

\$ _____
CITY OF SALINAS
WASTEWATER REVENUE REFUNDING BONDS
SERIES 2020A (FEDERALLY TAXABLE)

BOND PURCHASE AGREEMENT

_____, 2020

City of Salinas
200 Lincoln Avenue
Salinas, California 93901

Ladies and Gentlemen:

The undersigned (the “**Underwriter**”) hereby offers to enter into this Bond Purchase Agreement (the “**Purchase Agreement**”) with you, the City of Salinas (the “**City**”), for the purchase by the Underwriter and the delivery by the City of the Bonds specified below. The proceeds of the Bonds will be used to: (i) to refund all of the outstanding City of Salinas Sanitary Sewer System Revenue Bonds, Series 2012 (the “**Refunded Bonds**”); and (ii) to pay costs of issuance of the Bonds. This offer is subject to your acceptance prior to 11:59 p.m., Los Angeles time, on the date hereof and if not so accepted will be subject to withdrawal by the Underwriter upon written notice delivered to the City at any time prior to the acceptance thereof by the City. Upon such acceptance, this Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter. All terms not defined herein shall have the meanings set forth in the Indenture and Official Statement (each as defined below).

The City acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s length commercial transaction among the City and the Underwriter in which the Underwriter is acting solely as a principal and not as an agent of the City and the Underwriter is not acting as a municipal advisor, financial advisor or fiduciary to the City; (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the City with respect to the transaction contemplated by the Purchase Agreement and the discussions, undertakings or procedures leading thereto (irrespective of whether the Underwriter, or any affiliate of the Underwriter, have provided other services or are currently providing other services to the City on other matters); (iii) the only obligations the Underwriter has to the City with respect to the transaction contemplated by this Purchase Agreement are expressly set forth in this Purchase Agreement; and (iv) the City has consulted its own financial and/or municipal legal, accounting, tax and other advisors, as applicable, to the extent the City has deemed appropriate. The City acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (the “**MSRB**”).

1. Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter hereby agrees to purchase from the City for offering to the public, and the City hereby agrees to sell and deliver to the Underwriter, all (but not less than all) of the \$_____ aggregate principal amount of the City of Salinas Wastewater Revenue Refunding Bonds, Series

2020A (Federally Taxable) (the “**Bonds**”) at a price of \$ _____, being the principal amount of the Bonds, plus original issue premium of \$ _____, less an Underwriter’s discount of \$ _____.

The Bonds shall mature in the amounts and on the dates, and bear interest at the rates, set forth in Exhibit A hereto.

The Bonds shall be as described in and shall be secured under and pursuant to an Indenture of Trust, dated as of December 1, 2020 (the “**Indenture**”) between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”), substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the City, the Trustee and the Underwriter.

The obligation of the City to pay the principal of and interest on the Bonds is a special obligation of the City, payable solely from Net Revenues (as defined in the applicable Indenture) of the City’s wastewater system (the “**Wastewater System**”) and certain other amounts held under the Indenture. The principal of and interest on the Bonds are not required to be paid from any other funds of the City, including any proceeds of any taxes, and the Bonds do not constitute a debt or pledge of the faith and credit of the City or the State of California (the “**State**”) or any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

The City hereby ratifies the use by the Underwriter of the Preliminary Official Statement, dated _____, 2020 relating to the Bonds (together with the cover page and all appendices thereto, and any supplements thereof, the “**Preliminary Official Statement**”), and authorizes the Underwriter to use and distribute the Preliminary Official Statement, the Official Statement (as defined below), the Indenture, the Continuing Disclosure Certificate as required by Securities and Exchange Commission Rule 15c2-12, as amended (“**Rule 15c2-12**”), and substantially in the form attached as an appendix to the Official Statement (the “**Continuing Disclosure Certificate**”), the Escrow Agreement (2012 Bonds), dated as of December 1, 2020 (the “**Escrow Agreement**”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the “**Escrow Agent**”), and this Purchase Agreement, and all information contained therein, and all other documents, certificates and statements furnished by the City to the Underwriter in connection with the offer and sale of the Bonds by the Underwriter. The City has heretofore “deemed final” the Preliminary Official Statement within the meaning of Rule 15c2-12.

The City will undertake pursuant to the Continuing Disclosure Certificate to provide certain annual financial and operating information and notices of the occurrence of certain events. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the final Official Statement. This undertaking will be entered into in order to assist the Underwriter in complying with Rule 15c2-12.

2. The Underwriter agrees to offer all the Bonds to the public initially at the prices (or yields) set forth on the inside front cover page of the Official Statement of the City pertaining to the Bonds, dated _____, 2020 (together with all appendices thereto, and with such changes therein and supplements thereto and as are consented to in writing by the Underwriter, and with the Preliminary Official Statement, are herein called the “**Official Statement**”). Subsequent to the initial public offering of the Bonds, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. “Public Offering” shall include an offering to a representative number of institutional investors or registered

investment companies, regardless of the number of such investors to which the Bonds are sold. The Underwriter agrees that prior to the time the final Official Statement relating to the Bonds is available, the Underwriter will send to any potential purchaser of the Bonds, upon the request of such potential purchaser, a copy of the most recent Preliminary Official Statement. Such Preliminary Official Statement shall be sent by first class mail or electronic distribution (or other equally prompt means) not later than the first business day following the date upon which each such request is received.

3. The City shall also deliver a sufficient number of copies of the Official Statement to enable the Underwriter to distribute a single copy of each Official Statement to any potential customer of the Underwriter requesting an Official Statement during the time period beginning when the Official Statement becomes available and ending on the End Date (defined below). The City shall deliver these copies to the Underwriter no later than the earlier of (i) seven (7) business days after the execution of this Purchase Agreement or (ii) one (1) business day prior to the Closing Date in order to permit the Underwriter to comply with Rule 15c2-12, and the applicable rules of the MSRB, with respect to distribution of the Official Statement. The City shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB's Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriter no later than one (1) business day prior to the Closing Date to enable the Underwriter to comply with MSRB Rule G-32. The Underwriter covenants to file, or cause to be filed, the Official Statement (and any supplement and amendment thereof furnished to the Underwriter pursuant to this Section 3), with the MSRB's Electronic Municipal Market Access database ("**EMMA**").

The Official Statement, as of its date, as of the Closing Date and as of the date of any update, amendment or supplement thereto as required hereby subsequent to the Closing, up to and including the date which is twenty-five (25) days following the end (the "**End Date**") of the Underwriting Period (as hereinafter defined), will be correct and complete in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. For the purposes herein, "Underwriting Period" shall mean the period beginning on the dated date hereof and ending: (i) in the absence of written notice by the Underwriter to the City before the Closing Date, the Closing Date, or (ii) such other date as specified by the Underwriter a written notice delivered to the City before the Closing Date.

If, after the date of this Purchase Agreement and until the earlier of (i) ninety (90) days after the end of the Underwriting Period, or (ii) twenty-five (25) days following the end of the Underwriting Period if the Official Statement is timely filed on EMMA, any event shall occur or circumstance shall exist of which the City has knowledge that would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the City, shall notify the Underwriter (and for the purpose of this Section 3 provide the Underwriter with such information as it may from time to time reasonably request), and, if in the opinion of the City or the Underwriter such event or circumstance requires the preparation and publication of a supplement or amendment to the Official Statement, the City will prepare such a supplement or amendment, at the City's expense, so that the Official Statement as then supplemented or amended, will not contain an untrue statement of a material fact or to omit to state a material fact that is 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 furnish to the Underwriter a

reasonable number of copies of such supplement or amendment provided that the Underwriter promptly agrees that it will notify the City of the end of the Underwriting Period.

4. At 8:30 a.m., Pacific Time, on _____, 2020, or at such other time or date as shall be agreed upon by the Underwriter and the City (such time and date being herein referred to as the “**Closing Date**”), the City shall deliver, or cause to be delivered, to the Trustee the Bonds in definitive form, registered in the name of Cede & Co., as the nominee of The Depository Trust Company, New York, New York (“**DTC**”) (so that the Bonds may be authenticated by the Trustee and credited to the account that is specified by the Underwriter under DTC’s FAST procedures). On or before such Closing Date, the City shall deliver, at the offices of Stradling Yocca Carlson & Rauth, a Professional Corporation (“**Bond Counsel**”) in Newport Beach, California, or at such other place as is mutually agreed upon by the Underwriter and the City, the other documents that are described in this Purchase Agreement. On the date of the Closing, the Underwriter shall pay the purchase price of each series of Bonds as set forth in Section 1 of this Purchase Agreement in immediately available funds to the order of the Trustee. The delivery and payment described above is referred to as the “**Closing**”).

5. The Underwriter represents to and agrees with the City that, as of the date hereof and as of the Closing Date:

(i) The Underwriter is duly authorized to execute this Purchase Agreement and to take any action under this Purchase Agreement required to be taken by it;

(ii) The Underwriter is in compliance with MSRB Rule G-37 with respect to the City, and is not prohibited thereby from acting as the underwriter with respect to securities of the City; and

(iii) The Underwriter has, and has had, no financial advisory relationship, as that term is defined in California Government Code Section 53590 (c) or MSRB Rule G-32, with the City with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

6. The City represents, warrants and covenants to the Underwriter that:

(a) The City is a charter city and a municipal corporation duly organized and existing under the laws of the State of California, and has all necessary power and authority to enter into and perform its duties under the Indenture, the Continuing Disclosure Certificate, the Escrow Agreement and this Purchase Agreement (collectively, the “**City Documents**”) and, when executed and delivered by the respective parties thereto, the City Documents will constitute the legal, valid and binding obligations of the City in accordance with their respective terms.

(b) Neither the execution and delivery of the City Documents, or the approval and execution of the Official Statement, and compliance with the provisions on the City’s part contained therein, nor the consummation of any other of the transactions herein and therein contemplated, nor the fulfillment of the terms hereof and thereof, in any material way conflicts with or constitutes a breach of or default under nor contravenes any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the City is a party or is otherwise subject, nor does any such execution, delivery, adoption or

compliance result in a security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the City 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 City Documents.

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

(d) To the best of the knowledge of the City, and except as disclosed in the Official Statement, there is, and on the Closing there will be, no action, suit, proceeding or investigation at law or in equity before or by any court or governmental agency or body pending or threatened against the City to restrain or enjoin the delivery of any of the Bonds, or the payments to be made pursuant to the Indenture, or in any way contesting or affecting the validity of the City Documents or the authority of the City to approve this Purchase Agreement, or enter into the City Documents, or in any way questioning or challenging the tax status of the Bonds.

(e) As of its date and as of the date hereof, the information relating to the City, the Bonds and the Wastewater System contained in the Preliminary Official Statement is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no representation is made with respect to information relating to DTC, DTC's book-entry system or any information therein provided by or pertaining to the Underwriter). As of the date thereof and at all times subsequent thereto up to and including the End Date, such information relating to the City, the Bonds and the Wastewater System contained in the Official Statement will be complete and will not contain any untrue or misleading statement of a material fact or omit to state any material fact (unless an event occurs of the nature described in Section 6(j) below) necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) The City agrees to cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the City will not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business as a foreign agency in any jurisdiction where it is not so qualified. The Underwriter shall be responsible for all costs relating to such determination and qualification of the Bonds under blue sky or similar laws.

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

(h) The City is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to

which the City is a party or is otherwise subject, which breach or default would have a material adverse effect on the pledge of Revenues under the Indenture or the City's performance under the City Documents, 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 under any such instrument.

(i) To the best knowledge of the City, the City is not in default, nor has been in default in the last ten years, as to the payment of principal or interest with respect to an obligation issued by the City or successor of the City or with respect to an obligation guaranteed by the City as guarantor or successor of a guarantor.

(j) If between the date of this Purchase Agreement and the End Date an event occurs, of which the City has knowledge, which might or would cause the information relating to the City, the Wastewater System or the City's functions, duties and responsibilities contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make such information therein, in the light of the circumstances under which it was presented, not misleading, the City will notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the City will cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in accordance with the last paragraph of Section 3, provided all expenses thereby incurred will be paid for by the City.

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

(l) No consent, approval, authorization or other action by an governmental or regulatory agency that has not been obtained is or will be required of the City for the delivery and sale of the Bonds or the consummation of the other transactions contemplated by this Purchase Agreement and the Official Statement, except for such licenses, certificates, approvals, variances or permits which may be necessary for the construction or operation of the Wastewater System which the City has applied for (or will apply for in the ordinary course of business) and expects to receive, and except as may be required under the state securities or blue sky laws in connection with the sale of the Bonds by the Underwriter.

(m) Substantially all the proceeds from the sale of the Bonds (after deducting the expenses of issuance and sale of the Bonds) will be used to finance the redemption of the Refunded Bonds, and the City will not take or omit to take any action which action or omission will in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided in the Indenture, as amended from time to time.

(n) The City will deliver all opinions, certificates, letters and other instruments and documents reasonably required by the Underwriter and this Purchase Agreement.

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

(p) Other than as described in the Official Statement, as of the time of acceptance hereof and as of the Closing, the City does not and will not have outstanding any indebtedness which is secured by a lien on Revenues superior to or on a parity with the lien established by the Indenture.

(q) Between the date of this Purchase Agreement and the Closing Date, the City will not, without the prior written consent of the Underwriter, and except as disclosed in the Official Statement, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, direct or contingent payable from Net Revenues.

(r) The City is not presently and as a result of the execution of the City Documents and the sale of the Bonds will not be in violation of any debt limitation, appropriation limitation or any other provision of the California Constitution or statutes or any additional debt or similar provision of any bond, note, contract or other evidence of indebtedness to which the City is a party or to which the City is bound.

(s) The financial statements of, and other financial information regarding the City and the Wastewater System in the Official Statement fairly present the financial position and results of the operations of the City, the Wastewater System as of the dates and for the periods therein set forth and the audited financial statements have been prepared in accordance with generally accepted accounting principles applicable to cities.

(t) The City has not, in the last five years, failed to comply in any material respect with its obligations under any continuing disclosure undertaking entered into pursuant to Rule 15c2-12 except as disclosed in the Official Statement. The City will undertake, pursuant to the Continuing Disclosure Certificate to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12.

7. The Underwriter has entered into this Purchase Agreement in reliance upon the representations, warranties and agreements of the City contained herein, and the opinions of Bond Counsel, Counsel to the Trustee and the City Attorney required hereby. The Underwriter's obligations under this Purchase Agreement are and shall be subject to the following further conditions:

(a) At the time of Closing, the City Documents shall be in full force and effect as valid and binding agreements between or among the various parties thereto and the Official Statement shall not have been amended, modified or supplemented except as in accordance with this Purchase Agreement, and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) At or prior to the Closing, the Underwriter shall receive the following documents, in each case satisfactory in form and substance to them:

(1) The unqualified approving opinion of Bond Counsel, dated the Closing Date, addressed to the City, the Trustee and the Underwriter (or reliance letter to the Trustee and the Underwriter), in substantially the form attached as APPENDIX C to the Official Statement;

(2) A supplemental opinion or opinions of Bond Counsel dated the Closing Date, addressed to the Underwriter, in form and substance to the effect that:

(a) The statements and information contained in the Official Statement under the captions “INTRODUCTION,” “THE 2020 BONDS,” “SECURITY FOR THE 2020 BONDS,” “TAX MATTERS” and APPENDIX B and APPENDIX C, to the extent they purport to summarize information concerning the Bonds and certain provisions of the City Documents and the opinion of such counsel, present a fair and accurate summary of such information and such provisions;

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

(c) The City Documents and the Official Statement have been duly authorized, executed and delivered by the City, and, assuming due authorization, execution and delivery by the other parties thereto, the City Documents constitute legal, valid and binding agreements of the City enforceable against the City in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors’ rights generally and equitable remedies if equitable remedies are sought, and except no opinion need be expressed as to the enforceability of the indemnification, waiver, choice of law or contributions provisions contained in the City Documents.

(3) The opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Disclosure Counsel, dated the Closing Date and addressed to the City and the Underwriter, to the effect that, based upon their participation in conferences in the course of preparation of the Official Statement, and in reliance on such conferences and on the certificates, opinions and other documents mentioned in such opinion, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation which caused them to believe that the Official Statement as of its date and as of the Closing Date (except for any CUSIP numbers, financial, accounting, statistical or economic or engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any information about feasibility, valuation, appraisals, technology, real estate or environmental matters, the appendices thereto or any information about the Underwriter, underwriting, The Depository Trust Company or the Book-Entry System included or referred to therein, which such firm expressly excludes from the scope of this section and as to which such firm need express no opinion or view) contained any untrue statement of a

material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(4) An opinion of the City Attorney to the City, dated the Closing Date, in form and substance satisfactory to the Underwriter and Bond Counsel, addressed to the Underwriter and the Trustee, to the effect that:

(i) the City is a charter city and a municipal corporation duly created and existing in accordance with the laws of the State of California;

(ii) the preparation and distribution of the Official Statement and the City Documents have been duly approved by the City;

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

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

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

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

(vii) the charges and fees of the Wastewater System were duly approved and adopted by the City and are valid and enforceable at the current levels levied by the City.

(5) The opinion of counsel to the Trustee, dated the Closing Date in form and substance satisfactory to the Underwriter and Bond Counsel, and addressed to the City and the Underwriter.

(6) The opinion of counsel to the Escrow Agent, dated the Closing Date in form and substance satisfactory to the Underwriter and Bond Counsel, and addressed to the City and the Underwriter

(7) An opinion, dated the Closing Date and addressed to the Underwriter, of Kutak Rock LLP, counsel to the Underwriter (“**Underwriter’s Counsel**”), in such form as may be acceptable to the Underwriter.

(8) A certificate or certificates, dated the Closing Date, signed by a duly authorized official of the City satisfactory in form and substance to the Underwriter and Bond Counsel, (a) confirming as of such date the representations and warranties of the City contained in this Purchase Agreement; (b) certifying that the City has complied with in all material respects all agreements, covenants and conditions to be complied with by the City at or prior to the Closing under the City Documents; (c) certifying that to the best of such official’s knowledge, no event affecting the City has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the Closing the statements or information contained in the Official Statement or is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect; (d) certifying that no consent is required to be obtained for the inclusion of the City’s audited financial statements, including the accompanying accountant’s letter, for Fiscal Year 2019 in the Official Statement.

(9) A certificate, dated the date of the Preliminary Official Statement, signed by a duly authorized official of the City deeming the Preliminary Official Statement “final” for purposes of Rule 15c2-12.

(10) An executed copy of the City Documents.

(11) One counterpart original or copy certified by a duly authorized officer of the City of a complete transcript of all proceedings of the City relating to the approval of the City Documents and the authorization, issuance, sale and delivery of the Bonds.

(12) An executed copy of the Official Statement.

(13) A certified copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of documents such as the Bonds and the Indenture.

(14) Copies of the resolution adopted by the City Council and certified by the City Clerk, authorizing the execution and delivery of the City Documents and the Official Statement.

(15) A certificate or certificates, dated the Closing Date, signed by a duly authorized official of the Trustee and the Escrow Agent satisfactory in form and substance to the Underwriter, to the effect that:

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

(ii) The Trustee and Escrow Agent is duly authorized to enter into the Indenture and Escrow Agreement and has duly executed and delivered the Indenture and Escrow Agreement, and assuming due authorization and execution by the other parties thereto, the Indenture and Escrow Agreement are legal, valid and binding upon the Trustee and Escrow Agent, as applicable, and enforceable against the Trustee and Escrow Agent in accordance with their terms;

(iii) The Trustee has duly authenticated the Bonds under the Indenture and delivered the Bonds to or upon the order of the Underwriter; and

(iv) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee and Escrow Agent that has not been obtained is or will be required for the issuance of the Bonds or the consummation by the Trustee of its obligations under the Indenture and Escrow Agreement.

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

(17) A copy of the executed Blanket Letter of Representations by and between the City and The Depository Trust Company, New York, New York, relating to the book-entry system for the Bonds.

(18) A copy of the Notice of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code which may be delivered after the issuance of the Bonds.

(19) A verification report related to the refunding of the Refunded Bonds.

(20) A defeasance opinion related to the refunding of the Refunded Bonds.

(21) Such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel, the Underwriter and Underwriter's Counsel may reasonably request to evidence compliance with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the Trustee and the

City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

(c) All matters relating to this Purchase Agreement, the Bonds and the sale thereof, the City Documents and the consummation of the transactions contemplated by this Purchase Agreement shall have been approved by the Underwriter, such approval not to be unreasonably withheld.

If the conditions to the Underwriter's obligations contained in this Purchase Agreement are not satisfied or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the City shall have any further obligation hereunder.

8. The Underwriter shall have the right to terminate this Purchase Agreement, without liability therefor, by written notification to the City if at any time at or prior to the Closing in the Underwriter's reasonable judgment any of the following events shall occur:

(a) The market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(i) Legislation shall be enacted by or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to alter, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds, or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein; or

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

(iii) Legislation enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of

the Bonds are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Bonds, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect; or

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

(v) Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City shall have occurred; or

(vi) Any rating of the Bonds or other obligations of the City by a national rating agency shall have been withdrawn or downgraded or placed on credit watch with negative outlook; or

(b) A general banking moratorium shall have been established by federal, State of New York or California authorities; or

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

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

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

(f) A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(g) An event described in Section 6(j) hereof shall have occurred which, in the reasonable professional judgment of the Underwriter, requires the preparation and publication of a supplement or amendment to the Official Statement; or

(h) A decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, as amended, the Exchange Act of 1934, as amended and the Trust Indenture Act of 1939, as amended.

9. Performance by the City of its respective obligations under this Purchase Agreement is conditioned upon (i) performance by the Underwriter of its obligations hereunder, and (ii) receipt by the Underwriter of all opinions and certificates to be delivered at Closing by persons and entities other than the City.

10. (a) The Underwriter shall be under no obligation to pay, and the City shall pay or cause to be paid out of the proceeds of the Bonds, all expenses incident to the performance of the City's obligations hereunder, including but not limited to: the cost of photocopying and delivering the Bonds to the Underwriter; the cost of preparing, printing (and/or word processing and reproducing), distributing and delivering the City Documents and the cost of printing, distributing and delivering the Preliminary Official Statement and the Official Statement in such reasonable quantities as requested by the Underwriter; and the fees and disbursements of Bond Counsel, Disclosure Counsel, any accountants, financial advisors or other engineers or experts or consultants the City have retained in connection with the Bonds and expenses (included in the expense component of the Underwriter's spread) incurred on behalf of the City officers or employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or employees.

(b) Whether or not the Bonds are delivered to the Underwriter as set forth herein, the City shall be under no obligation to pay, and the City shall not pay, any expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in subsection (a) of this section), including any advertising expenses and the fees of the California Debt and Investment Advisory Commission, CUSIP services bureau charges, regulatory fees imposed on the Underwriter for new security issues, the cost of preparation of any "blue sky" or legal investment memoranda and the fees and disbursements of Underwriter's Counsel.

11. Any notice or other communication to be given to the Underwriter may be given by delivering the same to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Public Finance. Any notice or other communication to be given to the City may be given by delivering the same to addresses initially provided herein, Attention: City Manager. The approval of the Underwriter when required hereunder or the determination of satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to you.

12. This Purchase Agreement is made solely for the benefit of the City and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof.

13. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which such counterparts shall together constitute but one and the same instrument.

14. The representations and warranties of the City set forth in or made pursuant to this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing or termination of this Purchase Agreement and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and warranties of the City and regardless of delivery of and payment for the Bonds.

15. The primary role of the Underwriter, as underwriter, is to purchase the Bonds for resale to investors in an arms-length commercial transaction among the City and the Underwriter. The Underwriter has financial and other interests that differ from those of the City.

16. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and the Underwriter and shall be valid and enforceable as of the time of such acceptance.

17. This Purchase Agreement shall not be assigned by either party hereto.

18. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understandings between the parties hereto in relation to the sale of Bonds by the City and represents the entire agreement of the parties as to the subject matter herein.

19. Any provision of this Purchase Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Purchase Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

20. This Purchase Agreement shall be governed by the laws of the State of California.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By: _____
Director

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

CITY OF SALINAS

By: _____
Authorized Officer

Time of Execution: _____ p.m. California time

**[SIGNATURE PAGE OF BOND PURCHASE AGREEMENT – CITY OF
SALINAS WASTEWATER REVENUE REFUNDING BONDS, SERIES 2020A
(FEDERALLY TAXABLE)]**

EXHIBIT A

\$ _____

**CITY OF SALINAS
WASTEWATER REVENUE REFUNDING BONDS
SERIES 2020A (FEDERALLY TAXABLE)**

<u>Maturity (August 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
20__ ^(T)			

^(T) Term Bond.

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