

\$ \_\_\_\_\_  
**COALINGA PUBLIC FINANCING AUTHORITY**  
**Revenue Bonds, Series 2021A**  
**(Water and Wastewater Financing Projects)**  
**(Federally Taxable)**

\$ \_\_\_\_\_  
**COALINGA PUBLIC FINANCING AUTHORITY**  
**Revenue Bonds, Series 2021B**  
**(Water Project)**  
**(Tax-Exempt)**

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**BOND PURCHASE AGREEMENT**

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March 3, 2021

Coalinga Public Financing Authority  
155 West Durian  
Coalinga, CA 93210

City of Coalinga  
155 West Durian  
Coalinga, CA 93210

Ladies and Gentlemen:

The undersigned, Oppenheimer & Co., Inc. (the "Underwriter"), hereby offers to enter into this Bond Purchase Agreement (the "Bond Purchase Agreement") with the Coalinga Public Financing Authority (the "Authority") and the City of Coalinga (the "City"), which, upon the Authority's and City's acceptance hereof, will be binding upon the Authority, the City and the Underwriter. This offer is made subject to written acceptance by the Authority and the City and the delivery of such acceptance to the Underwriter at or prior to 9:00 A.M., California time, on the date hereof. If this offer is not so accepted, this offer will be subject to withdrawal by the Underwriter upon notice delivered to the Authority and the City at any time prior to acceptance by the Authority and the City. All capitalized terms used herein and not otherwise defined herein shall have the respective meanings ascribed thereto in the Official Statement (as defined herein).

**1. Purchase, Sale and Delivery of the Bonds.**

(a) Subject to the terms and conditions, and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase, and the

Authority agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$\_\_\_\_\_ Coalinga Public Financing Authority (Fresno County, California) Revenue Bonds, Series 2021A (Water and Wastewater Financing Projects) (Federally Taxable) (the "Series A Bonds"), and the \$\_\_\_\_\_ Coalinga Public Financing Authority (Fresno County, California) Revenue Bonds, Series 2021B (Water Project) (Tax-Exempt) (the "Series B Bonds" and, with the Series A Bonds, the "Bonds"). The Bonds shall be dated the date of delivery thereof and shall mature on such dates and shall bear interest at such rates set forth in Exhibit A attached hereto. Interest on the Bonds shall be payable semiannually on April 1 and October 1 of each year, commencing October 1, 2021.

(b) The purchase price for the Series A Bonds shall be \$\_\_\_\_\_ (consisting of the \$\_\_\_\_\_.00 aggregate principal amount of the Series A Bonds, less \$\_\_\_\_\_ of Underwriter's discount). As an accommodation to the Authority, the Underwriter will transfer the sum of \$\_\_\_\_\_ to \_\_\_\_\_ (the "Municipal Bond Insurer") in payment of the municipal bond insurance policy issued for the Series A Bonds (the "Series A Municipal Bond Insurance Policy") and will transfer the sum of \$\_\_\_\_\_ to the Municipal Bond Insurer in payment of a portion of the costs of the reserve fund municipal bond insurance policy issued for the Bonds in lieu of cash funding a reserve fund for the Bonds (the "Reserve Policy"). The net purchase price of the Series A Bonds of \$\_\_\_\_\_ will be transferred to the Trustee.

The purchase price for the Series B Bonds shall be \$\_\_\_\_\_ (consisting of the \$\_\_\_\_\_.00 aggregate principal amount of the Series B Bonds, plus \$\_\_\_\_\_ of net original issue premium, less \$\_\_\_\_\_ of Underwriter's discount). As an accommodation to the Authority, the Underwriter will transfer the sum of \$\_\_\_\_\_ to the Municipal Bond Insurer in payment of the municipal bond insurance policy issued for the Series B Bonds (the "Series B Municipal Bond Insurance Policy" and, with the Series A Municipal Bond Insurance Policy, the "Municipal Bond Insurance Policies") and will transfer the sum of \$\_\_\_\_\_ to the Municipal Bond Insurer in payment of a portion of the costs of the Reserve Policy. The net purchase price of the Series B Bonds of \$\_\_\_\_\_ will be transferred to the Trustee.

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed thereto in Section 1.01 of the Indenture.

(c) The Bonds shall be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, consisting of Article 4, Chapter 5, Division 7, Title 1 of the California Government Code (commencing with Section 6584) (the "Bond Law"), and an Indenture of Trust, dated as of March 1, 2021 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee"), a resolution of the governing body of the Authority adopted on February 4, 2021 (the "Authority Resolution"), and a resolution of the City, adopted on February 4, 2021 (the "City Resolution").

(e) The Bonds shall be substantially in the form described in, and shall be issued and secured under the provisions of, the Indenture. The Bonds shall be secured by a pledge, charge and lien upon Revenues which consist primarily of (a) installment payments to be made by the City to the Authority pursuant to an installment sale agreement, dated as of March 1, 2021 (the "Water Installment Sale Agreement"), by and between the City and the Authority, and (b) installment payments to be made by the City to the Authority pursuant to an installment sale agreement, dated as of March 1, 2021 (the "Wastewater Installment Sale Agreement"), by and between the City and the Authority.

The Series A Bonds are being issued by the Authority (a) in part to refund, on an advance basis, the outstanding Coalinga Public Financing Authority Revenue Bonds, Series 2012 (Water and Wastewater Financing Projects) (the "2012 Bonds") issued to finance and

refinance the acquisition and construction of certain improvements and facilities constituting part of the City's municipal water enterprise (the "Water System") and to finance and refinance the acquisition and construction of certain improvements and facilities constituting part of the City's municipal wastewater enterprise (the "Wastewater System"), (b) to purchase the Series A Municipal Bond Insurance Policy and a portion of the cost of the Reserve Policy, and (c) to pay costs of issuance of the Series A Bonds.

The Series B Bonds are being issued by the Authority (a) finance the acquisition and construction of certain new improvements and facilities constituting part of the Water System (the "Water Improvement Project"), (b) to purchase the Series B Municipal Bond Insurance Policy and a portion of the cost of the Reserve Policy, and (c) to pay costs of issuance of the Series B Bonds.

The Bonds are special obligations of the Authority payable from revenues (the "Revenues"), consisting primarily of installment payments (the "Water Installment Payments") payable by the City under the Water Installment Sale Agreement and of installment payments (the "Wastewater Installment Payments") payable by the City under the Wastewater Installment Sale Agreement.

The City will undertake, pursuant to a continuing disclosure certificate (the "Continuing Disclosure Certificate") to provide certain annual financial information, specified other information data and notices of the occurrence of certain events, if material, to IGService, the initial Dissemination Agent, or any successor Dissemination Agent. A description of this undertaking is set forth in the Preliminary Official Statement (as defined herein) and will also be set forth in the Official Statement (as defined herein).

The Indenture, the Water Installment Sale Agreement, the Wastewater Installment Sale Agreement, the Continuing Disclosure Certificate, this Bond Purchase Agreement, that certain Water Acquisition Agreement, dated as of March 1, 2021, pursuant to which the City will sell the Water System to the Authority, to be sold back to the City, together with the Water Improvement Project, under the Water Installment Sale Agreement (the "Water Acquisition Agreement"), that certain Wastewater Acquisition Agreement, dated as of March 1, 2021, pursuant to which the City will sell the Wastewater System to the Authority, to be sold back to the City, under the Wastewater Installment Sale Agreement (the "Wastewater Acquisition Agreement"), and that certain Escrow Agreement, dated the Closing Date (hereinafter defined), by and between the City and U.S. Bank National Association, as escrow bank (the "Escrow Bank"), relating to the defeasance of the 2012 Bonds (the "Escrow Agreement"), are herein referred to as the "Financing Documents."

(c) At 8:00 o'clock A.M., Pacific Standard time, on March 16, 2021, or at such other time or on such other date as mutually agreed upon by the Authority, the City and the Underwriter (such time and date herein referred to as the "Closing Date"), the Authority will, subject to the terms and conditions hereof, sell and deliver, or cause to be delivered, the Bonds to the Underwriter, in definitive form, duly executed and authenticated, together with the other documents mentioned herein, and subject to the terms and conditions hereof, the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in subparagraph (a) above in immediately available funds (such delivery and payment being herein referred to as the "Closing") to the order of the Trustee. Sale, delivery and payment as aforesaid shall be made at the offices of Quint & Thimmig LLP ("Bond Counsel"), 900 Larkspur Landing Circle, Suite 270, Larkspur, California, or such other place as shall have been mutually agreed upon by the Authority, the City and the Underwriter, except that the Bonds shall be delivered through the Trustee via the F.A.S.T. delivery book-entry system of The Depository Trust Company ("DTC") in New York, New York, or at such other place as shall have been

mutually agreed upon by the Authority and the Underwriter, in fully registered book-entry eligible form (which may be typewritten) and registered in the name of Cede & Co. as nominee of DTC.

**2. Use and Preparation of Official Statement.** The Authority and the City hereby ratify, confirm and approve of the use and distribution by the Underwriter prior to the date hereof of an official statement in preliminary form dated February 23, 2021, relating to the Bonds (which, together with all appendices thereto, is referred to herein as the "Preliminary Official Statement"). The Authority and the City have deemed final the Preliminary Official Statement as of its date for purposes of Rule 15c2-12 promulgated by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), except for information permitted to be omitted therefrom by Rule 15c2-12. The Authority and the City hereby agree to deliver or cause to be delivered to the Underwriter, within seven (7) business days of the date hereof and at least in sufficient time to accompany any orders or confirmations that request payment from any customer, copies of the final official statement, dated the date hereof (which, together with all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements to such official statement as have been approved by the Authority, the City and the Underwriter is referred to herein as the "Official Statement") in sufficient quantity to enable the Underwriter to comply with the rules of the U.S. Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The Authority and the City hereby approve of the use and distribution by the Underwriter of the Official Statement in connection with the offer and sale of the Bonds. At the time of or prior to the Closing Date, the Underwriter shall file a copy of the Official Statement with the Municipal Securities Rulemaking Board and with a nationally recognized securities information repository. The Underwriter shall advise the Authority and the City of the date and repository of such filing.

**3. Bona Fide Public Offering.** The Underwriter agrees to make a bona fide public offering of all of the Bonds, at prices not in excess of the initial public offering yields or prices set forth on the cover page of the Official Statement (defined below). Subject to Section 3(c), the Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices; provided, however, that the Underwriter may offer a portion of the Bonds for sale to selected dealers who are members of the Financial Industry Regulatory Authority and who agree to resell the Bonds to the public on terms consistent with this Bond Purchase Agreement, and the Underwriter reserves the right to change such offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds and to offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices or at yields higher than the initial yields set forth on Exhibit A attached hereto. The Underwriter also reserves the right to over-allot or effect transactions that stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market and to discontinue such stabilizing, if commenced, at any time. None of such activities shall affect the principal amounts, maturity dates, interest rates, redemption or other provision of the Bonds or the amount to be paid by the Underwriter to the Authority for the Bonds.

#### **4. Establishment of Issue Price.**

(a) The Underwriter agrees to assist the Authority in establishing the issue price of the Series B 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 Series B 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 B Bonds. All actions to be taken by the Authority under this section to establish the issue price of the Series B Bonds may be taken on behalf of the Authority by the Authority's municipal advisor identified herein and any notice or report to be provided to the Authority may be provided to the Authority's municipal advisor.

(b) The Authority will treat the first price at which 10% of each maturity of the Series B Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Bond Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Series B Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series B Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Series B Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Series B Bonds of that maturity or until all Series B Bonds of that maturity have been sold to the public.

(c) The Underwriter confirms that any selling group agreement and any retail distribution agreement relating to the initial sale of the Series B 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 retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series B Bonds of each maturity allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Series B Bonds of that maturity or all Series B Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter. The Authority acknowledges that, in making the representation set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series B Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, if applicable, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a retail distribution agreement was employed in connection with the initial sale of the Series B Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, if applicable, as set forth in the retail 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 retail distribution agreement, to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Series B Bonds.

(d) The Underwriter acknowledges that sales of any Series B Bonds to any person that is a related party to the Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series B 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 B 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 B Bonds to the public),

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

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

## **5. Representations, Warranties and Agreements of the Authority and the City.**

(a) The Authority hereby represents, warrants and agrees with the Underwriter as follows:

(1) The Authority is, and will be on the Closing Date, a joint powers agency of the State of California organized and operating pursuant to the laws of the State of California with the full power and authority to issue the Bonds pursuant to the Bond Law, to execute and deliver the Official Statement and to enter into the Financing Documents to which the Authority is a party;

(2) By all necessary official action of the Authority prior to or concurrently with the acceptance hereof, the Authority has duly approved the distribution of the Preliminary Official Statement and the execution, delivery and 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 Financing Documents to which the Authority is a party and the consummation by it of all other transactions contemplated by the Official Statement and the Financing Documents to which the Authority is a party;

(3) The Authority is not in breach of or default under any applicable constitutional provision, law or administrative regulation to which it is subject or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which the Authority or any of its property or assets is otherwise subject, and no event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute such a default or event of default in any material respect under any such instrument; and the issuance of the Bonds and the execution and delivery of the Official Statement and the Financing Documents to which the Authority is a party 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 or default under 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 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 Indenture, the Water Installment Sale Agreement or the Wastewater Installment Sale Agreements;

(4) 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, pending or, to the best knowledge of the Authority, threatened against the Authority affecting the corporate existence of the Authority or affecting or seeking to prohibit, restrain or enjoin the issuance, sale or delivery of the Bonds or contesting or affecting the execution and delivery of the Financing Documents or the Bonds or the lien or pledge or application of any moneys or security provided thereby, or in any way contesting or affecting the validity or enforceability of the Financing Documents, the Bonds or the Authority Resolution, or the compliance by the Authority with the covenants contained in the Financing Documents, or contesting in any way the completeness or accuracy of the Preliminary Official Statement and the Official Statement relating to the Bonds, or contesting the power of the Authority to execute and deliver the Financing Documents to which the Authority is a party or the Bonds, nor to the best of the Authority's knowledge, is there any basis therefore, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Financing Documents or materially impair the investment quality or value of the Bonds;

(5) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations in connection with the issuance of the Bonds under the Indenture have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; and, except as described in or contemplated by the Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the Authority of its obligations under the Financing Documents to which the Authority is a party have been duly obtained;

(6) The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (i) to qualify the 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 Underwriter may designate and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualification in effect so long as required for distribution of the Bonds; provided, however, that in no event shall the Authority be required to take any action which would subject it to service of process in any jurisdiction in which it is not now so subject;

(7) As of the date thereof, the Preliminary Official Statement (excluding information concerning DTC and the book-entry system as to which no representation is made) did not, except as revised by the Official Statement, 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;

(8) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Bonds, the Official Statement (excluding information concerning DTC and the book-entry system as to which no representation is made) did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(9) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which might or would cause the information contained in the Official Statement (other than information concerning DTC and the book-entry system), 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 light of the circumstances under which it was presented, not misleading, the Authority will notify the Underwriter, and, if in the opinion of the Authority, the Underwriter 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 Underwriter (at the expense of the Authority) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which 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 existing at the time the Official Statement is delivered to prospective purchasers, not misleading. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the Authority will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(10) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (9) of this Section 3(a), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (other than information concerning DTC and the book-entry system) 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;

(11) After the Closing Date, the Authority will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing; and

(12) Any certificate signed by any authorized official of the Authority, and delivered to the Underwriter in connection with the delivery of the Bonds, shall be deemed a representation and warranty by the Authority to the Underwriter as to the statements made therein.



(b) The City represents, warrants and covenants to the Underwriter that:

(1) The City is and on the Closing Date will be a municipal corporation of the State of California, with the legal right, power and authority to approve the issuance of the Bonds, approve the Official Statement, execute, deliver and perform its obligations under this Bond Purchase Agreement and the Financing Documents to which it is a party, and to carry out its obligations as described therein;

(2) The City has duly approved this Bond Purchase Agreement and the distribution of the Preliminary Official Statement, the execution and delivery of, and the performance by the City of the obligations on its part contained in the Bonds and the Financing Documents to which it is a party, and the consummation by it of all other transactions contemplated by the Official Statement and this Bond Purchase Agreement;

(3) The Financing Documents to which the City is a party, when duly executed by the other party thereto, will constitute the legal, valid and binding agreements of the City enforceable against the City in accordance with their respective terms; except as enforcement of each of the Financing Documents may be limited by bankruptcy, insolvency, moratorium, reorganization, fraudulent conveyance laws, laws affecting the enforcement of creditors rights, the application of equitable principles and judicial discretion, by the covenant of good faith and fair dealing which may be implied by law into contracts, and by the limitations on legal remedies against public agencies in the State of California;

(4) Except as otherwise disclosed in the Official Statement, the City is not in any material respect, in breach of or default under (i) any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or (ii) any material loan agreement, indenture, bond, note, resolution, agreement or other instrument to which it is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument;

(5) The approval of the Official Statement, the execution and delivery of this Bond Purchase Agreement, the Bonds and the Financing Documents to which the City is a party, the consummation of the transactions herein and therein contemplated, and the fulfillment of or compliance with the terms and conditions hereof and thereof will not conflict with or constitute a violation or breach of or default (with due notice or the passage of time or both) under any applicable law or administrative rule or regulation, or any applicable court or administrative decree or order, or, to the knowledge of the City, any indenture, mortgage, deed of trust, installment purchase agreement, lease, contract or other agreement or instrument to which it is a party, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the City's assets, which conflict, violation, breach, default, lien, charge or encumbrance might have consequences that would materially and adversely affect the consummation of the transactions contemplated by this Bond Purchase Agreement, the Official Statement, the Financing Documents to which the City is a party, or the financial condition, assets, properties or operations of the City;

(6) No consent or approval of any trustee or holder of any indebtedness of the City, and no consent, permission, authorization, order or license of, or filing or registration with, any governmental authority (except in connection with Blue Sky proceedings, if any) is necessary in connection with the execution and delivery of the Bonds, this Bond Purchase Agreement or the Financing Documents to which the City is

a party, or the consummation of any transaction therein or herein contemplated on the part of the City, except as have been obtained or made and as are in full force and effect or, as appropriate, will be in full force and effect at the Closing;

(7) Except as otherwise disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation before or by any court or federal, state, municipal or other governmental authority pending or, to the knowledge of the City, threatened against or affecting the City which, if determined adversely to the City or the interests thereof, would (a) affect the creation, organization, existence or powers of the City or the titles of its officers or officials to their respective offices; (b) in any way question or affect the validity or enforceability of any of the Financing Documents or the City Resolution; (c) find illegal, invalid or unenforceable any of the Financing Documents or the transactions contemplated thereby, or any other agreement or instrument related to the issuance of the Bonds; (d) affect the issuance or delivery of any of the Bonds, the payment or collection of any revenues or charges of the Water System and the Wastewater System, the validity of the pledge of or lien on such revenues or charges for the payment of the Water Installment Payments payable by the City under the Water Installment Sale Agreement and for the payment of the Wastewater Installment Payments payable by the City under the Wastewater Installment Sale Agreement; (e) affect the power and authority of the City to establish, maintain and collect rates and charges for sewer collection and treatment and other services, facilities and commodities sold, furnished or supplied through the facilities of the Wastewater System; or (f) contest the completeness or accuracy of the Official Statement;

(8) Except as otherwise disclosed in the Official Statement, the City does not and will not have outstanding any indebtedness or obligation which is secured by a pledge of or lien on the Water Net Revenues superior to or on a parity with the lien of the Water Installment Payments on the Water Net Revenues and the City does not and will not have outstanding any indebtedness or obligation which is secured by a pledge of or lien on the Wastewater Net Revenues superior to or on a parity with the lien of the Wastewater Installment Payments on the Wastewater Net Revenues.

(9) As of the date thereof, the Preliminary Official Statement (excluding information concerning DTC and the book-entry system as to which no representation is made) did not, except as revised by the Official Statement, 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;

(10) As of the date thereof and at all times subsequent thereto to and including the date which is 25 days following the End of the Underwriting Period (as such term is hereinafter defined) for the Bonds, the Official Statement (excluding information concerning DTC and the book-entry system as to which no representation is made) did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(11) If between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, an event occurs which might or would cause the information contained in the Official Statement (other than information concerning DTC and the book-entry system), 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 light of the circumstances under which it was presented, not misleading, the City will notify the Underwriter, and,

if in the opinion of the City, the Underwriter 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 Underwriter (at the expense of the City) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriter) which 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 existing at the time the Official Statement is delivered to prospective purchasers, not misleading. For the purposes of this subsection, between the date hereof and the date which is 25 days after the End of the Underwriting Period for the Bonds, the City will furnish such information with respect to itself as the Underwriter may from time to time reasonably request;

(12) If the information contained in the Official Statement is amended or supplemented pursuant to paragraph (10) of this Section 3(b), at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto up to and including the date which is 25 days after the End of the Underwriting Period for the Bonds, the portions of the Official Statement so supplemented or amended (other than information concerning DTC and the book-entry system) 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;

(13) After the Closing Date, the City will not participate in the issuance of any amendment of or supplement to the Official Statement to which, after being furnished with a copy, the Underwriter shall reasonably object in writing;

(14) Between the date of this Bond Purchase Agreement and the Closing Date, except as disclosed in the Official Statement, the City will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities direct or contingent, payable from Gross Revenues of the Wastewater System, other than in the ordinary course of its business, nor will there be any adverse change of a material nature in the financial position, results of operations or condition, financial or otherwise, of the City;

(15) No current study undertaken by or on behalf of the City regarding the feasibility of the Water Improvement Project (as defined in the Official Statement) has been excluded from mention in the Official Statement;

(16) Except as otherwise disclosed in the Official Statement, the City has not in the previous five years failed to comply in any material respect, and is as of the date hereof in compliance in all material respects, with its disclosure obligations under any prior undertaking related to the Securities and Exchange Commission Rule 15c2-12 to provide annual reports or notices of enumerated events; and

(17) Any certificate signed by any authorized official of the City, and delivered to the Underwriter in connection with the delivery of the Bonds, shall be deemed a representation and warranty by the City to the Underwriter as to the statements made therein.

(c) As used herein and for the purposes of the foregoing, the term "End of the Underwriting Period" for the Bonds shall mean the earlier of (i) the Closing Date unless the

Authority and the City shall have been notified in writing to the contrary by the Underwriter on or prior to the Closing Date, or (ii) the date on which the End of the Underwriting Period for the Bonds has occurred under Rule 15c2-12; provided, however, that the Authority and the City may treat as the End of the Underwriting Period for the Bonds the date specified as such in a notice from the Underwriter stating the date which is the End of the Underwriting Period.

(d) The representations, warranties and agreements herein shall survive the Closing Date and any investigation made on behalf of the Authority (with respect to subsection (a) of this Section 3), the City (with respect to subsection (b) of this Section 3) and the Underwriter of any matters described in or related the transactions hereby and by this Bond Purchase Agreement, the Official Statement, the Bonds and the Financing Documents to which the Authority or the City, as the case may be, is a party.

**6. Conditions to the Obligations of the Underwriter.** The Underwriter 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 of the Authority and the City to be contained in the documents and instruments to be delivered on or prior to the Closing Date 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, the Underwriter's obligations under this Bond Purchase Agreement to purchase, to accept delivery of and to pay for the Bonds shall be subject, at the option of the Underwriter, to the accuracy in all material respects 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 obligations to be performed hereunder and under such documents and instruments at or prior to the Closing Date, and also shall be subject to the following additional conditions:

(a) The Underwriter shall receive, within seven (7) business days of the date hereof and at least in sufficient time to accompany any orders or confirmations that request payment from any customer, copies of the Official Statement (including all information previously permitted to have been omitted by Rule 15c2-12 and any amendments or supplements as have been approved by the Underwriter), in such quantity as the Underwriter shall have requested pursuant to Section 2 hereof;

(b) The representations and warranties of the Authority and the City contained herein shall be true and correct on the date hereof and on the Closing Date, as if made on and at the Closing Date;

(c) As of the Closing Date, the Financing Documents 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, all in substantially the forms heretofore submitted to the Underwriter, with only such changes as shall have been agreed to in writing by the Underwriter, and such Financing Documents shall be in full force and effect and shall not have been amended, modified or supplemented and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and there shall be in full force and effect such resolution or resolutions of the Authority and the City as, in the opinion of Bond Counsel, shall be necessary or appropriate in connection with the transactions contemplated hereby;

(d) Between the date hereof and the Closing Date, the market price or marketability, at the initial public offering prices set forth in the Official Statement, of the Bonds shall not have

been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the Authority terminating the obligation of the Underwriter to accept delivery of and make any payment for the Bonds), by reason of any of the following:

(1) an amendment to the Constitution of the United States or the State of California shall have been passed or legislation shall have been introduced in or enacted by the Congress of the United States or the legislature of any state having jurisdiction of the subject matter or legislation pending in the Congress of the United States shall have been amended or legislation shall have been recommended to the Congress of the United States or to any state having jurisdiction of the subject matter or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation shall have been proposed for consideration by either such Committee by any member thereof or presented as an option for consideration by either such Committee by the staff of such Committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or legislation shall have been favorably reported for passage to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States or of the State of California or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States, the Internal Revenue Service or other federal or State of California authority, with respect to federal or State of California taxation upon revenues or other income of the general character to be derived by the Authority or upon interest received on obligations of the general character of the Bonds which may have the purpose or effect, directly or indirectly, of affecting the tax status of the Authority, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by State of California legislation or materially and adversely affecting the market for the Bonds or the market price generally of obligations of the general character of the Bonds;

(2) legislation enacted, introduced in the Congress or recommended for passage by the President of the United States, or a decision rendered by a court established under Article III of the Constitution of the United States or by the Tax Court of the United States, or an order, ruling, regulation (final, temporary or proposed) or official statement issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been made or issued to the effect that obligations of the general character of the Bonds, or the 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;

(3) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State of California, or a decision by any court of competent jurisdiction within the State of California or any court of the United States of America shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds;

(4) the escalation in military hostilities or declaration by the United States of a national emergency or war, or other calamity or crisis or escalation thereof;

(5) 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;

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

(7) an order, decree or injunction of any court of competent jurisdiction, or order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including any or all underlying obligations, as contemplated hereby or by the Official Statement, is or would be in violation of the federal securities laws as amended and then in effect;

(8) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way contesting the validity of the Bonds or the Financing Documents, or the existence or powers of the Authority or the City;

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

(11) the marketability of the Series B Bonds or the market price thereof, in the opinion of the Underwriter, has been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of the Bond Purchase Agreement in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or state court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or state authority affecting the federal or state tax status of the City or the Authority, or the interest on bonds or notes (including the Series B Bonds);

(12) the withdrawal or downgrading of any rating of the Bonds by a national rating agency; or

(13) any other event shall have occurred since the date of hereof that in the reasonable judgment of the Underwriter materially adversely affects the marketability or market price of the Bonds.

(e) At or prior to the Closing Date, the Underwriter shall have received the following documents, in each case satisfactory in form and substance to the Underwriter:

(1) The Official Statement and each supplement or amendment, if any, thereto, executed by the Authority and approved by the City;

(2) Copies of each of the Financing Documents, each duly executed and delivered by the respective parties thereto;

(3) The approving opinions of Bond Counsel, dated the Closing Date and addressed to the Authority, in substantially the forms attached to the Official Statement as Appendix E thereto, together with reliance letters addressed to the Underwriter permitting the Underwriter to rely on such opinions;

(4) The supplemental opinion of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that the statements in the Official Statement under the captions "INTRODUCTION," "THE BONDS" (excluding the information relating to DTC and the book-entry only system), "SECURITY FOR THE BONDS," "TAX MATTERS," APPENDIX D—SUMMARY OF PRINCIPAL LEGAL DOCUMENTS, and APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE insofar as such statements purport to summarize certain provisions of the Financing Documents or the Bonds and such counsel's final legal opinion concerning certain federal tax matters, are accurate in all material respects;

(5) The letter of Quint & Thimmig LLP, in its capacity as Disclosure Counsel, dated the Closing Date and addressed to the Authority and the Underwriter, substantially in the form attached hereto as Exhibit C.

(6) An opinion, dated the Closing Date and addressed to the Underwriter and the Authority, of the City Attorney, to the effect that:

(i) the City is a municipal corporation and general law city duly organized and validly existing under the Constitution and laws of the State of California;

(ii) the Financing Documents to which it is a party have been duly approved by resolutions of the City adopted at meetings duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the City Council of the City was continuously present and such resolutions have not been modified, amended or rescinded since the date of its adoption;

(iii) except as described in the Official Statement, to such counsel's best knowledge, there is no litigation, inquiry, or investigation pending or threatened, which: (A) challenges the right or title of any member of the City Council of the City or officer of the City to hold his or her office or exercise or perform the

powers and duties pertaining thereto; (B) challenges the validity or enforceability of the Bonds or the Financing Documents; (C) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the City of, or the performance by the City of its legal obligations under, the Financing Documents to which it is a party or in which a final adverse decision could materially adversely affect the operations of the City; or (D) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement;

(iv) to such counsel's best knowledge, the execution and delivery by the City of, and the performance by the City of its obligations under, the Financing Documents to which it is a party, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the City is a party or by which it is bound and of which such counsel has knowledge;

(v) the Financing Documents to which it is a party have been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery of the Financing Documents by the parties thereto other than the City, the Financing Documents constitute legal, valid and binding agreements of the City, enforceable against the City in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought; and

(vi) except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency within the State having jurisdiction over the City required for the issuance of the Bonds or the consummation by the City of the other financial transactions contemplated by the Official Statement and the City Documents;

As used in such opinion, the phrase "current actual knowledge" may mean knowledge as such counsel shall have obtained from (i) the incumbency and signature certificate of the City, (ii) the representations and warranties contained in each closing certificate of the City, and (iii) knowledge of facts or other information currently known to lawyers in its firm who have performed legal services for the City.

(7) An opinion or opinions, dated the Closing Date and addressed to the Underwriter, of counsel for the Authority, to the effect that:

(i) the Authority is a joint exercise of powers entity duly organized and validly existing under the laws of the State of California pursuant to the Agreement;

(ii) the Financing Documents to which it is a party have been duly approved by a resolution of the Authority adopted at a meeting duly called and held in accordance with the requirements of all applicable laws, with all public notice required by law, and at which a quorum of the members of the Board of Directors of the Authority was continuously present and such resolution has not been modified, amended or rescinded since the date of its adoption;



(iii) except as described in the Official Statement, to such counsel's best knowledge, there is no litigation, inquiry, or investigation pending or threatened, which: (A) challenges the right or title of any member of the Board of Directors of the Authority or officer of the Authority to hold his or her office or exercise or perform the powers and duties pertaining thereto; (B) challenges the validity or enforceability of the Bonds or the Financing Documents; (C) seeks to restrain or enjoin the sale of the Bonds or the execution and delivery by the Authority of, or the performance by the Authority of its legal obligations under, the Financing Documents to which it is a party or in which a final adverse decision could materially adversely affect the operations of the Authority; or (D) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement;

(iv) to such counsel's best knowledge, the execution and delivery by the Authority of, and the performance by the Authority of its obligations under, the Financing Documents to which it is a party, do not conflict with, violate or constitute a default under any provision of any law, court order or decree or any contract, instrument or agreement to which the Authority is a party or by which it is bound and of which such counsel has knowledge;

(v) the Financing Documents to which it is a party have been duly authorized, executed and delivered by the Authority and, assuming due authorization, execution and delivery of the Financing Documents by the parties thereto other than the Authority, the Financing Documents constitute legal, valid and binding agreements of the Authority, enforceable against the Authority in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights and remedies in general, or by the application of equitable principles if equitable remedies are sought; and

(vi) except as may be required under the "blue sky" or securities laws of the United States or any state, there is no authorization, approval, consent or other order of, or filing with, or certification by, the State or any other governmental authority or agency having jurisdiction over the Authority required for the issuance of the Bonds or the consummation by the Authority of the other financial transactions contemplated by the Official Statement and the Authority Documents;

As used in such opinion, the phrase "current actual knowledge" may mean knowledge as such counsel shall have obtained from (i) the incumbency and signature certificate of the Authority, (ii) the representations and warranties contained in each closing certificate of the Authority, and (iii) knowledge of facts or other information currently known to lawyers in its firm who have performed legal services for the Authority.

(8) The opinion of counsel to the Trustee, dated the Closing Date and addressed to the Authority, the City and the Underwriter, to the effect that (i) the Trustee has duly authorized, executed and delivered the Indenture and duly authenticated and delivered the Bonds on the Closing Date; and (ii) the Indenture constitute the legally valid and binding obligations of the Trustee, enforceable against the Trustee in accordance with their terms, except that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time

to time affecting the rights of creditors generally and except to the extent that the enforceability thereof may be limited by the application of general principles of equity;

(9) The opinion of counsel to the Escrow Bank, dated the Closing Date and addressed to the Authority, the City and the Underwriter, to the effect that (i) the Escrow Bank has duly authorized, executed and delivered the Escrow Agreement; (ii) the Escrow Agreement constitute the legally valid and binding obligation of the Escrow Bank, enforceable against the Escrow Bank in accordance with their terms, except that the enforceability thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws in effect from time to time affecting the rights of creditors generally and except to the extent that the enforceability thereof may be limited by the application of general principles of equity;

(10) A certificate or certificates, dated the Closing Date, signed by a duly authorized official of the Authority to the effect that (i) the representations and warranties of the Authority contained in this Bond Purchase Agreement are true, complete and correct on and as of the Closing Date; (ii) there is no action, suit, proceeding, inquiry or investigation pending or, to the best knowledge of such official, threatened (a) to restrain or enjoin the execution and delivery of any of the Bonds, (b) in any way affecting the validity of the Bonds or the Financing Documents to which the Authority is a party, (c) in any way contesting the corporate existence or powers of the Authority to execute and deliver the Financing Documents to which the Authority is a party or the Bonds, or (d) asserting that the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (iii) since the date of the Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such amendment or supplement;

(11) A certificate or certificates, dated the Closing Date, signed by a duly authorized official of the City to the effect that (i) the representations and warranties of the City contained in this Bond Purchase Agreement and the Financing Documents to which the City is a party are true, complete and correct on and as of the Closing Date; (ii) there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of such official, threatened (a) to restrain or enjoin the execution and delivery of the Financing Documents to which the City is a party; (b) in any way contesting or affecting the validity of the Financing Documents to which the City is a party; (c) in any way contesting the power of the City to execute and deliver the Financing Documents to which the City is a party; (d) asserting that the Official Statement contained any untrue statement of a material fact or omitted to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; or (e) seeking to prohibit, restrain or enjoin the collection of moneys from the Wastewater System to pay the Wastewater Installment Payments or from the Water System to pay the Water Installment Payments securing the Bonds, or the compliance by the City of the covenants contained in the Financing Documents to which the City is a party, or questioning the authority of the City to fix, charge and collect rates for the services provided by the Wastewater System as provided in the Wastewater Installment Sale Agreement or the authority of the City to fix, charge and collect rates for the services provided by the Water System as provided in the Water Installment Sale Agreement, nor to the best knowledge of such official, is there any basis for any such action, suit, proceeding, inquiry or investigation, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the

Bonds or the Financing Documents to which the City is a party or materially adversely impair the City's ability to perform its obligations the Financing Documents to which the City is a party; (iii) to the best of such official's knowledge and belief, after reasonable investigation, the Official Statement (excluding therefrom the information concerning DTC and the book-entry system included therein and Appendix G thereto), as of the date thereof and the Closing Date, did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (iv) (a) since the date of the Official Statement, no event has occurred which should have been set forth in an amendment or supplement to the Official Statement which has not been set forth in such amendment or supplement, and (b) there has not been any material adverse change in the operations or financial affairs of the City, the Water System or the Wastewater System since the date of the Official Statement;

(12) A certificate, dated the Closing Date, signed by a duly authorized official of the Trustee, satisfactory in form and substance to the Underwriter, 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 of America, having the full power and being qualified to enter into and perform its duties under the Indenture and the Continuing Disclosure Certificate; (ii) the Trustee is duly authorized to enter into the Indenture and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Indenture; (iii) the execution and delivery of the Indenture and compliance with the provisions on the Trustee's part contained therein, and the authentication and delivery of the Bonds 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) 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, served on, or, to the best knowledge of such officer, threatened against, the Trustee, affecting the existence of the Trustee or the titles of its officers to their respective offices, or in any way contesting or affecting the validity or enforceability of the Indenture against the Trustee, or contesting the power of the Trustee or its authority to enter into, adopt or perform its obligations under the Indenture, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Indenture against the Trustee or the authentication and delivery of the Bonds;

(13) A certificate, dated the Closing Date, signed by a duly authorized official of the Escrow Bank, satisfactory in form and substance to the Underwriter, to the effect that: (i) the Escrow Bank is a national banking association organized and existing under and by virtue of the laws of the United States of America, having the full power and being qualified to enter into and perform its duties under the Escrow Agreement; (ii) the Escrow Bank is duly authorized to enter into the Escrow Agreement; (iii) the execution and delivery of the Escrow Agreement and compliance with the provisions on the Escrow Bank'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 Escrow Bank 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 Escrow Bank pursuant to the lien created by the Escrow Agreement 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 Escrow Agreement; and (iv) 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, served on, or, to the best knowledge of such officer, threatened against, the Escrow Bank, affecting the existence of the Escrow Bank or the titles of its officers to their respective offices, or in any way contesting or affecting the validity or enforceability of the Escrow Agreement against the Escrow Bank, or contesting the power of the Escrow Bank or its authority to enter into, adopt or perform its obligations under the Escrow Agreement, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Escrow Agreement against the Escrow Bank;

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

(15) A certified copy of the general resolution of the Escrow Bank authorizing the execution and delivery of the Escrow Agreement;

(16) A certified copy of the Authority Resolution;

(17) A certified copy of the City resolution;

(18) Copies of the Municipal Bond Insurance Policies;

(19) A copy of the Reserve Policy;

(20) An opinion of counsel to the Municipal Bond Insurer, addressed to the Authority and the Underwriter to the effect that:

(i) the descriptions of the Municipal Bond Insurer, the Municipal Bond Insurance Policies and the Reserve Fund Insurance Policy included in the Official Statement are accurate;

(ii) the Municipal Bond Insurance Policies and the Reserve Policy constitute legal, valid and binding obligations of the Municipal Bond Insurer, enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditor's rights generally and by the application of equitable principles if equitable remedies are sought, and

(iii) as to such other matters as the Authority or the Underwriter may reasonably request;

(21) a certificate of the Municipal Bond Insurer, signed by an authorized officer of the Municipal Bond Insurer, to the effect that:

(i) the information contained in the Official Statement relating to the Municipal Bond Insurer, the Municipal Bond Insurance Policies and the Reserve Policy is true and accurate; and

(ii) as to such other matters as the City or the Underwriter may reasonably request;

(22) letters from S&P Global Ratings, a Standard & Poor's Financial Services LLC business, indicating that the Bonds have been assigned an insured rating of "AA" and an underlying rating of "\_\_\_."

(23) evidence required filings with the California Debt and Investment Advisory Commission;

(24) an Arbitrage Certificate relating to the Series B Bonds in a form satisfactory to Bond Counsel;

(25) an issue price certificate relating to the Series B Bonds substantially in the form attached to this Bond Purchase Agreement as Exhibit B;

(26) a verification report of \_\_\_\_\_ relating to the 2012 Bonds;

(27) an opinion of Bond Counsel as to the legal defeasance of the 2012 Bonds;

(28) the opinion of \_\_\_\_\_, as Underwriter's counsel, satisfactory to Underwriter;

(29) transcripts of all proceedings relating to the authorization, issuance, execution and delivery of the Bonds; and

(30) Such additional legal opinions, certificates, proceedings, instruments, insurance policies or evidences thereof and other documents as the Underwriter, Underwriter's Counsel 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 Authority herein and of the statements and information contained in the Official Statement, and the due performance or satisfaction by the Authority and the City on or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the Authority and the City in connection with the transactions contemplated hereby and by the Official Statement and the Financing Documents.

If the Authority and/or the City shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Bond Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted herein, all obligations of the Underwriter hereunder may be terminated by the Underwriter at, or at any time prior to, the Closing Date by written notice to the Authority and neither the Underwriter nor the Authority shall have any further obligations hereunder.

## **5. Expenses.**

(a) The Authority or the City shall pay the expenses incident to the performance of their obligations hereunder including, but not limited to: (i) the cost of preparation, printing and distribution of the Financing Documents, the Preliminary Official Statement, the Official Statement and any supplements or amendments thereto, including a reasonable number of certified or conformed copies thereof; (ii) the cost of preparation and printing of the Bonds;

(iii) the fees and disbursements of Bond Counsel; (iv) the fees and disbursements of any engineers, accountants and other experts, consultants or advisors retained by the Authority or the City; (v) fees for bond ratings (which include fees of rating agencies and travel expenses of the Authority or the City); and (vi) fees, if any, payable to the California Debt and Investment Advisory Commission, the Municipal Securities Rulemaking Board, 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.

(b) The Underwriter shall pay (which amounts shall be included as an expense component of the Underwriter's discount): (i) fees and disbursements of any underwriter's counsel, (ii) expenses related to attending working group meetings, such as parking, meals and transportation, (iii) all advertising expenses and Blue Sky filing fees, if any, in connection with the public offering of the Bonds; and (iv) all other expenses incurred by them in connection with the public offering of the Bonds not outlined above.

## **6. Indemnification and Contribution.**

(a) The Authority and the City will indemnify and hold harmless the Underwriter, the directors, officers, members, employees and agents of the Underwriter, and each person who controls the Underwriter within the meaning of either the Securities Act of 1933, as amended (the "Securities Act") or the Exchange Act of 1934, as amended (the "Exchange Act"), against any and all losses, claims, damages or liabilities, to which they or any of them may become subject under the Securities Act, the Exchange Act or other federal or state statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of, directly or indirectly, or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Official Statement or the final Official Statement, each as originally published, or in any amendment thereof, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, any untrue statement or alleged untrue statement of material fact contained in the Preliminary Official Statement or the final Official Statement, or in any amendment thereof or supplement thereto, or arise out of, directly or indirectly, or are based upon the omission or alleged omission to state therein 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, and will reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action. This indemnity agreement will be in addition to any liability which the Authority or the City may otherwise have.

(b) The Underwriter severally agrees to indemnify and hold harmless the Authority, the City, each of its officers and/or directors who sign the Official Statement, and each person who controls the Authority or the City within the meaning of either the Securities Act or the Exchange Act, to the same extent as the foregoing indemnity from the Authority to the Underwriter, but only with reference to written information relating to the Underwriter furnished to the Authority and the City by or on behalf of the Underwriter specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which the Underwriter may otherwise have. The Authority and City acknowledge that the initial public offering prices and yields set forth on the cover page, the stabilization language on the inside cover page and the statements under the heading "UNDERWRITING" in the Preliminary Official Statement and the Official Statement constitute the only information furnished in writing by or on behalf of the Underwriter for inclusion in the

documents referred to in the foregoing indemnity, and the Underwriter confirms that such statements are correct in all material respects.

(c) Promptly after receipt by an indemnified party under this Section 6 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 6, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); provided, however, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action, or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. It is understood that the indemnifying party shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the reasonable fees and expenses of more than one separate firm (in addition to local counsel) for all such indemnified parties. An indemnifying party will not, without the prior written consent of the indemnified parties, settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent (i) includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any indemnified party. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 6 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Authority, the City and the Underwriter agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which the Authority, the City and the Underwriter may be subject in such proportion as is appropriate to reflect the relative benefits received by the Authority, by the City and by the Underwriter from the offering of the Bonds; provided, however, that in no case shall the Underwriter be responsible for any amount in excess of the underwriting discount or commission applicable to the Bonds purchased by

such Underwriter hereunder. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Authority, the City and the Underwriter shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Authority, the City and the Underwriter respectively in connection with the statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. Relative fault shall be determined by reference to whether any alleged untrue statement or omission relates to information provided by the Authority, the City or the Underwriter, as the case may be. The Authority, the City and the Underwriter agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 6, each person who controls the Underwriter within the meaning of either the Securities Act or the Exchange Act and each director, officer, employee and agent of the Underwriter shall have the same rights to contribution as the Underwriter, and each person who controls the Authority or the City within the meaning of either the Securities Act or the Exchange Act, each officer of the Authority or the City who shall have signed the Official Statement and each director of the Authority or the City shall have the same rights to contribution as the Authority or the City, subject in each case to the applicable terms and conditions of this paragraph (d).

**7. Notices.** Any notice or other communication to be given to the Authority, the City or the Underwriter under this Bond Purchase Agreement may be given by delivering the same in writing to

Authority: Coalinga Public Financing Authority  
c/o City of Coalinga  
155 West Durian  
Coalinga, CA 93210  
Attention: Finance Director

City: City of Coalinga  
155 West Durian  
Coalinga, CA 93210  
Attention: Finance Director

Underwriter: Oppenheimer & Co., Inc.  
580 California Street, Suite 2300  
San Francisco, CA 94104  
Attention: \_\_\_\_\_

**8. Survival of Representations and Warranties.** Representations, warranties and agreements contained in this Bond Purchase Agreement or made in any certificate delivered by the Authority or the City hereunder shall remain operative and in full force and effect, regardless of: (i) any investigations or statements made by or on behalf of the Underwriter; and (ii) delivery of and payment for the Bonds pursuant to this Bond Purchase Agreement.

**9. Effectiveness and Counterpart Signatures.** 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 Authority and approval by duly authorized officers of the City and shall be valid and enforceable as of the time of such acceptance and approval. This Bond Purchase Agreement 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.



10. **Parties in Interest.** This Bond Purchase Agreement is made solely for the benefit of the Authority, the City and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

11. **Headings.** The headings of the sections of this Bond Purchase Agreement are inserted for convenience only and shall not be deemed to be a part hereof.

12. **Governing Law.** This Bond Purchase Agreement shall be construed in accordance with the laws of the State of California.

Very truly yours,

OPPENHEIMER & CO., INC., as  
Underwriter

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

ACCEPTED AND AGREED at:  
Time: \_\_\_\_\_, March 3, 2021

COALINGA PUBLIC FINANCING  
AUTHORITY

By \_\_\_\_\_  
Executive Director

ACCEPTED AND AGREED at:  
Time: \_\_\_\_\_, March 3, 2021

CITY OF COALINGA

By \_\_\_\_\_  
City Manager

## EXHIBIT A

### MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND YIELDS

\$ \_\_\_\_\_  
COALINGA PUBLIC FINANCING AUTHORITY  
Revenue Bonds, Series 2021A  
(Water and Wastewater Financing Projects)  
(Federally Taxable)

Maturity Date (April 1)	Principal Amount	Interest Rate	Price	Yield
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\$ \_\_\_\_\_  
COALINGA PUBLIC FINANCING AUTHORITY  
Revenue Bonds, Series 2021B  
(Water Project)  
(Tax-Exempt)

Maturity Date (April 1)	Principal Amount	Interest Rate	Price	Yield
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### REDEMPTION PROVISIONS

*Optional Redemption.*

**Series A Bonds.** The Series A Bonds maturing on or before April 1, \_\_\_\_, are not subject to optional redemption prior to maturity. The Series A Bonds maturing on or after April 1, \_\_\_\_, shall be subject to redemption, at the option of the City on any date on or after April 1, \_\_\_\_, as a whole or in part, by such maturities as shall be determined

by the City, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Series A Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

**Series B Bonds.** The Series B Bonds maturing on or before April 1, \_\_\_\_, are not subject to optional redemption prior to maturity. The Series B Bonds maturing on or after April 1, \_\_\_\_, shall be subject to redemption, at the option of the City on any date on or after April 1, \_\_\_\_, as a whole or in part, by such maturities as shall be determined by the City, and by lot within a maturity, from any available source of funds, at a redemption price equal to the principal amount of the Series B Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

*Sinking Fund Redemption.*

**Series A Bonds.** The Series A Bonds maturing on April 1, \_\_\_\_, are also subject to mandatory redemption from sinking account payments made by the Authority, in part by lot, on April 1, \_\_\_\_, and on April 1 in each year thereafter to and including April 1, \_\_\_\_, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, as set forth in the following table:

<u>Redemption Date</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>
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\_\_\_\_\_  
† Maturity.

**Series B Bonds.** The Series B Bonds maturing on April 1, \_\_\_\_, are also subject to mandatory redemption from sinking account payments made by the Authority, in part by lot, on April 1, \_\_\_\_, and on April 1 in each year thereafter to and including April 1, \_\_\_\_, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest thereon to the redemption date, without premium, as set forth in the following table:

<u>Redemption Date</u> <u>(April 1)</u>	<u>Principal</u> <u>Amount</u>
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\_\_\_\_\_  
† Maturity.

**EXHIBIT B**  
**ISSUE PRICE CERTIFICATE**

\$ \_\_\_\_\_  
**COALINGA PUBLIC FINANCING AUTHORITY**  
**Revenue Bonds, Series 2021B**  
**(Water Project)**  
**(Tax-Exempt)**

The undersigned, on behalf of Oppenheimer & Co., Inc. ("Oppenheimer"), based on the information available to Oppenheimer, hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (collectively, the "Bonds").

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

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

(a) Oppenheimer 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. 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 Agreement, dated the Sale Date, between the Underwriter and the Issuer, Oppenheimer has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the "hold-the-offering-price rule"), and (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, the Underwriter has not offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. Defined Terms.

(a) "*General Rule Maturities*" means those Maturities of the Bonds listed in Schedule A hereto as the "General Rule Maturities."

(b) "*Hold-the-Offering-Price Maturities*" means those Maturities of the Bonds listed in Schedule A hereto as the "Hold-the-Offering-Price Maturities."

(c) "*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 prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) "*Issuer*" means the Coalinga Public Financing Authority.

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

(f) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than the Underwriter or a related party to the 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.

(g) “Sale Date” means March 3, 2021.

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

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the interpretation of Oppenheimer 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 for the Bonds and with respect to compliance with the federal income tax rules affecting the Bonds, and by Quint & Thimmig 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.

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. Notwithstanding anything set forth herein, the Underwriter is not engaged in the practice of law. Accordingly, the Underwriter makes no representation as to the legal sufficiency of the factual matters set forth herein.

OPPENHEIMER & CO., INC., as Underwriter

By \_\_\_\_\_  
Managing Director

Dated: March 16, 2021

**SCHEDULE A TO ISSUE PRICE CERTIFICATE**

**SALE PRICES OF THE GENERAL RULE MATURITIES AND**

**INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

**\$\_\_\_\_\_**  
**COALINGA PUBLIC FINANCING AUTHORITY**  
**Revenue Bonds, Series 2021B**  
**(Water Project)**  
**(Tax-Exempt)**

<u>Hold-the- Offering Price Maturities</u>	<u>General Rule Maturities</u>	<u>Maturity Date (April 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Reoffering Price</u>
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**SCHEDULE B TO ISSUE PRICE CERTIFICATE**  
**PRICING WIRE OR EQUIVALENT COMMUNICATION**

**EXHIBIT C**  
**FORM OF DISCLOSURE COUNSEL LETTER**

[Letterhead of Quint & Thimmig LLP]

March 16, 2021

Coalinga Public Financing Authority  
155 West Durian  
Coalinga, California 93210

City of Coalinga  
155 West Durian  
Coalinga, California 93210

Oppenheimer & Co., Inc.  
580 California Street, Suite 2300  
San Francisco, CA 94104

[Municipal Bond Insurer]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Re: \$\_\_\_\_\_ Coalinga Public Financing Authority (Fresno County, California) Revenue Bonds, Series 2021A (Water and Wastewater Financing Projects) (Federally Taxable)

\$\_\_\_\_\_ Coalinga Public Financing Authority (Fresno County, California) Revenue Bonds, Series 2021B (Water Project) (Tax-Exempt)

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Ladies and Gentlemen:

We have acted as disclosure counsel to the Coalinga Public Financing Authority (the "Authority") in connection with the issuance by the Authority of \$\_\_\_\_\_ aggregate principal amount of the bonds of the Authority designated the "Coalinga Public Financing Authority (Fresno County, California) Revenue Bonds, Series 2021A (Water and Wastewater Financing Projects) (Federally Taxable)" (the "Series A Bonds"), and \$\_\_\_\_\_ aggregate principal amount of bonds of the Authority designated the "Coalinga Public Financing Authority (Fresno County, California) Revenue Bonds, Series 2021B (Water Project) (Tax-Exempt)" (the "Series B Bonds" and, with the Series A Bonds, the "Bonds"), pursuant to the provisions of Article 4 (commencing with section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code (the "Law"), an indenture of trust, dated as of March 1, 2021 (the "Indenture"), by and between the Authority and Wells Fargo Bank, National Association, as trustee, and a resolution of the governing body of the Authority adopted on February 4, 2021. The Bonds are secured by Revenues as defined in the Indenture, including installment payments (the "Water Installment Payments") made by the City of Coalinga (the "City") under an installment sale agreement, dated as of March 1, 2021 (the "Water Installment Sale Agreement"), by and between the Authority, as seller, and the City, as purchaser, and



installment payments (the “Wastewater Installment Payments”) made by the City under an installment sale agreement, dated as of March 1, 2021 (the “Wastewater Installment Sale Agreement”), by and between the Authority, as seller, and the City, as purchaser. This letter is being delivered by us in our capacity as disclosure counsel to the Authority and not as counsel to any other addressee hereof. Capitalized terms used in this letter and not otherwise defined herein have the meanings given to them in the Indenture.

In connection with this letter, we have reviewed the Bonds, the Indenture, the Water Installment Sale Agreement, the Wastewater Installment Sale Agreement, the Preliminary Official Statement, dated February 23, 2021 (the “Preliminary Official Statement”), which describes the Bonds, the Official Statement, dated March 3, 2021 (the “Official Statement”), which describes the Bonds, and such other records, opinions and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the conclusions hereinafter expressed. In arriving at the conclusions expressed below, we are not expressing any opinion or view on, and with your permission are assuming, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above (including the accuracy of all factual matters represented and legal conclusions contained therein, including (without limitation) representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Bonds and the exclusion of interest with respect to the Series B Bonds from gross income for federal income tax purposes). We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

Based on and subject to the foregoing, and in reliance thereon, we advise that the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and that the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.

We 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 we have independently verified the accuracy, completeness or fairness of any such statements. However, in our capacity as disclosure counsel to the City, we have reviewed certain documents as described above and have participated in conferences during which the contents of the Preliminary Official Statement and the Official Statement and related matters were discussed. Based on our review of documents and our participation in the above-mentioned conferences, and with the assumptions described in the second preceding paragraph, we advise you that, during the course of our assistance in the preparation of the Preliminary Official Statement and the Official Statement, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with such representation that caused us to believe that the Preliminary Official Statement or the Official Statement, as of their dates and as of the date of this letter contained or contain any untrue statement of a material fact or omitted or omit 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 (except that we express no opinion or belief with respect to: (i) the expressions of opinion, the assumptions, the projections, the financial statements or other financial, numerical, economic, demographic or statistical data contained in the Preliminary Official Statement and the Official Statement, (ii) any CUSP numbers or information relating thereto contained in the Official Statement, (iii) any information contained in the appendices to the Preliminary Official Statement and the Official Statement, (iv) any information with respect to the Depository Trust Company and its book entry system for the Bonds contained or incorporated in the Preliminary Official Statement and the Official Statement, (v) any information incorporated by reference into the Preliminary Official Statement and the Official Statement, (vi) information with respect to the ratings on the Bonds and the rating agency referenced in the Official Statement, (vii) any information concerning the

Municipal Bond Insurer, the Municipal Bond Insurance Policies or the Reserve Policy contained or incorporated in the Preliminary Official Statement and the Official Statement, and (viii) compliance by the City with its obligations to provide notices of the events described in Part (b)(5)(i)(C) of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended (the "Rule") or to file annual reports described in Part (b)(5)(i)(A) of the Rule, which compliance we have not reviewed pursuant to your direction).

During the period from the dates of the Preliminary Official Statement and the Official Statement to the date of this letter, except for our review of the certificates and opinions regarding the Preliminary Official Statement and the Official Statement delivered on the date hereof, we have not undertaken any procedures or taken any actions which were intended or likely to elicit information concerning the accuracy, completeness or fairness of any of the statements contained in the Preliminary Official Statement or the Official Statement. We also advise you that the preceding paragraph is not an opinion but, rather, in the nature of negative observations based on certain limited activities performed by specific lawyers in our firm in our role as disclosure counsel to the Authority. The scope of those activities performed by us for purposes of delivering this letter were inherently limited and do not purport to encompass all activities necessary for compliance with applicable securities laws. In addition, the performance of those activities by us required our reliance upon third-party representations, warranties, certifications and opinions, including and primarily, representations, warranties and certifications made by the Authority, and are otherwise subject to the conditions set forth herein.

This letter is furnished by us solely for your benefit and may not be relied upon by any other person or entity. We disclaim any obligation to supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in the law that may hereafter occur, and our engagement with respect to this matter has terminated as of the date hereof.

Very truly yours,