

\$[_____]
**COACHELLA WATER AUTHORITY
WATER REVENUE REFUNDING BONDS
2022B SERIES**

FORWARD DELIVERY PURCHASE CONTRACT

[_____] , 2022

Coachella Water Authority
1515 Sixth Street
Coachella, California 92236

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “Underwriter”) hereby offers to enter into this Forward Delivery Purchase Contract with you, the Coachella Water Authority (the “Authority”), for the purchase by the Underwriter and the delivery by you of the Bonds specified below. The Bonds are being issued by the Authority to (a) refund all of the Authority’s Water Revenue Refunding Bonds, 2012 Series (the “Refunded Bonds”) and (b) pay the costs of issuance of the Bonds, including the premium for a municipal bond insurance policy. This offer is made subject to acceptance by you prior to 11:59 p.m., Los Angeles time, on the date hereof. Upon such acceptance, this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter agrees to purchase from the Authority, and the Authority agrees to sell to the Underwriter, all (but not less than all) of the \$[_____] aggregate principal amount of the Authority’s Water Revenue Refunding Bonds, 2022B Series (the “Bonds”), at the purchase price of \$[_____] (being the principal amount of the Bonds, less an Underwriter’s discount in the amount of \$[_____], and [plus/less] [net] original issue [premium/discount] of \$[_____]).

The Bonds will have the maturities and bear interest at the rates set forth on Exhibit A hereto. The Bonds will be subject to redemption as set forth in the Official Statement herein described. The Bonds will be dated as described in the Official Statement. The Bonds will be issued in book entry form only.

The Refunded Bonds will be defeased and refunded in accordance with an Escrow Agreement, dated as of May 1, 2022 (the “Escrow Agreement”), by and between the Authority and U.S. Bank National Association, as escrow agent (the “Escrow Agent”).

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy (the “Insurance Policy”) to be issued concurrently with the delivery of the Bonds by [INSURER] (the “Insurer”).

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the Authority and the Underwriter in which the Underwriter is acting solely as principal and not as agent of the Authority and the Underwriter is not acting as a municipal advisor (within the meaning of Section 15B of The Securities Exchange Act of 1934, as amended), financial advisor or fiduciary to the Authority; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Authority with respect to the transaction contemplated by this Purchase Contract and the discussions, undertakings or procedures leading thereto (irrespective of whether the Underwriter, or any affiliate of the Underwriter has provided other services or is currently providing other services to the Authority on other matters); (iii) the only obligations the Underwriter has to the Authority with respect to the transaction contemplated by this Purchase Contract are expressly set forth in this Purchase Contract; (iv) the Underwriter has financial and other interests that differ from those of the Authority; and (v) the Authority has consulted its own financial and/or municipal legal, accounting, tax and other advisors, as applicable, to the extent the Authority has deemed appropriate. The Authority acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the "MSRB").

2. Authorizing Instruments and Law. The Bonds shall be issued pursuant to the provisions of a resolution (the "Resolution") adopted by the Authority on [____], 2021 authorizing the issuance of the Bonds. The Bonds are issued pursuant to an Indenture of Trust, dated as of May 1, 2022 (the "Indenture"), between the Authority and Wilmington Trust, National Association (the "Trustee"), and shall be as described in the Indenture.

The Bonds are limited obligations of the Authority payable primarily from and secured by certain Net Revenues pledged under the Indenture.

3. Offering the Bonds. The Underwriter agrees to offer all the Bonds to the public initially at the prices (or yields) set forth on the inside cover pages of the Official Statement of the Authority pertaining to the Bonds, dated [____], 2022 (the Official Statement, together with all appendices thereto, and with such changes therein and supplements thereto as are consented to in writing by the Underwriter, are herein called the "Official Statement"). Subsequent to the initial public offering of the Bonds, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Underwriter also reserves the right to: (i) over-allot or effect transactions which stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice. "Public Offering" shall include an offering to a representative number of institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

4. Establishment of Issue Price

A. The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority 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 Underwriter, the Authority 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 Bonds.

B. Except as set forth in Exhibit A attached hereto, the Authority will treat the first price at which 10% of each maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this Section, if 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 Bonds.

C. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Contract) and (ii) the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority 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 Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- a. the close of the fifth (5th) business day after the sale date; or
- b. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

D. The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating 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 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to

comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of 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 Bonds to the public (each such term being used as defined below), and

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

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the 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 Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the 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 Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

E. The Authority acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

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

a. “public” means any person other than an underwriter or a related party;

b. “underwriter” means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the 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 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 Bonds to the public);

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

d. “sale date” means the date of execution of this Purchase Contract by all parties.

5. Delivery of Official Statement on the Date Hereof. The Authority shall deliver to the Underwriter one copy of the Official Statement manually executed on behalf of the Authority by an authorized representative. The Authority shall also deliver a sufficient number of copies of the Official Statement to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending on the End Date (defined below). The Authority shall deliver these copies to the Underwriter within seven (7) business days after the execution of this Purchase Contract and in sufficient time to accompany or precede any sales confirmation that requests payment from any customer of the Underwriter. The Underwriter shall inform the Authority in writing of the End Date, and covenants to file the Official Statement with the Municipal Securities Rulemaking Board (the “MSRB”) on a timely basis.

“End Date” as used herein is that date which is the earlier of:

(a) ninety (90) days after the end of the underwriting period, as defined in SEC Rule 15c2-12 adopted by the Securities and Exchange Commission on June 28, 1989 (“Rule 15c2-12”); or

(b) the time when the Official Statement becomes available from the MSRB, but in no event less than twenty-five (25) days after the underwriting period (as defined in Rule 15c2-12) ends.

The Authority has authorized the use of the Official Statement in connection with the public offering of the Bonds. The Authority also has consented to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement dated [_____], 2022 relating to the Bonds in connection with the public offering of the Bonds (which, together with all appendices thereto, is herein called the “Preliminary Official Statement”). Authorized officers of the Authority have certified to the Underwriter that such Preliminary Official Statement was deemed to be final as of its

date for purposes of Rule 15c2-12, with the exception of certain final pricing and related information referred to in Rule 15c2-12. The Underwriter has distributed a copy of the Preliminary Official Statement to potential customers on request.

At the request of the Underwriter, the Authority shall prepare one updated Official Statement between the date of Closing (as hereinafter defined) and Settlement (as hereinafter defined), which shall be dated a date not later than one week prior to Settlement relating to the Bonds (the "Updated Official Statement"), which, as of such date, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Updated Official Statement may consist either of the Final Official Statement and a supplement thereto or a separate document substantially in the form of the Final Official Statement updated to its date of delivery. If an Updated Official Statement is prepared, the Authority shall furnish to the Underwriter, not less than five days prior to Settlement or on such earlier requested date of the Updated Official Statement, copies of the Updated Official Statement in sufficient quantity as requested by the Underwriter to comply with SEC Rule 15c2-12(b)(4) and the rules of the MSRB. The Underwriter agrees to promptly file any Updated Official Statement with a nationally recognized municipal securities information repository. As used herein, the term "Official Statement" shall mean (i) at any point in time during the period from the date of the Final Official Statement to but not including the date of delivery of any Updated Official Statement to the Underwriter pursuant to this paragraph, the Final Official Statement, and (ii) from and after the date of such delivery of any Updated Official Statement, the Updated Official Statement. References herein as of a specific date to the Official Statement shall mean the Official Statement applicable on such date in accordance with the preceding sentence.

6. The Closing. At 8:30 a.m. California time on _____, 2021, or such other time as shall be agreed upon by the Underwriter and the Authority (the "Closing Date"), the Authority will deliver or cause to be delivered to the Underwriter at the offices of Nixon Peabody LLP, bond counsel to the Authority ("Bond Counsel") in Los Angeles, California (or such other location as may be designated by the Underwriter and approved by the Authority) the closing documents hereinafter mentioned and (such delivery being herein referred to as "Closing").

Assuming the Closing is completed in accordance with the provisions of this Purchase Contract, then, subject to the provisions of this Purchase Contract, the Underwriter shall be obligated to purchase the Bonds and pay the purchase price therefor (and the Authority shall be obligated to issue and deliver such Bonds) at 8:30 a.m., California time, on [_____], 2022, or at such later date as may be mutually agreed upon by the Authority and the Underwriter (the "Settlement Date"). In connection with the payment for and delivery of the Bonds (the "Settlement"), the Authority will deliver or cause to be delivered to the Underwriter the Bonds in registered form, duly executed, together with the other documents required by Section 10 below, and subject to the terms and conditions of this Purchase Contract, the Underwriter will accept delivery of the Bonds through the facilities of The Depository Trust Company ("DTC") or such other place as shall have been mutually agreed upon by the Underwriter and the Authority and pay the purchase price of the Bonds as set forth in Section 1. Delivery of the documents provided for herein to be made at Settlement shall be made at the office of Bond Counsel, or such other place as shall have been mutually agreed upon by the Underwriter and the Authority.

7. Authority Representations, Warranties and Covenants. The Authority represents, warrants and covenants to the Underwriter that:

(a) The Authority is a joint exercise of powers agency, duly organized and validly existing pursuant to the Constitution and laws of the State of California (the “State”), and has all necessary power and authority to enter into and perform its duties under the Indenture, the Continuing Disclosure Certificate, dated the Closing Date (the “Continuing Disclosure Certificate”) of the Authority, the Escrow Agreement and this Purchase Contract (collectively, the “Authority Documents”).

(b) The Bonds, when issued in accordance with the Indenture, will be legally valid and binding special obligations of the Authority, entitled to the benefits of the Indenture and enforceable in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally.

(c) To the best knowledge of the Authority, neither the execution and delivery of the Authority Documents, or the approval and execution of the Official Statement or this Purchase Contract, and compliance with the provisions on the Authority’s part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, materially conflicts with or constitutes a material breach of or default under nor materially contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor does any such execution, delivery, adoption or compliance result in a 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 by the Authority Documents.

(d) The Authority Documents have been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute legal, valid and binding agreements of the Authority enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance or other laws affecting the enforcement of creditors’ rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against cities and agencies in the State of California.

(e) Except as may be required under blue sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory agency having jurisdiction over the Authority required for the consummation by the Authority of the transactions contemplated by the Official Statement and this Purchase Contract.

(f) To the best of the knowledge of the Authority, there is, and on the Closing there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the Authority to restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Authority Documents or the authority of the Authority to approve this Purchase

Contract, or enter into the Authority Documents or contesting the powers of the Authority to enter into or perform its obligations under any of the foregoing or in any way contesting the powers of the Authority in connection with any action contemplated by this Purchase Contract or to restrain or enjoin the execution of, or, except as described in the Preliminary Official Statement and the Official Statement, the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, nor is there any basis for any such action, suit, proceeding or investigation.

(g) The Preliminary Official Statement provided to the Underwriter has been deemed final by the Authority, as required by Rule 15c2-12. As of the date thereof and at all times subsequent thereto up to and including the End Date, the information relating to the Authority, the Bonds, the Enterprise and the Authority Documents contained in the Official Statement was and will be materially complete for its intended purposes. The information relating to the Authority, the Bonds, the water system of the City of Coachella (such system is designated, the “Enterprise”) and the Authority Documents contained in the Official Statement (excluding any information with respect to DTC, the book-entry only system, the Trustee, the Insurance Policy or the Insurer (as defined in the Official Statement and discussed below)) is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

(h) The Authority agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Authority will not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject.

(i) By official action of the Authority prior to or concurrently with the execution hereof, the Authority has duly approved the distribution of the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in the Authority Documents and the consummation by it of all other transactions contemplated by the Official Statement and this Purchase Contract.

(j) To the best knowledge of the Authority, it is not in breach of or default under any material applicable law or administrative regulation of the State of California or the United States or any material applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject and in connection with which the Authority is obligated to make payments from its own funds, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument the consequence of which could be to materially and adversely affect the performance of the Authority under the Authority Documents.

(k) If between the date of this Purchase Contract and the End Date and the Settlement an event occurs, of which the Authority has knowledge, which might or would cause the information relating to the Authority, the Enterprise or the Authority’s functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was

presented, not misleading in any material respect, the Authority will notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Authority will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriter, provided all expenses thereby incurred will be paid for by the Authority.

(l) If the information relating to the Enterprise, the Authority, its functions, duties and responsibilities contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the date of the Closing and the Settlement, the portions of the Official Statement so supplemented or amended (including any financial and statistical data contained therein) will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading in any material respect.

(m) The Authority covenants that it will comply with all tax covenants relating to it in the Authority Documents, the Tax Certificate of the Authority and this Purchase Contract.

(n) Substantially all the proceeds from the sale of the Bonds (after deducting the expenses of issuance and sale of the Bonds paid for from such proceeds) will be used to finance and/or refinance certain improvements to the Enterprise, and the Authority will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Indenture.

(o) The Authority will deliver all opinions, certificates, letters and other instruments and documents reasonably required by the Underwriter and this Purchase Contract.

(p) Any certificate of the Authority delivered to the Underwriter shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.

(q) As of the time of acceptance hereof and as of the Closing and the Settlement, the Authority does not, and will not have outstanding, any indebtedness which is secured by a lien on Net Revenues except as disclosed in the Official Statement.

(r) Between the date of this Purchase Contract and the date of Closing and the Settlement, the Authority will not, without the prior written consent of the Underwriter, and except as disclosed in the Official Statement, offer or issue any certificates, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent, secured by a lien on Net Revenues.

(s) All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would adversely affect the due performance by the Authority of its obligations in connection with, the Authority Documents have been duly obtained or

made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds.

(t) The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is a bond issuer whose arbitrage certifications may not be relied upon.

(u) The written information supplied by the Authority to the Underwriter with respect to the financial information relating to the Enterprise is true, correct and complete in all material respects for the purposes for which it was supplied.

(v) Except as otherwise described in the Preliminary Official Statement and Official Statement, the Authority has not failed in any material respect to comply with any undertaking of the Authority under Rule 15c2-12 in the previous five years.

8. Representations and Agreements of the Underwriter. The Underwriter represents to and agrees with the Authority that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute and deliver this Purchase Contract and to take any action under this Purchase Contract required to be taken by it.

(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the Authority and is not prohibited thereby from acting as underwriter with respect to securities of the Authority.

(c) The Underwriter has, and has had, no financial advisory relationship with the Authority with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship, within the meaning of California Government Code Section 53590, or otherwise.

(d) The Underwriter has not paid or agreed to pay, nor will it pay or agree to pay, any entity, company, firm or person, other than a bona fide officer, agent or employee working for the Underwriter, any compensation, fee, gift or other consideration contingent upon or resulting from the award of or entering into this Purchase Contract.

9. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the Authority of its respective obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations hereunder are and shall be subject to the following additional conditions:

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

(b) Executed Agreements and Performance Thereunder. At the time of the Closing:

(i) the Authority Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter;

(ii) there shall be in full force and effect the Resolution as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions on the part of the Authority contemplated by the Official Statement and the Authority Documents;

(iii) the Authority shall perform or have performed its obligations required as specified in the Authority Documents to be performed at or prior to Closing; and

(iv) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraph 7(k), or as otherwise may have been agreed to in writing by the Underwriter.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing under the Authority Documents and the Authority shall not be in default in the payment of principal or interest on any of its bonded indebtedness which default shall adversely impact the ability of the Authority to make payments on the Bonds.

(d) Termination Events. The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the Authority if at any time at or prior to the Closing:

(i) Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement, or results in the Preliminary Official Statement or the Official Statement containing any untrue statement of a material fact or omitting to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; or

(ii) 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 shall be made or proposed, the effect of any or all of which would be to alter, directly or indirectly, federal income taxation upon interest received

on obligations of the general character of the Bonds, or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein; or

(iii) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice 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 Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or

(iv) A general suspension of trading in securities on the New York Stock Exchange or any other national securities exchange, the establishment of minimum or maximum prices on any such national securities exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or any material increase of restrictions now in force (including, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter); or

(v) The declaration of a general banking moratorium by federal, New York or State authorities, or the general suspension of trading by the New York Stock Exchange, any national securities exchange, or any governmental authority securities exchange or a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(vi) Establishment of any new restrictions in securities materially affecting the free market for securities of the same nature as the Bonds (including the imposition of any limitations on interest rates) or the charge to the net capital requirements of the Underwriter established by the New York Stock Exchange, the Securities and Exchange Commission, any other Federal or state agency or the Congress of the United States, or by Executive Order; or

(vii) The occurrence of an adverse event in the affairs of the Authority which, in the reasonable judgement of the Underwriter, materially impairs the investment quality of the Bonds; or

(viii) Any amendment to the federal or California Constitution or action by any federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Authority, its property, income or securities (or interest thereon), or the ability of the Authority to issue the Bonds and pledge the Net Revenues as contemplated by the Indenture and the Official Statement; or

(ix) There shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; or

(x) There shall have occurred since the date of this Purchase Contract any materially adverse change in the affairs or financial position, results of operations or condition, financial or otherwise, of the Authority, other than changes in the ordinary course of business or activity or in the normal operation of the Authority, except as described in the Official Statement; or

(xi) Any proceeding shall have been commenced or be threatened in writing by the SEC against the Authority or the suspension by the SEC of trading in the outstanding securities of the Authority; or

(xii) Any rating of the Insurer shall have been downgraded, suspended or withdrawn or placed on negative outlook or negative watch by a national rating service, which, in the Underwriter's reasonable opinion, materially adversely affects the marketability or market price of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(xiii) An event described in Section 7(k) hereof shall have occurred which, in the reasonable professional judgment of the Underwriter, requires the preparation and publication of a supplement or amendment to the Official Statement;

(xiv) The marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets;

(xv) The purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; or

(xvi) Any rating of the Bonds or other obligations of the Authority by a national rating agency shall have been withdrawn or downgraded or placed on negative outlook or negative watch.

(e) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents:

(1) Bond Opinion. A letter of Bond Counsel dated the date of Closing and addressed to the Authority to the effect that assuming satisfaction by the Authority and the Underwriter of their respective obligations to be satisfied under this Purchase Contract and the issuance of the Bonds, and no change in any applicable law, regulations or rulings, or in interpretations thereof, or in any other facts or circumstances (tax or otherwise) which, in the view of Bond Counsel, affect or are material to the opinion of Bond Counsel (including, without limitation, the existence of any litigation), Bond Counsel will be able to issue its approving opinion on the Settlement Date and substantially in the form included as APPENDIX D to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Authority, the Underwriter and the Trustee to the effect that the foregoing opinion may be relied upon by the Underwriter to the same extent as if such opinion was addressed to them.

(2) Supplemental Opinion. A supplemental opinion or opinions of Bond Counsel addressed to the Underwriter, in substantially the form and to the following effect:

(a) The statements and information contained in the Official Statement on the cover page relating to tax exemption, the description of the Bonds, and security for the Bonds, and under the captions “INTRODUCTION – General,” “- The Bonds,” and “- Security for the Bonds,” “THE BONDS” (except for the information under the caption “Book-Entry Only System”), “SECURITY FOR THE BONDS” and “TAX MATTERS,” and in APPENDICES A and D, are true and accurate in all material respects; and

(b) The Bonds are exempt from registration under Section 3(a)(2) of the Securities Act of 1933, as amended and the Indenture is exempt from qualification as an indenture pursuant to the Trust Indenture Act of 1939, as amended;

(c) The Purchase Contract has been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the other parties thereto, constitutes legal, valid and binding agreement of the Authority enforceable against the Authority in accordance with its terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and equitable remedies if equitable remedies are sought, and except no opinion need be expressed as to the enforceability of the indemnification, waiver, choice of law or contributions provisions contained therein.

(3) Authority Counsel Opinion. An opinion of the Authority’s General Counsel, dated as of the Closing and addressed to the Authority, the Trustee and the Underwriter, in form and substance acceptable to Bond Counsel and counsel for the Underwriter to the effect that it is not currently aware of any reason that will prevent such counsel from delivering an opinion substantially as described in Section 10(f).

(4) Trustee Counsel Opinion. A letter of counsel to the Trustee, dated the date of the Closing, addressed to the Authority and the Underwriter, to the effect that it is not currently aware of any reason that will prevent such counsel from delivering its opinion substantially

described in Section 10(1) in form and substance acceptable to Bond Counsel and counsel for the Underwriter.

(5) Escrow Agent Counsel Opinion. A letter of counsel to the Escrow Agent dated the date of the Closing, addressed to the Authority and the Underwriter, to the effect that it is not currently aware of any reason that will prevent such counsel from delivering its opinion substantially described in Section 10(m) in form and substance acceptable to Bond Counsel and counsel for the Underwriter.

(6) Negative Assurance Letter of Disclosure Counsel. A letter from Nixon Peabody LLP, disclosure counsel to the Authority (“Disclosure Counsel”), dated the Closing Date, addressed to the Underwriter and the Authority, to the effect that, based upon its participation in the preparation of the Official Statement as counsel to the Authority and without having undertaken to determine independently the fairness, accuracy, or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement (except for the completion of pricing information and any other matters or terms of the Bonds relating thereto) as of its date or as of this Purchase Contract or the Official Statement as of its date or as of the date of the Closing (excluding therefrom (i) the expressions of opinion, the assumptions, the projections, estimates and forecasts, the charts, the financial statements or other financial, numerical, economic, demographic or statistical data, or assessed valuations contained in the Official Statement; (ii) any CUSIP numbers or information relating thereto; (iii) any information with respect to The Depository Trust Company and its book-entry system; (iv) any information contained in the appendices to the Official Statement; (v) any information incorporated by reference into the Official Statement; (vi) any information with respect to the underwriters or underwriting matters with respect to the Bonds, including but not limited to information under the caption CONCLUDING INFORMATION—Underwriting”; (vii) information under the captions “NO LITIGATION”; (ix) any information with respect to the ratings on the Bonds and the rating agencies referenced therein, including but not limited to information under the caption “CONCLUDING INFORMATION—Ratings”; and (x) any information with respect to the Insurance Policy or the Insurer, including but not limited to information under the captions, “BOND INSURANCE” contained any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(7) Defeasance Opinion. A letter of Bond Counsel, dated the Closing Date and addressed to the Trustee and the Underwriter to the effect that, assuming satisfaction by the Authority and the Underwriter of their respective obligations to be satisfied under this Purchase Contract and the execution and delivery of the Indenture and the Bonds, and no change in any applicable law, regulations or rulings, or in interpretations thereof, or in any other facts or circumstances (tax or otherwise) which, in the view of Bond Counsel, affect or are material to the opinion of Bond Counsel (including, without limitation, the existence of any litigation), Bond Counsel will be able to issue a defeasance opinion or opinions with respect to the Refunded Bonds, dated the Settlement Date and addressed to the Trustee and the Underwriter, in form and substance satisfactory to the Underwriter.

(8) Authority Certificate. A certificate, dated the date of the Closing, signed by a duly authorized official of the Authority satisfactory in form and substance to the Underwriter, (a) confirming as of such date the representations and warranties of the Authority contained in this Purchase Contract; (b) certifying that the Authority has complied with all agreements, covenants and conditions to be complied with by the Authority at or prior to the Closing under the Authority

Documents; (c) certifying that to the best of such official's knowledge, no event affecting the Authority has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect; and (d) certifying that the Authority has authorized and consented to the inclusion in the Official Statement of the Authority's financial report and accountant's opinion for the year ended June 30, 2020, and no further consent of any party is required for such inclusion.

(9) Official Statement. The Official Statement and each supplement or amendment, if any, thereto, executed on behalf of the Authority by a duly authorized officer of the Authority.

(10) Authority Resolution. A certified copy of the Resolution.

(11) IRS Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing.

(12) Nonarbitrage Certificate. A tax and nonarbitrage certificate in form satisfactory to Bond Counsel.

(13) Ratings. Evidence that the Bonds have been rated as set forth in the Official Statement and that such ratings continue in effect as of the Closing.

(14) Underwriter's Counsel Opinion. An opinion, dated the date of the Closing and addressed to the Underwriter, of Kutak Rock LLP, counsel to the Underwriter ("Underwriter's Counsel"), in such form as may be acceptable to the Underwriter.

(15) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter may reasonably deem necessary.

If the Authority shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract may be terminated by the Underwriter, and neither the Underwriter nor the Authority shall be under any further obligation hereunder.

10. Settlement Conditions The Underwriter's obligations under this Purchase Contract to purchase, to accept delivery of and pay for the Bonds at the Settlement shall be conditioned upon the representations, warranties and covenants of the Authority contained herein as of the Settlement Date as if made on such date, the performance of the Authority of its respective obligations under this Purchase Contract, including, without limitation, the Closing having been completed, and the Authority having tendered performance of their respective obligations under Section 6 with respect to the Settlement, which Settlement shall not be completed unless the Underwriter shall receive at the time of Settlement the following:

(a) At the time of Settlement, the Authority Documents, all as described in the Official Statement, shall be in full force and effect as valid and binding agreements between or among the various parties thereto, and the Authority Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing

by the Underwriter, and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) Any Updated Official Statement and each supplement or amendment thereto and such number of conformed copies as the Underwriter shall reasonably require;

(c) The approving opinion, dated the date hereof and addressed to the Authority of Bond Counsel in substantially the form of Appendix D to the Official Statement;

(d) A supplemental opinion of Bond Counsel addressed to the Underwriter in form and substance acceptable to the Underwriter, and dated the Settlement Date in the form and substance acceptable to the Underwriter;

(e) A defeasance opinion of Bond Counsel, dated the Settlement Date, and addressed to the Authority and U.S. Bank National Association, as trustee for the Refunded Bonds, and the Underwriter in the form and substance acceptable to the Underwriter;

(f) An opinion of the Authority's General Counsel, dated as of the Closing and addressed to the Authority, the Trustee and the Underwriter, in form and substance acceptable to Bond Counsel and counsel for the Underwriter to the effect to the following effect:

(i) the Authority is a joint exercise of powers agency, duly organized and validly existing under the Constitution and the laws of the State of California;

(ii) the preparation and distribution of the Preliminary Official Statement, the Official Statement and this Purchase Contract have been duly approved by the Authority;

(iii) the resolution of the Authority approving and authorizing the execution and delivery of the Official Statement, this Purchase Contract and the Authority Documents has been duly adopted at a meeting of the governing body of the Authority which was called and held pursuant to law, and with all public notice required by law and at which a quorum was present and acting throughout;

(iv) there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best knowledge of such counsel, threatened against or affecting the Authority, which would adversely impact the Authority's ability to complete the transactions described in and contemplated by the Official Statement, to restrain or enjoin the payments under, or in any way contesting or affecting the validity of the Authority Documents, or the transactions described and defined in the Official Statement wherein an unfavorable decision, ruling or finding would adversely affect the validity and enforceability of the Authority Documents;

(v) the execution and delivery of the Authority Documents and the approval of the Official Statement, and compliance with the provisions thereof and hereof, under the circumstances contemplated thereby, do not and will not in any

material respect conflict with or constitute on the part of the Authority a breach of or default under any agreement or other instrument to which the Authority is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the Authority is subject;

(vi) the Authority Documents have been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute legal, valid and binding agreements of the Authority enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if sought and by the limitations on legal remedies imposed on actions against public agencies in the State of California;

(vii) no authorization, approval, consent, or other order of the State of California or any other governmental authority or agency within the State of California is required for the valid authorization, execution and delivery of the Authority Documents and the approval of the Official Statement; and

(viii) without having undertaken any independent inquiry, nothing has come to their attention which would lead them to believe that the information contained in the Official Statement in the Sections "INTRODUCTION – The City, the Authority and the Water Enterprise," "THE WATER ENTERPRISE" and "NO LITIGATION" contains an untrue statement or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(g) A letter of Nixon Peabody LLP, as Disclosure Counsel, dated the Settlement Date, and addressed to the Underwriter and the Authority substantially in the form and substance acceptable to the Underwriter (which may include any deletions or corrections to the applicable references to sections in the Updated Official Statement);

(h) The opinion of Underwriter's Counsel, dated the Settlement Date and addressed to the Underwriter in form and substance acceptable to the Underwriter;

(i) A certificate of a duly authorized representative of the Authority, dated the Settlement Date, in form and substance similar to that contained in the certificate required under Section 9(e)(8) hereof;

(j) A certificate of a duly authorized official of the Trustee, dated the Settlement Date, to the effect that: (A) 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 enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to the Underwriter; (B) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the Indenture; (C) when delivered to and paid for by the Underwriter at the Closing, the Bonds will have been duly authenticated and delivered by the Trustee; (D) 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, 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), which conflict, breach or default would materially impair the ability of the Trustee to perform its obligations under the Indenture, 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 (E) to the best of the knowledge of the Trustee, it has not been served with any action, suit, proceeding, inquiry or investigation in 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 enjoining the execution and delivery of the Bonds or the collection of revenues to be applied to pay the principal, premium, if any, and interest with respect to the Bonds, or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the Indenture, 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 funding would materially adversely affect the validity or enforceability of the Indenture or the power and authority of the Trustee to enter into and perform its duties under the Indenture and to authenticate and deliver the Bonds to or upon the order of the Underwriter;

(k) A certified copy of the general resolution of the Trustee authorizing the execution and delivery of the Indenture;

(l) The opinion, dated the Settlement Date and addressed to the Underwriter of Counsel to the Trustee, to the effect that: (A) the Trustee has been duly organized as a national banking association under the laws of the United States with trust powers, having full power and authority to enter into and to perform its duties as Trustee under the Indenture; (B) the Trustee has duly authorized, executed and delivered the Indenture, and by all proper corporate action has authorized the acceptance of the trusts of the Indenture; (C) the Indenture constitutes the legally valid and binding agreement of the Trustee, enforceable against the Trustee in accordance with its terms, and (D) the Bonds have been validly authenticated and delivered by the Trustee to the Underwriter;

(m) A certificate and general resolution of the Escrow Agent and opinion of Counsel to the Escrow Agent in the form substantially similar to those required above for the Trustee;

(n) A Tax Certificate of the Authority in form and substance acceptable to Bond Counsel;

(o) A Certificate of the Authority with respect to the Water System evidencing that the insurance required by the Indenture has been procured and is in full force and effect;

(p) The Insurance Policy issued by the Insurer; an opinion of counsel to the Insurer, dated the date of Settlement, addressed to the Authority, the Trustee and the Underwriter, regarding the Insurer's valid existence, power and authority, the Insurer's due authorization

and issuance of the Insurance Policy and the enforceability of the Insurance Policy against the Insurer; and a certificate of the Insurer or an opinion of counsel to the Bond Insurer, dated the date of Settlement, regarding the accuracy of the information in the Official Statement describing the Insurer and the Insurance Policy.

- (q) Evidence that the federal tax information form 8038-G has been prepared for filing;
- (r) A copy of the Notice of Proposed Sale and Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855(g) of the California Government Code;
- (s) A copy of the Authority's executed Blanket Letter of Representation to The Depository Trust Company;
- (t) A verification report or reports of Causey Demgen & Moore P.C., as verification agent (the "**Verification Agent**") verifying the arithmetical accuracy of certain computations relating to the computation of forecasted receipts of principal of and interest on the securities and cash deposits in the escrow account to pay the principal of and interest on and redemption price of the Refunded Bonds.
- (u) Evidence stating the current rating on the Bonds from S&P Global Ratings as of the Settlement Date; and
- (v) Such additional legal opinions, certificates, instruments or evidences thereof and other documents as the Counsel to the Underwriter or Bond Counsel may request to evidence the due authorization, execution and delivery of the Bonds and the conformity of the Bonds, the Authority Legal Documents with the terms of the Bonds and the descriptions thereof in the Official Statement.

11. Settlement Termination. The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the Authority if at any time on or after Closing and on or prior to Settlement:

- (a) There shall have been a Change in Law. A "Change in Law" means (i) any change in or addition to applicable federal or state law, whether statutory or as interpreted by the courts or by federal or state agencies, including any changes in or new rules, regulations or other pronouncements or interpretations by federal or state agencies; (ii) any legislation enacted by the Congress of the United States (if such enacted legislation has an effective date which is on or before the Settlement Date), (iii) any law, rule or regulation enacted by any governmental body, department or agency (if such enacted law, rule or regulation has an effective date which is on or before the Settlement Date) or (iv) any judgment, ruling or order issued by any court or administrative body, which in any such case would, (A) as to the Underwriter prohibit the Underwriter from completing the underwriting of the Bonds or selling the Bonds or beneficial ownership interests therein to the public, or (B) as to the Authority, would make the completion of the issuance, sale or delivery of the Bonds illegal.

- (b) Legislation shall be enacted, or a decision by a court of the United States shall be rendered, or any action shall be taken by, or on behalf of, the Securities and Exchange Commission which has the effect of requiring the Bonds, and any and all underlying obligations, to be registered under, or the sale thereof to be in violation of, the Securities Act of 1933, as amended or has the effect of requiring the Indenture to be qualified under the Trust Indenture Act of 1939, as amended, or, in each case, any law analogous thereto relating to governmental bodies;
- (c) As a result of any legislation, regulation, ruling, order, release, court decision or judgment or action by the U.S. Department of the Treasury, the Internal Revenue Service, or any agency of the State either enacted, issued, effective, adopted or proposed (but only with respect to any such proposed legislation, regulation, ruling, order, release, court decision or judgment or action that continues to be proposed as of the Settlement Date), or for any other reason, Bond Counsel cannot issue an opinion substantially in the form of Appendix C to the Official Statement as to the tax-exempt status of the Bonds.
- (d) There shall have occurred (A) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war or (B) any other calamity or crisis in the financial markets of the United States or elsewhere.
- (e) The Preliminary Official Statement, as of its date, contained any untrue statement or misstatement of material fact or omitted to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect; the Official Statement (as amended, if applicable) as of its date or as of the Closing Date contained any untrue statement or misstatement of material fact or omitted to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect; or the Updated Official Statement (as amended, if applicable) as of its date or as of the Settlement Date, contained or contains any untrue statement or misstatement of material fact or omitted or omits to state a material fact necessary in order to make the statements and information contained therein not misleading in any material respect;
- (f) The declaration of a general banking moratorium by federal, New York or California authorities, or the general suspension of trading on any national securities exchange;
- (g) A general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the U.S. Securities and Exchange Commission (“SEC”) or any other governmental authority having jurisdiction.
- (h) A general banking moratorium has been declared by federal, New York or State authorities and shall remain in effect.
- (i) Legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States,

or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds, or any comparable securities of the Authority, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, the Securities Exchange Act of 1934 or the Trust Indenture Act of 1939 or otherwise, or would be in violation of any provision of the federal securities laws.

- (j) Any event or circumstance exists that either makes untrue or incorrect, in a material respect, any statement or information contained in the Official Statement, or is not reflected in the Official Statement but should be reflected in the Official Statement in order to make the statements and information contained in the Official Statement not misleading in any material respect and, in either such event, the Authority 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 Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds.
- (k) Additional material restrictions not in force as of the date of the Purchase Contract shall have been imposed upon trading in securities generally by any federal, State or New York governmental authority or by any United States national securities exchange.
- (l) The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose as to the Bonds or securities of the general character of the Bonds any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by or the charge to the net capital requirements of the Underwriter.
- (m) The Authority does not deliver a certification as of the Settlement Date to the effect that (A) the evidence of the ratings on the Bonds delivered at and as of the initial closing date remains accurate or (B) the ratings on the Bonds at and as of the Settlement Date are as stated in such certification.

If the Authority shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the Authority shall be under further obligation hereunder, except as further set forth in Section 9 and Section 10.

12. Expenses. The Underwriter shall be under no obligation to pay, and the Authority shall pay or cause to be paid, the expenses incident to the performance of the obligations of the Authority hereunder including but not limited to:

(a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the Authority Documents and the cost of preparing, printing, issuing and delivering the Bonds;

(b) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the Authority;

(c) the fees and disbursements of Bond Counsel and Disclosure Counsel;

(d) the cost of preparation and printing the Preliminary Official Statement and any supplements and amendments thereto and the cost of preparation and printing of the Official Statement, including a reasonable number of copies thereof for distribution by the Underwriter;

(e) charges of rating agencies for the rating of the Bonds; and

(f) the expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds.

The Underwriter shall pay: (i) the cost of preparation and printing of any “blue sky” filings; (ii) all “blue sky” filing fees in connection with the public offering of the Bonds; (iii) fees, if any, payable to the California Debt and Investment Advisory Commission, the MSRB, the fees associated with obtaining CUSIP numbers for the Bonds, and fees of the Public Securities Association and the California Public Securities Association in connection with the execution and delivery of the Bonds; (iv) the fees, expenses and disbursements of Underwriter’s Counsel; and (v) all other expenses incurred by them in connection with the public offering of the Bonds not outlined in (a) through (f) above, including any advertising expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter’s discount. Some or all of the expenses to be paid by the Underwriter may be included as part of the expense component of the underwriting discount or commission or may be reimbursed to the Underwriter as out-of-pocket expenses.

13. Notice. Any notice or other communication to be given to the Underwriter may be given by delivering the same to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Public Finance. Any notice or other communication to be given to the Authority pursuant to this Purchase Contract may be given by delivering the same in writing to such entity, at the address set forth on the first page hereof.

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

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

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

17. State of California Law Governs. The validity, interpretation and performance of the Authority Documents shall be governed by the laws of the State.

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

19. Definitions. Terms not otherwise defined herein shall have the same meaning as used in the Indenture.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____
Managing Director

The foregoing is hereby agreed to and accepted as of the date first above written:

COACHELLA WATER AUTHORITY

By: _____
Authorized Representative

Time of Execution: _____ p.m. California time

[EXECUTION PAGE OF PURCHASE CONTRACT]

EXHIBIT A

**COACHELLA WATER AUTHORITY
WATER REVENUE REFUNDING BONDS
2022B SERIES**

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule</u>
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⁽¹⁾ Term Bond.

^(C) Priced to optional call at par on August 1, 20[___].

* At the time of execution of this Purchase Contract and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Contract.

EXHIBIT B

FORM OF ISSUE PRICE CERTIFICATE

\$_[_____]

COACHELLA WATER AUTHORITY WATER REVENUE REFUNDING BONDS 2022B SERIES

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

1. *Sale of the Bonds.*

(a) The Underwriter offered each Maturity of the Bonds 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. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Contract, dated [_____], 2022, between the Issuer and the Underwriter, the Underwriter agreed in writing that, (i) for each Maturity of the Bonds, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Bonds at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

2. *Insurance Policy.* The fees paid for the Insurance Policy represent a reasonable, arm’s length charge for the assumption of credit risk involved in this transaction. The present value of the fees paid for the Insurance Policy is less than the present value of interest reasonably expected to be saved with respect to the Bonds as a result of the Insurance Policy. The discount rate used for computing such present value is the yield of the Bonds (determined with regard to the Insurance Policy fees).

4. *Defined Terms.*

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

(b) *Insurance Policy* means the policy of municipal bond insurance purchased by the Coachella Water Authority from [INSURER]

(c) *Issuer* means the Coachella Water Authority.

(d) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

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

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [_____].

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

[Remainder of Page Left Intentionally Blank]

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Underwriter's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. 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 Bonds, and by Nixon Peabody LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED**

By: _____

Name: _____

Dated: [_____]

SCHEDULE A

SALE PRICES

[BOND PRICING TO BE ATTACHED]

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)