

\$____,____,____
**SANTA CLARA VALLEY WATER DISTRICT
WATER SYSTEM REFUNDING REVENUE BONDS
TAXABLE SERIES 2019C**

BOND PURCHASE CONTRACT

November __, 2019

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

Ladies and Gentlemen:

The undersigned, Siebert Cisneros Shank & Co., L.L.C., as underwriter (the “*Underwriter*”), offers to enter into this Bond Purchase Contract (this “*Bond Purchase Contract*”) with the Santa Clara Valley Water District (the “*District*”), which will be binding upon the District and the Underwriter upon the acceptance hereof by the District. This offer is made subject to its acceptance by the District by execution of this Bond Purchase Contract and its delivery to the Underwriter on or before 8:00 p.m., California time, on the date hereof. Capitalized terms used in this Bond Purchase Contract and not otherwise defined shall have the respective meanings given to such terms in the Indenture (as those terms are hereafter defined).

Section 1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the District for reoffering to the public, and the District hereby agrees to sell to the Underwriter for such purpose, all (but not less than all) of the \$____,____,____ principal amount of the above-captioned bonds (the “*2019C Bonds*”). The 2019C Bonds shall be dated the date of delivery thereof and shall be payable on each June 1 in the years and in the amounts, and bear interest at the rates and be subject to prepayment as, set forth in Schedule I hereto. Interest with respect to the 2019C Bonds shall be payable on June 1 and December 1 of each year, commencing _____ 1, 20____. The purchase price for the 2019C Bonds shall be \$_____, equal to the principal amount of the 2019C Bonds and less an underwriter’s discount of \$_____.

Section 2. Description of the 2019C Bonds. The 2019C Bonds are being issued and delivered pursuant to Resolution No. 16-10 (Water Utility Parity System Master Resolution) adopted by the Board of Directors on February 23, 2016 (the “*Parity Master Resolution*”), Resolution No. 19-____ adopted by the Board of Directors on November __, 2019 (the “*2019 Resolution*” and together with the Parity Master Resolution, the “*Resolution*”), and an Indenture of Trust, dated as of November 1, 2019 (the “*Indenture*”) by and between the District and U.S. Bank National Association, as trustee (the “*Trustee*”). The 2019C Bonds shall be as described in the Indenture. The 2019C Bonds have been summarized in the Official Statement relating to the 2019C Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the “*Official Statement*”).

The proceeds of the 2019C Bonds will be used to defease and prepay \$37,980,000 principal amount of Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects) Taxable Series 2007B (the “2007B Certificates”) and pay the costs associated with the delivery of the 2019C Bonds.

The 2019C Bonds are a special obligation of the District secured by a pledge of Water Utility System Revenues and payable solely from and Net Water Utility System Revenues of the Water Utility System (as such terms are defined in the Parity Master Resolution) and amounts on deposit in certain funds and accounts established under the Indenture. The obligation of the District to pay debt service on the 2019C Bonds from Net Water Utility System Revenues is subordinate to the obligation of the District to pay debt service on \$_____ aggregate outstanding principal amount of Senior Obligations (as defined in the Senior Master Resolution) and on a parity with \$_____ aggregate outstanding principal amount of Parity Obligations (as defined in the Parity Master Resolution).

A portion of the proceeds from the sale of the 2019C Bonds will be deposited by the District in an escrow fund (the “Escrow Fund”) established pursuant to the terms and conditions of an Escrow Agreement dated as of November 1, 2019 (the “Escrow Agreement”), by and between the District and U.S. Bank National Association (“U.S. Bank”), as the escrow agent (the “Escrow Agent”).

In order to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (“Rule 15c2-12”), the District and U.S. Bank National Association, as dissemination agent (the “Dissemination Agent”), will execute and deliver a Continuing Disclosure Agreement (the “Continuing Disclosure Agreement”) concurrently with delivery of the 2019C Bonds.

Section 3. Public Offering. The Underwriter agrees to make a bona fide public offering of all the 2019C Bonds initially at the public offering prices (or yields) set forth on Schedule I attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the 2019C Bonds, provided that the Underwriter shall not change the interest rates set forth on Schedule I. The 2019C Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

Section 4. Delivery of Official Statement. The District has delivered or caused to be delivered to the Underwriter prior to the execution of this Bond Purchase Contract, copies of the Preliminary Official Statement in electronic form relating to the 2019C Bonds dated November __, 2019, including the cover pages, the appendices thereto and all information incorporated therein by reference in electronic form (the “Preliminary Official Statement”). Such Preliminary Official Statement was deemed final by the District for purposes of Rule 15c2-12 and was approved for use and distribution by the Underwriter by the 2019 Resolution. The District has executed and delivered to the Underwriter a certification to such effect in the form attached hereto as Appendix A.

Within seven (7) business days from the date hereof, or such earlier date identified by the Underwriter to be necessary to allow the Underwriter to meet its obligations under Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board (the “MSRB”), the District shall deliver to the Underwriter a final Official Statement in electronic form, executed on behalf of the District by its authorized representative and dated the date hereof, with such other amendments or supplements as shall have been approved by the District and the Underwriter (the “Official Statement”) and which the Underwriter may use to comply with Rule 15c2-12 and to meet potential customer requests for copies of the Official Statement.

The Underwriter agrees to file the Official Statement in compliance with MSRB Rule G-32. The Underwriter agrees that they will not confirm the sale of any 2019C Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Official Statement.

Section 5. The Closing. At 8:00 a.m., California time, on November [26], 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 Underwriter (the “*Closing Date*”), the Underwriter will accept delivery of the 2019C Bonds through the facilities of The Depository Trust Company, New York, New York (“*DTC*”), by initial deposit with the Trustee (in care of DTC) through DTC’s Fast Automated Securities Transfer System procedures, and the other documents described herein, duly executed, at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation (“*Bond Counsel*”), in Newport Beach, California or another place to be mutually agreed upon by the District and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the 2019C Bonds as set forth in Section 1 in immediately available funds to the order of the Trustee on behalf of the District. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “*Closing*.” The 2019C Bonds will be delivered in such denominations and deposited in the account or accounts specified with DTC by the Underwriter in accordance with the rules and operational arrangements of DTC. The 2019C Bonds will be made available to the Underwriter for inspection and packaging not less than 48 hours prior to the Closing.

It is anticipated that CUSIP identification numbers will be inserted on the 2019C Bonds, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Underwriter to accept delivery of the 2019C Bonds in accordance with the terms of this Bond Purchase Contract.

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

(a) Due Organization, Existence and District. The District is a special district authorized to supply water and provide flood protection services, duly organized and existing under the Constitution and laws of the State of California (the “*State*”) with full right, power and authority to adopt the Resolution and to execute, deliver and perform its obligations under the Indenture, the 2019C Bonds, the Escrow Agreement, this Bond Purchase Contract, and Continuing Disclosure Agreement (collectively, the “*Financing Documents*”), and to carry out and consummate the transactions contemplated by the Financing Documents and as described in 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 2019C 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 Underwriter 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 2019C 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 Underwriter and, if, in the reasonable opinion of the Underwriter 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 Underwriter 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 2019C Bonds, the District will furnish such information with respect to itself as the Underwriter 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 2019C 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 Bond 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 Bond 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 Bond 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 Bond 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 2019C Bonds, this Bond Purchase Contract, or the other Financing Documents, or in any way contesting or affecting the validity of the 2019C Bonds or this Bond Purchase Contract, the Resolution, the other Financing Documents or the consummation of the transactions contemplated thereby, or contesting the powers of the District to adopt the Resolution or to enter into this Bond 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 2019C 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 2019C 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 2019C 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 2019C 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 2019C Bonds.

(k) Further Cooperation; Blue Sky Laws. The District will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (A) to qualify the 2019C 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 Underwriter may designate and (B) to determine the eligibility of the 2019C 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 2019C 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 Bond 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 2019C Bonds.

(m) No Other Obligations. Except as disclosed in the Official Statement, between the date of this Bond Purchase Contract and the date of Closing, the District will not, without the prior written consent of the Underwriter, 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 Underwriter shall be deemed to be a representation and warranty by the District to the Underwriter as to the statements made therein.

(o) Continuing Disclosure Undertakings. 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 undertakings that it has entered into pursuant to Rule 15c2-12.

(p) Relationship between the Underwriter and the District. The District acknowledges and agrees that: (i) Underwriter is not acting as a fiduciary or as a “municipal advisor” within the meaning of Section 15B of the Securities Exchange Act of 1934; (ii) the purchase and sale of the 2019C Bonds pursuant to this Bond Purchase Contract is an arm’s length commercial transaction among the District and the Underwriter, (iii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or fiduciary of the District; (iv) with respect to the offering of the 2019C Bonds or the process leading thereto (whether or not the Underwriter or any affiliate of the Underwriter, has advised or is currently advising the District on other matters), the Underwriter has not assumed fiduciary responsibilities in favor of the District or any other obligation to the District except as expressly set forth in this Bond Purchase Contract; (v) the District has consulted its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the 2019C Bonds; and (vi) the Underwriter has financial interests that differ from those of the District.

Section 7. Closing Conditions. The Underwriter has entered into this Bond Purchase Contract in reliance upon the representations and warranties of the District contained herein, and in reliance upon the representations and warranties to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the District of its obligations hereunder, both as of the date hereof and as of the Closing. The Underwriter’s obligations under this Bond Purchase Contract to purchase, accept delivery of and to pay for the 2019C Bonds shall also be subject to the following additional conditions:

(a) Official Statement. The Underwriter has 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 Underwriter) in such reasonable quantity as the Underwriter shall have requested.

(b) Bring-Down Representation. The representations, warranties and covenants of the District contained herein shall be true, complete and correct in all material respects as of 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 Bond 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 Underwriter, (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 Bond 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 Underwriter.

(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 2019C Bonds.

(e) Termination Events. The Underwriter shall have the right to terminate this Bond Purchase Contract, without liability therefor, by notification to the District upon the occurrence of any of the following events if at any time at or prior to the Closing and, if in the reasonable opinion of the Underwriter such event has a material and adverse effect on the market price of the 2019C Bonds:

(i) any event occurs on or after the date hereof which either (A) in the reasonable judgement of the Underwriter, materially adversely affects the market price or marketability or ability to enforce contracts for the sale of any portion of the 2019C Bonds; or (B) makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained in the Official Statement not misleading in any material respect, notwithstanding the approval by the Underwriter of any amendment or supplement prior to its distribution.

(ii) an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Bond Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States 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, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority materially

adversely affecting the federal or State tax status of the District, or the interest on bonds or notes or obligations of the general character of the 2019C Bonds; or

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

(iv) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered; or

(v) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, delivery, offering or sale of obligations of the general character of the 2019C Bonds, or the delivery, offering or sale of the 2019C 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 2019C Bonds, or the 2019C Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(vi) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by the New York Stock Exchange or by any other national securities exchange or by any federal or State governmental authority; or

(vii) a general banking moratorium shall have been established by federal or State authorities; or

(viii) any outbreak or escalation of hostilities involving the United States, the declaration by the United States of a national emergency or war, the occurrence of any other local, national, or international calamity or crisis; or

(ix) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by either of the rating services assigning ratings to the 2019C Bonds; or

(x) the commencement of any action, suit or proceeding described in Section 6(f) hereof; or

(xi) 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 Underwriter shall receive with respect to the 2019C Bonds (unless the context otherwise indicates) the following documents:

(i) Resolution and Financing Documents. Certified copies of the Resolution and executed copies of the Financing Documents.

(iii) Preliminary and Final Official Statements. The Preliminary Official Statement and the Official Statement, with the Official Statement executed by duly authorized officers of the District.

(iv) Continuing Disclosure Agreement. The Continuing Disclosure Agreement executed on behalf of the District and the Dissemination Agent by their respective duly authorized officers.

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

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

(A) The District has duly and validly executed the Bond Purchase Contract, and the Bond Purchase Contract constitutes the legal, valid and binding agreement of the District, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and to the exercise of judicial discretion in appropriate cases;

(B) The statements contained in the Official Statement on the cover page and under the captions "INTRODUCTION," "THE 2019C BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE 2019C BONDS," "TAX MATTERS," and in Appendices B and E thereto, insofar as such statements purport to summarize certain provisions of the 2019C Bonds, the Resolution, the Financing Documents, and the final approving opinion relating to the 2019C Bonds, are accurate in all material respects; and

(C) The 2019C Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(vii) Defeasance Opinion of Bond Counsel. An opinion of Bond Counsel, dated the Closing Date, and addressed to the Trustee and the Underwriter, in form and substance satisfactory to the Trustee and the Underwriter, to the effect that the 2007B Certificates have been prepaid and defeased and such certificates are no longer deemed outstanding pursuant to instruments pursuant to which the 2007B Certificates were executed and delivered.

(viii) Opinion of District Counsel. An opinion of District Counsel, dated the date of the Closing and addressed to the Underwriter and the Trustee, in form and substance acceptable to Bond Counsel and Underwriter's Counsel, substantially to the following effect:

(A) The District is a special district, duly created and lawfully existing under the Constitution and 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 the Resolution is in full force and effect and has not been modified, amended or rescinded;

(C) The 2019C Bonds, the Financing Documents and this Bond 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 2019C Bonds, the Financing Documents and this Bond 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 this Bond 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 2019C Bonds, this Bond Purchase Contract or the Financing Documents or in any way contesting or affecting the validity of the 2019C Bonds or this Bond Purchase Contract, the Resolution, or the Financing Documents or the consummation of the transactions contemplated thereby, or contesting the powers of the District to adopt the Resolution or to enter into this Bond 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 2019C 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.

(ix) Opinion of Counsel to the Underwriter. An opinion of Schiff Hardin LLP, ("Underwriter's Counsel"), dated the date of Closing and addressed to the Underwriter to the effect that, based upon the information made available to them in the course of their participation in the preparation of the Official Statement and without passing on and without assuming any responsibility for the accuracy, completeness and fairness of the statements in the Official Statement, and having made no independent investigation or verification thereof, no information has come to the attention of the attorneys rendering legal services in connection with such representation that leads them to believe that, as of the date of Closing, the Official Statement (except for any financial or statistical data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, the appendices (excluding APPENDIX F—"FORM OF CONTINUING DISCLOSURE AGREEMENT") or any information concerning the DTC or the book-entry only system, included therein, as to which no opinion or view need be expressed) contains any untrue statement of a material fact or omits 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; that the 2019C Bonds are exempt from registration under the Securities Act of 1933, as amended; the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended; and the Continuing Disclosure Agreement provides a suitable basis for the Underwriter, in connection with the Offering (as defined in Rule 15c2-12) of the 2019C Bonds to make a reasonable determination as required by section (b)(5) of such Rule.

(x) Opinion of Trustee Counsel. The opinion of counsel to the Trustee, dated the Closing Date, addressed to the District and the Underwriter, to the effect that:

(A) U.S. Bank is a national banking association duly organized and validly existing and in good standing under the laws of the United States of America and has full power and authority to execute and deliver the Indenture, the 2019C Bonds and the Escrow Agreement and to perform its respective obligations thereunder;

(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 2019C 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 2019C Bonds or the consummation by the Trustee of its obligations under the Indenture or the Continuing Disclosure Agreement.

(xi) Escrow Agent Counsel Opinion. The opinion of counsel to the Escrow Agent, dated the date of the Closing, addressed to the Underwriter, to the effect that:

(A) The Escrow Agent is a national banking association, duly organized and validly existing under the laws of the United States of America, having full corporate powers and authority to enter into and perform its duties under the Escrow Agreement;

(B) The Escrow Agent acknowledges and accepts its obligations under the Escrow Agreement 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 Escrow Agent is a party or any administrative or judicial decision by which the Escrow Agent is bound;

(C) The Escrow Agreement has been duly authorized, executed and delivered by the Escrow Agent and, assuming due authorization, execution and delivery by the District, the Escrow Agreement constitutes the valid and binding obligation of the Escrow Agent 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 Escrow Agent's actions in in executing and delivering the Escrow 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 Escrow Agent is a party or any administrative or judicial decision by which the Escrow Agent is bound; and

(E) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Escrow

Agent that has not been obtained is or will be required for the consummation by the Escrow Agent of its obligations under the Escrow Agreement.

(xii) Resolution of the Trustee and Escrow Agent. Certified copies of the general resolution of the Trustee and Escrow Agent authorizing the execution and delivery of certain documents by certain officers and employees of the Trustee and Escrow Agent, which resolution authorizes the execution and delivery of the Financing Documents to which the Trustee or Escrow Agent are a party.

(xiii) Certificate of the District. A certificate of the District, dated the date of the Closing, signed on behalf of the District by the Executive Director or other duly authorized officer of the District to the effect that:

(A) The representations, warranties and covenants of the District contained in this Bond 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 Bond 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.

(xiv) Certificate of the Trustee. A certificate of U.S. Bank National Association, dated the date of Closing, in form and substance acceptable to the Underwriter, to the following effect:

(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 2019C Bonds and delivered the 2019C Bonds to or upon the order of the Underwriter; 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 2019C Bonds or the consummation by the Trustee of its obligations under the Resolution, the Indenture or the Continuing Disclosure Agreement.

(xv) *Certificate of the Escrow Agent.* A certificate of U.S. Bank National Association, dated the Closing Date, to the effect that:

(A) The Escrow Agent is a national banking association duly organized and validly existing under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Escrow Agreement;

(B) The Escrow Agent has duly executed and delivered the Escrow Agreement, and assuming due authorization and execution by the other parties thereto, the Escrow Agreement is a legal, valid and binding obligation of the Escrow Agent, and enforceable against the Escrow Agent 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) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Escrow Agent that has not been obtained is or will be required for the consummation by the Escrow Agent of its obligations under the Escrow Agreement.

(xvi) *CDIAC Notice and Report.* A copy of the Notice of Proposed Sale and Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission ("CDIAC") pursuant to Section 8855(g) of the California Government Code.

(xvii) *Ratings.* Evidence that the 2019C Bonds have been rated ["AA+"] by Fitch Ratings, Inc. and ["Aa1"] by Moody's Investors Service, Inc.

(xviii) *Additional Documents.* Such additional legal opinions, certificates, instruments and documents as Bond Counsel, the Underwriter, or Underwriter's Counsel may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations and warranties of the District contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the District, the Trustee, and the Escrow Agent on or prior to the Closing Date of all material agreements then to be performed and all 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 Bond Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Contract, this Bond Purchase Contract shall terminate and neither the Underwriter nor the District shall be under further obligation hereunder, except as further set forth in Section 8 hereof.

Section 8. Expenses.

(a) The Underwriter 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 definitive 2019C 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, (d) the fees and disbursements of Disclosure Counsel, (e) the fees of the Trustee; (g) 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, including the requisite number of copies thereof for distribution by the Underwriter, (h) charges of rating agencies for the rating of the 2019C Bonds; and (g) expenses (included in the expense component of the Underwriter's spread) incurred on behalf of the District's officers or employees which are incidental to implementing this Bond Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or employees.

(b) The Underwriter shall pay all expenses incurred by them in connection with the public offering and distribution of the 2019C Bonds including, but not limited to: (i) all advertising expenses in connection with the offering of the 2019C Bonds; (ii) the fees and expenses of Underwriter's Counsel, (iii) the costs of preparing and printing the Blue Sky memorandum, and (iv) all out-of-pocket disbursements and expenses incurred by the Underwriter in connection with the offering and distribution of the 2019C Bonds (including other expenses, CUSIP Service Bureau fees, fees of the CDIAC and any other fees and expenses), except as provided in Section 8(a) or as otherwise agreed to by the Underwriter and the District.

Section 9. Notices. Any notice or other communication to be given to the District under this Bond Purchase Contract may be given by delivering the same in writing to such entity at the address set forth above. Any notice or other communication to be given to the Underwriter under this Bond Purchase Contract may be given by delivering the same in writing to the Underwriter, Siebert Cisneros Shank & Co., L.L.C., 660 South Figueroa Street, Suite 1720, Los Angeles, California 90017, Attention: Grace Yuen, Senior Vice President.

Section 10. Entire Agreement. This Bond Purchase Contract, when accepted by the District, shall constitute the entire agreement among the District and the Underwriter and is made solely for the benefit of the District and the Underwriter (including the successors or assigns of either Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All the representations, warranties and agreements of the District contained in this Bond Purchase Contract shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of (a) delivery of and payment for the 2019C Bonds hereunder, and (b) any termination of this Bond Purchase Contract.

Section 11. Counterparts. This Bond Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 12. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 13. Governing Law; Venue. This Bond Purchase Contract shall be governed and interpreted exclusively by and construed in accordance with the laws of the State applicable to contracts made and to be performed in the State. Any and all disputes or legal actions or proceedings arising out of this Purchase Agreement or any document related hereto shall be filed and maintained in a court of competent jurisdiction in the County of Santa Clara; provided that the District may waive the requirement of venue. By execution of and delivery of this Bond Purchase Contract, the parties hereto accept and consent to the aforesaid jurisdiction.

Section 14. Prior Agreements. The parties agree that the terms and conditions of this Purchase Agreement supersede those of all previous agreements between the parties, and that this Purchase Agreement contains the entire agreement between the parties hereto. In the event of a dispute between the parties under this Purchase Agreement, the losing party in such dispute shall pay all reasonable costs and expenses incurred by the prevailing party in connection therewith, including but not limited to attorneys' fees.

Section 15. Headings. The headings of the Sections of this Bond Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

Section 16. Entire Agreement. The parties agree that the terms and conditions of this Purchase Agreement supersede those of all previous agreements between the parties, and that this Purchase Agreement contains the entire agreement between the parties hereto. In the event of a dispute between the parties under this Bond Purchase Contract, the losing party in such dispute shall pay all reasonable costs and expenses incurred by the prevailing party in connection therewith, including but not limited to attorneys' fees.

Section 17. No Assignment. The rights and obligations created by this Bond Purchase Contract shall not be subject to assignment by the Underwriter or the District without the prior written consent of the other parties hereto.

SIEBERT CISNEROS SHANK & CO., L.L.C.

By: _____
Authorized Representative

Agreed to and Accepted by:

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Authorized Representative

Time: _____ [A.M.] / [P.M.]

Date: November __, 2019

SCHEDULE I

MATURITIES, AMOUNTS, RATES, YIELDS AND PRICES

Maturity Date (June 1)	Principal Amount	Interest Rate	Yield	Price
---------------------------	---------------------	------------------	-------	-------

REDEMPTION PROVISIONS

Extraordinary Redemption

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.

Optional Redemption

The 2019 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 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.

Optional Redemption With Make-Whole Payment

The 2019 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 by the District in a Written Request 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 2019 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 2019 Bonds to be redeemed, not including any portion of those payments of interest thereon accrued and unpaid as of the date on which the 2019 Bonds are to be redeemed, discounted to the date on which the 2019 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 the Applicable Spread (defined below), in each case plus accrued and unpaid interest on the 2019 Bonds to be redeemed on the date of redemption. The term “Applicable Spread” means ____ basis points.

APPENDIX A

SANTA CLARA VALLEY WATER DISTRICT WATER SYSTEM REFUNDING REVENUE BONDS TAXABLE SERIES 2019C

FORM OF THE CERTIFICATE REGARDING THE PRELIMINARY OFFICIAL STATEMENT

The undersigned hereby certifies to Siebert Cisneros Shank & Co., L.L.C. (the “Underwriter”) that I am an authorized representative of the Santa Clara Valley Water District (the “District”) and as such, I am authorized to execute and deliver this certificate and further hereby certify and reconfirm on behalf of the District to the Underwriter as follows:

(1) This certificate is delivered to enable the Underwriter to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934 (the “Rule”) in connection with the offering and sale of the above-captioned bonds (the “2019C Bonds”).

(2) That there has been delivered to the Underwriter a Preliminary Official Statement, relating to the 2019C Bonds, dated November __, 2019 (including the cover page and all appendices thereto, in electronic form, the “Preliminary Official Statement”), which the District deems final as of its date for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), except for the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings, and other terms of the 2019C Bonds depending on such matters permitted to be omitted therefrom by Rule 15c2-12 (collectively, the Permitted Omissions”).

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

(4) The District hereby approves the use and distribution by the Underwriter of the Preliminary Official Statement.

Dated: November __, 2019

SANTA CLARA VALLEY WATER DISTRICT

By: _____
Authorized Representative