

or the amount of individual maturities of the Certificates (see “Maturities”, below) by announcing such change through Parity or through the News Service, no later than 3:00 p.m. Pacific Time on the business day preceding the date prescribed for receipt of bids. Any such postponement of the sale or change in the principal amount of the Certificates may be made without the necessity for any notice other than announcing such postponement or change through Parity or through the News Service.

ACCOMMODATION TO BIDDERS: As an accommodation to bidders, telephonic, facsimile or electronic mail notice of any modification or amendment of this Official Notice of Sale and notice of cancellation or postponement of the sale date or time will be given by the Municipal Advisor to any bidder requesting such notice. Such request for notice must be submitted to KNN Public Finance, LLC, Attention: Nedko Nedev, telephone (510) 208-8288, Fax: (510) 208-8282, E-mail: nnedev@knninc.com. Failure of any bidder to receive such telephonic, facsimile or electronic mail notice will not affect the sufficiency of such notice or the legality of the sale.

DESCRIPTION OF THE ISSUE

GENERAL: The Certificates will be delivered as fully registered Certificates in denominations of \$5,000 or multiples thereof and will be dated the date of original delivery. The Certificates represent installment payments which are payable by the City under an Installment Sale Agreement dated as of October 1, 2023 (the “Installment Sale Agreement”) between the City of Santa Clara Public Facilities Financing Corporation (the “Financing Corporation”) as seller and the City as purchaser. The installment payments are payable from and secured by a first pledge of and lien on the net revenues received by the City from its wastewater collection and transmission system (the “Wastewater System”), as more fully described in the Preliminary Official Statement.

PURPOSE AND APPLICATION OF PROCEEDS: The Certificates are being delivered to (i) finance the City’s allocable share of certain improvements to the San José-Santa Clara Regional Wastewater Facility and (ii) prepay in full the installment payments payable by the City under an Installment Sale Agreement dated as of June 1, 2020, between the City and the Financing Corporation. In addition, proceeds of the Certificates will also be used to pay costs of issuing the Certificates.

INTEREST RATE: Interest represented by the Certificates is payable on February 1, 2024, and semiannually thereafter on August 1 and February 1 of each year. Interest will be calculated on the basis of a 30-day month, 360-day year from the date of delivery of the Certificates. Each Certificate will represent interest at the specified rate from its date of delivery to its stated maturity date, and all Certificates maturing on any one date will represent the same rate of interest.

Bidders must specify the rate or rates of interest that the Certificates hereby offered for sale shall represent. Bidders will be permitted to bid different rates of interest; but (i) the maximum interest rate shall not exceed _____%, (ii) each interest rate specified in any bid must be in a multiple of one-eighth or one-twentieth of one percent per annum and a zero rate of interest cannot be specified, (iii) no Certificate shall represent more than one rate of interest, (iv) each Certificate shall represent interest from its date of delivery to its stated maturity date at the interest rate specified in the bid, (v) all Certificates payable at any one time shall represent the same rate of interest, and (vi) any premium bid must be

paid as part of the purchase price, and no bid will be accepted which contemplates the cancellation or the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price.

MATURITIES: The final aggregate principal amount of the Certificates and the maturity schedule will be determined following award to the successful bidder. For the purpose of calculating the winning bid for the Certificates, the maturity schedule set forth below will be used.

| Maturity Date <u>(February 1)</u> | Principal <u>Amount*</u> |
|--------------------------------------|-----------------------------|
|--------------------------------------|-----------------------------|

ADJUSTMENT OF PRINCIPAL AMOUNTS: Each principal amount listed in the maturity schedule set forth above is subject to increase or decrease in \$5,000 increments. The Municipal Advisor will promptly recalculate the aggregate principal amount of the Certificates following award to the successful bidder, and will promptly inform the successful bidder of any such adjustment to the maturity schedule set forth above. Subsequent to the adjustment of principal amounts, the proposed purchase price will be adjusted to the level necessary to maintain the spread of the successful purchaser (the "Purchaser") as a percent of total par amount.

By offering a bid for the Certificates, a bidder will be obligated, if it is the successful bidder, to purchase the Certificates with any changes described above. The successful bidder may not withdraw its bid or change its interest rate bids as a result of any changes made to the principal amounts set forth above.

OPTIONAL PREPAYMENT: The Certificates maturing on or before February 1, 20__, are not subject to prepayment prior to their respective stated maturities. The Certificates maturing on or after February 1, 20__, are subject to prepayment prior to maturity, at the

*Preliminary, subject to change.

option of the City, in whole or in part, from any available source of funds, on any date on or after February 1, 20__, at a prepayment price equal to 100% of the principal amount of Certificates to be prepaid, without premium.

SINKING FUND PREPAYMENT: Any bidder may, at its option, specify that one or more maturities of the Certificates will consist of term Certificates which are subject to mandatory sinking fund prepayment in consecutive years immediately preceding the maturity thereof, as designated in the bid of such bidder. If the bid of the successful bidder specifies that any maturity of Certificates will be term Certificates, such term Certificates will be subject to mandatory sinking fund prepayment on February 1 in each year so designated in the bid, in the respective amounts for such years as set forth above under the heading "MATURITIES", at a prepayment price equal to the principal amount thereof to be prepaid together with accrued interest thereon to the prepayment date, without premium.

SECURITY: The Certificates represent the direct, undivided fractional interests of the owners thereof in installment payments to be made by the City under the Installment Sale Agreement. The obligation of the City to make such installment payments is payable from and secured by a pledge of and lien on the net revenues of the Wastewater System. A reserve fund will not be established for the Certificates. Bidders are referred to the Preliminary Official Statement for further particulars concerning the security for the Certificates.

TAX-EXEMPT STATUS: In the opinion of Jones Hall, A Professional Law Corporation, Special Counsel to the City, the portion of the installment payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum taxes. Such interest may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes.

BOOK-ENTRY ONLY: The Certificates, when delivered, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Certificates. Individual purchases will be made in book-entry form only, in the denominations of \$5,000 and integral multiples thereof. The Purchaser will not receive physical certificates representing its interest in the Certificates. Principal and interest are payable in lawful money of the United States of America and will be paid to DTC, which in turn will remit such amounts to the beneficial owners of the Certificates through its participants, as described in the Preliminary Official Statement. Delivery of the Certificates will be made through the facilities of DTC in New York, New York, or through the facilities of The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") via FAST transfer, and is presently expected to occur on October __, 2023.

TERMS OF SALE

BEST BID: The Certificates will be awarded to the bidder offering to purchase the Certificates at the lowest true interest cost to the City. The true interest cost for each bid will be determined on the basis of the aggregate present value of each semiannual payment. The present value will be calculated to the expected date of delivery of the Certificates, being October ____, 2023, and will be based on the bid amount (par value plus any premium and less any discount). If two or more bids specify the same lowest true interest cost, then the selection for the award of the Certificates will be made among such bidders by the City in its sole discretion. All interest will be computed on a 360-day year, 30-day month basis from October ____, 2023, the expected date of delivery of the Certificates.

By submission of its bid, a bidder shall be deemed to have made the following representations:

- (1) The bidder has received and reviewed the Preliminary Official Statement and, as a condition to bidding on the Certificates, has determined that it can comply with the requirements of Rule 15c2-12 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.
- (2) As of the date of its bid and as of the date of delivery of the Certificates, all members of the bidder's syndicate either participate in DTC or clear through or maintain a custodial relationship with an entity that participates in said depository.

FORM OF BID: All bids must be for all, but not less than all, of the Certificates offered for sale, plus such premium or less such discount as is specified in the bid. All bids must be unconditional. Each bid must be delivered by electronic transmission as described below and be received by the time and place set forth herein for the receipt of bids. All bids shall be deemed to incorporate all of the terms of this Official Notice of Sale.

ELECTRONIC BIDS: The City will receive bids delivered electronically through Parity. For further information about Parity, potential bidders may contact Parity by telephone at (212) 849-5021.

If any provision of this Official Notice of Sale conflicts with information provided by Parity, this Official Notice of Sale shall control. Each bidder submitting an electronic bid understands and agrees by doing so that it is solely responsible for all arrangements with (including any charges by) Parity, and that Parity is not acting as an agent of the City. Instructions and forms for submitting electronic bids must be obtained from Parity. Acceptance of electronic bids shall be subject to the limitations set forth in "**WARNINGS REGARDING ELECTRONIC BIDS**" below.

WARNINGS REGARDING ELECTRONIC BIDS: *The City assumes no responsibility for ensuring or verifying bidder compliance with Parity's procedures. The City shall be entitled to assume that any bid received via Parity has been made by a duly authorized agent of the bidder. The City, the Municipal Advisor, Special Counsel and Disclosure Counsel assume no responsibility for any malfunction of the Parity system, any failure of a bid to be received at the official time for receipt of bids, or any error contained in any bid*

submitted electronically. The official time for receipt of bids will be determined by the City at the place of bid receipt, and the City shall not be required to accept the time kept by Parity as the official time. The City assumes no responsibility for informing any bidder prior to the deadline for receiving bids that its bid is incomplete or not received.

If a bidder submits an electronic bid for the Certificates, such bidder thereby agrees to the following terms and conditions: (a) if any provision in this Official Notice of Sale with respect to the Certificates conflicts with information or terms provided or required by Parity, this Official Notice of Sale, including any amendments issued as described herein, shall control; (b) each bidder shall be solely responsible for making necessary arrangements to access Parity for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Sale; (c) the City shall not have any duty or obligation to provide or assure access to Parity to any bidder, and the City shall not be responsible for proper operation of, or have any liability for, any delays, interruptions or damages caused by use of Parity or any incomplete, inaccurate or untimely bid submitted by any bidder through Parity; (d) the City is using Parity as a communication mechanism, and not as an agent of the City, to conduct the electronic bidding for the Certificates; (e) Parity is acting as an independent contractor, and is not acting for or on behalf of the City; (f) the City is not responsible for ensuring or verifying bidder compliance with any procedures established by Parity; (g) the City may regard the electronic transmission of a bid through Parity (including information regarding the purchase price for the Certificates and interest rates for any maturity of the Certificates) as though the information were submitted and executed on the bidder's behalf by a duly authorized signatory; (h) if the bidder's bid is accepted by the City, this Official Notice of Sale and the information that is transmitted electronically through Parity shall form a contract, and the bidder shall be bound by the terms of such contract; and (i) information provided by Parity to bidders shall form no part of any bid or any contract between the successful bidder and the City unless that information is included in this Official Notice of Sale provided by the City.

MULTIPLE BIDS: If multiple bids are received from a single bidder by any means or combination thereof, the City shall accept the bid representing the lowest true interest cost to the City, and each bidder agrees by submitting any bid to be bound by such best bid.

GOOD FAITH DEPOSIT: A Good Faith Deposit ("Deposit") in the form of a certified or cashier's check or wire transfer in the amount of \$500,000 payable to the order of the Trustee, must be provided by the purchaser of the Certificates (the "Purchaser") not later than 10:00 a.m., California time, on the next business day following the award, as a guaranty that the Purchaser will accept and pay for the Certificates in accordance with the terms of the bid. If a check is used, it must be drawn on a bank or trust company having an office in San Francisco or Los Angeles, California. If the Deposit is made by wire transfer, such wire transfer must be in immediately available funds and to the account at the wire address specified by the City or the Trustee to the Purchaser. The amount of the Deposit will be applied to the purchase price of the Certificates. If after the award of the Certificates the Purchaser fails to complete its purchase on the terms stated in its proposal, the Deposit will be retained by the City. No interest on the Deposit will accrue to any bidder.

STATEMENT OF TRUE INTEREST COST: Each bidder is requested, but not required, to state in its bid the total percentage true interest cost (TIC), which shall be considered as informative only and not binding on either the bidder or the City.

ESTABLISHMENT OF ISSUE PRICE FOR THE CERTIFICATES: In the event the City receives at least three bona fide bids for the sale of the Certificates, then the issue price for the Certificates will be established based on the reasonably expected Initial Offering Prices of the Certificates as of the Sale Date (the "Expected Offering Prices"). The Expected Offering Prices shall consist of the prices for each maturity of the Certificates used by the winning bidder in formulating its bid to purchase the Certificates. The winning bidder will be required to deliver on the Closing Date a certificate to such effect, and provide to the City, in writing, the Expected Offering Prices as of the date on which the Certificates are sold. Such certificate and supporting documentation shall be in substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Special Counsel.

In the event the City receives fewer than three bona fide bids for the Certificates, the City intends to treat the Initial Offering Price of each maturity of the Certificates set forth in the bid submitted by the winning bidder (the "Initial Offering Price") as the issue price of that maturity (the "Hold-the-Offering-Price Rule"). Consequently, each bidder should assume for purposes of making its bid that for each maturity of the Certificates, the City will treat the Initial Offering Prices as of the date that the Certificates are awarded by the City to the successful bidder (the "Sale Date") as the issue price of the Certificates. The City will advise the apparent winning bidder within one hour of receipt of bids if the Hold-the-Offering-Price Rule will apply. In the event that the competitive sale requirements are not satisfied and issue price is established pursuant to the Hold-the-Offering-Price Rule, the issue price certificate shall be modified as necessary in the reasonable judgment of Special Counsel and the City.

By submitting a bid, the successful bidder shall, on behalf of the underwriters participating in the purchase of the Certificates, (i) confirm that the underwriters have offered or will offer each maturity of the Certificates to the public on or before the Sale Date at the Initial Offering Price set forth in the bid submitted by the winning bidder, and (ii) agree that the underwriters will neither offer nor sell any maturity of the Certificates to any person at a price that is higher than the Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the 5th business day after the Sale Date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Certificates to the public at a price that is no higher than the Initial Offering Price for such maturity.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Certificates to the public at a price that is no higher than the Initial Offering Price if that occurs prior to the close of the 5th business day after the Sale Date.

The City acknowledges that, in making the representation set forth above, the successful bidder will rely on (i) the agreement of each underwriter to comply with the Hold-the-Offering-Price Rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Certificates 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, as set forth

in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Certificates 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, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the Hold-the-Offering-Price Rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the Hold-the-Offering-Price Rule as applicable to the Certificates.

By submitting a bid, each bidder confirms that:

- (1) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to:
 - (A) report the prices at which it sells to the public the Certificates of each maturity allotted to it until it is notified by the successful bidder that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public, and
 - (B) comply with the Hold-the-Offering-Price Rule, if and for so long as directed by the successful bidder and in the related pricing wires; and
- (2) any agreement among underwriters relating to the sale of the Certificates to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Certificates to the public to require each broker-dealer that is a party to such retail distribution agreement to:
 - (A) report the prices at which it sells to the public the unsold Certificates of each maturity allotted to it until it is notified by the successful bidder or such underwriter that either the 10% test has been satisfied as to the Certificates of that maturity or all Certificates of that maturity have been sold to the public and
 - (B) comply with the Hold-the-Offering-Price Rule, if and for so long as directed by the successful bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Certificates to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Notice of Sale.

As used herein, the term “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (as defined herein) or a related party to an Underwriter. The term “related party” generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly. As used herein, the term “Underwriter” means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

QUALIFICATION FOR SALE; BLUE SKY: Compliance with Blue Sky laws shall be the sole responsibility of the successful bidder, and the successful bidder shall indemnify and hold harmless the City and its officers and officials from any loss or damage resulting from any failure to comply with any such laws. The City will furnish such information and take such action not inconsistent with law as the successful bidder may request and the City shall deem necessary or appropriate to qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States of America as may be designated by the successful bidder; *provided, however,* that the City shall not execute a general or special consent to service of process or qualify to do business in connection with such qualification or determination in any jurisdiction. **The successful bidder will not offer to sell, or solicit any offer to buy, the Certificates in any jurisdiction where it is unlawful for such successful bidder to make such offer, solicitation or sale, and the successful bidder shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions in which the successful bidder sells the Certificates.**

RIGHT OF REJECTION: The City reserves the right, in its discretion, to reject any and all bids, to waive any irregularity or informality in any bid and to reoffer the Certificates for sale. The City retains absolute discretion to determine whether any bid is timely. The City takes no responsibility for informing any bidder prior to the time for receiving bids that its bid is incomplete or not received.

PROMPT AWARD: The City will take action awarding the Certificates or rejecting all bids not later than 24 hours after the expiration of the time herein prescribed for the receipt of bids unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

CLOSING PROCEDURES AND DOCUMENTS

DELIVERY AND PAYMENT: DELIVERY OF THE CERTIFICATES WILL BE MADE TO THE SUCCESSFUL BIDDER THROUGH DTC AND IS EXPECTED TO OCCUR ON October ____, 2023. Payment for the Certificates must be made by wire transfer in immediately available funds. Any expense of providing immediately available funds, whether by transfer of Federal Reserve Bank funds or otherwise, shall be borne by the successful bidder. The cost of preparing the Certificates will be borne by the City.

RIGHT OF CANCELLATION: The successful bidder shall have the right, at the bidder's option, to cancel its contractual obligation to purchase the Certificates if the City shall fail to deliver the Certificates and tender the same for delivery within 60 days from the date of sale thereof, and in such event the successful bidder shall be entitled to the return of such bidder's Deposit.

CALIFORNIA DEBT AND INVESTMENT ADVISORY COMMISSION FEE: Attention of bidders is directed to California Government Code Section 8856, which provides that the lead underwriter or the purchaser of the Certificates will be charged the California Debt and Investment Advisory Commission fee payable with respect to the Certificates.

CUSIP NUMBERS, DTC FEES AND OTHER FEES: It is expected that the successful bidder will apply for CUSIP identification numbers for the Certificates and will furnish such CUSIP identification numbers to Special Counsel within two business days after notice of award. It is anticipated that such CUSIP identification numbers will be printed on the Certificates being delivered to DTC, but neither the failure to print a CUSIP identification number nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder to accept delivery of and pay for the Certificates in accordance with the terms and provisions of its bid and this Official Notice of Sale. CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the successful bidder. All expenses in relation to the printing of the CUSIP identification numbers on the Certificates shall be paid by the City. The successful bidder shall also be required to pay all fees required by DTC, the Securities Industry and Financial Markets Association, the Municipal Securities Rulemaking Board and any other similar entity imposing a fee in connection with the delivery of the Certificates.

NO LITIGATION: There is no litigation pending concerning the validity of the Certificates, the corporate existence of the City or the Financing Corporation, or the entitlement of the officers thereof to their respective offices, and the purchaser will be furnished a no-litigation certificate certifying to the foregoing as of and at the time of delivery of the Certificates.

SPECIAL COUNSEL OPINION: The legal opinion of Jones Hall, A Professional Law Corporation, Special Counsel to the City, addressed to the City, approving the validity of the Certificates and related financing documents will be furnished to the successful bidder upon delivery of the Certificates. A copy of the proposed form of the opinion of Special Counsel is set forth in Appendix D of the Preliminary Official Statement.

DISCLOSURE COUNSEL OPINION: The legal opinion of Jones Hall, A Professional Law Corporation, Disclosure Counsel to the City, regarding the Official Statement, will be furnished to the successful bidder upon delivery of the Certificates.

OFFICIAL STATEMENT: A Preliminary Official Statement has been prepared, copies of which may be obtained upon request made to the Municipal Advisor, KNN Public Finance, LLC, 2054 University Avenue, Suite 300, Berkeley, California 94704, Attention: Nedko Nedev, telephone (510) 208-8288, Fax: (510) 208-8282, E-mail: nnedev@knninc.com. The Preliminary Official Statement is also available at www.i-dealprospectus.com. The Preliminary Official Statement shall be "deemed final" by the City prior to or on the date of sale of the Certificates for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but the Preliminary Official Statement is subject to revision, amendment and completion in a final Official Statement. A copy of the

certificate executed by the City indicating that the Preliminary Official Statement has been deemed final as of its date will be provided to potential bidders upon request to the Municipal Advisor at the address provided above. Copies of the Official Statement will be made available upon request, submitted to either Financial Advisor no later than 24 hours after the time of receipt of bids, at the purchaser's expense, for use in connection with any resale of the Certificates.

CERTIFICATE OF CITY RELATING TO OFFICIAL STATEMENT: The City will provide to the successful bidder for the Certificates a certificate, signed by an authorized officer of the City, confirming to the successful bidder that, as of the date of the final Official Statement, to the best of such officer's knowledge and belief, the Official Statement (excluding therefrom the information provided by the successful bidder regarding the underwriting, reoffering and CUSIP identification numbers for the Certificates, and the information set forth in Appendix F - "Book Entry Only System," such information being hereinafter referred to as the "Excluded Information") does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. Such Certificate of the City will further certify: (i) that there has been no material adverse change in the condition or affairs of the City, financial or otherwise, whether or not arising from transactions in the ordinary course of the operations of the City, as such operations are described in the Official Statement, which would make it unreasonable for such successful bidder to rely upon the Official Statement in connection with the resale of the Certificates; (ii) that to the best of such officer's knowledge, excluding therefrom the Excluded Information as to which no certification will be provided, no event has occurred since the date of the Official Statement which either makes untrue or incorrect in any material respect as of the date of delivery of the Certificates any statement of a material fact or is not reflected in the Official Statement but should be reflected therein in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (iii) authorizing the successful bidder to distribute copies of the Official Statement in connection with the resale of the Certificates.

By making a bid for the Certificates, the successful bidder agrees: (i) to disseminate to all members of the underwriting syndicate, if any, copies of the final Official Statement, including any supplements prepared by the City; (ii) to promptly file a copy of the final Official Statement, including any supplements prepared by the City, with the Municipal Securities Rulemaking Board Electronic Municipal Market Access (EMMA) system accessible at the emma.msrb.org website; and (iii) to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Certificates to the ultimate purchasers.

CONTINUING DISCLOSURE: In order to assist bidders in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"), the City will undertake, pursuant to a Continuing Disclosure Agreement, to provide certain annual financial information relating to the City and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement. See "Continuing Disclosure" in the Preliminary Official Statement.

Jones Hall, A Professional Law Corporation, Disclosure Counsel to the City, has conducted a due diligence review into the compliance by the City and its related entities with prior continuing disclosure undertakings under the Rule during the previous five years. Bidders are referred to the Preliminary Official Statement for further information concerning the results of such review.

Dated: September __, 2023

CITY OF SANTA CLARA

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

**CITY OF SANTA CLARA
WASTEWATER REVENUE CERTIFICATES OF PARTICIPATION,
SERIES 2023**

The undersigned, on behalf of [NAME OF PURCHASER] (“Purchaser”), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Certificates”).

1. *Reasonably Expected Initial Offering Price.*

(a) As of the Sale Date, the reasonably expected Initial Offering Prices of the Certificates to the Public by the Purchaser are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Certificates used the by the Purchaser in formulating its bid to purchase the Certificates. Attached as Schedule B is a true and correct copy of the bid provided by the Purchaser to purchase the Certificates.

(b) The Purchaser was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Certificates.

2. *Defined Terms.*

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

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

(c) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is October ____, 2023.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a

member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in the Certificate of Arbitrage and with respect to compliance with the federal income tax rules affecting the Certificates, and by Jones Hall, A Professional Law Corporation in connection with rendering its opinion that the interest on the Certificates 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 City from time to time relating to the Certificates.

[PURCHASER]

By:
Name:

Dated: [Issue Date]

[Attach Schedule A showing the maturity schedule for the Certificates and including the Initial Offering Price for each maturity.]