

**SANTA CLARA VALLEY WATER DISTRICT**

\$ \_\_, \_\_, 000  
**Revenue Certificates of Participation**  
**(Water Utility System Improvement Projects)**  
**Series 2020C**

\$ \_\_, \_\_, 000  
**Revenue Certificates of Participation**  
**(Water Utility System Improvement Projects)**  
**Taxable Series 2020D**

**CERTIFICATE PURCHASE CONTRACT**

[Pricing Date], 2020

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

Ladies and Gentlemen:

The undersigned, Siebert Williams Shank & Co., LLC, on its own behalf and as representative (the “*Representative*”) of the underwriters identified herein (collectively, with the Representative, the “*Underwriters*”), offers to enter into this Certificate Purchase Contract (this “*Certificate Purchase Contract*”) with the Santa Clara Valley Water District (“*Valley Water*”), which will be binding upon Valley Water and the Underwriters upon the acceptance hereof by Valley Water by execution and delivery of the executed Certificate Purchase Contract to the Representative on or before 8:00 p.m., California time, on the date hereof. Capitalized terms used in this Certificate Purchase Contract and not otherwise defined shall have the respective meanings given to such terms in the Trust Agreement (as defined herein).

Any authority, discretion, or other power conferred upon the Underwriters by this Certificate Purchase Contract shall be exercised by the Representative alone, except as otherwise expressly provided.

**Section 1. Purchase and Delivery.** Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriters hereby agree to purchase from Valley Water for reoffering to the public, and Valley Water hereby agrees to execute and deliver to the Underwriters for such purpose, all (but not less than all) of: \$ \_\_, \_\_, 000 principal amount of Santa Clara Valley Water District Revenue Certificates of Participation (Water System Utility Improvement Projects), Series 2020C (the “*2020C Certificates*”) and \$ \_\_, \_\_, 000 principal amount of Santa Clara Valley Water District Revenue Certificates of Participation (Water Utility System Improvement Projects), Taxable Series 2020D (the “*Taxable 2020D Certificates*” and together with the 2020C Certificates, the “*2020 Certificates*”).

The 2020 Certificates shall be dated the date of delivery thereof, be payable on each June 1 in the years and in the amounts, bear interest at the rates, and be subject to prepayment as set forth in Schedule I. Interest with respect to the 2020 Certificates shall be payable on each June 1 and December 1, commencing December 1, 2020.

The purchase price for the 2020C Certificates shall be \$\_\_\_\_\_, which is equal to the principal amount of the 2020C Certificates, [plus / less] a net original issue [premium / discount] of \$\_\_\_\_\_, and less an underwriters' discount of \$\_\_\_\_\_.

The purchase price for the Taxable 2020D Certificates shall be \$\_\_\_\_\_, which is equal to the principal amount of the Taxable 2020D Certificates, [plus / less] a net original issue [premium / discount] of \$\_\_\_\_\_, and less an underwriters' discount of \$\_\_\_\_\_.

The obligation of the Underwriters to purchase, accept delivery of, and pay for the 2020 Certificates is conditioned on the issuance and delivery by Valley Water of all of the 2020 Certificates to the Underwriters at Closing (as hereinafter defined).

**Section 2. Description of the 2020 Certificates.** The 2020 Certificates are being executed 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. 20-\_\_\_\_ adopted by the Board of Directors on \_\_\_\_\_, 2020 (the "*2020 Resolution*" and together with the Parity Master Resolution, the "*Resolution*") and a Trust Agreement, dated as of August 1, 2020 (the "*Trust Agreement*") by and among Valley Water, the Santa Clara Valley Water District Public Financing Corporation (the "*Corporation*"), and U.S. Bank National Association, as trustee (the "*Trustee*"). The 2020 Certificates shall be as described in the Trust Agreement. The 2020 Certificates will be as summarized in the Official Statement relating to the 2020 Certificates (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 2020 Certificates will be used to: (i) finance the acquisition and/or construction of certain water utility system improvements (the "*Project*"); (ii) reimburse Valley Water for previously expended on certain water utility system improvements; and (iii) pay the costs associated with the execution and delivery of the 2020 Certificates.

The 2020 Certificates represent a right to receive the installment payments (the "*Installment Payments*") payable by Valley Water under an Installment Purchase Agreement dated as of August 1, 2020 by and between Valley Water and the Corporation (the "*Installment Purchase Agreement*"). The Installment Payments under the Installment Purchase Agreements are made solely from Net Water Utility System Revenues as provided in the Parity Master Resolution (as such terms are defined in the Trust Agreement). Pursuant to the terms of the Assignment Agreement made and entered into as of August 1, 2020 (the "*Assignment Agreement*"), the Corporation assigns the Installment Payments to the Trustee for the benefit of the owners of the 2020 Certificates.

In order to enable the Underwriters to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 ("*Rule 15c2-12*"), Valley Water 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 2020 Certificates.

**Section 3. Public Offering.** The Underwriters agree to make a bona fide public offering of all the 2020 Certificates 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 Representative reserves the right to change the public offering prices (or yields) as the Representative deems necessary in connection with the marketing of the 2020 Certificates, provided that the Representative shall not change the interest rates set forth on Schedule I. The 2020 Certificates may be offered and sold to certain dealers at prices lower than such initial public offering prices.

**Section 4. Delivery of Official Statement.** Valley Water has delivered or caused to be delivered to the Underwriters prior to the execution of this Certificate Purchase Contract, copies of the Preliminary Official Statement in electronic form relating to the 2020 Certificates dated August \_\_, 2020, 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 Valley Water for purposes of Rule 15c2-12 and was approved for use and distribution by the Underwriters by the 2020 Resolution. Valley Water has executed and delivered to the Underwriters 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 Representative to be necessary to allow the Underwriters to meet their obligations under Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board (the “*MSRB*”), Valley Water shall deliver to the Underwriters a final Official Statement in electronic form, executed on behalf of Valley Water by its authorized representative and dated the date hereof, with such other amendments or supplements as shall have been approved by Valley Water and the Representative (the “*Official Statement*”) and which the Underwriters may use to comply with Rule 15c2-12 and to meet potential customer requests for copies of the Official Statement.

The Representative agrees to file the Official Statement in compliance with MSRB Rule G-32. Each Underwriter agrees that it will not confirm the sale of any 2020 Certificates 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 [September 16], 2020, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by Valley Water and the Representative (the “*Closing Date*”), the Representative will accept delivery of the 2020 Certificates 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 (“*Special Counsel*”), in Newport Beach, California or another place mutually agreed upon by Valley Water and the Representative. The Representative will accept such delivery and pay the purchase price of the 2020 Certificates as set forth in Section 1 in immediately available funds to the order of the Trustee on behalf of Valley Water. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “*Closing*.” The 2020 Certificates will be delivered in such denominations and deposited in the account or accounts specified with DTC by the Representative in accordance with the rules and operational arrangements of DTC. The 2020 Certificates will be made available to the Underwriters 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 2020 Certificates, but neither the failure to provide such numbers nor any error with respect thereto shall constitute a cause for failure or refusal by the Representative to accept delivery of the 2020 Certificates in accordance with the terms of this Certificate Purchase Contract.

**Section 6. Representations, Warranties and Covenants of Valley Water.** Valley Water represents, warrants and covenants to the Underwriters that:

(a) Due Organization, Existence and Valley Water. Valley Water 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 Trust Agreement, the Installment Purchase Agreement, this Certificate Purchase Contract, and the 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 Valley Water, and Valley Water, by all necessary official action, has duly authorized the execution and delivery of the Financing Documents and the Official Statement, and the performance by Valley Water 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 Valley Water 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.

(c) Preliminary Official Statement Accurate and Complete. As of the date thereof and as of the date hereof, the Preliminary Official Statement did not and does not 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 2020 Certificates, 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 Representative acknowledges that the “*End of the Underwriting Period*” will be the date of Closing.

(e) Valley Water 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 2020 Certificates, 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, Valley Water will notify the Representative 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, Valley Water 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 2020 Certificates, Valley Water will furnish such information with respect to itself as the Representative 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 Section 6(e), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subsection) at all times subsequent thereto up to and including the date that is 25 days after the End of the Underwriting Period for the 2020 Certificates, 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 Preliminary Official Statement and the Official Statement, there shall not have been any material adverse changes in the financial condition of Valley Water since June 30, 2019.

(h) No Breach or Default. As of the time of acceptance hereof, (A) Valley Water 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 Valley Water, and (B) Valley Water is not, in any manner which would materially adversely affect the transactions contemplated by this Certificate 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 or the United States of America (the "*United States*"), 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 Valley Water 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 Certificate 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 Valley Water of the Resolution and the authorization, execution and delivery of this Certificate Purchase Contract and the other Financing Documents, and compliance by Valley Water 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 Certificate 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 or the United States, 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 Valley Water (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 Valley Water after due investigation, threatened (A) in any way questioning the corporate existence of Valley Water or the titles of the officers of Valley Water 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 2020 Certificates, this Certificate Purchase Contract, or the other Financing Documents, or in any way contesting or affecting the validity of the 2020 Certificates or this Certificate Purchase Contract, the Resolution, the other Financing Documents or the consummation of the transactions contemplated thereby, or contesting the powers of Valley Water to adopt the Resolution or to enter into this Certificate 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 Valley Water or to its ability to pay the principal of and interest with respect to the 2020 Certificates 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 Installment Purchase Agreement, when executed and delivered in accordance with the Resolution will be a valid and legally enforceable obligation of Valley Water in accordance with its terms and the terms of the Resolution; and the Resolution will provide, for the benefit of the holders from time to time of the 2020 Certificates 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 2020 Certificates, Valley Water 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 Installment Purchase Agreement.

(k) Further Cooperation; Blue Sky Laws. Valley Water will furnish such information, execute such instruments and take such other action in cooperation with the Representative as the Representative may reasonably request in order (A) to qualify the 2020 Certificates for offer and sale under the Blue Sky or other bond laws and regulations of such states and other jurisdictions of the United States as the Representative may designate and (B) to determine the eligibility of the 2020 Certificates 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 2020 Certificates; provided, however, that Valley Water 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 Valley Water of its obligations in connection with, this Certificate 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 2020 Certificates.

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

(o) Continuing Disclosure Undertakings. Except as otherwise disclosed in the Official Statement, Valley Water 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 Underwriters and Valley Water. Valley Water acknowledges and agrees that: (i) no Underwriter is 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 2020 Certificates pursuant to this Certificate Purchase Contract is an arm’s length commercial transaction among Valley

Water and the Underwriters, (iii) in connection with such transaction, each Underwriter is acting solely as a principal and not as an agent or fiduciary of Valley Water; (iv) with respect to the offering of the 2020 Certificates or the process leading thereto (whether or not any Underwriter or any affiliate of such Underwriter, has advised or is currently advising Valley Water on other matters), such Underwriter has not assumed fiduciary responsibilities in favor of Valley Water or any other obligation to Valley Water except as expressly set forth in this Certificate Purchase Contract; (v) Valley Water has consulted its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the 2020 Certificates; and (vi) each Underwriter has financial interests that differ from those of Valley Water.

**Section 7. Closing Conditions.** The Representative has entered into this Certificate Purchase Contract in reliance upon the representations and warranties of Valley Water 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 Valley Water of its obligations hereunder, both as of the date hereof and as of the Closing. The obligations of the Underwriters under this Certificate Purchase Contract to purchase, accept delivery of and to pay for the 2020 Certificates shall also 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 Representative) in such reasonable quantity as the Representative shall have requested.

(b) Bring-Down Representation. The representations, warranties and covenants of Valley Water 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 Valley Water; this Certificate 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 Special Counsel, shall be necessary in connection with the transactions contemplated by the Resolution, the Financing Documents, and the Official Statement, (iii) Valley Water shall perform or have performed its obligations required or specified in this Certificate 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 Valley Water's financial obligations was issued, and Valley Water 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 Valley Water to pay the Installment Payments.

(e) Termination Events. The Representative shall have the right to terminate this Certificate Purchase Contract, without liability therefor, by notification to Valley Water 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 Representative such event has a material and adverse effect on the market price of the 2020 Certificates:

(i) any event occurs on or after the date hereof which either (A) in the reasonable judgement of the Representative, materially adversely affects the market price or marketability or ability to enforce contracts for the sale of any portion of the 2020 Certificates; 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 Representative 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 Certificate 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 Valley Water, or the interest on bonds or notes or obligations of the general character of the 2020 Certificates; 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 2020 Certificates, or the delivery, offering or sale of the 2020 Certificates, 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 2020 Certificates, or the 2020 Certificates, 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 Trust Agreement 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 any escalation thereof; 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 2020 Certificates; or

(x) the commencement of any action, suit or proceeding described in Section 6(i) 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 Representative shall receive with respect to the 2020 Certificates (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.

(ii) Corporation Resolution and Corporation Documents. A certified copy of the Corporation Resolution and executed copies of the Corporation Documents (as defined herein).

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

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

(v) Opinion of Special Counsel. An approving opinion of Special 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 Representative and the Trustee, to the effect that the foregoing opinion addressed to Valley Water may be relied upon by the Underwriters and the Trustee to the same extent as if such opinion were addressed to them.

(vi) Supplemental Opinion. A supplemental opinion or opinions of Special 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) Valley Water has duly and validly executed the Certificate Purchase Contract, and the Certificate Purchase Contract constitutes the legal, valid and binding agreement of Valley Water, 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 CERTIFICATES,” “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS AND THE CERTIFICATES,” “TAX MATTERS–TAX EXEMPT OBLIGATIONS,” “TAX MATTERS–TAXABLE OBLIGATIONS,” and in Appendices B, C, F and F thereto, insofar as such statements purport to summarize certain provisions of the 2020 Certificates, the Resolution, the Financing Documents, and the final approving opinions relating to the 2020 Certificates, are accurate in all material respects; and

(C) The 2020 Certificates are exempt from registration under the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification under the Trust Indenture Act of 1939, as amended.

(vii) Opinion of District Counsel. An opinion of Valley Water’s District Counsel, dated the date of the Closing and addressed to the Representative and the Trustee, in form and substance acceptable to Special Counsel and Underwriters’ Counsel, substantially to the following effect:

(A) Valley Water is a special district, duly created and lawfully existing under the Constitution and laws of the State;

(B) The Resolution has been duly adopted at meetings of the board of directors of Valley Water, 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 2020 Certificates, the Financing Documents, and this Certificate Purchase Contract have been duly authorized, executed and delivered by Valley Water and, assuming the validity thereof against the other parties thereto, constitute the valid, legal and binding agreements of Valley Water enforceable against Valley Water in accordance with their respective terms and Valley Water 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 2020 Certificates, the Financing Documents, and this Certificate 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 Valley Water a breach of or default under, any material agreement or other instrument to which Valley Water is a party or by which it is bound (as determined by reference to a certificate of Valley Water identifying material agreements and instruments) or any existing law, administrative rule, regulation, order, decree, judgment, license or permit to which Valley Water is subject (excluding, however, any opinion as to compliance with any applicable federal securities laws); or by which Valley Water or any of its property is bound;

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

(F) The information in the Official Statement relating to Valley Water, 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 Valley Water to adopt the Resolution or to enter into the Financing Documents, or this Certificate 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 Valley Water or the titles of the officers of Valley Water 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 2020 Certificates, this Certificate Purchase Contract or the Financing Documents or in any way contesting or affecting the validity of the 2020 Certificates or this Certificate Purchase Contract, the Resolution, or the Financing Documents or the consummation of the transactions contemplated thereby, or contesting the powers of Valley Water to adopt the Resolution or to enter into this Certificate 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 Valley Water or to its ability to pay the principal of and interest on the 2020 Certificates 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 subparagraph (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.

(viii) Opinion as Counsel to the Corporation. An opinion of Valley Water's District Counsel as Counsel to the Corporation, dated the date of the Closing and addressed to the Underwriters and the Trustee, in form and substance acceptable to Special Counsel, substantially to the following effect:

(A) The Corporation is nonprofit public benefit corporation duly organized and validly existing under the laws of the State;

(B) Resolution No. PFFC-20-\_\_\_ adopted by the board of directors of the Corporation on \_\_\_\_\_, 2020 (the “*Corporation Resolution*”) approving and authorizing the execution and delivery of the Trust Agreement, the Installment Purchase Agreement, and the Assignment Agreement (collectively, the “*Corporation Documents*”), was duly adopted at a meeting of the board of directors of the Corporation 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 Corporation Resolution is in full force and effect and has not been modified, amended or rescinded;

(C) The execution and delivery of the Corporation Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with, or constitute on the part of the Corporation a breach of or default under, any agreement or other instrument to which the Corporation is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Corporation is subject;

(D) 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 Corporation to enter into the Corporation Documents, or to perform its obligations thereunder;

(ix) *Opinion of Counsel to the Underwriters.* An opinion of Schiff Hardin LLP, (“*Underwriters’ Counsel*”), dated the date of Closing and addressed to the Underwriters 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 H–“FORM OF CONTINUING DISCLOSURE AGREEMENT FOR THE CERTIFICATES”) 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 2020 Certificates are exempt from registration under the Securities Act of 1933, as amended; the Trust Agreement 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 Underwriters, in connection with the Offering (as defined in Rule 15c2-12) of the 2020 Certificates 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 Valley Water and the Underwriters, to the effect that:

(A) The Trustee is a national banking association duly organized and validly existing and in good standing under the laws of the United States and has full power and

authority to execute and deliver the Trust Agreement and the 2020 Certificates and to perform its respective obligations thereunder;

(B) The Trustee acknowledges and accepts its obligations under the Trust 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 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 Valley Water, 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 2020 Certificates upon the order of Valley Water;

(E) The Trustee's actions in performing its obligations under the Trust Agreement 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 2020 Certificates or the consummation by the Trustee of its obligations under the Trust Agreement or the Continuing Disclosure Agreement.

(xi) Resolution of the Trustee. 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 Financing Documents to which the Trustee is a party.

(xii) Certificate of Valley Water. A certificate of Valley Water, dated the date of the Closing, signed on behalf of Valley Water by the Chief Executive Officer, Assistant Chief Executive Officer, Operations, or other duly authorized officer of Valley Water to the effect that:

(A) The representations, warranties and covenants of Valley Water contained in this Certificate 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 Valley Water has complied with all of the terms and conditions of this Certificate Purchase Contract required to be complied with by Valley Water at or prior to the date of the Closing;

(B) No event affecting Valley Water 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.

(xiii) Certificate of the Corporation. A certificate of the Corporation, dated the date of the Closing, signed on behalf of the Corporation by an authorized officer of the Corporation to the effect that:

(A) The Corporation is a nonprofit public benefit corporation, duly formed on December 21, 1987 and organized and existing under the laws of the State, with full right, power and authority to adopt the Corporation Resolution, to execute, deliver and perform its obligations under the Corporation Documents, and to carry out and consummate the transactions contemplated by the Corporation Resolution, the Corporation Documents and described in the Official Statement;

(B) By all necessary official action, the Corporation duly adopted the Corporation Resolution on \_\_\_\_\_, 2020 by a majority of the members of the Board of Directors of the Corporation at a meeting duly called, noticed and conducted, at which and has duly authorized and approved the execution and delivery of, and the performance by the Corporation of the obligations contained in, the Official Statement and the Corporation Documents and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Corporation Documents will constitute the legally valid and binding obligations of the Corporation enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and similar laws affecting creditors' rights, to the application of equitable principles if equitable principles are sought, and to the exercise of judicial discretion in appropriate cases;

(C) The Corporation is not, in any manner that would materially adversely affect the transactions contemplated by the Corporation Resolution and the Corporation Documents, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Corporation is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, a default or event of default under any such instrument which breach or default would materially adversely affect the security of the 2020 Certificates or the Corporation's performance under the Corporation Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Corporation Documents and compliance with the provisions of each of such agreements or instruments do not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Corporation (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 Corporation Documents.

(D) As of the time of acceptance hereof, except as disclosed 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, pending or threatened (i) in any way questioning the corporate existence of the Corporation or the titles of the officers of the Corporation to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the delivery of the Certificates, the payment of the Installment Payments, in any way contesting or affecting the validity of the Certificates, the Corporation Resolution, or the Corporation Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest component of the Installment Payments from gross income for federal income tax purposes or contesting the power of the Corporation to pay the Installment Payments, adopt the Corporation Resolution, or enter into the Corporation Documents; (iii) which may result in any material adverse change relating to the Corporation or relating to the financial condition of the Corporation or the Corporation's ability to make the Installment Payments;

(E) The Corporation will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriters may designate, and to determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions and will use efforts to continue such qualifications in effect so long as required for distribution for the Certificates; provided, however, that the Corporation shall not be required to execute a general or special consent to service of process or qualify to do business in connection with such qualification in any jurisdiction;

(F) No event affecting the Corporation 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 Corporation Documents;

(G) 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, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Corporation of its obligations in connection with, the Corporation Resolution or the Corporation Documents of the acquisition of the Project have been duly obtained or made, except as may be required under the Blue Sky laws of any state in connection with the offering of the Certificates; and

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

(xiv) Certificate of the Trustee. A certificate of the Trustee, 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, having the full corporate power and authority to serve as Trustee under the Trust Agreement and to enter into and perform its duties under the Continuing Disclosure Agreement;

(B) The Trustee has duly executed and delivered the Trust Agreement and the Continuing Disclosure Agreement, and assuming due authorization and execution by the other parties thereto, the Trust Agreement 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 2020 Certificates and delivered the 2020 Certificates to or upon the order of the Representative; 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 2020 Certificates or the consummation by the Trustee of its obligations under the Resolution, the Trust Agreement, or the Continuing Disclosure Agreement.

(xv) Tax Certificate. A tax certificate executed by Valley Water with respect to the 2020C Certificates.

(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 2020 Certificates have been rated "\_\_\_" by Fitch Ratings, Inc. and "\_\_\_\_\_" by Moody's Investors Service, Inc.

(xviii) Additional Documents. Such additional legal opinions, certificates, instruments and documents as Special Counsel, the Representative, or Underwriters' 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 Valley Water contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by Valley Water, the Trustee 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 Valley Water shall be unable to satisfy the conditions contained in this Certificate Purchase Contract, or if the obligations of the Underwriters shall be terminated for any reason permitted by this Certificate Purchase Contract, this Certificate Purchase Contract shall terminate and none of the Underwriters or Valley Water shall be under further obligation hereunder, except as further set forth in Section 9 hereof.



## Section 8. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist Valley Water in establishing the issue price of the 2020C Certificates and shall execute and deliver to Valley Water at Closing an “issue price” or similar certificate, [together with the supporting pricing wires or equivalent communications,] substantially in the form attached hereto as [Schedule B to] Appendix B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, Valley Water and Special Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the 2020C Certificates. All actions to be taken by Valley Water under this Section 8 to establish the issue price of the 2020C Certificates may be taken on behalf of Valley Water by Public Resources Advisory Group, Inc., the municipal advisor to Valley Water (the “*Municipal Advisor*”), and any notice or report to be provided to Valley Water may be provided to the Municipal Advisor.

(b) [Except as otherwise set forth in Appendix B hereto,] Valley Water will treat the first price at which 10% of each maturity of the 2020C Certificates (the “10% test”) is sold to the public on the date of this Certificate Purchase Contract as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Certificate Purchase Contract, the Underwriters shall report to Valley Water the price or prices at which the Underwriters have sold to the public each maturity of 2020C Certificates. [If at that time the 10% test has not been satisfied as to any maturity of the 2020C Certificates, the Representative agrees to promptly report to Valley Water the prices at which 2020C Certificates of that maturity have been sold by the Underwriters to the public. That reporting obligation shall continue, whether or not the Closing has occurred, until the 10% test has been satisfied as to the 2020C Certificates of that maturity or until all 2020C Certificates of that maturity have been sold to the public.]

(c) The Representative confirms that the Underwriters have offered the 2020C Certificates to the public on or before the date of this Certificate Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. [Appendix B also sets forth, as of the date of this Certificate Purchase Contract, the maturities, if any, of the 2020C Certificates for which the 10% test has not been satisfied and for which Valley Water and the Underwriters agree that the restrictions set forth in the next sentence shall apply, which will allow Valley Water 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 2020C Certificates, the Underwriters will neither offer nor sell unsold 2020C Certificates 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:

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the 2020C Certificates to the public at a price that is no higher than the initial offering price to the public.

The Representative shall promptly advise Valley Water when the Underwriters have sold 10% of that maturity of the 2020C Certificates to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(d) The Representative confirms that any agreement among Underwriters, any selling group agreement and each third party distribution agreement (to which Representative is a party) relating to the initial sale of the 2020C Certificates to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold 2020C Certificates of each maturity allotted to it until it is notified by the Underwriters that either the 10% test has been satisfied as to the 2020C Certificates of that maturity or all 2020C Certificates of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriters. Valley Water acknowledges that, in making the representation set forth in this subsection, the Underwriters will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price of the 2020C Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020C Certificates, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the 2020C Certificates to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the 2020C Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020C Certificates, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the 2020C Certificates to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the 2020C Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020C Certificates, as set forth in the third-party distribution agreement and the related pricing wires. Valley Water further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the 2020C Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020C Certificates, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the 2020C Certificates, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 2020C Certificates.

(e) The Underwriters acknowledge that sales of any 2020C Certificates to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

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

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with Valley Water (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 2020C Certificates 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 2020C Certificates to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2020C Certificates to the public);

(iii) a purchaser of any of the 2020C Certificates is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 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), (ii) 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 (iii) 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

(iv) “sale date” means \_\_\_\_\_, 2020.

## **Section 9. Expenses.**

(a) The Underwriters shall be under no obligation to pay and Valley Water shall pay or cause to be paid the expenses incident to the performance of the obligations of Valley Water or the Corporation hereunder including but not limited to (i) 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 Corporation and the cost of preparing, printing, issuing and delivering the definitive 2020 Certificates, (ii) the fees and disbursements of the Municipal Advisor, any counsel, accountants, or other experts or consultants retained by Valley Water or the Corporation, (iii) the fees and disbursements of Special Counsel, (iv) the fees of the Trustee; (v) 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 Underwriters, (vi) charges of rating agencies for the rating of the 2020 Certificates; and (vii) expenses (included in the expense component of the Underwriters’ spread) incurred on behalf of Valley Water’s officers or employees which are incidental to implementing this Certificate Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or employees.

(b) The Underwriters shall pay all expenses incurred by them in connection with the public offering and distribution of the 2020 Certificates including, but not limited to: (i) all advertising expenses in connection with the offering of the 2020 Certificates; (ii) the fees and expenses of Underwriters’ Counsel, (iii) the costs of preparing and printing the Blue Sky memorandum, and (iv) all out-of-pocket disbursements and expenses incurred by the Underwriters in connection with the offering and distribution of the 2020 Certificates (including other expenses, CUSIP Service Bureau fees, fees of the CDIAC and any other fees and expenses), except as provided in Section 9(a) or as otherwise agreed to by the Representative and Valley Water.

**Section 10. Notices.** Any notice or other communication to be given to Valley Water under this Certificate 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 Underwriters under this Certificate Purchase Contract may be given by delivering the same in writing to the Representative, Siebert Williams Shank & Co., LLC, 660 South Figueroa Street, Suite 1720, Los Angeles, California 90017, Attention: Grace Yuen, Senior Vice President.

**Section 11. Entire Agreement.** This Certificate Purchase Contract, when accepted by Valley Water, shall constitute the entire agreement among Valley Water and the Underwriters and is made solely for the benefit of Valley Water and the Underwriters (including the successors or assigns of any Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All the representations, warranties and agreements of Valley Water contained in this Certificate Purchase Contract shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriters, until the earlier of (a) delivery of and payment for the 2020 Certificates hereunder, and (b) any termination of this Certificate Purchase Contract.

**Section 12. Counterparts.** This Certificate 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. The counterparts of this Certificate Purchase Contract may be executed and delivered by facsimile or other electronic signature (including PDF) by the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically or by facsimile as if the original had been received.

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

**Section 14. Governing Law; Venue.** This Certificate 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 Certificate Purchase Contract or any document related hereto shall be filed and maintained in a court of competent jurisdiction in the County of Santa Clara; provided that Valley Water may waive the requirement of venue. By execution of and delivery of this Certificate Purchase Contract, the parties hereto accept and consent to the aforesaid jurisdiction.

**Section 15. Prior Agreements.** The parties agree that the terms and conditions of this Certificate Purchase Contract supersede those of all previous agreements between the parties, and that this Certificate Purchase Contract contains the entire agreement between the parties hereto. In the event of a dispute between the parties under this Certificate 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 16. Headings.** The headings of the Sections of this Certificate Purchase Contract are inserted for convenience only and shall not be deemed to be a part hereof.

**Section 17. No Assignment.** The rights and obligations created by this Certificate Purchase Contract shall not be subject to assignment by the Representative or Valley Water without the prior written consent of the other party hereto.

SIEBERT WILLIAMS SHANK & CO., LLC  
ALAMO CAPITAL  
PIPER SANDLER & CO.

By: SIEBERT WILLIAMS SHANK & CO., LLC,  
as Representative of the Underwriters

By: \_\_\_\_\_  
Authorized Representative

Agreed to and Accepted by:

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Authorized Representative

Time: \_\_\_\_\_ [A.M.] / [P.M.]

Date: \_\_\_\_\_, 2020

## SCHEDULE I

### SERIES 2020C CERTIFICATES MATURITIES, AMOUNTS, RATES, YIELDS AND PRICES

Payment Date (June 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied <sup>†</sup>	10% Test Not Satisfied	Subject to Hold- The- Offering- Price Rule
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### SERIES 2020C CERTIFICATES PREPAYMENT PROVISIONS

#### Optional Prepayment

The 2020C Certificates with Certificate Payment Dates on or after June 1, 20\_\_ are subject to optional prepayment prior to their respective Certificate Payment Dates by Valley Water on any date on or after June 1, 20\_\_, upon notice as provided in the Trust Agreement as a whole or in part by lot in such order of maturity as Valley Water may determine, in integral multiples of five thousand dollars (\$5,000), from any source of available funds, at a prepayment price equal to 100% of the principal amount to be prepaid, plus interest, if any, accrued with respect thereto to the date of prepayment, without premium.

#### Extraordinary Prepayment From Insurance or Condemnation Proceeds

The 2020C Certificates are subject to extraordinary prepayment by Valley Water on any date prior to their respective Certificate Payment Dates, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each Certificate Payment Date, in such order of prepayment as Valley Water may determine, in integral multiples of Authorized Denominations, from payments made by Valley Water from the net proceeds received by Valley Water due to the damage, destruction or condemnation of all or any portion of the Water Utility System under the circumstances and upon the conditions and terms

prescribed in the Trust Agreement and in the Installment Certificate Purchase Contract, at a prepayment price equal to the sum of the principal amount or such part thereof evidenced and represented by the 2020C Certificates to be prepaid, plus accrued interest evidenced and represented thereby to the date fixed for prepayment, without premium.

### **TAXABLE 2020D CERTIFICATES MATURITIES, AMOUNTS, RATES, YIELDS AND PRICES**

<u>Payment Date (June 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied<sup>†</sup></u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold- The- Offering- Price Rule</u>
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### **TAXABLE 2020D CERTIFICATES PREPAYMENT PROVISIONS**

#### **Optional Prepayment**

Taxable 2020D Certificates with Certificate Payment Dates on or after June 1, 20\_\_ are subject to optional prepayment prior to their respective Certificate Payment Dates by Valley Water on any date on or after June 1, 20\_\_, upon notice as hereinafter provided, as a whole or in part by lot in such order of maturity as Valley Water may determine, in integral multiples of five thousand dollars (\$5,000), from any source of available funds, at a prepayment price equal to 100% of the principal amount to be prepaid, plus interest, if any, accrued with respect thereto to the date of prepayment, without premium.

#### **Optional Prepayment of Taxable 2020D Certificates With Make-Whole Payment**

The Taxable 2020D Certificates shall be subject to prepayment prior to June 1, 20\_\_ at the option of Valley Water, as a whole or in part on any Business Day in the order of maturity as directed in a Written Request of Valley Water 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 Prepayment Price.” The “Make-Whole Prepayment Price,” as determined by Valley Water, is the greater of (1) 100% of the principal amount of the Taxable 2020D Certificates to be prepaid; or (2) the sum of the present value of the remaining scheduled payments of principal of and interest to the maturity date on the Taxable 2020D Certificates to be prepaid, not including any portion of those payments of interest with respect thereto accrued and unpaid as of the date on which the Series Taxable 2020D Certificates are to be prepaid, discounted to the date on which the Taxable 2020D Certificates are to be prepaid on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate plus the Applicable Spread, in each case plus accrued and unpaid interest on the Taxable 2020D Certificates to be prepaid on the Prepayment Date.

The term “Applicable Spread” means, (i) with respect to Taxable 2020D Certificates maturing on June 1, 20\_\_, through June 1, 20\_\_, inclusive, \_\_ basis points; (ii) with respect to the Taxable 2020D Certificates maturing on June 1, 20\_\_ through June 1, 20\_\_, inclusive, \_\_ basis points; and (iii) with respect to the Taxable 2020D Certificates maturing on June 1, 20\_\_, through June 1, 20\_\_, inclusive, \_\_ basis points.

### **Extraordinary Prepayment From Insurance or Condemnation Proceeds**

The Taxable 2020D Certificates are subject to extraordinary prepayment by Valley Water on any date prior to their respective Certificate Payment Dates, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each Certificate Payment Date, in such order of prepayment as Valley Water may determine, in integral multiples of Authorized Denominations, from payments made by Valley Water from the net proceeds received by Valley Water due to the damage, destruction or condemnation of all or any portion of the Water Utility System under the circumstances and upon the conditions and terms prescribed in the Trust Agreement and in the Installment Purchase Agreement, at a prepayment price equal to the sum of the principal amount or such part thereof evidenced and represented by the Taxable 2020D Certificates to be prepaid, plus accrued interest evidenced and represented thereby to the date fixed for prepayment, without premium.



## APPENDIX A

### SANTA CLARA VALLEY WATER DISTRICT

\$ \_\_, \_\_, 000  
Water System Refunding Revenue  
Bonds, Series 2020A

\$ \_\_, \_\_, 000  
Water System Refunding Revenue Bonds,  
Series 2020B

\$ \_\_, \_\_, 000  
Revenue Certificates of Participation  
(Water Utility System Improvement Projects),  
Series 2020C

\$ \_\_, \_\_, 000  
Revenue Certificates of Participation  
(Water Utility System Improvement Projects),  
Taxable Series 2020D

### FORM OF THE CERTIFICATE REGARDING THE PRELIMINARY OFFICIAL STATEMENT

The undersigned hereby certifies to Siebert Williams Shank & Co., LLC on its own behalf and as representative (the "Representative") of Alamo Capital and Piper Sandler (collectively with the Representative, the "Underwriters") that I am an authorized representative of the Santa Clara Valley Water District ("Valley Water") and as such, I am authorized to execute and deliver this certificate and further hereby certify and reconfirm on behalf of Valley Water to the Underwriters as follows:

(1) This certificate is delivered to enable the Underwriters 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 securities (collectively, the "Bonds").

(2) There has been delivered to the Underwriters a Preliminary Official Statement dated August \_\_, 2020 (collectively, with the cover page and all appendices thereto, in electronic form, the "Preliminary Official Statement"), which Valley Water 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 2020 Securities 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) Valley Water hereby approves the use and distribution by the Underwriters of the Preliminary Official Statement.

Dated: August \_\_, 2020

SANTA CLARA VALLEY WATER DISTRICT

By: \_\_\_\_\_  
Authorized Representative

## APPENDIX B

### ISSUE PRICE CERTIFICATE

\$ \_\_, \_\_, 000

#### Revenue Certificates of Participation (Water Utility System Improvement Projects), Series 2020C

Siebert Williams Shank & Co., LLC, on its own behalf and as the representative (the “Representative”) of the underwriters named in the Certificate Purchase Contract dated [Pricing Date], 2020 relating to the above-referenced securities (collectively with the Representative, the “Underwriters”), based on information available to it, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “2020C Certificates”).

1. ***Sale of the General Rule Maturities Certificates.*** As of the date of this certificate, for each Maturity of the General Rule Maturities Certificates, the first price at which at least 10% of such Maturity was sold to the Public is the price listed on the inside cover of the Official Statement published in connection with the issuance of the 2020C Certificates.

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

(a) The Underwriters offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. If there is a Hold-the-Offering Price Maturity, a copy of the pricing wire or equivalent communication for the 2020C Certificates is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Contract, the Representative has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, the syndicate would neither offer nor sell any of the unsold 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 (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the hold-the-offering-price rule. No information has come to the attention of the Representative that any underwriter has offered or sold any unsold 2020C Certificates of any Maturity of the 2020C Certificates 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.***

“General Rule Maturities” means those Maturities of the 2020C Certificates that are not “Hold-the-Offering-Price Maturities.”

“Hold-the-Offering-Price Maturities” means those Maturities of the 2020C Certificates listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

“Holding Period” means, with respect to a Hold-the-Offering-Price Maturity, 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 the Underwriter has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at one or more prices, each of which is no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

“*Issuer*” means Santa Clara Valley Water District.

“*Maturity*” means 2020C Certificates with the same credit and payment terms. 2020C Certificates with different maturity dates, or 2020C Certificates with the same maturity date but different stated interest rates, are treated as separate Maturities.

“*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% common ownership, directly or indirectly.

“*Sale Date*” means the first day on which there is a binding contract in writing for the sale of a Maturity of the 2020C Certificates. The Sale Date of each maturity of the 2020C Certificates is \_\_\_\_\_, 2020.

“*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 2020C Certificates 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 section to participate in the initial sale of the 2020C Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the 2020C Certificates to the Public).

Notwithstanding anything set forth herein, neither Representative is engaged in the practice of law. The representations set forth in this certificate are limited to factual matters only. Accordingly, neither the Representative makes any representation as to the legal sufficiency of the factual matters set forth herein. Nothing in this certificate represents the interpretation of either Representative of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. 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 Tax Certificate and with respect to compliance with the federal income tax rules affecting the 2020C Certificates, and by Stradling Yocca Carlson & Rauth, a Professional Corporation in connection with rendering its opinion that the interest on the 2020C Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038, and other federal income tax advice that it may give to the Issuer from time to time relating to the 2020C Certificates. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose.

Dated: [Closing Date]

By: SIEBERT WILLIAMS SHANK & CO., LLC,  
as Representative, on behalf of the  
Underwriters, including itself

By: \_\_\_\_\_  
Authorized Representative

**SCHEDULE A to APPENDIX B**

**INITIAL OFFERING PRICES OF THE 2020C CERTIFICATES**

*(Attached)*

**SCHEDULE B to APPENDIX B**

**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

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