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CITY OF SAN JOSÉ FINANCING AUTHORITY  
WASTEWATER REVENUE BONDS, SERIES 2022B  
(GREEN BONDS – CLIMATE BOND CERTIFIED)

BOND PURCHASE AGREEMENT

December \_\_, 2022

City of San José Financing Authority  
200 East Santa Clara Street, 13th Floor  
San José, California 95113

City of San José, California  
200 East Santa Clara Street, 13th Floor  
San José, California 95113

Ladies and Gentlemen:

The undersigned, Wells Fargo Bank, National Association, on behalf of itself and as the representative (the “*Representative*”) of Morgan Stanley & Co. LLC, Academy Securities, Inc., Ramirez & Co., Inc., and Stifel, Nicolaus & Company, Inc. (collectively with the Representative, the “*Underwriters*”) hereby offers to enter into this Bond Purchase Agreement (the “*Bond Purchase Agreement*”) with you, the City of San José Financing Authority (the “*Authority*”) and the City of San José, California (the “*City*”), for the purchase by the Underwriters of the City of San José Financing Authority Wastewater Revenue Bonds, Series 2022B (Green Bonds – Climate Bond Certified) (the “*Series 2022B Bonds*”), in the aggregate principal amount of \$\_\_\_\_\_,\_\_\_\_\_,000, which will be issued pursuant to: (i) resolutions adopted by the Governing Board (the “*Board*”) of the Authority on November 15, 2022 (the “*Authority Resolution*”) and by the City Council (the “*City Council*”) of the City on November 15, 2022 (the “*City Resolution*”), and (ii) delivered under the Master Indenture, dated as of December 1, 2022, as supplemented by the First Supplemental Indenture, dated as of December 1, 2022 (as so supplemented, the “*Indenture*”), each by and between the Authority and Wilmington Trust, National Association, as trustee (the “*Trustee*”). Capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Official Statement (as hereinafter defined) and, if not therein, in the Indenture.

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

This offer is made subject to written acceptance by the Authority and the City prior to 11:59 p.m., California time, on the date hereof. If this offer is not so accepted, this offer will be subject to withdrawal by the Underwriters upon written notice delivered to you by the Representative at any time prior to acceptance of this offer. Upon acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Authority, the City, and the Underwriters.

1. Purchase, Sale and Delivery of the Series 2022B Bonds

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase and the Authority hereby agrees to sell to the Underwriters all (but not less than all) of the Series 2022B Bonds. The Series 2022B Bonds

are limited obligations of the Authority payable and secured by a pledge of revenues (the “Revenues”) of the Authority, which consist primarily of certain installment payments (the “2022B Installment Payments”) made by the City pursuant to, and as defined in, the Master Installment Purchase Contract, dated as of December 1, 2022 (the “Master Installment Purchase Contract”), as supplemented by a First Supplemental Installment Purchase Contract, dated as of December 1, 2022 (as so supplemented, the “Installment Purchase Contract”), each by and between the Authority and the City.

Installment payments payable pursuant to the Installment Purchase Contract, including the 2022B Installment Payments (collectively, the “Installment Payments”) are designated by the City as “Parity Obligations” within the meaning of Resolution No. \_\_\_\_\_, entitled “A Resolution of the City Council of the City of San José Amending and Restating Resolution No. 78382 Providing for the Allocation of Wastewater System Revenues, the Pledge of Wastewater Net System Revenues and Establishing Covenants to Secure the Payment of Obligations Payable from Wastewater Net System Revenues,” adopted on November 15, 2022 (as amended from time to time in accordance with its terms, the “Master Resolution”). The Series 2022B Bonds are payable from Net System Revenues of the Wastewater System, each as defined in the Master Resolution

Pursuant to the Installment Purchase Contract, the payments made by the City will be sufficient to pay the principal, premium, if any, and interest on the Series 2022B Bonds. The Series 2022B Bonds are subject to redemption as set forth in the Indenture, and will mature on the dates and in the amounts set forth in Exhibit A hereto.

The Series 2022B Bonds are being issued by the Authority to: (i) refund all of the Authority’s Subordinate Wastewater Revenue Notes, Series A outstanding in the aggregate principal amount of \$300 million (the “Prior Subordinate Notes”) that were issued pursuant to a Credit Agreement dated as of October 1, 2017 among the Authority, the City, and Wells Fargo Bank, National Association to finance the allocable City share of costs for capital improvements to the San José-Santa Clara Regional Wastewater Facility (the “Treatment Plant”); and (ii) pay the costs of issuing the Series 2022B Bonds.

The Treatment Plant together with the City’s sanitary sewer collection and conveyance system (the “Sanitary Sewer Collection System”) are referred to as the “Wastewater System.”

The Authority and the City hereby covenant to deliver or cause to be delivered to the Underwriters, not less than one (1) business day prior to the Closing Date (as hereinafter defined) to enable the Underwriters to comply with Municipal Securities Rulemaking Board Rule G-32, the Official Statement relating to the Series 2022B Bonds (including the cover page, the introduction and all appendices thereto, , dated December \_\_, 2022 (the “Official Statement”) and any amendments thereto, in word-searchable PDF format as described in Municipal Securities Rulemaking Board Rule G-32, executed on behalf of the Authority and the City by a duly authorized representative. The Authority and the City hereby approve the use and distribution by the Underwriters of the Official Statement and hereby authorize the Underwriters to use and distribute the Official Statement and all other documents, certificates and statements furnished to the Underwriters in connection with the transactions contemplated by this Bond Purchase Agreement, in connection with the offer and sale of the Series 2022B Bonds.

The aggregate purchase price for the Series 2022B Bonds shall be \$\_\_\_\_\_, which represents the par amount of the Series 2022B Bonds, plus an original issue premium in the amount of \$\_\_\_\_\_, and less an underwriting discount in the amount of \$\_\_\_\_\_. On the Closing Date (as defined below) the purchase price of the Series 2022B Bonds shall be wired by the Representative to the Trustee.

The Indenture, the Installment Purchase Contract, the Continuing Disclosure Certificate of the City, dated the Closing Date (the “*Continuing Disclosure Certificate*”), are collectively referred to herein as the “*Legal Documents*.”

(b) At 8:00 a.m., California time, on December \_\_, 2022, or at such other time or on such other date as we mutually agree upon (the “*Closing Date*”), the Trustee will deliver or cause to be delivered to the Representative, through the “FAST” book-entry system of The Depository Trust Company (“DTC”), the Series 2022B Bonds, duly executed and authenticated, together with the other documents mentioned herein. The Representative will accept such delivery and pay the purchase price of the Series 2022B Bonds in immediately available funds (such delivery and payment being herein referred to as the “*Closing*”) to the order of the Trustee as set forth in subparagraph (a) above. The Series 2022B Bonds will be made available for inspection by the Representative not less than one business day prior to the Closing. Bond Counsel (as defined herein) will make the documents described in Section 4(d) hereof electronically available to the parties via an online deal room.

(c) The Underwriters agree, subject to the terms and conditions hereof, to make a bona fide public offering of all the Series 2022B Bonds initially at the offering prices and yields set forth in Exhibit A attached hereto. Subsequent to the initial public offering, the Underwriters reserve the right to change the public offering prices (or yields) as they deem necessary in connection with the marketing of the Series 2022B Bonds. The Series 2022B Bonds may be offered and sold to certain dealers at prices lower (or yields higher) than such initial public offering prices.

(d) The Authority and the City each acknowledge and agree that (i) the purchase and sale of the Series 2022B Bonds pursuant to this Bond Purchase Agreement is an arm’s-length commercial transaction among the Authority, the City, and the Underwriters; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the primary role of the Underwriters is to purchase the Series 2022B Bonds with a view to distribution in an arm’s-length commercial transaction with the Authority and the City in which the Underwriters are and have been acting solely as principals and are not acting as municipal advisors (as defined in Section 15B(e)(4) of the Securities Exchange Act of 1934, as amended), or agents, advisors or fiduciaries of the Authority or the City, and as such, the Underwriters have financial and other interests that differ from those of the Authority and the City; (iii) the Underwriters have not assumed an advisory or fiduciary responsibility in favor of the Authority or the City with respect to the offering of the Series 2022B Bonds contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether any of the Underwriters, or any affiliates of the Underwriters, have provided other services or are currently providing other services to the Authority or the City on other matters) and the Underwriters have no contractual obligation to the Authority or the City with respect to the offering of the Series 2022B Bonds contemplated hereby except the contractual obligations expressly set forth in this Bond Purchase Agreement; and (iv) the Authority and the City have consulted with their own legal, financial and other advisors to the extent they deemed appropriate in connection with the offering of the Series 2022B Bonds. Nothing in this paragraph is intended to limit the Underwriters’ obligations of fair dealing under Municipal Securities Rulemaking Board Rule G-17.

2. Representations, Warranties and Agreements of the Authority. The Authority hereby represents, warrants and agrees with the Underwriters as follows:

(a) The Authority is a joint powers authority organized, existing and operating pursuant to the laws of the State of California, including Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7 of the California Government Code, with the full power and authority to execute and deliver the Official Statement, the Series 2022B Bonds and to enter into this Bond Purchase Agreement and the Legal Documents to which the Authority is a party;

(b) By all necessary official action of the Authority prior to or concurrent with the acceptance hereof, the Authority has duly authorized and approved the delivery of the Preliminary Official Statement relating to the Series 2022B Bonds (including the cover page, the introduction and all appendices thereto, the “*Preliminary Official Statement*”), dated November \_\_ 2022 and execution and delivery of the Official Statement, and authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Legal Documents to which it is a party, the Official Statement, the Series 2022B Bonds, and this Bond Purchase Agreement, and the consummation by it of all other transactions contemplated by the Official Statement and this Bond Purchase Agreement, and such authorization shall be in full force and effect at the Closing Date;

(c) The Authority has full legal right, power and authority to enter into this Bond Purchase Agreement and the Legal Documents to which the Authority is a party, and to adopt the Authority Resolution and full legal right, power and authority to issue and deliver the Series 2022B Bonds to the Underwriters and to perform its obligations under each such document, and to carry out and effectuate the transactions contemplated by this Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Legal Documents to which the Authority is a party and the Authority Resolution;

(d) The Authority represents to the Underwriters that the Preliminary Official Statement relating to the Series 2022B Bonds, has been “deemed final” by the Authority as of its date within the meaning of paragraph (b)(1) of Rule 15c2-12, except for the omission of some or all of such information the omission of which is permitted under Rule 15c2-12.

(e) The Legal Documents to which it is a party, the Series 2022B Bonds and this Bond Purchase Agreement, when duly executed and delivered by the parties thereto, will constitute valid and legally binding obligations of the Authority, enforceable in accordance with their terms, except as such enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting the enforcement of creditors’ rights in general and to the application of equitable principles, whether or not equitable principles are sought, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California, including the Authority and the City. The Series 2022B Bonds conform with and are entitled to the benefit and security of the Indenture;

(f) Other than as set forth in the Preliminary Official Statement and the Official Statement, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Series 2022B Bonds, the adoption of the Authority Resolution or the consummation of the other material transactions effected or contemplated herein or hereby or in the Preliminary Official Statement and the Official Statement, except for such actions as may be necessary to be taken to qualify the Series 2022B Bonds for offer and sale under Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may designate;

(g) The execution and delivery of the Legal Documents to which it is a party, this Bond Purchase Agreement, the Series 2022B Bonds and the Official Statement by the Authority, and compliance with the provisions on the Authority’s part contained herein and therein, will not in any material respect conflict with or constitute a breach of, a violation of, or default under, the Constitution of the State of California, or any other existing law, ordinance, administrative regulation, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject or any judgment or decree to which the Authority is a party or is otherwise subject (and of which the Treasurer has actual knowledge), nor will any such execution, delivery, adoption 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 the properties or assets of the Authority under the terms of any such law, administrative regulation,

judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided in the Legal Documents and the Series 2022B Bonds and disclosed in the Preliminary Official Statement and the Official Statement;

(h) Except as is otherwise disclosed in the Preliminary Official Statement and the Official Statement, the Authority is not in any material respect in breach of, or in default under, any applicable law or administrative regulation of the State of California or the United States of America or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject or any judgment or decree to which the Authority is a party or is otherwise subject (and of which the Treasurer has actual knowledge) that would have a materially adverse effect on the transactions contemplated hereby or by the Preliminary Official Statement and the Official Statement or on the Authority's liabilities and obligations under the Legal Documents to which it is a party, and the Series 2022B Bonds, and no event has occurred and is continuing that, with the passage of time or the giving of notice or both, would constitute a default or an event of default under any such instrument that would have a materially adverse effect on the transactions contemplated hereby or by the Preliminary Official Statement and the Official Statement or on the Authority's liabilities and obligations under the Legal Documents to which it is a party, and the Series 2022B Bonds;

(i) Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, that has been served on the Authority and that is now pending or, to the actual knowledge of the official executing this Bond Purchase Agreement on the Authority's behalf (after consultation with the Office of the City Attorney), threatened in writing against the Authority in any material respect affecting the Wastewater System, the existence of the Authority or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the issuance, sale, or delivery of the Series 2022B Bonds, the application of the proceeds of the sale of the Series 2022B Bonds, or the receipt of the Installment Payments, or in any way contesting or affecting the validity or enforceability of the Legal Documents, the Series 2022B Bonds or this Bond Purchase Agreement or contesting in any way the powers of the Authority or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Preliminary Official Statement and the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would (A) materially adversely affect the validity or enforceability of the Series 2022B Bonds, the Legal Documents or this Bond Purchase Agreement or (B) declare this Bond Purchase Agreement, the Series 2022B Bonds, or the Legal Documents, to be invalid or unenforceable in whole or in material part;

(j) Any certificate signed by a duly authorized officer of the Authority and delivered to the Underwriters shall be deemed a representation and warranty by the Authority to the Underwriters as to the statements made therein;

(k) The Authority has by official action prior to or concurrently with the acceptance hereof, duly authorized and hereby approves and consents to the distribution of the Preliminary Official Statement and the Official Statement by the Underwriters;

(l) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Representative may reasonably request in order (1) to qualify the Series 2022B Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States (collectively, "*Blue Sky laws*") as the Underwriters may designate and (2) to determine the eligibility of the Series 2022B Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Series 2022B Bonds (at the sole expense of

the Underwriters); provided, however, that in no event shall the Authority be required to take any action that would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject and will promptly advise the Representative of receipt by the Authority of any written notification with respect to the suspension of the qualification of the Series 2022B Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; and provided, further, that notwithstanding the foregoing, nothing in this Bond Purchase Agreement shall impose any past or future requirement upon the Authority, or constitute a representation or warranty by the Authority, with respect to compliance with any Blue Sky laws;

(m) The proceeds of the sale of the Series 2022B Bonds will be applied generally as described in the Preliminary Official Statement and the Official Statement under the captions “FINANCING PLAN” and “FINANCING PLAN–Estimated Sources and Uses of Funds;”

(n) Except for statements regarding DTC, its book-entry system for the Series 2022B Bonds, the information under the caption “TAX MATTERS” and in Appendix E–“PROPOSED FORM OF BOND COUNSEL OPINION,” prices and yields for the Series 2022B Bonds or any other information provided by the Underwriters (including under the heading “UNDERWRITING”), as to which the Authority makes no representation or warranty, the Preliminary Official Statement, as of its date and as of the date hereof and the Official Statement, as of the date thereof and as of the date of Closing, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they are made, not misleading;

(o) If between the date hereof and the date that is 25 days after the End of the Underwriting Period (as such term is hereinafter defined) for the Series 2022B 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 necessary to make such information therein, in the light of the circumstances under which they were made, not misleading, the Authority will notify the Representative, and, if in the reasonable opinion of the Authority, the Underwriters or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will forthwith prepare and furnish to the Underwriters (at the expense of the Authority) an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Representative, counsel for the Authority, and counsel for the Underwriters) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. 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 Series 2022B Bonds, the Authority will furnish such information with respect to itself as the Representative may from time to time reasonably request;

(p) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (o) hereof, at the time of each supplement or amendment thereto, the Authority will represent and warrant that the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), except for statements regarding DTC, its book-entry system for the Series 2022B Bonds, the information under the caption “TAX MATTERS” and in APPENDIX E–“PROPOSED FORM OF BOND COUNSEL OPINION,” prices and yields for the Series 2022B Bonds or any other information provided by the Underwriters (including under the heading “UNDERWRITING”), as to which the Authority does not make any representation or warranty, do not contain any untrue statement of a material fact or omit to state a material fact necessary to make such information therein, in the light of the circumstances under which they are made, not misleading;

(q) As used herein and for the purposes of the foregoing (and for purposes of Section 3 below), the term “*End of the Underwriting Period*” for the Series 2022B Bonds shall mean the later of the Closing Date or the date the Underwriters do not retain, directly or as member of an underwriting syndicate, an unsold balance of the Series 2022B Bonds for sale to the public; provided, however, that unless the Authority and the City shall have been notified in writing to the contrary by the Representative on or prior to the Closing Date, the End of the Underwriting Period shall be deemed to mean the Closing Date.

3. Representations, Warranties and Agreements of the City. The City hereby represents, warrants and agrees with the Underwriters as follows:

(a) The City is and, on the Closing Date, will be a municipal corporation and charter city organized and operating pursuant to its Charter and the laws of the State of California with the full power and authority to execute and deliver the Official Statement, and to enter into this Bond Purchase Agreement and the Legal Documents to be executed by it;

(b) By all necessary official action of the City prior to or concurrently with the acceptance hereof, the City has authorized and approved the delivery of the Preliminary Official Statement and execution and delivery of the Official Statement, and authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the Legal Documents to which it is a party, the Official Statement and this Bond Purchase Agreement and the consummation by it of all other transactions contemplated by the Official Statement and this Bond Purchase Agreement, and such authorization shall be in full force and effect at the Closing Date;

(c) The City has full legal right, power and authority to enter into this Bond Purchase Agreement and the Legal Documents to which it is a party, and to adopt the City Resolution and the Master Resolution and full legal right, power and authority to perform its obligations under each such document, and to carry out and effectuate the transactions contemplated by this Bond Purchase Agreement, the Preliminary Official Statement, the Official Statement, the Master Resolution and the Legal Documents to which it is a party;

(d) The City represents to the Underwriters that the Preliminary Official Statement has been “deemed final” by the City as of its date within the meaning of paragraph (b)(1) of Rule 15c2-12, except for the omission of some or all of such information the omission of which is permitted under Rule 15c2-12.

(e) The Legal Documents to which the City is a party and this Bond Purchase Agreement, when duly executed and delivered by the parties thereto, will constitute valid and legally binding obligations of the City, enforceable in accordance with their terms, except as such enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting the enforcement of creditors’ rights in general and to the application of equitable principles, whether or not equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State, including the City and the Authority. The Series 2022B Bonds conform with and are entitled to the benefit and security of the Indenture;

(f) Other than as set forth in the Preliminary Official Statement and the Official Statement, no consent, approval, authorization, order, filing, registration, qualification, election or referendum, of or by any person, organization, court or governmental agency or public body whatsoever is required in connection with the issuance, delivery or sale of the Series 2022B Bonds, the adoption of the City Resolution and the Master Resolution or the consummation of the other material transactions effected or contemplated herein or hereby or in the Preliminary Official Statement and the Official Statement, except for such actions as

may be necessary to be taken to qualify the Series 2022B Bonds for offer and sale under Blue Sky or other securities laws and regulations of such states and jurisdictions of the United States as the Underwriters may designate;

(g) Except for statements regarding DTC, its book-entry system for the Series 2022B Bonds, the information under the caption “TAX MATTERS” and in APPENDIX E–“PROPOSED FORM OF BOND COUNSEL OPINION,” prices and yields for the Series 2022B Bonds or any other information provided by the Underwriters (including under the heading “UNDERWRITING”), as to which the City does not make any representation or warranty, the Preliminary Official Statement, as of its date and the date hereof, and the Official Statement, as of the date thereof and as of the date of Closing, did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) The execution and delivery of the Legal Documents to which the City is a party, this Bond Purchase Agreement and the Official Statement, and compliance with the provisions on the City’s part contained herein and therein, will not in any material respect conflict with or constitute a breach of, a violation of, or default under, the Constitution of the State of California, the City Charter, or any other existing law, ordinance, administrative regulation, loan agreement, indenture, bond, note, resolution, agreement or other instrument applicable to the City and the issuance of the Series 2022B Bonds, which breach or default would have a materially adverse effect on the transactions contemplated hereby or by the Official Statement or on the City’s liabilities and obligations under the Legal Documents to which it is a party or any judgment or decree to which the City is a party or is otherwise subject (and of which the Director of Finance has actual knowledge), nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon the Wastewater System under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, which lien, charge or other security interest or encumbrance would have a materially adverse effect on the transactions contemplated hereby or by the Official Statement or on the City’s liabilities and obligations under the Legal Documents to which it is a party, except as provided in the Legal Documents, the Series 2022B Bonds and disclosed in the Preliminary Official Statement and the Official Statement;

(i) Except as is otherwise disclosed in the Preliminary Official Statement and the Official Statement, the City is not in any material respect in breach of, or in default under, any applicable law or administrative regulation of the State of California or the United States of America or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject or any judgement or decree to which the City is a party or is otherwise subject (and of which the Director of Finance has actual knowledge) that would have a materially adverse effect on the transactions contemplated hereby or by the Preliminary Official Statement and the Official Statement or on the City’s liabilities and obligations under the Legal Documents to which it is a party, and the Series 2022B Bonds, or any judgment or decree to which the City is a party or is otherwise subject (and of which the Director of Finance has actual knowledge), and no event has occurred and is continuing that, with the passage of time or the giving of notice or both, would constitute a default or an event of default under any such instrument that would have a materially adverse effect on the transactions contemplated hereby or by the Preliminary Official Statement and the Official Statement or on the City’s liabilities and obligations under the Legal Documents to which it is a party, and the Series 2022B Bonds;

(j) Except as otherwise disclosed in the Preliminary Official Statement and the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, that has been served on the City and that is now pending or, to the actual knowledge of the official executing this Bond Purchase Agreement on the City’s behalf (after consultation with the Office of the City Attorney), threatened in writing against the City in any



material respect affecting the Wastewater System, the existence of the City or the titles of its officers to their respective offices or the finances or operations of the City, or seeking to prohibit, restrain or enjoin the sale, execution or delivery of the Series 2022B Bonds, the application of the proceeds of the sale of the Series 2022B Bonds, or the payment of Installment Payments, or in any way contesting or affecting the validity or enforceability of the Legal Documents to which the City is a party, the Series 2022B Bonds or this Bond Purchase Agreement or contesting in any way the powers of the City or its authority to enter into, adopt or perform its obligations under any of the foregoing, or contesting in any way the completeness or accuracy of the Preliminary Official Statement and the Official Statement, or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would (1) materially adversely affect the finances or operations of the City relating to the security for the Series 2022B Bonds or the validity or enforceability of, the Series 2022B Bonds, or the City's ability to perform its obligations under, the Legal Documents to which it is a party or this Bond Purchase Agreement or (2) declare this Bond Purchase Agreement, the Series 2022B Bonds, or the Legal Documents to which it is a party, to be invalid or unenforceable in whole or in material part;

(k) Any certificate signed by a duly authorized officer of the City and delivered to the Underwriters shall be deemed a representation and warranty by the City to the Underwriters as to the statements made therein;

(l) The City has by official action prior to or concurrently with the acceptance hereof, duly authorized and hereby approves and consents to the distribution of the Preliminary Official Statement and the Official Statement by the Underwriters;

(m) The City will furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request in order (i) to qualify the Series 2022B Bonds 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 (ii) to determine the eligibility of the Series 2022B Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Series 2022B Bonds (at the sole expense of the Underwriters); provided, however, that in no event shall the City be required to take any action that would subject it to general or unlimited service of process in any jurisdiction in which it is not now so subject and will promptly advise the Representative of receipt by the City of any written notification with respect to the suspension of the qualification of the Series 2022B Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose; and provided, further, that notwithstanding the foregoing, nothing in this Bond Purchase Agreement shall impose any past or future requirement upon the City, or constitute a representation or warranty by the City, with respect to compliance with any Blue Sky laws;

(n) The proceeds of the sale of the Series 2022B Bonds will be applied generally as described in the Preliminary Official Statement and the Official Statement under the captions "FINANCING PLAN" and "FINANCING PLAN—Estimated Sources and Uses of Funds;"

(o) The financial statements of the City attached as Appendix C to the Preliminary Official Statement and the Official Statement and the financial information regarding the City included in the Preliminary Official Statement and the Official Statement have been prepared in all material respects on a consistent basis in accordance with generally accepted accounting principles applicable to the financial reporting of governmental entities, and the financial statements of and other financial information regarding the Wastewater System included in the Preliminary Official Statement and the Official Statement present fairly the financial position of the Wastewater System and the results of operations of the Wastewater System at the dates and for the periods indicated, and, as of the date of Closing, other than as has been described in the Preliminary Official Statement and the Official Statement, there shall not have been any

material adverse occurrence in the results of operations or financial condition or general affairs of the Wastewater System since June 30, 2022. Except as disclosed in the Preliminary Official Statement and the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the Wastewater System or in its operations since the date of such financial statements;

(p) If between the date hereof and the date that is 25 days after the End of the Underwriting Period for the Series 2022B Bonds, an event occurs that would cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the City will notify the Representative, and, if in the reasonable opinion of the City, the Representative or their respective counsel, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will forthwith prepare and furnish to the Underwriters (at the expense of the City) an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Representative and counsel for the City and counsel for the Underwriters) that will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. 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 Series 2022B Bonds, the City will furnish such information with respect to itself as the Representative may from time to time reasonably request;

(q) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (q) hereof, at the time of each supplement or amendment thereto, the City will represent and warrant that the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein), except for statements regarding DTC, its book-entry system for the Series 2022B Bonds, the information under the caption “TAX MATTERS” and in APPENDIX E–“PROPOSED FORM OF BOND COUNSEL OPINION,” prices and yields for the Series 2022B Bonds or any other information provided by the Underwriters (including under the heading “UNDERWRITING”), as to which the City does not make any representation or warranty, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(r) The City has full right, power and authority to conduct the business and operations of the Wastewater System as described in the Preliminary Official Statement and the Official Statement;

(s) The City has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Series 2022B Bonds as provided in and subject to all of the terms and provisions of the Indenture; and

(t) The City will undertake, pursuant to the Continuing Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events. A description of this undertaking is set forth in, and a form of such agreement is attached as an appendix to, the Preliminary Official Statement and the Official Statement. In the last five (5) years, the City has not failed to comply in any material respect with any previous undertakings to provide annual financial information and notices of certain events pursuant to Rule 15c2-12 except as disclosed in the Preliminary Official Statement and the Official Statement.

4. Conditions to the Obligations of the Underwriters. The Representative hereby enters into this Bond Purchase Agreement in reliance upon the representations and warranties of the Authority and the City contained herein and the representations and warranties to be contained in the documents and

instruments to be delivered at the Closing and upon the performance by the Authority and the City of their obligations both on and as of the date hereof and as of the Closing Date. Accordingly, obligations of the Underwriters under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Series 2022B Bonds shall be subject to the accuracy of the representations and warranties of the Authority and the City contained herein as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the Authority and the City made in any certificate or other document furnished pursuant to the provisions hereof, to the performance by the Authority and the City of their respective obligations to be performed hereunder and under the Legal Documents at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) The Authority shall deliver, or cause to be delivered, the Series 2022B Bonds to the Representative, as provided in this Bond Purchase Agreement.

(b) At the Closing, the Legal Documents and the Series 2022B Bonds shall have been duly authorized, executed and delivered by the respective parties thereto, and the Official Statement shall have been duly authorized, executed and delivered by the Authority and by the City, all in substantially the forms submitted to the Representative, with only such changes as shall have been agreed to in writing by the Representative, and shall be in full force and effect; and there shall be in full force and effect such resolution or resolutions of the City Council of the City and of the Governing Board of the Authority as, in the opinion of Orrick, Herrington & Sutcliffe LLP ("*Bond Counsel*"), shall be necessary or appropriate in connection with the transactions contemplated hereby;

(c) Between the date hereof and the Closing, the market price or marketability of the Series 2022B Bonds, at the initial offering prices set forth in the Official Statement, or the Underwriters' ability to process and settle transactions, shall not have been materially adversely affected, in the reasonable judgment of the Representative (evidenced by a written notice from the Representative to the Authority and to the City terminating the obligation of the Underwriters to accept delivery of and make any payment for the Series 2022B Bonds), by reason of any of the following:

(1) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency having jurisdiction of the subject matter shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon revenues or other income of the general character to be derived by the Authority or the City with respect to the Wastewater System, or upon interest received on the Series 2022B Bonds or obligations of the general character of the Series 2022B Bonds as described in the Official Statement;

(2) the declaration of war or engagement in or escalation of major military hostilities by the United States or the occurrences or escalation of any other national or international hostilities, emergency, calamity, or crisis affecting the operation of the government of or the financial community or credit markets in the United States which result in the cancellation of orders from investors or inability of investors to proceed with the purchase of their 2022B Bonds in an amount that the Underwriters deem to have an adverse material impact on the sale of and market for the Series 2022B Bonds;

(3) the declaration of a general banking moratorium by federal, New York or California authorities, the general suspension of trading on any national securities exchange, or a major

financial crisis or a material disruption in commercial banking in securities settlement or clearance services shall have occurred;

(4) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions not now in force with respect to the Series 2022B Bonds or obligations of the general character of the Series 2022B Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of the Underwriters or broker-dealers;

(5) legislation enacted (or resolution passed) by or introduced or pending legislation amended in the Congress or recommended for passage by the President of the United States, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed) or press release issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Series 2022B Bonds, or the Series 2022B Bonds, including any or all underlying arrangements, are not exempt from registration under the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under the Trust Indenture Act of 1939, as amended, or that the execution, offering or sale of obligations of the general character of the Series 2022B Bonds, or of the Series 2022B Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement, otherwise is or would be in violation of the federal securities laws as amended and then in effect;

(6) the withdrawal or downgrading of any rating assigned to the Series 2022B Bonds by S&P Global Ratings (“S&P”), Fitch Ratings (“Fitch”), or Kroll Rating Agency, LLC (“Kroll”);

(7) the Comptroller of the Currency renders an opinion or issues a regulation which has the effect of prohibiting the Underwriters from underwriting the Series 2022B Bonds; and

(8) any event or circumstance shall exist that in the reasonable opinion of the Representative either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Authority or the City refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Series 2022B Bonds or the ability of the Underwriters to enforce contracts for the sale of the Series 2022B Bonds (for the purposes of this paragraph the Preliminary Official Statement and any written amendments or supplements thereto delivered by the Authority and the City to the Underwriters shall be deemed to be the Official Statement until such time as a final Official Statement is delivered to the Underwriters pursuant to Section 1 hereof).

(d) At or prior to the Closing Date, the Underwriters shall have received the following instruments and documents, in each case satisfactory in form and substance to the Representative and its counsel:

(1) Copies of the Legal Documents each duly executed and delivered by the respective parties thereto;

(2) The approving opinion of Bond Counsel, dated the Closing Date and addressed to the Authority, in substantially the form attached to the Official Statement as Appendix E, and a letter of Bond Counsel, dated the Closing Date and addressed to the Representative to the effect that such opinion

may be relied upon by the Representative to the same extent as if such opinion were addressed to the Representative;

(3) The supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Representative, in substantially the form attached hereto as Exhibit C;

(4) A letter of Jones Hall, A Professional Law Corporation, San Francisco, California, as disclosure counsel, dated the Closing Date and addressed to the Authority, the City, and the Representative, to the effect that: they are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, and make no representation that they have independently verified the accuracy, completeness or fairness of any such statements. However, in connection with the preparation of the Preliminary Official Statement and the Official Statement, they have reviewed certain documents and have participated in conferences in which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. During the course of their work on this matter, no facts have come to their attention that have caused them to believe that the Preliminary Official Statement as of its date, or the Official Statement as of its date or as of the date hereof (except for the following items, which we expressly exclude from the scope of this sentence: any financial and statistical data, forecasts, numbers, estimates, assumptions, expressions of opinion and information concerning DTC and the book-entry system for the Series 2022B Bonds, that is contained or incorporated by reference in the Preliminary Official Statement or the Official Statement and the appendices to the Preliminary Official Statement or the Official Statement) contains any untrue statement of a material fact or omits to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(5) The opinion of the City Attorney, as counsel for the Authority, dated the Closing Date and addressed to the Representative, in substantially the form attached hereto as Exhibit D;

(6) The opinion of the City Attorney, as counsel for the City, dated the Closing Date and addressed to the Representative, in substantially the form attached hereto as Exhibit E;

(7) The opinion of Counsel to the Trustee, dated the Closing Date and addressed to the Representative, the Authority and the City, to the effect that (i) the Trustee has been duly incorporated as a national banking association under the laws of the United States and is in good standing under the laws of the State of California, duly qualified to do business and to exercise trust powers therein, having full power and authority to enter into and to perform its duties as Trustee under the Indenture; (ii) the Trustee has duly authorized, executed and delivered the Indenture; (iii) the Indenture constitutes a legally valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with its terms; (iv) the Series 2022B Bonds have been validly authenticated and delivered by the Trustee; (v) no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California having jurisdiction over the Trustee is required for the valid authorization, execution, delivery and performance by the Trustee of the Indenture; and (vi) the execution and delivery of the Indenture and compliance by the Trustee with the respective provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Trustee a breach or default under any agreement or other instrument to which the Trustee is a party (and of which such counsel is aware after reasonable investigation) or by which it is bound (and of which such counsel is aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the Trustee is subject;

(8) A letter of ArentFox Schiff LLP, counsel for the Underwriters (*"Underwriters' Counsel"*), dated the Closing Date and addressed to the Representative to the effect that (a) the Series

2022B Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended; and (b) without passing upon or assuming responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement and making no representation that Underwriters' Counsel has independently verified the accuracy, completeness or fairness of any such statements, based upon the information made available to Underwriters' Counsel in the course of its participation in the preparation of the Preliminary Official Statement and the Official Statement as Underwriters' Counsel, nothing has come to its attention that would lead it to believe that the Preliminary Official Statement, as of its date and as of the date of this Bond Purchase Agreement, or the Official Statement as of its date or as of the Closing Date (except for any CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, management discussion and analysis, environmental matters, environmental litigation, information related to The Depository Trust Company and its book-entry system, information under the caption entitled "TAX MATTERS," "CERTAIN LEGAL MATTERS," "MUNICIPAL ADVISOR," and APPENDICES A, B, C, D, E, G, , and H and any and all summaries of any of the foregoing or references thereto, or any other information relating to tax exemption, included or referred in the Preliminary Official Statement and the Official Statement, as to which no opinion need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (b) the provisions of the Continuing Disclosure Certificate comply with the requirements of Rule 15c2-12(b)(5);

(9) A certificate or certificates, dated the Closing Date, signed by a duly authorized official of the Authority satisfactory to the Representative, in form and substance satisfactory to the Representative, to the effect that to the actual knowledge of such official the representations and warranties of the Authority contained in the Bond Purchase Agreement are true and correct when made and true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(10) A certificate or certificates, dated the Closing Date, signed by a duly authorized official of the City satisfactory to the Representative, in form and substance satisfactory to the Representative, to the effect that to the actual knowledge of such official the representations and warranties of the City contained in the Bond Purchase Agreement are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date;

(11) A certificate, dated the date of Closing, signed by a duly authorized officer of the Trustee, satisfactory in form and substance to the Representative, to the effect that:

- (i) the Trustee is a national banking association organized and existing under and by virtue of the laws of the United States, having the full power and being qualified to accept the trusts, and enter into and perform its duties, under the Indenture and to execute and deliver the Series 2022B Bonds to the Representative and the Indenture constitutes the legal, valid and binding obligation of the Trustee, enforceable in accordance with the terms;
- (ii) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Series 2022B Bonds to the Representative pursuant to the Indenture;

- (iii) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, will not conflict with or constitute a breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Trustee is a party or is otherwise subject (except that no representation, warranty or agreement is made with respect to any federal or state securities or blue sky laws or regulations), nor will any such execution, delivery, adoption 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 the properties or assets held by the Trustee pursuant to the lien created by the Indenture under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by the Indenture; and
- (iv) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, nor is any such action or other proceeding threatened against the Trustee, affecting the existence of the Trustee, or the titles of its officers to their respective offices or seeking to prohibit, restrain or enjoin the execution and delivery of the Series 2022B Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Series 2022B Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Legal Documents or the Series 2022B Bonds, or contesting the powers of the Trustee or its authority to enter into, adopt or perform its obligations under any of the foregoing to which it is a party, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Legal Documents or the Series 2022B Bonds;

(12) A copy of the Official Statement, executed on behalf of the Authority and the City by an authorized representative;

(13) A certified copy of the general resolution of the Trustee authorizing the execution and delivery of the Legal Documents to which the Trustee is a party and the authentication and delivery of the Series 2022B Bonds by the Trustee;

(14) Certified copies of the Authority Resolution, the City Resolution, and the Master Resolution;

(15) Written evidence that the ratings on the Series 2022B Bonds of “\_\_\_” by S&P, “\_\_\_” by Fitch, and “\_\_\_” by Kroll, are in full force and effect on the Closing Date;

(16) A certificate, dated the Closing Date, signed by a duly authorized officer of Public Resources Advisory Group, Inc., municipal advisor to the Authority and to the City (the “*Municipal Advisor*”) in connection with the Series 2022B Bonds, the Preliminary Official Statement and the Official Statement in form and substance satisfactory to the Authority, the City, the Underwriters and their respective counsel to the effect that the information set forth in the Preliminary Official Statement and the Official Statement under the caption “MUNICIPAL ADVISOR” does not contain an untrue statement of a

material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(17) A certificate, dated the Closing Date, signed by a duly authorized officer of Kestrel Verifiers (“Kestrel”) (a) consenting to the use of its name and logo and the inclusion of its climate bond verifier’s report in the Preliminary Official Statement and the Official Statement as Appendix I, and (b) to the effect that the statements and information provided by Kestrel set forth in the Preliminary Official Statement and the Official Statement under the caption “DESIGNATION OF THE SERIES 2022B BONDS AS GREEN BONDS – CLIMATE CHANGE CERTIFIED” and contained in Appendix I do not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(18) A copy of the DTC Blanket Letter of Representations relating to the Series 2022B Bonds, signed by DTC and the Authority;

(19) A copy of the preliminary and final Notice of Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(j) of the California Government Code; and

(20) Such additional legal opinions, certificates, proceedings, instruments, and other documents as the Representative or Bond Counsel may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the representations of the City and the Authority herein and of the statements and information contained in the Preliminary Official Statement and the Official Statement, and the due performance or satisfaction by the Trustee, the City and the Authority at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by any of them in connection with the transactions contemplated hereby, by the Preliminary Official Statement and the Official Statement and by the Legal Documents.

(e) No order, decree, injunction, ruling or regulation of any court, regulatory agency, public board or body shall have been issued, nor shall any legislation have been enacted, with the purpose or effect, directly or indirectly, of prohibiting the offering, sale or issuance of the Series 2022B Bonds as contemplated hereby or by the Preliminary Official Statement and the Official Statement;

(f) If the Authority, the City or the Trustee shall be unable to satisfy the conditions to the Underwriters’ obligations contained in this Bond Purchase Agreement or if the Underwriters’ obligations shall be terminated for any reason permitted herein, all obligations of the Underwriters hereunder may be terminated by the Representative at, or at any time prior to, the Closing Date by written notice to the Trustee, the Authority and the City and none of the Underwriters, the City, or the Authority shall have any further obligations hereunder.

##### 5. Establishment of Issue Price of the Series 2022B Bonds.

(a) The Representative, on behalf of the Underwriters, agrees to assist the Authority in establishing the issue price of the Series 2022B Bonds and shall execute and deliver to the Authority and the City at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Authority, the City, and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2022B Bonds. All actions to be taken by the Authority and the City under this Section 5 to establish the issue price of the Series 2022B Bonds may be taken on behalf of



the Authority and the City by the Municipal Advisor, and any notice or report to be provided to the Authority and the City may be provided to the Municipal Advisor.

(b) [Except as otherwise set forth in Exhibit B hereto,] the Authority and the City will treat the first price at which 10% of each maturity of the Series 2022B Bonds (the “10% test”) is sold to the public on the date of this Bond Purchase Agreement as the issue price of that maturity. At or promptly after the execution of this Bond Purchase Agreement, the Underwriters shall report to the Authority and the City the price or prices at which the Underwriters have sold to the public each maturity of the Series 2022B Bonds. [If at that time the 10% test has not been satisfied as to any maturity of the Series 2022B Bonds, the Representative agrees to promptly report to the Authority and the City the prices at which 2022B Bonds 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 either: (i) the Underwriters have sold all Series 2022B Bonds of that maturity or (ii) the 10% test has been satisfied as to the Series 2022B Bonds of that maturity provided that, the Underwriters’ reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, the Authority, or Bond Counsel. For purposes of this Section, if Series 2022B Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2022B Bonds.]

(c) The Representative confirms that the Underwriters have offered the Series 2022B Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. [Exhibit B also sets forth, as of the date of this Bond Purchase Agreement, the maturities, if any, of the Series 2022B Bonds for which the 10% test has not been satisfied and for which the Authority, the City, and the Underwriters agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority and the City to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering price rule remains applicable to any maturity of the Series 2022B Bonds, the Underwriters will neither offer nor sell unsold Series 2022B Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (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 Series 2022B Bonds to the public at a price that is no higher than the initial offering price to the public.

The Representative will advise the Authority and the City promptly after the close of the fifth (5<sup>th</sup>) business day after the sale date whether it has sold 10% of that maturity of the Series 2022B Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Representative confirms that:

- (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the Representative is a party) relating to the initial sale of Series 2022B Bonds 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:

(A)(i) to report the prices at which it sells to the public the unsold Series 2022B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until

either all Series 2022B Bonds of that maturity allocated to it have been sold or it is notified by the Representative that the 10% test has been satisfied as to the Series 2022B Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(B) to promptly notify the Representative of any sales of Series 2022B Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Series 2022B Bonds to the public (each such term being used as defined below), (C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(C) to acknowledge that, unless otherwise advised by an Underwriter, dealer or broker-dealer, the Representative shall assume that each order submitted by the Underwriter, dealer or broker-dealer is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Series 2022B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2022B Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2022B Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Series 2022B Bonds of that maturity allocated to it have been sold or it is notified by the Representative or such Underwriter or dealer that the 10% test has been satisfied as to the Series 2022B Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Representative or such Underwriter or dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Representative or the Underwriter or the dealer and as set forth in the related pricing wires.

[The Authority and the City acknowledge that, in making the representations set forth in this section, the Representative will rely on (i) the agreement of each Underwriter to comply with the requirements for establishing issue price for the Series 2022B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022B Bonds, as set forth in a selling group agreement and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Series 2022B Bonds 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 Series 2022B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022B Bonds, 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 Series 2022B Bonds 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 Series 2022B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022B Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority and the City further acknowledge that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Series 2022B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2022B Bonds, 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 establishing the issue price of the Series 2022B Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable, to the Series 2022B Bonds.]

(e) The Underwriters acknowledge that sales of any Series 2022B Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2022B Bonds to the public (as each such term being used as defined below) shall not constitute sales to the public for purposes of this Section. Further, for purposes of this Section:

(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 the Authority and the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2022B Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2022B Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2022B Bonds to the public);

(iii) a purchaser of any of the Series 2022B Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

6. Expenses. (a) All expenses and costs incident to the authorization, execution, delivery and sale of the Series 2022B Bonds to the Underwriters, including the costs of printing of the Series 2022B Bonds, the Preliminary Official Statement, the Official Statement, the cost of duplicating the Legal Documents, the fees of accountants, consultants and rating agencies, costs incurred by the Representative in relation to communications with the rating agencies, the initial fee of the Trustee and its counsel in connection with the issuance of the Series 2022B Bonds, the fees and expenses of the Municipal Advisor, and the fees and expenses of Bond Counsel, Disclosure Counsel and Kestrel shall be paid from the proceeds of the Series 2022B Bonds. The Authority shall also pay for any expenses (included in the expense component of the Underwriters’ discount) incurred by the Underwriters which are incidental to implementing this Bond Purchase Agreement and the issuance of the Series 2022B Bonds, including, but not limited to, meals, transportation and lodging, if any, and any other miscellaneous closing costs. The Authority acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2022B Bonds.

(b) The Authority has agreed to pay the Underwriters’ discount set forth in Section 1 of this Bond Purchase Agreement, and inclusive in the expense component of the Underwriters’ discount are

expenses incurred or paid for by the Representative on behalf of the Authority in connection with the marketing, issuance and delivery of the Series 2022B Bonds, including, but not limited to, CUSIP fees, , the California Debt and Investment Advisory Commission fees, the costs of any preliminary and final blue sky memoranda, transportation, lodging, and meals for employees and representatives of the Authority and the City, the fees and disbursements of Underwriters' Counsel, and other expenses incurred by the Underwriters in connection with the public offering and distribution of the Series 2022B Bonds not specifically enumerated above.

The Authority and Representative acknowledge that expenses included in the expense component of the Underwriters' discount are based upon estimates. The Authority and Representative agree that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Representative in an amount equal to or greater than \$1,000 (the "*Reimbursement Threshold*"), the Representative shall reimburse to the Authority the amount that the aggregate estimated expenses exceed the aggregate actual expenses. For the avoidance of doubt, the Authority acknowledges and agrees that in the event the aggregate estimated expenses exceed the aggregate actual expenses incurred by the Representative in an amount less than the Reimbursement Threshold, no reimbursement will be made by the Representative to the Authority. The Authority acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2022B Bonds.

7. Notices. Any notice or other communication to be given to the parties to this Bond Purchase Agreement may be given by delivering the same in writing to the respective party at the following address

Representative: Wells Fargo Bank, National Association  
333 South Grand Avenue, 9th Floor  
Los Angeles, California 90071  
Attention: Michael J. Engelbrecht

City: City of San José, California  
200 East Santa Clara Street, 13th Floor  
San José, California 95113  
Attention: Director of Finance

Authority: City of San José Financing Authority  
200 East Santa Clara Street, 13th Floor  
San José, California 95113  
Attention: Treasurer

8. Survival of Representations and Warranties. The parties acknowledge and agree that except as otherwise provided under Sections 2(j) and 3(k) hereof, (a) neither the Authority nor the City shall have any obligation to update or reconfirm their respective representations and warranties in this Bond Purchase Agreement after the Closing Date, and (b), neither the Authority nor the City shall have any liability to the Underwriters by virtue of any event occurring after the Closing which makes any representation or warranty made by the Authority or the City herein untrue or incomplete, provided the official making such representation had no prior knowledge of such event at Closing.

9. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts and by delivering by electronic mail a scanned copy of a party's signature, and each of such counterparts shall for all purposes be deemed to be an original.

10. Governing Law; Venue. This Bond Purchase Agreement 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 Bond 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 Authority and the City may waive the requirement of venue. By execution of and delivery of this Bond Purchase Agreement, the parties hereto accept and consent to the aforesaid jurisdiction.

11. Prior Agreements. The parties agree that the terms and conditions of this Bond Purchase Agreement supersede those of all previous agreements between the parties, and that this Bond Purchase Agreement contains the entire agreement between the parties hereto. In the event of a dispute between the parties under this Bond 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.

12. Headings. The headings of the Sections of Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

*[Remainder of Page Intentionally Left Blank]*

13. Effectiveness. This Bond Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by duly authorized officers of the City and the Authority and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

THE UNDERWRITERS:

WELLS FARGO BANK, NATIONAL ASSOCIATION  
MORGAN STANLEY & CO. LLC  
ACADEMY SECURITIES, INC.  
RAMIREZ & CO., INC.  
STIFEL, NICOLAUS & COMPANY, INC.

By: WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Representative of the  
Underwriters

By: \_\_\_\_\_  
Michael J. Engelbrecht  
Managing Director-Public Finance

APPROVED AS TO FORM:

ACCEPTED at \_\_\_\_\_ [AM/PM] PST on  
December \_\_, 2022

NORA FRIMANN, CITY ATTORNEY

CITY OF SAN JOSÉ FINANCING AUTHORITY

By: \_\_\_\_\_  
Chief Deputy City Attorney

By: \_\_\_\_\_  
Treasurer

ACCEPTED at \_\_\_\_\_ [AM/PM] PST on  
December \_\_, \_\_\_\_, 2022

CITY OF SAN JOSÉ

By: \_\_\_\_\_  
Director of Finance

Signature page to Bond Purchase Agreement (Series 2022B Bonds)

**EXHIBIT A**

\$ \_\_, \_\_, 000  
CITY OF SAN JOSE FINANCING AUTHORITY  
WASTEWATER REVENUE BONDS, SERIES 2022B  
(GREEN BONDS - CLIMATE BOND CERTIFIED)

| Maturity Date<br>(November 1) | Principal Amount | Rate | Yield | Price (%) |
|-------------------------------|------------------|------|-------|-----------|
|-------------------------------|------------------|------|-------|-----------|

<sup>T</sup>: Term Bond.

**Optional Redemption.** The Series 2022B Bonds maturing on or after November 1, 20\_\_, are subject to optional redemption prior to their respective maturity dates, at the option of the Authority, on any date on or after November 1, 20\_\_, from any source of available funds, as a whole or in part, at a redemption price equal to the principal amount thereof called for redemption, plus accrued interest to the date fixed for redemption, without premium.

**Mandatory Sinking Fund Redemption.** The Series 2022B Bonds maturing on November 1, 20\_\_, and November 1, 20\_\_ (the “Term Bonds”) are subject to mandatory redemption by the Authority prior to their maturity date, in part by lot on November 1 of each year in accordance with the tables set forth below, respectively, at a redemption price equal to the principal amount thereof to be redeemed, plus accrued interest to the redemption date, without premium.

\$ \_\_, \_\_, 000 Term Bonds Maturing November 1, 20\_\_

Sinking Fund Payment Date  
(November 1)

Sinking Fund Account  
Payment

<sup>†</sup> Maturity.

## EXHIBIT B

### ISSUE PRICE CERTIFICATE

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

CITY OF SAN JOSÉ FINANCING AUTHORITY  
WASTEWATER REVENUE BONDS, SERIES 2022B  
(GREEN BONDS - CLIMATE BOND CERTIFIED)

Wells Fargo Bank, National Association, on its own behalf and as the representative (the “Representative”) of the underwriter named in the Bond Purchase Agreement dated December \_\_, 2022 relating to the above-referenced securities (together 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 “Series 2022B Bonds”).

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 Series 2022B Bonds.

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 Series 2022B Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, 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 Underwriter with whom the Representative has entered into a written contract directly or indirectly to participate in the initial sale of the Series 2022B Bonds has offered or sold any unsold Series 2022B Bonds of any Maturity of the Series 2022B Bonds 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 Series 2022B Bonds that are not “Hold-the-Offering-Price Maturities.”

“Hold-the-Offering-Price Maturities” means those Maturities of the Series 2022B Bonds 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 the City of San José Financing Authority.

“*Maturity*” means Series 2022B Bonds with the same credit and payment terms. Series 2022B Bonds with different maturity dates, or Series 2022B Bonds 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 Series 2022B Bonds. The Sale Date of each maturity of the Series 2022B Bonds is December \_\_, 2022.

“*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 Series 2022B Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this section to participate in the initial sale of the Series 2022B Bonds 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 Series 2022B Bonds 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 Series 2022B Bonds, and by Orrick, Herrington & Sutcliffe LLP in connection with rendering its opinion that the interest on the Series 2022B Bonds 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 Series 2022B Bonds. 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: December \_\_, 2022

By: WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Representative, on behalf  
of the Underwriters, including itself

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

**SCHEDULE A to EXHIBIT B**

**INITIAL OFFERING PRICES OF THE SERIES 2022B BONDS**

*(Attached)*

**SCHEDULE B to EXHIBIT B**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

*(Attached)*

## **EXHIBIT C**

### **FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL**

## **EXHIBIT D**

### **FORM OF OPINION OF CITY COUNSEL AS COUNSEL FOR THE AUTHORITY**

**EXHIBIT E**  
**FORM OF OPINION OF CITY ATTORNEY**