Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal of and interest to the maturity date on the Series 2019A Bonds to be redeemed, not including any portion of those payments of interest thereon accrued and unpaid as of the date on which the Series 2019A Bonds are to be redeemed, discounted to the date on which the Series 2019A Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus \_\_ basis points, inclusive, accrued and unpaid interest on the Series 2019A Bonds to be redeemed on the Redemption Date.

(c) The Series 2019B Bonds shall be subject to redemption prior to June 1, 20\_\_ at the option of the District, as a whole or in part on any Business Day in the order of maturity as directed in a Written Request of the District provided to the Trustee at least 30 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) prior to such date and by lot within each maturity in integral multiples of \$5,000, at the “Make-Whole Redemption Price.” The “Make-Whole Redemption Price,” as determined by the District, is the greater of (1) 100% of the

principal amount of the Series 2019B Bonds to be redeemed; or (2) the sum of the present value of the remaining scheduled payments of principal of and interest to the maturity date on the Series 2019B Bonds to be redeemed, not including any portion of those payments of interest thereon accrued and unpaid as of the date on which the Series 2019B Bonds are to be redeemed, discounted to the date on which the Series 2019B Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus \_\_\_\_ basis points, inclusive, accrued and unpaid interest on the Series 2019B Bonds to be redeemed on the Redemption Date.

## EXHIBIT B

### FORM OF ISSUE PRICE CERTIFICATE

\$[\_\_\_\_\_]

#### SANTA CLARA VALLEY WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS SERIES 2019A

The undersigned, on behalf of Stifel, Nicolaus & Company, Incorporated (“Stifel”), based on the information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. Sale of the General Rule Maturities. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule 1.

2. Initial Offering Price of the Bonds Hold-the-Offering Price Maturities.

(a) Stifel offered the Hold-the-Offering Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule 1 (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule 2.

(b) As set forth in the Bond Purchase Agreement, Stifel has agreed in writing that, for each Maturity of the Hold-the-Offering Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and, Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) “General Rule Maturities” means, the Maturities of the Bonds listed in Schedule 1 as “General Rule Maturities.”

(b) “Hold-the-Offering Price Maturities” means, the Maturities of the Bonds listed in Schedule 1 as “Hold-the-Offering Price Maturities.”

(c) “Holding Period” means, for each Maturity of the Bonds, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Stifel has sold at least 10% of such Maturity of the Bonds to the Public at prices that are no higher than the Initial Offering Price for such Maturity.

(d) “Issuer” means the Santa Clara Valley Water District.

(e) “Maturity” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(f) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(g) “Sale Date” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is April [\_\_\_], 2019.

(h) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. Accordingly, Stifel makes no representation as to the legal sufficiency of the factual matters set forth herein. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the arbitrage certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Jones Hall, A Professional Law Corporation, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party for any other purpose.

STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, as Underwriter

By \_\_\_\_\_

Managing Director

Dated: April [\_\_\_], 2019

SCHEDULE 1

SALE PRICES OF THE GENERAL RULE MATURITIES AND INITIAL OFFERING PRICES  
OF  
THE HOLD-THE-OFFERING-PRICE MATURITIES

\$[\_\_\_\_\_]

**SANTA CLARA VALLEY WATER DISTRICT**  
**WATER SYSTEM REFUNDING REVENUE BONDS**  
**SERIES 2019A**

Hold-the- Offering Price Maturities (if Marked)	General Rule Maturities (if Marked)	Maturity Date (June 1)	Principal Amount	Interest Rate	Price
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SCHEDULE 2  
PRICING WIRE OR EQUIVALENT COMMUNICATION