

Regular Board Meeting
Marin Public Financing Authority
County of Marin, State of California

Thursday, February 5, 2026
11:00 AM

Las Gallinas Valley Sanitary District Office
101 Lucas Valley Road, Suite 300
San Rafael, CA 94903

To download the full Marin Public Financing Authority Meeting Packet,
please visit: www.smcsd.net or www.lgvsd.org

President

Jeffrey Kingston, SMCS D General Manager

Vice President

Curtis Paxton, LGVSD General Manager

Treasurer

Dale McDonald, LGVSD Administrative Services Manager

Secretary

Catherine Bondanza, SMCS D Office Manager/Board Secretary

Contact Phone Numbers

Las Gallinas Valley Sanitary District
415- 472-1734

Sausalito-Marín City Sanitary District
415-332-0244



Agenda
Marin Public Financing Authority
Regular Board Meeting
County of Marin, State of California

Thursday, February 5, 2026
11:00 AM

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101 Lucas Valley Road, Suite 300
San Rafael, CA 94903

In compliance with the Americans with Disabilities Act of 1990, if you need special assistance to participate in a District meeting, or you need a copy of the agenda, or the agenda packet, in an appropriate alternative format, please contact the Board Secretary at (415) 332-0244. Notification of at least 48 hours prior to the meeting or time when services are needed will assist the District staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting and service.

In conformance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item, and its distribution less than 72 hours prior to a regular meeting will be made available for public inspection at the District Office or website. If however, the document or writing is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting or website, as listed on this agenda.

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please visit: www.smcsd.net or www.lgvsd.org*

*At the Board's discretion, they may consider agenda items
out of the order in which they appear*

- I. MEETING ROLL CALL – KINGSTON , PAXTON, MCDONALD, BONDANZA**

- II. PUBLIC COMMENT**

(Members of the public are invited to address the Board concerning topics which are not listed on the agenda. [If an item is on the agenda, interested persons may address the Board during the Board's consideration of that item.] Speakers should understand that except in very limited situations, state law precludes the Board from taking any action on or engaging in extended deliberations concerning items of business which are not on the Agenda. Consequently, if further consideration is required, the Board may refer the matter to its staff or direct that the subject be placed on an agenda for a future meeting. The Board reserves the right to limit the time devoted to this portion of the agenda and to limit the duration of speakers' presentations.)

III. CONSENT CALENDAR

- A. Approve Minutes of the Annual Board Meeting of January 8, 2026
- B. Approve Minutes of the Special Board Meeting of January 26, 2026

IV. NEW BUSINESS

- A. Adopt Resolution No. 2026-2: Resolution of the Board of Directors of the Marin Public Financing Authority Approving the Issuance of Its Wastewater Revenue Bonds, Series 2026A, in an Aggregate Principal Amount (Not in Excess of \$29,000,000) and Approving the Execution and Delivery of Certain Necessary Documents and Certificates in Connection Therewith and Related Actions
(The Board Will Be Asked to Adopt Resolution No. 2026-2)

V. BOARD OF DIRECTORS

- A. Next Board Meeting Agenda Item Request – Verbal
- B. Next Board Meeting Date
Thursday, January 7, 2027 at 2 pm
Las Gallinas Valley Sanitary District
101 Lucas Valley Road, Suite 300
San Rafael, CA 949303

VI. ADJOURNMENT

**MINUTES
ANNUAL BOARD MEETING
MARIN PUBLIC FINANCING AUTHORITY BOARD OF DIRECTORS**

**LOCATION
LAS GALLINAS VALLEY SANITARY DISTRICT
101 LUCAS VALLEY ROAD, SUITE 300
SAN RAFAEL, CA 94903**

January 8, 2026

The meeting was called to order at 2:00 p.m. by President Kingston.

I. MEETING ROLL CALL:

Directors Present: Jeffrey Kingston, President
Curtis Paxton, Vice President
Dale McDonald, Treasurer
Catherine Bondanza, Secretary

General Counsel: Patrick Richardson, Byers/Richardson

II. PUBLIC COMMENT:

None

III. CONSENT CALENDAR

- A. APPROVAL OF MINUTES OF THE ANNUAL BOARD MEETING OF JANUARY 16, 2025
- B. APPROVAL OF THE STATE CONTROLLERS FINANCE REPORT FY 6/30/25

C. APPROVAL OF GENERAL COUNSEL LEGAL EXPENSE

MOTION: VICE PRESIDENT PAXTON MOVED TO ACCEPT ALL ITEMS ON THE CONSENT CALENDAR; SECRETARY BONDANZA SECOND THE MOTION

Ayes: Paxton, Kingston, McDonald & Bondanza
Nays: None
Absent: None
Abstain: None

IV. **NEW BUSINESS**

A. SELECTION OF OFFICERS FOR 2026

Secretary Bondanza recommended the 2026 officers the same as 2025 as follows:

President – Jeffrey Kingston, Vice President – Curtis Paxton, Treasurer – Dale McDonald and Board Secretary Catherine Bondanza.

MOTION: SECRETARY BONDANA MOVED TO APPROVE THE 2026 SELECTION OF OFFICERS AS NOTED ABOVE; VICE PRESIDENT PAXTON SECOND THE MOTION.

Ayes: Paxton Kingston, McDonald & Bondanza
Nays: None
Absent: None
Abstain: None

V. **BOARD OF DIRECTORS**

- A. Next Board Meeting Agenda Item Request
1. Resolution to change time for 2/5/26 meeting
- B. Next Board Meeting Date & Location Request
Monday, January 26, 2026 at 2:00 pm
In Person – Las Gallinas Valley Sanitary District
101 Lucas Valley Road, Suite 300
San Rafael, CA 94903

VI. ADJOURNMENT

MOTION: BOARD SECRETARY BONDANZA MOVED TO ADJOURN THE MEETING; VICE PRESIDENT PAXTON SECOND THE MOTION.

Ayes: Paxton, Kingston, McDonald & Bondanza
Nays: None
Absent: None
Abstain: None

Board approved the adjournment of the meeting at 2:07 p.m.

RESPECTFULLY SUBMITTED,



Catherine A. Bondanza, Board Secretary

**MINUTES SPECIAL BOARD MEETING
MARIN PUBLIC FINANCING AUTHORITY BOARD OF DIRECTORS**

**LOCATION
LAS GALLINAS VALLEY SANITARY DISTRICT
101 LUCAS VALLEY ROAD, SUITE 300
SAN RAFAEL, CA 94903**

January 26, 2026

The meeting was called to order at 2:00 p.m. by President Kingston.

I. MEETING ROLL CALL:

Directors Present: Jeffrey Kingston, President Curtis Paxton, Vice President Catherine Bondanza, Secretary

Directors Absent: Dale McDonald, Treasurer

General Counsel: None

II. PUBLIC COMMENT:

None

III. CONSENT CALENDAR

None

IV. NEW BUSINESS

- A. Adopt Resolution No. 2026-1: Board of Directors of the Marin Public Financing Authority Amending the Time of Regular Meetings

MOTION: VICE PRESIDENT PAXTON MOVED TO ADOPT RESOLUTION No. 2026-1: BOARD OF DIRECTORS OF THE MARIN PUBLIC FINANCING AUTHORITY AMENDING THE TIME OF REGULAR MEETINGS; SECRETARY BONDANZA SECOND THE MOTION.

Ayes: Kingston, Paxton & Bondanza
Nays: None
Absent: McDonald
Abstain: None

V. BOARD OF DIRECTORS

- A. Next Board Meeting Agenda Item Request
 - 1. Consent Calendar
 - 2. Resolution to approve LGVSD Bonds

- B. Next Board Meeting Date & Location Request
 - Thursday, February 5, 2026 at 11 am
 - In Person – Las Gallinas Valley Sanitary
 - 101 Lucas Valley Road, Suite 300
 - San Rafael, CA 94903

VI. ADJOURNMENT

MOTION: BOARD SECRETARY BONDANZA MOVED TO ADJOURN THE MEETING; VICE PRESIDENT PAXTON SECOND THE MOTION.

Ayes: Paxton, Kingston & Bondanza
Nays: None
Absent: McDonald
Abstain: None

Board approved the adjournment of the meeting at 2:01 p.m.

RESPECTFULLY SUBMITTED,



Catherine A. Bondanza, Board Secretary

RESOLUTION NO. 2026-2

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MARIN PUBLIC FINANCING AUTHORITY APPROVING THE ISSUANCE OF ITS WASTEWATER REVENUE BONDS, SERIES 2026A, AND APPROVING THE EXECUTION AND DELIVERY OF CERTAIN NECESSARY DOCUMENTS AND CERTIFICATES IN CONNECTION THEREWITH AND RELATED ACTIONS

WHEREAS, the Marin Public Financing Authority (the “Authority”), a public entity that is duly organized and existing under a joint exercise of powers agreement and under the Constitution and laws of the State of California (the “State”); and

WHEREAS, the Las Gallinas Valley Sanitary District (the “District”), a special district that is duly organized and existing under and by virtue of the general laws of the State, and a member of the Authority, requested that the Authority assist the District in financing of the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its wastewater system (collectively, the “2026 Project”); and

WHEREAS, the Board of Directors of the Authority (the “Board”) has determined that it is desirable to issue its Wastewater Revenue Bonds, Series 2026A (the “Bonds”) to assist the District with the financing of the 2026 Project and paying costs of issuance in connection therewith; and

WHEREAS, the Bonds will be issued pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code (the “Act”); and

WHEREAS, in accordance with the requirements of Government Code Section 5852.1, there has been presented to the Board of the Authority and disclosed at the meeting at which this resolution is being adopted the information required by Government Code Section 5852.1 which is attached hereto as Exhibit A; and

WHEREAS, the Bonds are to be secured by installment payments to be made pursuant to an Installment Purchase Agreement (the “Installment Purchase Agreement”), by and between the District and the Authority, which installment payments will be payable from net revenues of the District’s wastewater system; and

WHEREAS, the Board has determined that it is in the best interest of the Authority to enter into the Installment Purchase Agreement with the District, and to approve certain other documents; and

WHEREAS, the Authority and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”), will enter into an Indenture of Trust (the “Indenture”), to provide for the issuance and security of the Bonds and the financing of the 2026 Project; and

WHEREAS, pursuant to the Indenture, the Authority will assign to the Trustee the installment payments payable under the Installment Purchase Agreement; and

WHEREAS, in order to effect a public sale of the Bonds, the Authority is required under federal securities laws and regulations to prepare a preliminary official statement with respect to the

Bonds (the “Preliminary Official Statement”) disclosing material information about the Authority, the District, the 2026 Project and the District’s wastewater system; and

WHEREAS, the Authority wishes at this time to approve the Preliminary Official Statement for the Bonds, which has been prepared by the District and the Authority with the assistance of Stradling Yocca Carlson & Rauth LLP, as bond counsel and disclosure counsel (“Disclosure Counsel”); and

WHEREAS, the Authority desires to issue the Bonds through a competitive sale, which the Authority determines will provide the Authority with the lowest overall cost of funds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARIN PUBLIC FINANCING AUTHORITY AS FOLLOWS:

Section 1. The Board hereby specifically finds and declares that each of the statements, findings and determinations of the Authority that are set forth in the above recitals and in the preambles of the documents that are approved herein are true and correct and that there are significant public benefits of the type described in Section 6586(a)-(d), inclusive, of the Act for the residents of the District by issuing the Bonds under the Act in that the issuance of the Bonds and related transactions will result in demonstrable savings in bond preparation, bond underwriting and bond issuance costs.

Section 2. The Board hereby authorizes the preparation, sale and delivery of the Bonds in accordance with the terms and provisions of the Indenture in an aggregate principal amount (not in excess of \$29,000,000) that is determined by the Executive Director or the Treasurer, together with other available funds, as being necessary to finance the 2026 Project, and to pay the cost of issuance for the Bonds; provided, however, that the Bonds shall be issued only in accordance with the parameters set forth in Section 6 below.

Section 3. The form of the Bonds, as set forth in the form of the Indenture (as the Indenture may be modified pursuant hereto), is hereby approved; and the Chair and the Secretary are hereby authorized and directed to execute the Bonds by manual or facsimile signature in the name and on behalf of the Authority.

Section 4. The Installment Purchase Agreement is hereby approved substantially in the form on file with the Secretary. The Chair or Vice Chair of the Board or the Executive Director or the Treasurer of the Authority (each, an “Authorized Officer”) or the designee thereof is hereby authorized and directed to execute and deliver such Installment Purchase Agreement with such changes, insertions and omissions as may be recommended by General Counsel or Stradling Yocca Carlson & Rauth LLP, as bond counsel (“Bond Counsel”) and approved by the officer executing the same, said execution being conclusive evidence of such approval.

Section 5. The Indenture is hereby approved substantially in the form on file with the Secretary. Each Authorized Officer or the designee thereof is hereby authorized and directed to execute and deliver such Indenture with such changes, insertions and omissions as may be recommended by General Counsel or Bond Counsel and approved by the officer executing the same, said execution being conclusive evidence of such approval.

Section 6. The form of notice of sale for the Bonds (the “Notice of Sale”), substantially in the form on file with the Board, is hereby approved and each of the Authorized Officers, acting alone, is hereby authorized to direct the sale of the Bonds on a competitive basis in accordance with the terms hereof and the Notice of Sale in substantially said form, with such changes as the Authorized Officer executing the same may require or approve to reflect the final terms of the sale. A summary of the Notice of Sale shall be published by the District’s Municipal Advisor, Ridgeline Municipal Strategies, LLC, (the “Municipal Advisor”) on behalf of the Authority in accordance with any notice requirements imposed by law. The Bonds shall be sold for such purposes and in such principal amount as are described above and in the Preliminary Official Statement described in Section 8 below, provided that (i) the purchase price for the Bonds shall not be less than 102% of the aggregate amount of principal thereof, (ii) the true interest cost of the Bonds as calculated by the Municipal Advisor shall not exceed 5.00%, and (iii) the sale shall be approved by an Authorized Officer as evidenced by a written acceptance of such winning bid. However, Authority may reject all bids should an Authorized Officer determine that none of the bids would serve the best interests of the Authority and the District.

Section 7. The proceeds of the Bonds shall be deposited as provided in the Indenture and the Installment Purchase Agreement to finance the 2026 Project.

Section 8. The preparation and distribution of the Preliminary Official Statement in substantially the form on file with the Secretary is hereby approved. An Authorized Officer is hereby authorized: (i) to sign a certificate pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended (the “Rule”), deeming the Preliminary Official Statement substantially final under the Rule, except for the omission of information as permitted by the Rule; and (ii) to execute, approve and deliver the final Official Statement substantially in the form of the Preliminary Official Statement with such changes, insertions and omissions as the officer or officers executing said document may require or approve, subject to advice from the Authority’s General Counsel or Disclosure Counsel, such approval to be conclusively evidenced by the execution and delivery thereof. The Municipal Advisor is hereby authorized to distribute copies of the Preliminary Official Statement to persons who may be interested in the initial purchase of the Bonds and is directed to deliver copies of the final Official Statement to the winning bidder for the Bonds.

Section 9. The Authorized Officers, the Secretary or any other proper officer of the Authority, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Preliminary Official Statement.

Section 10. The appointment of U.S. Bank Trust Company, National Association, as Trustee under and pursuant to the Indenture, with the powers and duties of said office as set forth therein, is hereby approved.

Section 11. The Authorized Officers, the Secretary or any other proper officer of the Authority, acting singly, be and each of them hereby is authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by the Indenture, the Installment Purchase Agreement, the Notice of Sale, the Continuing Disclosure Agreement, the Official Statement and this resolution. In the event that the Chair and Vice Chair of the Board are

unavailable to sign any of the agreements described herein, any other member of the Board may sign such agreement.

Section 12. Unless otherwise defined herein, all terms that are used herein and not otherwise defined shall have the meanings given to such terms in the Indenture unless the context otherwise clearly requires.

Section 13. The Board acknowledges that the good faith estimates have been obtained from the Municipal Advisor in accordance with Government Code Section 5852.1 and are set forth on Exhibit A attached hereto. The Board finds and determines that the provisions of Government Code Section 5852.1 have been satisfied with respect to the authorization of the Bonds.

Section 14. The Board hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

Section 15. This resolution shall take effect immediately.

MOVED, PASSED, and ADOPTED on this 5th day of February 2026.

_____, Chair

I, _____, Secretary of the Marin Public Finance Authority, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the Board of Directors of the Marin Public Finance Authority held on the 5th day of February, 2026, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAINED:

ATTEST: _____
_____, Secretary

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the Authority by Ridgeline Municipal Strategies, LLC, the District's Municipal Advisor (the "Municipal Advisor").

Principal Amount. The Municipal Advisor has informed the Authority that, based on the District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Bonds to be sold is \$28,500,000 (the "Estimated Principal Amount").

(a) True Interest Cost of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Bonds, is 3.85%.

(b) Finance Charge of the Bonds. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Bonds), including the Underwriter's Discount reflected in the True Interest Cost of the Bonds above, is \$347,100. Additionally, there will be an annual Trustee fee for as long as the Bonds are outstanding.

(c) Amount of Proceeds to be Received. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Authority for sale of the Bonds, less the finance charge of the Bonds, set forth in (b) above is \$29,844,693.

(d) Total Payment Amount. The Municipal Advisor has informed the Authority that, assuming that the Estimated Principal Amount of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Authority will make to pay debt service on the Bonds, including the finance charge for the Bonds as described in (b) above, calculated to the final maturity of the Bonds, is \$50,535,516.

The foregoing estimates constitute good faith estimates only. The actual principal amount of the Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Bonds sold being different from the Estimated Principal Amount, (c) the actual amortization of the Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the

time of sale of the Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the Bonds and the actual principal amount of Bonds sold will be determined by the District and the Authority based on the timing of the need for proceeds of the Bonds and other factors. The actual interest rates borne by the Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District and the Authority.

Research Update:

Las Gallinas Valley Sanitary District, CA Series 2026A Wastewater Revenue Bonds Assigned 'AAA' Rating

January 6, 2026

Overview

- S&P Global Ratings assigned its 'AAA' long-term rating to the [Marin Public Financing Authority](#), Calif.'s series 2026A wastewater revenue bonds, issued on behalf of [Las Gallinas Valley Sanitary District](#).
- At the same time, we affirmed our existing 'AAA' long-term rating on the authority's parity debt.
- The outlook is stable.

Rationale

Security

The district will use the series 2026A bond proceeds to fund construction of a multipurpose laboratory building and a sustainable, flood-resilient Corp Yard & Wildlife Pond parking lot, along with pump station improvements.

We view the bond provisions as credit-neutral. The bonds are payable from installment payments secured by the net revenue of the district's wastewater system, and the district's obligation to make the installment payments from the pledged revenue is absolute and unconditional. Key bond provisions include a rate covenant set at 1.25x annual debt service and an additional bonds test set at 1.25x maximum annual debt service.

Credit highlights

The rating reflects our view of the district's healthy financial position, stable revenue profile, and sophisticated management, supported by its favorable economic setting in northeast Marin County just north of San Francisco. Its operating surpluses are consistent, its financial policies are well-developed and actively followed, and its leadership is experienced and stable, providing continuity and strategic oversight.

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Revenue stability is supported by fixed sewer charges and by rates set in 2023 through 2027 at 10% annual increases, with a new rate study planned to moderate future increases to roughly 5% beginning in 2028. Coverage metrics are strong, with historical debt service consistently above 2x and projected all-in coverage exceeding 2.3x. Liquidity and reserves are robust, reflecting adherence to formal reserve policies.

Although the district's debt burden is projected to nearly double over the next five years to fund capital improvements, the combination of a high-income service area, stable growth, and proactive financial management supports continued credit strength. Planned investments are not expected to materially weaken the district's credit profile.

The rating further reflects our view of:

- Extremely strong economic profile, with household incomes at 163% of the national average, stable-to-modest account growth, and proximity to the San Francisco metropolitan statistical area. The district's customer base, which consists of 30,000 residents across 16 square miles in Marin County, including part of San Rafael, is primarily affluent and diverse.
- Very strong market position, with affordable service rates relative to local incomes and a low county poverty rate, and with nearly all charges collected through the county tax roll under the Teeter Plan, ensuring full payment. Current rates, set through fiscal 2027 with 10% annual increases, are expected to be followed by 5% annual increases starting fiscal 2028 per a planned rate study.
- Extremely strong all-in coverage, historically above 2x, with projected parity coverage rising from 2.53x in fiscal 2026 to 2.97x in 2030, supported by fixed-rate revenues, approved and projected rate increases, and moderate expense growth. Total debt service coverage, including subordinate obligations, remains robust, providing significant cushion and flexibility.
- Extremely strong liquidity and nominal reserves, with formal policies covering operations, rate stabilization, emergencies, capital needs, and equipment replacement. As of fiscal 2025, available reserves approximate \$26 million, near targeted levels across all categories.
- Adequate debt profile, incorporating the series 2026A bonds and planned additional debt. We do not anticipate the planned debt will materially weaken the financial profile, assuming coverage and liquidity remain strong.
- Strong operational management, with robust regulatory compliance, proactive risk mitigation, and a structured asset management program guiding maintenance and capital planning. Organizational effectiveness is reinforced by emergency preparedness, succession planning, cyber and financial policies, and transparent multi-year budgeting and rate-setting.
- Good financial management, with conservative forecasting, annual budgets with quarterly monitoring, and multi-year planning for rates, reserves, and capital needs.

Environmental, social, and governance

We consider the district as more exposed to environmental risks compared with that of peers in other states, given California drought, growing incidence of wildfires, and periodic earthquakes. However, the district has proactive policies to address infrastructure damage and emergency response to these natural disasters. We view the district's social risk as in line with that of peers due to the area's high incomes and affordable rates, which we expect will remain so in the long term. Finally, we view the district's governance factors as credit-supportive, as they include pre-approved rate-setting practices, strong financial planning and policies, and operational efficiencies.

Rating above the sovereign

We rate the district's debt above that of the U.S., the related sovereign, as the system has a predominantly local revenue base. Local service charges, derived through an autonomous rate-setting process, represent virtually all revenue. This precludes exposure to federal revenue, allowing S&P Global Ratings to assign a rating higher than that on the U.S. overall.

Outlook

The stable outlook reflects our view that the district's financial performance will remain strong during the two-year outlook horizon and that the district's very strong service area economic base will provide additional stability.

Downside scenario

We could lower the rating if the district significantly underperforms its forecast or if it draws down its cash reserves well below the minimum level identified in its reserve policy.

Las Gallinas Valley Sanitary District, California--Economic and financial data

| | Most recent | Fiscal year-end | | | |
|---|-------------|-----------------|--------|--------|--------------|
| | | 2025 | 2024 | 2023 | Median (AAA) |
| Economic data | | | | | |
| MHHEBI of the service area as % of the U.S. | 163.0 | | | | 114.0 |
| Unemployment rate (%) | 4.6 | | | | 3.4 |
| Poverty rate (%) | 8.7 | | | | 10.3 |
| Water rate (6,000 gallons or actual) (\$) | 0.0 | | | | 33.3 |
| Sewer rate (6,000 gallons or actual) (\$) | 124.0 | | | | 37.2 |
| Annual utility bill as % of MHHEBI | 1.3 | | | | 1.0 |
| Operational management assessment | Strong | | | | Good |
| Financial data | | | | | |
| Total operating revenues (\$000s) | | 22,670 | 20,671 | 19,140 | 73,371 |
| Total operating expenses less depreciation (\$000s) | | 14,581 | 12,422 | 10,990 | 53,231 |
| Net revenues available for debt service (\$000s) | | 9,651 | 10,443 | 9,132 | -- |
| Debt service (\$000s) | | 4,507 | 4,497 | 4,528 | -- |
| S&P Global Ratings-adjusted all-in DSC (x) | | 2.1 | 2.3 | 2.0 | 2.6 |
| Unrestricted cash (\$000s) | | 25,918 | 30,865 | 28,863 | 90,711 |
| Days' cash of operating expenses | | 649 | 907 | 959 | 713 |
| Total on-balance-sheet debt (\$000s) | | 75,141 | 49,036 | 51,916 | 140,491 |
| Debt-to-capitalization ratio (%) | | 41.7 | 32.2 | 34.7 | 26.0 |
| Financial management assessment | Good | -- | -- | -- | Strong |

Note: Most recent economic data available from our vendors. MHHEBI--Median household effective buying income. DSC--Debt service coverage.

Ratings List

New Issue Ratings

US\$28.5 mil wastewtr rev bnds (Las Gallinas Vy San Dist) ser 2026A due 04/01/2056

Las Gallinas Valley Sanitary District, CA Series 2026A Wastewater Revenue Bonds Assigned 'AAA' Rating

Ratings List

| | |
|------------------|------------|
| Long Term Rating | AAA/Stable |
|------------------|------------|

Ratings Affirmed

Water & Sewer

| | |
|---|------------|
| Las Gallinas Vy San Dist, CA Sewer System | AAA/Stable |
|---|------------|

The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceId/504352>. Complete ratings information is available to RatingsDirect subscribers at www.capitaliq.com. All ratings referenced herein can be found on S&P Global Ratings' public website at www.spglobal.com/ratings.

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PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY __, 2026

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California (“Bond Counsel”), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See “TAX MATTERS” with respect to tax consequences relating to the Bonds, including with respect to the alternative minimum tax imposed on certain large corporations.

NEW ISSUE – BOOK-ENTRY ONLY

**RATING: S&P: “AAA”
See the caption “RATING.”**

\$28,500,000*

**MARIN PUBLIC FINANCING AUTHORITY
(LAS GALLINAS VALLEY SANITARY DISTRICT)
WASTEWATER REVENUE BONDS, SERIES 2026A**

Dated: Date of Delivery

Due: April 1, as shown on inside front cover page

The Bonds are being issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases will be made in denominations of \$5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of the Bonds will not receive certificates representing their beneficial ownership in the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds is payable on April 1 and October 1 of each year, commencing October 1, 2026. Payment of the principal of and interest on the Bonds is to be made to Cede & Co., which is to disburse said payments to the Beneficial Owners of the Bonds through their nominees.

The Bonds are subject to redemption prior to maturity, all as more fully described herein.

The Bonds are being issued to provide funds to finance certain capital improvements to the Las Gallinas Valley Sanitary District’s (the “District”) Wastewater System and to pay costs incurred in connection with the issuance of the Bonds.

The Bonds are being issued pursuant to the Indenture of Trust, dated as of February 1, 2026, by and between the Marin Public Financing Authority and U.S. Bank Trust Company, National Association, as successor trustee (the “Trustee”). THE BONDS ARE A SPECIAL LIMITED OBLIGATION OF THE AUTHORITY PAYABLE SOLELY FROM AUTHORITY REVENUES, WHICH CONSIST OF SERIES 2026 INSTALLMENT PAYMENTS TO BE MADE BY THE DISTRICT TO THE AUTHORITY PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT, DATED AS OF FEBRUARY 1, 2026, BY AND BETWEEN THE DISTRICT AND THE AUTHORITY, AND FROM CERTAIN OTHER FUNDS AND ACCOUNTS HELD BY THE TRUSTEE PURSUANT TO THE INDENTURE. NEITHER THE FULL FAITH AND CREDIT NOR ANY OTHER REVENUES OR FUNDS OF THE AUTHORITY ARE PLEDGED TO OR AVAILABLE FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS. THE OBLIGATION OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

No debt service reserve fund has been established in connection with the issuance of the Bonds.

The obligation of the District to make the Series 2026 Installment Payments is a special limited obligation of the District payable solely from Net Revenues of the District’s Wastewater System. The District may incur additional obligations payable from Net Revenues on a parity with the obligation to pay Series 2026 Installment Payments, subject to the terms and conditions of the Installment Purchase Agreement, as more fully described herein.

THE OBLIGATION OF THE DISTRICT TO MAKE SERIES 2026 INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE DISTRICT TO MAKE THE SERIES 2026 INSTALLMENT PAYMENTS IS A SPECIAL LIMITED OBLIGATION OF THE DISTRICT PAYABLE SOLELY FROM NET REVENUES OF THE DISTRICT’S WASTEWATER SYSTEM AND DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

MATURITY SCHEDULE
(See inside front cover page)

The Bonds were awarded on February __, 2026 as set forth in the Official Notice Inviting Bids dated February __, 2026. The Bonds will be offered when, as and if issued, subject to the approval of the valid, legal and binding nature of the Bonds by Stradling Yocca Carlson & Rauth LLP, Bond Counsel, and certain other conditions. Certain matters will be passed upon for the District and the Authority by

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Byers/Richardson, California, and by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel and for the Trustee by its counsel. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about February 26, 2026.

Dated: February __, 2026

\$28,500,000*
MARIN PUBLIC FINANCING AUTHORITY
(LAS GALLINAS VALLEY SANITARY DISTRICT)
WASTEWATER REVENUE BONDS, SERIES 2026A

MATURITY SCHEDULE

BASE CUSIP[†] _____

\$ _____ Serial Bonds

| <i>Maturity (April 1)</i> | <i>Principal Amount</i> | <i>Interest Rate</i> | <i>Yield</i> | <i>Price</i> | <i>CUSIP[†]</i> |
|--------------------------------------|------------------------------------|-----------------------------|---------------------|---------------------|---------------------------------|
| | \$ | % | % | | |

\$ _____ % Term Bonds Due April 1, 20__, Yield: _____%, Price: _____^(C), CUSIP[†] _____
 \$ _____ % Term Bonds Due April 1, 20__, Yield: _____%, Price: _____^(C), CUSIP[†] _____

* Preliminary, subject to change.

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**MARIN PUBLIC FINANCING AUTHORITY
LAS GALLINAS VALLEY SANITARY DISTRICT**

District Board of Directors

Crystal J. Yezman, *President*
Nicholas Lavrov, *Vice President*
Megan Clark, *Director*
Gary E. Robards, *Director*
Craig K. Murray, *Director*

District Staff

Curtis Paxton, *General Manager*
Jasmine Diaz, P.E., *District Engineer*
Don Moore, *Plant Manager*
Dale McDonald, *Administrative Services Manager*
Greg Pease, *Collection System/Safety Manager*

Authority Board of Directors

Jeffrey Kingston, *President*
Curtis Paxton, *Vice President*
Dale McDonald, *Treasurer*
Catherine Bondanza, *Secretary*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth LLP
Newport Beach, California

Trustee

U.S. Bank Trust Company, National Association
Los Angeles, California

Municipal Advisor

Ridgeline Municipal Strategies, LLC
Rocklin, California

No dealer, broker, salesperson or other person has been authorized by the District or the Authority to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Authority. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

This Official Statement and the information that is contained herein are subject to completion or amendment without notice, and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or the Authority or any other parties that are described herein since the date hereof. These securities may not be sold, nor may an offer to buy be accepted, prior to the time that the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the District. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements which are included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “project,” “budget,” “intend” or similar words. Such forward-looking statements include, but are not limited to, certain statements contained under the captions “THE DISTRICT” and “THE WASTEWATER SYSTEM OF THE DISTRICT.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

The District maintains a website; however, information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to the more complete information contained in this Official Statement, and the offering of the Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms that are used and not otherwise defined in this Summary Statement have the meanings ascribed to them in this Official Statement.

Purpose. The Bonds are being issued to provide funds: (i) to finance certain capital improvements to the Las Gallinas Valley Sanitary District's (the "District") Wastewater System, as described under the caption "THE FINANCING PLAN—Wastewater System Improvements" and (ii) to pay costs incurred in connection with the issuance of the Bonds. See the caption "ESTIMATED SOURCES AND USES OF FUNDS."

Security for the Bonds. The Bonds are a special limited obligation of the Marin Public Financing Authority (the "Authority") payable solely from Authority Revenues, which consist of Series 2026 Installment Payments to be made by the District to the Authority pursuant to the Installment Purchase Agreement and amounts on deposit in certain funds and accounts established by the Indenture. Neither the full faith and credit nor any other revenues or funds of the Authority are pledged to or available for the payment of debt service on the Bonds. THE OBLIGATION OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

The obligation of the District to make Series 2026 Installment Payments is a special limited obligation of the District payable solely from Net Revenues of the District's Wastewater System, which consist of Revenues of the District's Wastewater System remaining after payment of Operation and Maintenance Costs. See the caption "SECURITY FOR THE BONDS."

The obligation of the District to make the Series 2026 Installment Payments under the Installment Purchase Agreement is absolute and unconditional, and until such time as all payments that are required thereunder have been paid in full (or provision for the payment thereof has been made as provided for in the Installment Purchase Agreement), the District will not discontinue or suspend any Series 2026 Installment Payments required to be made by it under the Installment Purchase Agreement when due, whether or not the Wastewater System or any part thereof is operating or operable, or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the Wastewater System Improvements have been completed, and such payments will not be subject to reduction whether by offset or otherwise and will not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

THE OBLIGATION OF THE DISTRICT TO MAKE SERIES 2026 INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE DISTRICT TO MAKE THE SERIES 2026 INSTALLMENT PAYMENTS IS A SPECIAL LIMITED OBLIGATION OF THE DISTRICT PAYABLE SOLELY FROM NET REVENUES AND DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

No Reserve Fund. The Authority has not funded a debt service reserve fund in connection with the issuance of the Bonds.

Rate Covenant. To the fullest extent permitted by law, the District will fix and prescribe, at the commencement of each such Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected, at the commencement of such Fiscal Year, to be at least sufficient to yield during such Fiscal Year Net Revenues equal to 125% of Debt Service for such Fiscal Year and any amounts needed to be transferred to any reserve accounts for Bonds and Contracts in order to increase such reserve accounts to their applicable reserve requirements in such Fiscal Year. See the caption “SECURITY FOR THE BONDS—Rate Covenant.”

Additional Indebtedness. The Installment Purchase Agreement does not permit the District to make any additional pledge of, or to place any additional lien on, the Revenues, or any portion thereof, which is senior to the pledge and lien securing the payment of the Series 2026 Installment Payments. The Installment Purchase Agreement does permit the District to incur Parity Bonds and Contracts payable on a parity with the Series 2026 Installment Payments provided that certain conditions are satisfied as described herein. Nothing in the Installment Purchase Agreement precludes the District from entering into obligations which are Operation and Maintenance Costs and, therefore, payable from Revenues prior to the Series 2026 Installment Payments, or from issuing any bonds or executing any contracts the payments under which are payable from Net Revenues on a subordinate basis to the Series 2026 Installment Payments, Parity Bonds and Contracts of the District. See the caption “SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts.”

Redemption. The Bonds are subject to redemption prior to maturity. See the caption “THE BONDS—Redemption.”

The District and Wastewater System. The District is a special district that was formed under the Sanitary District Act of 1923 (California Health and Safety Code, Section 6400 et. seq.) and was established on April 6, 1954. The District is located in Marin County, California (the “County”), and serves a population of more than 30,000 people. The District collects, treats and recycles wastewater within its jurisdictional boundaries, which includes a portion of the City of San Rafael, as well as a portion of the unincorporated County. See “THE DISTRICT.”

The District operates and maintains a wastewater collection and treatment system. The wastewater collection system is comprised of approximately 105 miles of gravity sewer lines, 6.72 miles of force mains, and 28 pump stations. There are 2,985 manholes and approximately 52.5 miles of privately owned laterals. The District’s sewage treatment plant has a permitted dry weather average capacity of 2.92 million gallons per day (“mgd”).

The District also has a recycled water treatment facility and a water reclamation project on 385 acres of diked bay lands located to the northeast of the treatment plant. The project includes a 20-acre wildlife marsh pond, 40 acres of storage ponds, 200 acres of irrigated pasture, and 3.5 miles of public trails which are part of the San Francisco Bay Trail. In the fiscal year ending June 30, 2025, 20.92 million gallons were used for pasture irrigation of organic hay crops.

In 2017, the District reached an agreement with Marin Municipal Water District (“MMWD”) to expand the District’s recycled water treatment plant to provide tertiary treated wastewater which can then be distributed to MMWD’s customers. MMWD decommissioned its existing plant, which was located on the District’s property, to allow for the expansion of the District’s recycled water treatment plant. As part of the agreement, MMWD made a capital contribution towards the expansion and makes certain payments towards outstanding debt which was issued to finance the expansion. The expansion began construction in December 2018 and the recycled water facility was completed in March 2021 with the treatment plant upgrade completed in 2024. The District’s new expanded recycled water treatment facility, online since March 2021, has a design capacity of over 5 million gallons per day.

See the captions “THE DISTRICT” and “THE WASTEWATER SYSTEM OF THE DISTRICT” for further information about the District and the Wastewater System.

\$28,500,000*
MARIN PUBLIC FINANCING AUTHORITY
(LAS GALLINAS VALLEY SANITARY DISTRICT)
WASTEWATER REVENUE BONDS, SERIES 2026A

INTRODUCTION

This Official Statement, including the front cover page, the inside front cover page and the appendices, provides certain information concerning the sale and delivery of the Marin Public Financing Authority (Las Gallinas Valley Sanitary District) Wastewater Revenue Bonds, Series 2026A (the “**Bonds**”). Descriptions and summaries of various documents that are set forth in this Official Statement do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each such document. Capitalized terms that are used and not otherwise defined in this Official Statement have the meanings ascribed thereto in Appendix B.

The Bonds are being issued pursuant to an Indenture of Trust, dated as of February 1, 2026 (the “**Indenture**”), by and between the Marin Public Financing Authority (the “**Authority**”) and U.S. Bank Trust Company, National Association, as successor trustee (the “**Trustee**”). The Bonds are limited obligations of the Authority payable solely from Authority Revenues, which consist of payments (the “**Series 2026 Installment Payments**”) to be made by the Las Gallinas Valley Sanitary District (the “**District**”) to the Authority pursuant to an Installment Purchase Agreement (the “**Installment Purchase Agreement**”), dated as of February 1, 2026, by and between the District and the Authority, and amounts on deposit in certain funds and accounts established by the Indenture.

The obligation of the District to make Series 2026 Installment Payments is a special limited obligation of the District payable solely from Net Revenues of the District’s Wastewater System, which consist of Revenues of the District’s Wastewater System remaining after payment of Operation and Maintenance Costs. See the caption “**SECURITY FOR THE BONDS.**”

The obligation of the District to pay the Series 2026 Installment Payments is payable from Net Revenues on a parity with the following bonds and contracts (collectively, the “**Outstanding Parity Obligations**”): (i) payments under a State Revolving Fund Loan Contract in May 2010, as amended (the “**SRF Loan**”), with the State Water Resources Control Board (the “**SWRCB**”); (ii) payments under the Bank of Marin loan (the “**Bank of Marin Loan**”), dated June 10, 2011, with the Bank of Marin; (iii) payments under the 2017 Installment Sale Agreement, dated April 1, 2017 (the “**2017 Installment Purchase Agreement**”), with the Authority which secures payments on the Authority’s 2017 Revenue Bonds (Marin County, California) (the “**2017 Bonds**”); and (iv) payments under a California Infrastructure and Economic Development Bank Loan (the “**iBank Loan**”), entered into in May 2019, with the California Infrastructure and Economic Development Bank.

Under certain conditions, the District may also issue additional bonds and enter into additional contracts the payments on which will be on a parity with its obligation to make the Series 2026 Installment Payments. See “**SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts.**”

Neither the full faith and credit nor any other revenues or funds of the District are pledged to or available for the payment of debt service on the Bonds. The obligation of the District to make payments of principal and interest on the Bonds does not constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The District has no taxing power. See the caption “**SECURITY FOR THE BONDS.**”

The Bonds are being issued to provide funds: (i) to finance certain capital improvements to the District’s Wastewater System and (ii) to pay costs incurred in connection with the issuance of the Bonds.

* Preliminary, subject to change.

The District regularly prepares a variety of reports, including audits, budgets and related documents. Any Bond Owner may obtain a copy of such report, as available, from the District. The District has also undertaken to provide annual reports to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System (“EMMA”) pursuant to a continuing disclosure agreement. See the caption “CONTINUING DISCLOSURE” and Appendix E.

THE FINANCING PLAN

Wastewater System Improvements

A portion of the proceeds of the Bonds will be deposited in the Acquisition Fund to be used to pay for some or all of the cost of certain capital improvements to the District’s Wastewater System, including, but not limited to: construction of a new multi-purpose lab building, certain capacity improvements to the District’s John Duckett, Rafael Meadows and Civic Center pump stations, and a sewer undercrossing project. See the caption “THE WASTEWATER SYSTEM OF THE DISTRICT—Future Wastewater System Improvements.”

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds in connection with the issuance of the Bonds:

| | |
|----------------------------------|-----------|
| Sources | |
| Principal Amount of Bonds | \$ — |
| Plus Net Original Issue Premium | _____ |
| Total Sources | \$ |
| | |
| Uses | |
| Deposit to Acquisition Fund | \$ |
| Costs of Issuance ⁽¹⁾ | _____ |
| Total Uses | \$ |

⁽¹⁾ Includes certain legal, municipal advisory, financing, rating agency, Trustee fees, Underwriter’s discount and printing costs.

THE BONDS

General Provisions

The Bonds will be issued in the aggregate principal amount of \$28,500,000*. The Bonds will bear interest from and be dated the date of initial issuance, and will be payable upon maturity on the dates set forth on the inside front cover page hereof. Interest on the Bonds will be payable on April 1 and October 1 of each year, commencing October 1, 2026. Interest will be calculated at the rates set forth on the inside front cover page hereof on the basis of a year of 360 days comprised of twelve 30 day months.

The Bonds will be delivered only in fully registered form and, when issued, 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 Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of \$5,000 or any integral multiple thereof. See the caption “—Book-Entry Only System” and Appendix D.

In the event that the book-entry only system that is described below is discontinued, the principal of and interest on any Bond will be payable by check or draft of the Trustee upon presentation and surrender thereof at

* Preliminary, subject to change.

maturity or upon prior redemption at the Office of the Trustee in Los Angeles, California. Such principal and interest will be payable in lawful money of the United States of America.

Book-Entry Only System

One fully-registered Bond will be issued for each maturity of the Bonds in the principal amount of the Bonds of such maturity. Each such Bond will be registered in the name of Cede & Co. and will be deposited with DTC. As long as the ownership of the Bonds is registered in the name of Cede & Co., the term “**Owner**” as used in this Official Statement will refer to Cede & Co. and not to the actual purchasers of the Bonds (the “**Beneficial Owners**”).

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, the Bonds will be printed and delivered and will be governed by the provisions of the Indenture with respect to payment of principal and interest and rights of exchange and transfer.

The Authority cannot and does not give any assurances that DTC participants or others will distribute payments with respect to the Bonds received by DTC or its nominee as the registered Owner, or any redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service and act in the manner described in this Official Statement. See Appendix D — “BOOK-ENTRY ONLY SYSTEM.”

Transfers and Exchanges Upon Termination of Book-Entry Only System

In the event that the book-entry system that is described above is discontinued, the Bonds will be printed and delivered as provided in the Indenture. Thereafter, any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond at the Office of the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. The Trustee is not required to register the transfer of any Bond during the period in which the Trustee is selecting Bonds for redemption and any Bond that has been selected for redemption.

Whenever any Bond is surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver a new Bond or Bonds of authorized denomination or denominations for a like series and aggregate principal amount of the same maturity. The Trustee will require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. Following any transfer of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of other authorized denominations of the same series and maturity. The Trustee is not required to exchange any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption. The Trustee will require the Bond Owner requesting such exchange to pay any tax or other governmental charge required to be paid with respect to such exchange. Following any exchange of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Redemption*

Optional Redemption. The Bonds with stated maturities on or before April 1, 20__, are not subject to redemption prior to their respective stated maturities. The Bonds with stated maturities on or after April 1, 20__, are subject to redemption prior to their respective stated maturities, as a whole or in part, as directed by the Authority in a request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) and by lot within

* Preliminary, subject to change.

each maturity in integral multiples of \$5,000, on April 1, 20__ or any date thereafter at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds with stated maturities on April 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on April 1, 20__ and each April 1 thereafter, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

| <i>Redemption Date (April 1)</i> | <i>Principal Amount</i> |
|--------------------------------------|-----------------------------|
| | \$ |

*

* Maturity.

The Bonds with stated maturities on April 1, 20__ are subject to mandatory sinking fund redemption in part (by lot) on April 1, 20__ and each April 1 thereafter, in integral multiples of \$5,000 at a Redemption Price of the principal amount thereof plus accrued interest to the date fixed for redemption, without premium, in accordance with the following schedule:

| <i>Redemption Date (April 1)</i> | <i>Principal Amount</i> |
|--------------------------------------|-----------------------------|
| | \$ |

*

* Final Maturity.

Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same series, interest rate and maturity.

Selection of Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee will select the Bonds for redemption as a whole or in part on any date as directed by the Authority and by lot within each maturity in integral multiples of \$5,000 in accordance with the provisions set forth above under the caption “—Redemption.” The Trustee will promptly notify the Authority in writing of the numbers of the Bonds or portions thereof so selected for redemption.

Notice of Redemption

Notice of redemption will be mailed by first class mail not less than 20 days or more than 60 days before any Redemption Date, to the respective Owners of any Bonds that are designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and the Information Services.

Each notice of redemption will state the date of notice, the redemption date, the place or places of redemption and the Redemption Price, and will designate the maturities, CUSIP numbers, if any, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on the redemption date there will become due and payable on each of said Bonds or parts thereof that are designated for redemption the Redemption Price thereof or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, together with, interest accrued thereon to the redemption date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such redemption date interest thereon will cease to accrue, and will require that such Bonds be then surrendered to the Trustee. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any Bond. Notice of redemption of Bonds will be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption will be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys have not been so received, said notice will be of no force and effect and the Trustee will not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption will not be made, and the Trustee will within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

Effect of Redemption

Notice of redemption having been duly given as described above under the caption “—Notice of Redemption,” and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption will become due and payable, interest on the Bonds so called for redemption will cease to accrue, said Bonds (or portions thereof) will cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof. The Trustee will, upon surrender for payment of any of the Bonds to be redeemed on their Redemption Dates, pay such Bonds at the Redemption Price. All Bonds redeemed pursuant to the provisions of the Indenture will be canceled upon surrender thereof.

DEBT SERVICE SCHEDULE

Set forth below is a schedule of Series 2026 Installment Payments for each annual period ending on June 30 in the years indicated.

| <i>Period Ending June 30</i> | <i>Principal</i> | <i>Interest</i> | <i>Total</i> |
|----------------------------------|------------------|-----------------|--------------|
| | \$ | \$ | \$ |

| | | | |
|-------|----------|----------|----------|
| TOTAL | \$ _____ | \$ _____ | \$ _____ |
|-------|----------|----------|----------|

Source: Underwriter.

SECURITY FOR THE BONDS

General

Each Bond is a special limited obligation of the Authority payable solely from Authority Revenues, which consist of Series 2026 Installment Payments to be made by the District under the Installment Purchase Agreement, and certain other funds and accounts established pursuant to the Indenture. NEITHER THE FULL FAITH AND CREDIT NOR ANY OTHER REVENUES OR FUNDS OF THE AUTHORITY ARE PLEDGED TO OR AVAILABLE FOR THE PAYMENT OF DEBT SERVICE ON THE BONDS. THE OBLIGATION OF THE AUTHORITY TO MAKE PAYMENTS OF PRINCIPAL AND INTEREST ON THE BONDS DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE AUTHORITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE AUTHORITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE AUTHORITY HAS NO TAXING POWER.

The Authority has assigned substantially all of its right, title and interest in the Installment Purchase Agreement to the Trustee pursuant to the Indenture, for the benefit of the Owners of the Bonds, including its

right to receive Series 2026 Installment Payments and its rights as may be necessary to enforce payment of the Series 2026 Installment Payments when due.

Series 2026 Installment Payments Payable From Net Revenues

All of the Authority Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to the Indenture (except the Rebate Fund) have been irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the Bonds in accordance with their terms and the provisions of the Indenture. Such pledge constitutes a lien on and security interest in such amounts and will attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act and will be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice hereof.

The obligation of the District to make the Series 2026 Installment Payments is payable solely from Net Revenues of the District's Wastewater System, which consist of Revenues of District's Wastewater System remaining after the payment of Operation and Maintenance Costs. All Revenues (as such term is defined in Appendix B under the caption "INSTALLMENT PURCHASE AGREEMENT—Definitions") of the District's Wastewater System and all amounts on deposit in the Revenue Fund have been irrevocably pledged to the payment of the Series 2026 Installment Payments as provided in the Installment Purchase Agreement. The Revenues will not be used for any other purpose while any of the Series 2026 Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted in the Installment Purchase Agreement, including but not limited to the payment of Operation and Maintenance Costs of the Wastewater System. Such pledge, together with the pledge created by all other Bonds and Contracts (as such terms are defined in Appendix B under the caption "INSTALLMENT PURCHASE AGREEMENT—Definitions" and referred to in the forepart of this Official Statement as "**Parity Bonds and Contracts**" or "**Parity Bonds or Contracts,**" as applicable), which include the Outstanding Parity Obligations and constitutes a first lien on Revenues and, subject to application of Revenues and all amounts on deposit in the Revenue Fund as permitted in the Installment Purchase Agreement, the Revenue Fund and other funds and accounts created thereunder for the payment of the Series 2026 Installment Payments, and all other Parity Bonds and Contracts in accordance with the terms thereof and of the Indenture.

Notwithstanding anything contained in the Installment Purchase Agreement, the District is not required to advance any moneys derived from any source of income other than the Revenues and the Revenue Fund for the payment of amounts due under the Installment Purchase Agreement or for the performance of any agreements or covenants that are required to be performed by it contained therein. The District may, however, advance moneys for any such purpose so long as such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

THE OBLIGATION OF THE DISTRICT TO MAKE SERIES 2026 INSTALLMENT PAYMENTS PURSUANT TO THE INSTALLMENT PURCHASE AGREEMENT DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. THE OBLIGATION OF THE DISTRICT TO MAKE THE SERIES 2026 INSTALLMENT PAYMENTS IS A SPECIAL LIMITED OBLIGATION OF THE DISTRICT PAYABLE SOLELY FROM NET REVENUES OF THE DISTRICT'S WASTEWATER SYSTEM AND DOES NOT CONSTITUTE A DEBT OF THE DISTRICT OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

Rate Covenant

Covenant Regarding Net Revenues. To the fullest extent permitted by law, the District will fix and prescribe, at the commencement of each such Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected, at the commencement of such Fiscal Year, to be at least sufficient to yield during such Fiscal Year Net Revenues equal to 125% of Debt Service for such Fiscal Year plus any amounts needed to replenish any reserve accounts held in connection with Parity Bonds or Contracts.

Covenant Regarding Revenues. To the fullest extent permitted by law, the District will fix and prescribe, at the commencement of each such Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected, at the commencement of such Fiscal Year, to be at least sufficient to yield during such Fiscal Year, Revenues sufficient to pay the following amounts in the following order of priority:

- (i) All Operating and Maintenance Costs estimated by the District to become due and payable in such Fiscal Year;
- (ii) All Debt Service due in such Fiscal Year;
- (iii) All amounts needed to replenish any reserve accounts held in connection with Parity Bonds or Contracts; and
- (iv) All payments required to meet any other obligations of the District which are charges, liens, encumbrances upon, or which are otherwise payable from, the Revenues or the Net Revenues during such Fiscal Year, except to the extent other sources of funds are reserved or encumbered therefore.

General. The District may make, or permit to be made, adjustments from time to time in such rates, fees and charges and may make, or permit to be made, such classification thereof as it deems necessary, but may not reduce or permit to be reduced such rates, fees and charges below those then in effect, unless the Revenues from such reduced rates, fees and charges will at all times be sufficient to meet the foregoing requirements.

So long as the District has complied with its obligations set forth above, the failure of Net Revenues or Revenues, as applicable, to meet the thresholds set forth in such paragraphs, as applicable, does not constitute a default or an Event of Default under the Installment Purchase Agreement or the Indenture.

No Reserve Fund

The Authority has not funded a debt service reserve fund in connection with the issuance of the Bonds.

Additional Parity Bonds and Contracts

The District may at any time issue or execute any Parity Bonds or Contracts, as the case may be, payable from Net Revenues on a parity with the Series 2026 Installment Payments and secured by a pledge of and lien on Revenues as described in the Installment Purchase Agreement, provided that:

- (a) No Event of Default has occurred under the Installment Purchase Agreement and is continuing, nor in connection with any other existing Parity Bonds or Contracts; and
- (b) The amount of Net Revenues, excluding connection fees and transfers from the Rate Stabilization Fund, as shown by the books of the District for the most recent completed Fiscal Year for which audited financial statements of the District are available or for any more recent consecutive 12-month period selected by the District, in either case verified by an Independent Certified Public Accountant or an Independent Financial Consultant or shown in the audited financial statements of the District, plus at the option of the District

any Additional Revenues, are at least equal to 125% of the amount of maximum annual Debt Service coming due and payable in the current or any future Bond Year with respect to all Parity Bonds and Contracts then outstanding (including the Parity Bonds then proposed to be issued or the Contract then proposed to be executed).

Notwithstanding the foregoing, Parity Bonds or Contracts issued or executed to refund Parity Bonds or Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year after the Fiscal Year in which such Parity Bonds or Contracts are issued or executed, as applicable, is not greater than Debt Service would have been in each such Fiscal Year prior to the issuance or execution of such Parity Bonds or Contracts.

In addition, at any time, the District may enter into Bonds and Contracts that are either unsecured or which are secured by Net Revenues on a basis that is junior and subordinate to the pledge of and lien upon the Net Revenues established under the Installment Purchase Agreement for the Bonds.

Rate Stabilization Fund

The District has previously established a special fund designated as the “Rate Stabilization Fund,” and such fund will continue to be held by the District in trust under the Installment Purchase Agreement. The District has agreed and covenanted to maintain and to hold such fund separate and apart from other funds so long as any Parity Bonds or Contracts remain unpaid. Money transferred by the District from the Revenue Fund to the Rate Stabilization Fund in accordance with the Installment Purchase Agreement will be held in the Rate Stabilization Fund and applied in accordance with the Installment Purchase Agreement.

The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund and transfer such amounts to the Revenue Fund for application in accordance with the Installment Purchase Agreement or, in the event that all or a portion of the Series 2026 Installment Payments are discharged in accordance with the Installment Purchase Agreement, transfer all or any portion of such amounts for application in accordance with the Installment Purchase Agreement. Any such amounts transferred from the Rate Stabilization Fund to the Revenue Fund in accordance with the Installment Purchase Agreement constitute pledged Revenues.

THE DISTRICT

General

The District is a special district that was formed under the Sanitary District Act of 1923 (California Health and Safety Code, Section 6400 *et. seq.*). It was established in April 1954. The District provides wastewater collection, treatment and recycling services to approximately 30,000 people in the northern San Rafael area of Marin County, California.

The District is located in the northeast portion of the County and north of the City of San Francisco. The District serves an area of approximately 16 square miles in the northern part of the City of San Rafael and surrounding unincorporated areas in the County, including the communities of Lucas Valley, Marinwood, Santa Venetia and Terra Linda (the “Service Area”). The District’s boundaries are marked by Hamilton Field (a former air force base) to the north, San Pablo Bay to the east, and central San Rafael to the south. The District is primarily residential and built out. As of July 1, 2025, the District was comprised of 96.5% residential parcels (9,341) and 3.5% commercial/industrial parcels (342); however the revenue generated was approximately 79% from residential users and 21% from commercial/industrial users. For certain background and demographic information regarding the region in and around the District’s service area, see “APPENDIX F — GENERAL INFORMATION ABOUT THE CITY OF SAN RAFAEL AND THE COUNTY OF MARIN.”

District Governance and Management

Board of Directors. The District is governed by an elected five-member Board of Directors (the “District Board”), and the District’s operations are approved by the District Board.

District elections are held in November on even-numbered years. Elections are consolidated with the Marin County Uniform District Election. Each District Board member is elected at large, for a four-year term. Terms are staggered, with two terms expiring one year, and three terms expiring two years later. Candidates for the District Board must be registered voters and must reside within the boundaries of the District. The District Board routinely meets on the second and fourth Thursday of every month.

The current members of the District Board, the expiration dates of their terms of office and brief biographies are set forth below.

| Board Member | Expiration of Term |
|--|---------------------------|
| Crystal J. Yezman, <i>President</i> | 2028 |
| Nicholas Lavrov, <i>Vice President</i> | 2026 |
| Megan Clark, <i>Director</i> | 2026 |
| Gary E. Robards, <i>Director</i> | 2026 |
| Craig K. Murray, <i>Director</i> | 2028 |

Crystal J. Yezman. Ms. Yezman was first appointed to the District Board in 2018 and last re-elected in 2022. Ms. Yezman graduated from U.C. Berkeley with a Bachelor’s Degree in Environmental Science and Master’s Degree in Civil and Environmental Engineering specializing in wastewater design. Ms. Yezman has worked for over 20 years in managing water and wastewater utilities for San Francisco Public Utilities Commission, Santa Clara Valley Water District, Portland Oregon Water Bureau, MMWD, and now East Bay Municipal Utility District.

Nicholas Lavrov. Mr. Lavrov was first elected to the District Board in 2024. Mr. Lavrov has a degree in Economics from U.C. Berkeley. He has over 26 years of specialist and management experience in water, wastewater, emergency response, natural resources management and environmental protection for the US National Park Service - Golden Gate National Recreation Area, San Francisco Public Utilities Commission, US Bureau of Reclamation, US Army Corps of Engineers, US Bureau of Land Management, and US Federal Emergency Management Agency.

Gary E. Robards. Mr. Robards was first elected to the District Board in 2023 and last re-elected in 2024. Mr. Robards is a graduate of the U.C. Berkeley with a Bachelor’s Degree in Environmental Studies and Master’s Degree in Civil and Environmental Engineering specializing in wastewater design. Mr. Robards worked as a Civil Engineer for 38 years at Nute Engineering until his retirement in 2018. Mr. Robards is the Vice-President of the Santa Venetia Neighborhood Association and is member of the Santa Venetia Community Plan Advisory Group. Mr. Robards has been a resident of Santa Venetia for 32 years.

Megan Clark. Ms. Clark was first elected to the District Board in 2001 and was last re-elected in 2022. Ms. Clark graduated from the College of Marin with a degree in Computer Programming, and also attended The Wharton School of Finance at the University of Pennsylvania. Ms. Clark worked as a computer programmer for the City and County of San Francisco and the County. While working for the County, she joined M.A.P.E. as a member of the union’s executive board and worked as a Democratic precinct captain. Ms. Clark spearheads the planning for climate change and sea level rise and their impacts on the District’s facilities located on the edge of San Pablo Bay.

Craig K. Murray. Mr. Murray was appointed to the District Board in 2007 and was last re-elected in 2024. Mr. Murray grew up in the County and attended the College of Marin. Mr. Murray has an undergraduate degree from U.C. Berkeley and a Masters in Public Policy and Administration from California State

University - Long Beach. Mr. Murray currently works as a Development Project Manager in the Engineering Department for the City of Richmond, and serves the County as an elected Special District Commissioner on the County's local area formation commission.

Management. The General Manager, who is appointed by the District Board, oversees the District's staff and reports directly to the District Board. Brief biographies of staff responsible for management of the District are provided below:

Curtis Paxton, P.E., General Manager. Mr. Paxton was appointed General Manager of the District in August 2022. Mr. Paxton has nearly 40 years of experience in the water/wastewater field and has over 25 years of experience as a General Manager or Assistant General Manager for public water and wastewater agencies. Mr. Paxton is a Registered Professional Civil Engineer in the State of California, and holds a Grade V Wastewater Treatment Operator License. Mr. Paxton received a Bachelor's of Science degree in Civil Engineering from Cal Poly Pomona and a Master's of Business Administration from the University of La Verne.

Don Moore, Plant Manager. Mr. Moore serves as Plant Manager for the District and has been an employee of the District since 2021. Prior to working for the District, Mr. Moore has held positions as Wastewater System Supervisor and later promoted to Utility Operations Manager with the Town of Yountville. Mr. Moore's core responsibilities as Plant Manager are to ensure that the District's wastewater treatment plant complies with all State and Federal Regulatory requirements for wastewater effluent discharge, recycled water production and atmospheric emissions. Mr. Moore holds a Bachelor's of Arts Degree in Liberal Studies from Sonoma State University.

Dale McDonald, Administrative Services Manager. Mr. McDonald has served as the Administrative Services Manager at the District since 2020. Prior to working at the District, Mr. McDonald had 11 years of experience in local government, with 10 of those years serving as General Manager and Chief Financial Officer of the Crockett Community Services District where he managed all administration and financial operations. Prior to public service, Mr. McDonald worked 19 years at a private company that provided proprietary insurance accounting software solutions. Mr. McDonald has a Bachelor's degree in Film from San Francisco State University. During his tenure at the District, Mr. McDonald managed and participated in all activities related to the District's finance and accounting programs including budget preparation, annual audits, sewer rate setting, and required financial reporting.

Greg Pease, Collection System/Safety Manager. Mr. Pease first started working for the District in 2004 as a Collection System Operator and is currently serving as Collection System/Safety Manager for the District. Mr. Pease attended Sonoma State University, where he received a Bachelor's degree in Environmental Studies. Shortly after graduating, Mr. Pease served as a Collection System Operator and was promoted to the position of Lead Collection System Operator, during his approximately three years of service. In 2007, Mr. Pease accepted a job with Central Marin Sanitation Agency as a Source Control Inspector where he was twice awarded the California Water Environment Association Person of the Year award (2008/2010) during his 7 years of service. In October of 2014, Mr. Pease returned to the District in his current position as Collection System/Maintenance/Safety Manager and holds a CWEA Collection System Operator IV Certification.

Wastewater Facilities

The District operates and maintains the wastewater system, and provides the following services to its Service Area:

Sewage Collection. The District operates a sanitary sewer collection system comprised of approximately 105 miles of gravity sewer lines, 6.72 miles of force mains, and 28 pump stations. There are 2,985 manholes and approximately 52.5 miles of privately owned laterals.

Sewage Treatment. The District operates a sewage treatment plant with a permitted dry weather average capacity of 2.92 mgd. The District treated an average daily flow of 2.64 mgd of sewage per day in 2025. All influent flow is treated. Some flows are “treated” to higher levels (recycled water) and some to lower levels (blending during storm events).

The District’s treatment plant uses bar screens, aerated chambers, primary clarification trickling filters and deep bed filters to provide treatment. Treated effluent is disposed of through discharge pipes into Miller Creek which flows to San Pablo Bay during the discharge season of November through May. The discharge coincides with wet weather, when treated effluent can be diluted by higher levels of bay water due to rain.

All readily settleable solids, screenings and grit are removed from the wastewater stream, and screenings and grit is then disposed of in a landfill. The solids are treated by gravity thickening and anaerobic digestion, and then pumped to one or more of three storage ponds, where they are typically retained for one year prior to surface disposal. The treatment plant produced approximately 2.0 Million Gallons of Class B in 2025.

Reuse of Treated Wastewater and MMWD Agreement. The District has a recycled water treatment facility and a water reclamation project on 385 acres of diked bay lands located to the northeast of the treatment plant. The project includes a 20-acre wildlife marsh pond, 40 acres of storage ponds, 200 acres of irrigated pasture, and 3.5 miles of public trails which are part of the San Francisco Bay Trail. In Fiscal Year 2024-25, 20.92 million gallons were used for pasture irrigation of organic hay crops.

In 2017, the District reached an agreement with MMWD to expand the District’s recycled water treatment plant to provide tertiary treated wastewater which can then be distributed to MMWD’s customers. MMWD decommissioned its existing plant, which was located on the District’s property, to allow for the expansion of the District’s recycled water treatment plant. As part of the agreement, MMWD made a capital contribution towards the expansion and makes certain payments towards outstanding debt which was issued to finance the expansion. The expansion began construction in December 2018 and the recycled water facility was completed in March 2021 with the treatment plant upgrade completed in 2024.

The District’s new expanded recycled water treatment facility, online since March 2021, has a design capacity of over 5 million gallons per day. The completed expansion effectively quadrupled its capacity. The recycled water delivery from the expanded facility is now being provided to MMWD and the North Marin Water District (“NMWD”), who then sell it for use in landscape irrigation, car washes, cooling towers, commercial laundries, and toilet flushing. The District produced 354.3 million total gallons in Fiscal Year 2024-25, with 234.3 million gallons for MMWD, 65.1 million gallons for NMWD and 54.9 million gallons for the District for operations in-lieu of potable water. The District entered into contract with NMWD in 2011 to provide recycled water to NWMD. Under the contract, the District agreed to annually produce at least 220 acre feet of recycled water for NMWD for 20 years. A Second Revised Inter-Agency agreement with NMWD was entered into on June 30, 2022, extending the term 30 years to 2052, with one year automatic extension renewals at expiration, and with recycled water delivery maximum capacity set at 0.7 million gallons per day.

Both MMWD and NMWD reimburse the District for the District’s operating and maintenance costs associated with producing the recycled water. For the 299.4 million gallons that the District produced and delivered to MMWD and NMWD in Fiscal Year 2024-25, it recovered \$222,493 in operating and maintenance costs.

Lab. The District operates its own lab which collects samples, completes analysis, and performs other testing to comply with the plant discharge permit issued by the SWRCB. The Central Marin Sanitation Agency (“CMSA”) and lab staff manage the District’s source control program. This includes a Fats Oils and Grease (“FOG”) Program that is designed to prevent customers from discharging substances that are harmful to the sewage treatment process or that may cause clogs to sewer mains and pump stations. Lab staff members participate in the Marin County Sanitation Agencies Public Education Program. This program allows participating agencies to combine resources and have a unified message to educate the public about the proper

disposal of and to collect pharmaceuticals, mercury, batteries and other household hazardous waste in the County.

For additional information on the condition of the District’s wastewater facilities, see “THE DISTRICT — Future Capital Improvements.”

Solid Waste (Garbage) Services and Recycling.

The District manages the refuse hauling service for the unincorporated areas in the District. The franchise was awarded to Marin Sanitary Service which provides curbside recycling, solid waste, yard waste and food scraps hauling, and safe hazardous waste disposal services that are helping achieve the County’s goal of zero waste. The District’s revenues from its solid waste services and recycling activities are not part of Net Revenues and are not pledged to pay debt service on the Bonds.

Customer Base

The District’s Service Area is comprised primarily of residential units with commercial and some light industrial areas. The Service Area is substantially built out with in-fill developments in pockets of undeveloped land and redevelopment of commercial areas that were built over twenty five years ago. In previous years, development has consisted of decentralized development rather than new greenfield development. In 2023, the County adopted its 2023-2031 Housing Element plan with a goal of adding 3,569 new housing units in unincorporated Marin. In 2024 and 2025, larger projects along with proposed site conversion project applications, have been submitted to the District resulting in an anticipated increase in connection fee revenue collected to reserve system capacity. The customer base is anticipated to grow as multi-family affordable housing complexes are developed and connected to the collection system. Commercial sewer service charge revenue would decrease and be offset by rising residential sewer service charge revenue as land use is changed.

Summary of Sewer Customers by Class.

Residential. The District charges residential rates which are designed to cover the actual cost of service. Each residential unit is charged the basic flat rate. This applies to single-family homes or similar residential units such as condominiums and mobile homes. Multi-family residential units such as apartments are charged 90% of the single family rate. See “Wastewater Rates and Charges.”

Non-Residential. Non-residential rates are structured individually for each type of non-residential use and are calculated based on estimated sewer strengths. To determine an estimated cost to collect and treat wastewater from a non-residential customer, the District calculates the cost based on water usage and a strength factor, which is an average cost to treat wastewater from a particular type of non-residential customer. Thus, a low water user would pay less than a high water user in the same category of non-residential customers with the same strength factor. And, for two non-residential customers with the same water use, the one with the higher strength factor would pay more.

For calculating the non-residential rate, the District obtains an average of winter and summer water usage for each non-residential customer from the MMWD. The District excludes water used solely for irrigation and recycled water that does not enter the District’s sewer system, i.e., water not used for toilet flushing, laundry, commercial car washes, etc., in its calculation. The average water usage is then converted into sanitary units. Each 16 hundred cubic feet (11,968 gallons) of water is equal to one sanitary unit.

A strength factor is applied to each non-residential customer based on the type of use. Users such as office buildings, retail, churches, halls, public agencies, laundromats, service stations, medical offices, barber and beauty shops, car washes, convalescent hospitals, hospitals and the like are considered domestic strength users and are given a strength factor of 1.0. Elevated strength users include hotels with restaurants, commercial laundry, and mixed use parcels have a strength factor of 1.82. High strength users, such as restaurants/cafes,

bakeries, mortuaries, , and markets with disposals, have a strength factors of 2.7. The strength factor is not applied to residences or schools.

The non-residential rate is determined by multiplying the number of sanitary units by the strength factor, and by the basic residential rate.

Table 1 below shows, for the District’s Service Area, the historical number of sewer customers by class for the past five fiscal years.

**TABLE 1
SUMMARY OF SEWER CUSTOMERS BY CLASS
FISCAL YEARS 2020-21 THROUGH 2024-25**

| <i>Customer classification</i> | <i>2020-21</i> | <i>2021-22</i> | <i>2022-23</i> | <i>2023-24</i> | <i>2024-25</i> | <i>2024-25 % of Total</i> |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|-------------------------------|
| Residential | | | | | | |
| Single-family | 9,336 | 9,333 | 9,330 | 9,324 | 9,321 | 60.83% |
| Multi-family | <u>3,121</u> | <u>3,115</u> | <u>3,161</u> | <u>3,161</u> | <u>3,188</u> | <u>20.81</u> |
| Subtotal | 12,457 | 12,448 | 12,491 | 12,485 | 12,509 | 81.64 |
| Non-residential ⁽¹⁾ | <u>3,694</u> | <u>2,931</u> | <u>3,170</u> | <u>3,147</u> | <u>2,814</u> | <u>18.36</u> |
| Total | 16,151 | 15,379 | 15,661 | 15,632 | 15,323 | 100.00% |

⁽¹⁾ Non-Residential customer class count based on Equivalent Sanitary Units which fluctuate based on prior year water use.
Source: Las Gallinas Valley Sanitary District.

Historical Revenues. Table 2 below shows wastewater billings by type of customer for active wastewater accounts of the District for the past five fiscal years.

**TABLE 2
BILLINGS BY CUSTOMER CLASS
FISCAL YEARS 2020-21 THROUGH 2024-25**

| <i>Customer classification</i> | <i>2020-21</i> | <i>2021-22</i> | <i>2022-23</i> | <i>2023-24</i> | <i>2024-25</i> | <i>2024-25 % of Total</i> |
|--------------------------------|------------------|------------------|------------------|------------------|------------------|-------------------------------|
| Residential ⁽¹⁾ | | | | | | |
| Single-family | \$ 8,768,999 | \$ 9,401,482 | \$10,127,557 | \$11,142,094 | \$12,471,671 | 60.83% |
| Multi-family | <u>2,931,453</u> | <u>3,137,857</u> | <u>3,431,212</u> | <u>3,777,366</u> | <u>4,265,603</u> | <u>20.81</u> |
| Subtotal | 11,700,453 | 12,539,339 | 13,558,770 | 14,919,459 | 16,737,274 | 81.64 |
| Non-residential ⁽¹⁾ | <u>3,469,653</u> | <u>2,952,507</u> | <u>3,440,981</u> | <u>3,760,636</u> | <u>3,765,184</u> | <u>18.36</u> |
| Total | \$15,170,106 | \$15,491,846 | \$16,999,751 | \$18,680,095 | \$20,502,458 | 100.00% |

⁽¹⁾ The majority of the District’s revenue is collected by the County assessor via the property tax roll for the specified fiscal years. The District ordinance allows for direct bill of sewer service charges for customers that cannot be billed and collected via the property tax roll.
Source: Las Gallinas Valley Sanitary District.

Largest Users. The following table shows the largest users of the District based on billings for fiscal year 2024-25.

**TABLE 3
LARGEST USERS
FISCAL YEAR 2024-25**

| <i>Customer</i> | <i>Type of Property</i> | <i>Fiscal Year 2024-25 Billings⁽¹⁾</i> | <i>Percent of Total Wastewater Billings</i> |
|-----------------------------------|-------------------------|---|---|
| Contempo Marin | MH Community | \$ 564,638 | 2.75% |
| Marin Valley MHP | MH Community | 427,140 | 2.08 |
| County of Marin | Government Entity | 384,562 | 1.88 |
| View at Marin | Apartments | 309,880 | 1.51 |
| Embassy Suites | Hotel | 281,729 | 1.37 |
| Northgate Mall | Shopping Center | 210,437 | 1.03 |
| Deer Valley Apartments | Apartments | 208,620 | 1.02 |
| San Rafael Manor | Apartments | 195,200 | 0.95 |
| Kaiser Permanente | Hospital | 185,636 | 0.91 |
| St. Vincent’s School | Private School | <u>146,041</u> | <u>0.71</u> |
| Total 10 Largest Customers | | \$ 2,913,883 | 14.21% |
| Total Sewer User Charges | | \$ 20,502,429 | |

⁽¹⁾ Represents the amounts transmitted to the County assessor for collection on the fiscal year 2024-25 property tax roll. All rates and charges are collected on the tax roll. See “THE DISTRICT — Billing Practices and Collection” below.
Source: Las Gallinas Valley Sanitary District.

Wastewater Rates and Charges

General. The District transmits its rates and the majority of its charges for the wastewater system to the County Tax Collector for inclusion on the County property tax roll. See “Billing Practices and Collection” below.

The principal consideration in designing rate schedules is to assure that the revenues of the District cover total system expenditures and allow for a surplus that is used for capital improvements.

Any increase in the District’s wastewater rates is subject to both a (i) noticed public hearing under Proposition 218, at which a majority of written protests could disapprove of the proposed changes, and (ii) requirement, under section 6520.5 of the Health and Safety Code, that the District Board approve any rate increase by a two-thirds vote (requiring the affirmative votes of four of the District Board’s five members).

Historical and Adopted Future Wastewater Rates. The District is responsible for charging its customers fair rates that cover its cost of service. The table below shows the rates approved by the District Board pursuant to Ordinance No. 192 for fiscal years 2023-24 through 2026-27. Following fiscal year 2026-27, the District may continue charging the same rates, or adjust them subject to Proposition 218 procedures.

**APPROVED ANNUAL SERVICE CHARGE
FISCAL YEARS 2023-24 THROUGH 2026-27**

| <i>Fiscal Year</i> | <i>Annual Sewer Service Charge</i> |
|--------------------|--|
| 2023-24 | \$1,233 |
| 2024-25 | 1,356 |
| 2025-26 | 1,492 |
| 2026-27 | 1,641 |

Source: Las Gallinas Valley Sanitary District.

Comparative Wastewater Service Charges. The following table shows the District’s annual sewer service charges per equivalent dwelling unit (“EDU”) as compared with annual charges per EDU for surrounding communities.

**TABLE 4
COMPARATIVE ANNUAL WASTEWATER CHARGES PER EDU
FISCAL YEAR 2025-26**

| <i>Agency</i> | <i>Annual Sewer Charge Per EDU</i> |
|---|--|
| Sanitary District No. 5 - Belvedere | \$2,237 |
| Ross Valley Sanitary District (Larkspur) | 1,844 |
| Sanitary District No. 5 - Tiburon | 1,728 |
| Tamalpais Community Services District | 1,608 |
| Las Gallinas Valley Sanitary District | 1,492 |
| Ross Valley Sanitary District (Ross Valley) | 1,288 |
| Sausalito Marin City Sanitary District ⁽¹⁾ | 1,053 |
| Town of Corte Madera ⁽²⁾ | 906 |
| Richardson Bay Sanitary District ⁽²⁾ | 828 |
| Novato Sanitary District | 729 |

⁽¹⁾ Does not include fees charged by the City of Sausalito for maintenance and repair of the wastewater collection system, which is \$757 for residential homes in fiscal year 2025-26.

⁽²⁾ Agencies receive larger tax subsidies which allow for lower sewer charge per EDU.

Source: Las Gallinas Valley Sanitary District.

Capital Facilities Charge. The District charges capital facilities charges for connecting to its sewer system, which are one-time fees paid by developers or builders of new houses or buildings. These fees represent new users’ fair share of the capital costs which have been incurred to build out the Wastewater System. The District charges capital facilities charges to developers and builders to reserve system capacity. Right for capacity is secured once the entire connection fee is paid in full. Capital facilities charges have not been a source of operating revenues for the District and are restricted for capital purposes. See “Historical Operating Results” herein.

Ad Valorem Tax Revenues

In fiscal year 2024-25, the District received approximately \$1.9 million in ad valorem tax revenue. The *ad valorem* tax revenue represents a portion of the 1% *ad valorem* property taxes assessed and collected by the County in the District’s Service Area. See “Historical Operating Results” below for historical information on the District’s ad valorem tax revenues.

Pursuant to Article XIII A of the California Constitution, the County levies a 1% *ad valorem* property tax on behalf of all taxing agencies in the County and, in addition, the *ad valorem* property tax for payment of the general obligation bonds of school districts and other governmental entities in the County. The proceeds of the 1% *ad valorem* property taxes are apportioned on the basis of a formula established by State law. The assessed valuation of property is established by the County Assessor, except for public utility property, which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full cash value of the property, defined as the County Assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property newly constructed, or when a change in ownership has occurred after the 1975 assessment. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed the lesser of 2% per year or the change in the consumer price index, or a reduction in the consumer price index or comparable local data for the area or may be reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The full cash value may also be adjusted due to change of ownership or new construction. The County Assessor may also temporarily reduce assessed values of property within the County pursuant to Proposition 8, a voter-approved Constitutional amendment adopted in November 1978, pursuant to which property owners are entitled to the lower of the fair market value of their property as of January 1 or the assessed value as determined at the time of purchase or construction, and increased by no more than 2% annually. See "BOND OWNERS' RISKS — Risk of *Ad Valorem* Property Tax Diversion" herein.

Billing Practices and Collection

Billing Procedures. Each year the District transmits its sewer service charges to the County Treasurer-Tax Collector for collection on the County property tax roll. The property tax billings are due in two equal installments on December 10 and April 10. The District generally receives the first and second installments from the County in December and April, respectively, with final reconciliation payments in June and July. The District also directly bills certain customers who have tax exempt properties such as schools and government entities. The District has the ability to lien properties for delinquent charges. At this time there are no liens for delinquent or current charges.

Delinquent Charges. The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each taxing entity receives 100% of the taxes and assessments levied, without regard to delinquencies.

The District's wastewater rates and charges are currently covered under the County's Teeter Plan. However, there can be no assurance that the County will not choose to discontinue the Teeter Plan in the future, or modify its Teeter Plan to exclude or limit the coverage for sanitary districts, or choose to remove the District from its Teeter Plan coverage. To the best knowledge of the District, as of the date of this Official Statement, no such discontinuation or removal is under consideration.

No Information Regarding Delinquencies. No information is available from the County regarding actual delinquency rates. All enforcement and collection is handled by the County.

Outstanding District Obligations

Existing Parity Debt of the District. The Bonds will be secured by Net Revenues on a parity with the Existing Parity Obligations. Aside from the Existing Parity Obligations, the District will have no other outstanding obligations that constitute Parity Bonds and Contracts on the date of issuance of the Bonds. See "SECURITY FOR THE BONDS — Additional Parity Bonds and Contracts."

Existing Subordinate Debt of the District. On August 19, 2025, the District entered into an Equipment Lease/Purchase Agreement (the "2025 Equipment Lease") with Banc of America Public Capital Corp. The principal amount owed under the Equipment Lease totals \$6,100,000, with annual installments of \$370,827.68,

inclusive of interest, through September 1, 2035, when the 2025 Equipment Lease terminates, unless prepaid on an earlier date. The Bonds will be secured by Net Revenues on a basis that is senior to the payments owed under the 2025 Equipment Lease. The District may enter into Bonds and Contracts in the future on a basis that is junior to the Bonds. See “SECURITY FOR THE BONDS — Additional Parity Bonds and Contracts.”

Future Capital Improvements

The District prepares and adopts a 5-Year Capital Improvement Program (“CIP”) as part of the rate setting process that identifies and sets priorities for all major capital assets to be acquired, constructed, or replaced by the District. The CIP is included in the budget and updated at least annually as part of the budget process. The District’s current five-year CIP was included in the District’s adopted budget. The Board of Directors retains exclusive authority to increase the annual budget authority for capital expenditures. The CIP can be revised under the authority of the General Manager if it does not exceed the budget authority. In no case may total capital expenditures exceed that which is appropriated by the Board without a budget amendment duly approved by the Board. The CIP identifies \$84 million of needed sewer infrastructure improvements through Fiscal Year 2029-30, including a portion of the proceeds of the Bonds. A number of the projects in the CIP are discretionary and contingent upon the District’s ability to continue increasing the rates through the Proposition 218 process.

The District’s CIP groups planning & engineering, fleet & equipment, collection system & pump stations, reclamation, and treatment plant projects. In addition to the currently ongoing multipurpose laboratory building and planned pump station projects at John Duckett, Rafael Meadows, and Civic Center, key general improvement projects over the next few years, together with their expected costs and funding source(s), are listed below:

- **Sewer Main Collection System Rehabilitation and Inflow & Infiltration Reduction Program:** The bi-annual sewer main rehabilitation program is a targeted capital improvement initiative designed to extend the useful life of critical wastewater infrastructure, reduce inflow and infiltration, and mitigate long-term operational and financial risks. The next round of the program is set to go out to bid in the spring of 2026. The program targets rehabilitation of over 5,000 feet of aging sewer mains, lining of manholes, and replacing lower laterals and rodding inlets, reducing groundwater intrusion, preventing sanitary sewer overflows, and enhancing system reliability which directly lowers treatment costs associated with excess wet-weather flows. The 2026 program is expected to cost \$3.1 million and be funded from the general unrestricted fund over the next two fiscal years.
- **Corporation Yard:** The project includes developing a new pre-engineered maintenance and shop building, storage areas for fleet and equipment, fueling and wash stations, and associated utilities and access improvements. This upgrade will replace outdated and undersized facilities from the 1980s, improve operational efficiency, and enhance safety and environmental compliance. Design costs of \$815,000 for corporation yard and wildlife pond overflow parking lot have been contracted for however, due to construction costs exceeding original engineering estimates, construction aspect of the project has been pushed back to 2027 and the scope of work will be revised to only be for a corporation yard. The expected cost is between \$7.5 million and \$12 million depending on the location chosen. The project will be funded by Capital Reserves and from the general unrestricted fund.
- **Digester Replacement and Solids Improvement Design & Construction:** The project will modernize a key process unit within the wastewater treatment plant by replacing an aging concrete digester tank and cover that, while currently in fair condition, no longer meets long-term reliability and performance needs. The project is expected to deliver a new, structurally robust concrete digester and associated solids-handling improvements to enhance process stability, reduce maintenance risk, and support regulatory compliance. Design costs of \$1.3 million are expected in Fiscal Year 2029-30 with construction projected over the following two fiscal years. The project is a candidate for Clean Water State Revolving Fund (SRF) loans.

See “—Projected Operating Results and Debt Service Coverage” below for additional information.

The District’s CIP is subject to change based on future rate increases, funding availability, and District staff capacity, and the project costs and timing of projects are likely to be revised from time to time.

Investments

The District’s money is currently held in the investments shown in the following table. It makes its investments in accordance with the California Government Code, and the District’s investment policy adopted in July 2022. For information regarding the District’s investments as of June 30, 2025, see Note (2) of the District’s audited financial statements, which are attached as APPENDIX B.

| <i>Investment Type</i> | <i>Fair Value at June 30, 2025</i> |
|--|--|
| Cash in bank and on hand: | |
| Bank of Marin | \$ 4,851,093 |
| Petty cash | 89 |
| Investments: | |
| Certificates of Deposit restricted for debt service | \$ 918,105 |
| Local Agency Investment Fund | 909,432 |
| California Cooperative Liquid Assets Security System | 527,914 |
| California Asset Management Program | 19,627,949 |
| iBank Loan Reserve Fund: | \$ 567,760 |
| Funds held in connection with the 2017 Bonds: | \$ 144 ⁽¹⁾ |
| Total: | \$27,402,486 |

⁽¹⁾ Excludes amounts held in the Reserve Fund for the 2017 Bonds.
Source: Las Gallinas Valley Sanitary District.

Insurance

The District is exposed to risks of loss from property, liability, and workers’ compensation. The District mitigates risk by participating in risk sharing and insurance purchasing pools through membership in the California Sanitation Risk Management Authority (“**CSRMA**”). Risk sharing pools provide general liability and workers’ compensation coverage. The pools operate to share risk among the members of the pool up to a limit of \$15,750,000 and \$1,000,000 for general liability and workers’ compensation, respectively.

See Note (14) of the District’s audited financial statements, which are attached as APPENDIX B to this Official Statement.

Financial Statements

A copy of the most recent audited financial statements of the District for the fiscal year ended June 30, 2025, prepared by Nigro & Nigro, PC (the “Auditor”), is included in the District’s audited financial statements attached to this Official Statement as APPENDIX B.

The District has neither requested nor obtained permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit work on the financial statements.

Balance Sheet

The following table shows historical balance sheets for the District for fiscal years ended June 30, 2021 through 2025, which are based on the District's audited financial statements.

**TABLE 5
HISTORICAL BALANCE SHEET
(FOR FISCAL YEARS ENDED JUNE 30)**

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Assets | | | | | |
| Current Assets: | | | | | |
| Cash and cash equivalents | \$ 36,810,630 | \$ 33,297,575 | \$ 28,862,994 | \$ 30,865,330 | \$ 25,917,941 |
| Accrued interest receivable | 20,985 | 40,755 | 181,867 | 20,700 | 9,964 |
| Accounts receivable | 25,340 | 786,395 | 866,311 | 1,299,202 | 910,299 |
| Private sewer later assistance program receivable | 92,964 | 81,706 | 78,918 | 71,640 | 56,190 |
| Inventory - materials and supplies | 301,868 | 297,690 | 424,502 | 421,924 | 680,968 |
| Prepaid expenses | 64,020 | 138,053 | 181,727 | 204,653 | 221,975 |
| Total Current Assets | <u>\$ 37,315,807</u> | <u>\$ 34,642,174</u> | <u>\$ 30,596,319</u> | <u>\$ 32,883,449</u> | <u>\$ 27,797,337</u> |
| Noncurrent Assets: | | | | | |
| Restricted - cash and investments | \$ 900,130 | \$ 904,710 | \$ 909,196 | \$ 913,717 | \$ 918,249 |
| Private sewer lateral assistance program receivable | 343,162 | 299,738 | 278,945 | 249,006 | 261,111 |
| Capital assets - not being depreciated / iBank loan proceeds | 6,090,922 | 69,633,949 | 75,608,448 | 7,103,350 | 17,235,828 |
| Capital assets - being depreciated, net | <u>109,758,748</u> | <u>49,441,123</u> | <u>47,888,721</u> | <u>118,161,331</u> | <u>113,641,418</u> |
| Total Noncurrent Assets | <u>\$ 117,092,962</u> | <u>\$ 120,279,520</u> | <u>\$ 124,685,310</u> | <u>\$ 126,427,404</u> | <u>\$ 132,056,606</u> |
| Total Assets | <u>\$ 154,408,769</u> | <u>\$ 154,921,694</u> | <u>\$ 155,281,629</u> | <u>\$ 159,310,853</u> | <u>\$ 159,853,943</u> |
| Deferred Outflows of Resources | | | | | |
| Deferred amounts related to refunding of long-term debt | \$ 43,394 | \$ 33,927 | \$ 24,459 | \$ 14,992 | \$ 5,525 |
| Deferred amounts related to net OPEB liability | 717,833 | 747,317 | 889,041 | 782,362 | 554,743 |
| Deferred amounts related to net pension liability | <u>967,924</u> | <u>938,333</u> | <u>2,084,837</u> | <u>2,255,720</u> | <u>1,906,943</u> |
| Total Def. Out. of Resources | <u>\$ 1,729,151</u> | <u>\$ 1,719,577</u> | <u>\$ 2,998,337</u> | <u>\$ 3,053,074</u> | <u>\$ 2,467,211</u> |
| Total Assets and Def. Out. Of Resources | <u>\$ 156,137,920</u> | <u>\$ 156,641,271</u> | <u>\$ 158,279,966</u> | <u>\$ 162,363,927</u> | <u>\$ 162,321,154</u> |
| Liabilities | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable and accrued expenses | \$ 2,375,169 | \$ 1,454,689 | \$ 1,247,203 | \$ 2,040,399 | \$ 3,229,631 |
| Deposits and unearned revenues / Accrued payroll | 106,555 | 57,768 | 57,768 | 57,768 | 57,768 |
| Accrued interest payable | 507,646 | 489,516 | 471,113 | 452,079 | 432,289 |
| Long-term liabilities - due within one year: | | | | | |
| Compensated absences | 128,855 | 151,469 | 176,690 | 220,120 | 245,945 |
| Right-to-use lease payable / Unearned connection fees | 57,768 | 106,244 | 102,388 | 47,632 | 111,888 |
| Long-term debt payable | <u>2,700,783</u> | <u>2,595,306</u> | <u>2,657,234</u> | <u>2,764,544</u> | <u>2,866,326</u> |
| Total Current Liabilities | <u>\$ 5,876,776</u> | <u>\$ 4,854,992</u> | <u>\$ 4,712,396</u> | <u>\$ 5,582,542</u> | <u>\$ 6,943,847</u> |
| Noncurrent Liabilities: | | | | | |
| Long-term liabilities - due in more than one year: | | | | | |
| Compensated absences | \$ 300,661 | \$ 353,427 | \$ 412,276 | \$ 513,613 | \$ 573,872 |
| Right-to-use lease payable | - | 159,074 | 47,632 | - | 428,047 |
| Long-term debt payable | 54,604,065 | 51,887,407 | 49,108,820 | 46,222,923 | 43,235,244 |
| Net OPEB liability | 1,040,509 | 932,334 | 899,028 | 938,243 | 483,810 |
| Net pension liability | <u>3,734,920</u> | <u>2,140,549</u> | <u>4,448,657</u> | <u>4,891,752</u> | <u>4,870,904</u> |
| Total Noncurrent Liabilities | <u>\$ 59,680,155</u> | <u>\$ 55,472,791</u> | <u>\$ 54,916,413</u> | <u>\$ 52,566,531</u> | <u>\$ 49,591,877</u> |
| Total Liabilities | <u>\$ 65,556,931</u> | <u>\$ 60,327,783</u> | <u>\$ 59,628,809</u> | <u>\$ 58,149,073</u> | <u>\$ 56,535,724</u> |
| Deferred Inflows of Resources | | | | | |
| Deferred amounts related to net OPEB liability | \$ 1,037,161 | \$ 967,408 | \$ 951,593 | \$ 651,022 | \$ 715,866 |
| Deferred amounts related to net pension liability | <u>112,815</u> | <u>1,914,385</u> | <u>169,529</u> | <u>100,027</u> | <u>41,233</u> |
| Total deferred inflows of resources | <u>\$ 1,149,976</u> | <u>\$ 2,881,793</u> | <u>\$ 1,121,122</u> | <u>\$ 751,049</u> | <u>\$ 757,099</u> |
| Total Liabilities and Deferred Inflows of Resources | <u>\$ 66,706,907</u> | | | | |
| Net Position | | | | | |
| Net Investment in Capital Assets | \$ 52,497,294 | \$ 64,360,968 | \$ 71,605,554 | \$ 76,244,574 | \$ 84,241,266 |
| Restricted for construction of capital assets | 116 | - | - | - | - |
| Restricted for Debt Service | 900,130 | 904,710 | 909,196 | 913,717 | 918,249 |
| Unrestricted | <u>36,033,473</u> | <u>28,166,017</u> | <u>25,015,285</u> | <u>26,305,514</u> | <u>19,868,816</u> |
| Total Net Position | <u>\$ 89,431,013</u> | <u>\$ 93,431,695</u> | <u>\$ 97,530,035</u> | <u>\$ 103,463,805</u> | <u>\$ 105,028,331</u> |
| Total liabilities, deferred inflows of resources and net position | <u>\$ 156,137,920</u> | <u>\$ 156,641,271</u> | <u>\$ 158,279,966</u> | <u>\$ 162,363,927</u> | <u>\$ 162,321,154</u> |

Source: Las Gallinas Valley Sanitary District audited financial statements for the fiscal years 2020-21 through 2024-25.

Historical Operating Results

The following table is a summary of revenues, expenditures and debt service coverage of the District for the fiscal years ended June 30, 2021 through 2025 based on the District's audited financial statements.

TABLE 6
HISTORICAL REVENUES AND EXPENDITURES
FISCAL YEARS 2020-21 THROUGH 2024-25
(FOR FISCAL YEARS ENDED JUNE 30)

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|--|------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | |
| Sewer User Charges | \$ 15,284,365 | \$ 15,491,846 | \$ 16,999,751 | \$ 18,680,095 | \$ 20,502,458 |
| Property Taxes | 1,565,590 | 1,706,346 | 1,718,435 | 1,771,975 | 1,906,149 |
| Recycled Water Fees | 123,155 | 127,742 | 246,090 | 113,735 | 185,819 |
| Other | <u>614,272</u> | <u>61,224</u> | <u>832,261</u> | <u>1,848,487</u> | <u>1,586,044</u> |
| Total Gross Revenues | \$ 17,587,382 | \$ 17,387,158 | \$ 19,796,537 | \$ 22,414,292 | \$ 24,180,470 |
| Marin Municipal Water District Debt Reimbursement⁽¹⁾ | | | | | |
| Bank of Marin Loans | \$ 206,548 | \$ 206,548 | \$ 157,054 | \$ 107,560 | \$ 107,560 |
| 2017 Revenue Bonds | <u>256,846</u> | <u>256,720</u> | <u>256,427</u> | <u>256,489</u> | <u>256,887</u> |
| Total MMWD Debt Reimbursement | \$ 463,394 | \$ 463,268 | \$ 413,481 | \$ 364,049 | \$ 364,447 |
| Expenses | | | | | |
| Sewage Collection, Treatment and Disposal | \$ 4,943,615 | \$ 5,588,284 | \$ 7,125,089 | \$ 7,510,268 | \$ 9,071,110 |
| Laboratory | 498,183 | 506,304 | 534,204 | 524,678 | 624,240 |
| Engineering | 874,206 | 982,986 | 937,443 | 1,050,347 | 1,110,827 |
| Recycled Water | 106,416 | 62,460 | 102,306 | 83,536 | 152,028 |
| General and Administrative | 2,478,151 | 2,898,595 | 2,290,957 | 3,251,544 | 3,623,274 |
| Adjustments for Pensions and OPEB | <u>8,735</u> | <u>(29,378)</u> | <u>382,000</u> | <u>(48,000)</u> | <u>(108,000)</u> |
| Total Expenses | \$ 8,909,306 | \$ 10,009,251 | \$ 11,371,999 | \$ 12,372,373 | \$ 14,473,479 |
| Net Operating Income | \$ 9,141,470 | \$ 7,841,175 | \$ 8,838,019 | \$ 10,405,968 | \$ 10,071,438 |
| Transfers (to)/from Rate Stabilization Fund | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Revenues After Transfers | \$ 9,141,470 | \$ 7,841,175 | \$ 8,838,019 | \$ 10,405,968 | \$ 10,071,438 |
| Debt Service | | | | | |
| 2011 Bank of Marin Loan | \$ 332,676 | \$ 332,676 | \$ 332,676 | \$ 332,681 | \$ 332,681 |
| 2012 Bank of Marin Loan | 235,346 | 235,346 | 39,225 | 0 | 0 |
| 2012 State Revolving Fund Loan | 285,464 | 285,464 | 285,464 | 285,464 | 285,464 |
| 2014 Municipal Finance Corp Loan ⁽²⁾ | 698,760 | 709,125 | 708,665 | 717,380 | 725,105 |
| 2019 iBank Loan | 719,062 | 717,892 | 716,688 | 715,447 | 714,169 |
| 2017 Revenue Bonds | <u>2,449,000</u> | <u>2,447,800</u> | <u>2,445,000</u> | <u>2,445,600</u> | <u>2,449,400</u> |
| Total Debt Service | \$ 4,720,308 | \$ 4,728,303 | \$ 4,527,718 | \$ 4,496,572 | \$ 4,506,819 |
| Debt Service Coverage Ratio | 1.94 | 1.66 | 1.95 | 2.31 | 2.23 |
| Surplus Cash flow from Operations | \$ 4,421,162 | \$ 3,112,872 | \$ 4,310,301 | \$ 5,909,396 | \$ 5,564,619 |

⁽¹⁾ Represents share of cost of wastewater treatment plant expansion allocated to MMWD. See “—Wastewater Facilities—Reuse of Treated Water and MMWD Agreement” above.

⁽²⁾ Paid off in Fiscal Year 2024-25.

Source: Las Gallinas Valley Sanitary District.

Projected Operating Results and Debt Service Coverage

The table below shows the District's revenues, expenditures, debt service coverage and fund balance for the District for Fiscal Year 2025-26 (budgeted) and Fiscal Years 2026-27 through 2029-30 (projected).

The revenue projections shown in Table 7 below reflect the wastewater rate structure under Ordinance No. 192. See “Wastewater Rates and Charges” above. The projections also assume the issuance of the Bonds by the District in Fiscal Year 2025-26 and additional \$4.6 million project financing in Fiscal Year 2026-27. Expenses projections are based on the projections from the District's adopted budget.

The revenue projection categories shown in Table 7 below align with the historical revenues in Table 6. However, the projected expense categories in the table below differ from those in Table 6 because the projected expenses use the District's budget categories, while the historical expenses come from the District's audited financial statements.

The projections set forth in the table below are forward-looking statements, as such term is defined in the Securities Act of 1933, as amended, and reflect certain significant assumptions concerning future events and circumstances. The forecast represents the District's estimate of projected financial results based upon its judgment of the most probable occurrence of certain important future events. The assumptions set forth in the footnotes to the table below are material in the development of the District's financial projections, and variations in the assumptions may produce substantially different financial results. Actual operating results achieved during the projection period may vary from those presented in the forecast, and such variations may be material.

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**TABLE 7
PROJECTED REVENUES, EXPENDITURES,
DEBT SERVICE COVERAGE AND FUND BALANCES FISCAL YEARS 2025-26
THROUGH 2029-30**

| | 2026 ⁽¹⁾ | 2027 | 2028 | 2029 | 2030 |
|--|---------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | |
| Sewer User Charges | \$ 22,443,570 | \$ 24,709,427 | \$ 25,945,018 | \$ 27,242,393 | \$ 28,604,640 |
| Property Taxes | 1,919,200 | 1,976,340 | 2,045,113 | 2,116,286 | 2,189,940 |
| Recycled Water Fees | 234,729 | 224,993 | 245,951 | 251,955 | 266,380 |
| Other | <u>1,599,552</u> | <u>1,448,249</u> | <u>1,523,763</u> | <u>1,601,695</u> | <u>1,739,831</u> |
| Total Gross Revenues | \$ 26,197,051 | \$ 28,359,009 | \$ 29,759,846 | \$ 31,212,329 | \$ 32,800,792 |
| Total Marin Municipal Water District Debt Reimbursement⁽²⁾ | \$ 614,111 | \$ 446,913 | \$ 447,247 | \$ 446,807 | \$ 447,205 |
| Expenses | | | | | |
| Payroll Expenses | \$ 8,209,139 | \$ 8,446,351 | \$ 8,994,544 | \$ 9,417,648 | \$ 9,755,349 |
| Contracted Services | 2,379,472 | 1,459,960 | 1,528,359 | 1,502,531 | 1,598,106 |
| General and Administrative | 1,390,088 | 1,421,147 | 1,447,987 | 1,504,781 | 1,563,444 |
| Repairs & Maintenance | 1,320,300 | 1,111,121 | 1,148,458 | 1,182,912 | 1,218,400 |
| Supplies & Small Tools | 1,066,900 | 1,081,004 | 1,119,958 | 1,160,342 | 1,202,209 |
| Utilities | <u>1,008,400</u> | <u>921,025</u> | <u>979,506</u> | <u>1,022,709</u> | <u>1,067,887</u> |
| Total Expenses | \$ 15,374,299 | \$ 14,440,608 | \$ 15,218,812 | \$ 15,790,923 | \$ 16,405,395 |
| Net Operating Income | \$ 11,436,863 | \$ 14,365,314 | \$ 14,988,281 | \$ 15,868,213 | \$ 16,842,601 |
| Parity Debt Service | | | | | |
| Existing Debt Obligations ⁽³⁾ | \$ 4,519,719 | \$ 3,775,842 | \$ 3,777,446 | \$ 3,771,807 | \$ 3,774,126 |
| Bonds* ⁽⁴⁾ | <u>0</u> | <u>1,870,000</u> | <u>1,870,000</u> | <u>1,870,000</u> | <u>1,870,000</u> |
| Total Parity Debt Service* | \$ 4,519,719 | \$ 5,645,842 | \$ 5,647,446 | \$ 5,641,807 | \$ 5,644,126 |
| Parity Debt Service Coverage Ratio* | 2.53 | 2.54 | 2.64 | 2.80 | 2.97 |
| Subordinate Debt Service | | | | | |
| 2025 BofA Solar Lease ⁽⁵⁾ | \$ 370,828 | \$ 741,655 | \$ 741,655 | \$ 741,655 | \$ 741,655 |
| Total Debt Service Coverage Ratio* | 2.34 | 2.24 | 2.34 | 2.48 | 2.63 |
| Surplus Cash flow from Operations* | \$ 6,546,317 | \$ 7,977,816 | \$ 8,599,179 | \$ 9,484,750 | \$10,456,820 |

* Preliminary, subject to change.

(1) Based on Fiscal Year 2025-26 Budget.

(2) Represents share of cost of wastewater treatment plant expansion allocated to MMWD. See “—Wastewater Facilities—Reuse of Treated Water and MMWD Agreement” above.

(3) Consists of the Bank of Marin Loan, the SRF Loan, the iBank Loan and installment payments made under the 2017 Installment Purchase Agreement.

(4) Assumes the Bonds are issued the aggregate principal amount of \$28,500,000* and with an interest rate of 5.25%* per annum.

(5) Entered into in Fiscal Year 2025-26 for the purpose of financing certain energy facilities of the District.

Source: Las Gallinas Valley Sanitary District.

Fiscal Year 2025-26 Budget. The District’s Fiscal Year 2025-26 budget projects approximately \$22.7 million in total operating revenues, including approximately \$22.4 million in user charges. The adopted budget also identifies \$15.6 million in operating expenses and \$47.6 million in pay as you go capital expenditures and projects the issuance of approximately \$24.6 million of debt funding (bonds, financing agreements, and/or loans) to finance capital expenditures of the District.

Reserve and Fund Balance Policies. The District has a Reserve Fund Policy which was approved by the District’s Board in 2009 and updated in 2023. The District maintains specific reserves and fund balances that it deems appropriate to the operations and capital needs of the District.

Operating & Rate Stabilization Reserve (Working Cash Flow). The District maintains cash and investments necessary to insure that a minimum balance of seven months of average budgeted expenses is available and reserve can be used to stabilize and avoid dramatic rate increases. Reserve target is set annually as part of the budget process. When the balance is below the target, other reserves are used to meet the cash flow needs of the District. Reserves used in a fiscal year are replenished over a 6-to-10-year period. The rate stabilization reserve is separate and apart from the Rate Stabilization Fund described under “SECURITY FOR THE BONDS — Rate Stabilization Fund” herein.

Vehicle & Equipment Reserve Fund. The District maintains the Vehicle & Equipment Reserve Fund to fund the District’s vehicle replacement program. The program reduces risk associated with an aging vehicle fleet, providing for funding for large equipment acquisition. The reserve target is replenished over a 3-to-4-year period.

Emergency Repair Reserve. The District maintains an emergency repair reserve to fund emergency repairs necessary. The reserve may be used to fund working capital needs.

Capital Reserve. The District maintains a capital reserve for major capital projects, including upgrades and expansions to the District’s facilities.

The target balances for June 30, 2026 is as follows:

| | <i>Projected June 30, 2026</i> |
|--|------------------------------------|
| Operating Reserves: | |
| Operating & Rate Stabilization Reserve | \$ 5,529,795 |
| Emergency repair | <u>1,351,852</u> |
| Total Operating Reserves | \$ 6,881,647 |
| Capital Reserves: | |
| Vehicle & Equipment Reserve | \$ 187,465 |
| Capital Reserve | <u>3,143,695</u> |
| Total Capital Reserves | \$ 3,331,160 |

The history of funding reserves for each fiscal year since fiscal year 2020-21 and the balances for Fiscal Year 2024-25 are shown below:

| <i>Fiscal Year</i> | <i>Operation and Rate Stabilization Reserve Balance</i> | <i>Emergency Reserve Balance</i> | <i>Capital Reserve Balance</i> | <i>Vehicle and Equipment Reserve Balance</i> | <i>Total</i> |
|--------------------|---|----------------------------------|--------------------------------|--|--------------|
| 2020-21 | \$ 2,651,898 | \$ 1,000,000 | \$ 3,425,644 | \$ 1,094,425 | \$ 8,171,967 |
| 2021-22 | 2,973,576 | 1,000,000 | 899,969 | 841,668 | 5,715,213 |
| 2022-23 | 3,608,771 | 1,000,000 | 5,649,747 | 952,453 | 11,210,971 |
| 2023-24 | 4,247,894 | 1,166,667 | 9,065,924 | 991,218 | 15,471,703 |
| 2024-25 | 4,833,105 | 1,277,778 | 10,443,695 | 517,465 | 17,072,043 |

Source: Las Gallinas Valley Sanitary District.

Regulatory Requirements

Wastewater System Operations. The District is subject to the requirements contained in the following state and federal regulations and related permits:

- Federal Water Pollution Control Act, as amended (33 U.S.C. §1311 *et seq.*) (the “Clean Water Act”).
- Resource Conservation and Recovery Act (42 U.S.C. §6901 *et. seq.*) (the “Resource Conservation and Recovery Act”).
- State of California Porter-Cologne Water Quality Control Act of 1969, as amended.
- Regional Water Quality Control Board (RWB) Order R2-2015-0021 R2-2020-0022- plant NPDES discharge permit.
(http://www.waterboards.ca.gov/sanfranciscobay/board_decisions/adopted_orders/2020/R2-2020-0022.pdf)
- RWB Order R2-2022-0038 - Regional NPDES permit for mercury and Polychlorinated Biphenyls (PCBs) from municipal and industrial dischargers.
(http://www.waterboards.ca.gov/sanfranciscobay/board_decisions/adopted_orders/2022/R2-2022-0038.pdf)
- RWB Order R2-2024-0013 - Regional NPDES permit for nutrients from municipal dischargers.
(http://www.waterboards.ca.gov/sanfranciscobay/board_decisions/adopted_orders/2024/R2-2024-0013.pdf)
- RWB Order 92-064 - Water Reclamation Requirements for operation of and discharge to the District’s on-site reclamation system.
(http://www.waterboards.ca.gov/sanfranciscobay/board_decisions/adopted_orders/1992/R2-1992-0064.pdf)
- California State Water Resources Control Board (SWRCB) Order No. WQ-2022-0103-DWQ General Order for Sanitary Sewer Systems
https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2022/wqo_2022-0103-dwq.pdf
- RWB Order R2-2023-0023 - Amendment of Waste Discharge Requirements for Municipal Dischargers to Update Total Residual Chlorine and Oil and Grease Requirements
https://www.waterboards.ca.gov/rwqcb2/board_decisions/adopted_orders/2023/R2-2023-0023.pdfRWB

- RWB Order R2-2016-0008 (with amended Monitoring and Reporting Program Order R2-2021-0028)- Alternate Monitoring and Reporting Requirements for Municipal Wastewater Dischargers for the Purpose of Adding Support to the San Francisco Bay Regional Monitoring Program (RMP)
https://www.waterboards.ca.gov/rwqcb2/board_info/agendas/2016/March/5a_final_to.pdf
https://www.waterboards.ca.gov/sanfranciscobay/board_decisions/adopted_orders/2021/R2-2021-0028.pdf
- California State Water Resources Control Board (SWRCB) Order No. WQ-2022-0103-DWQ General Order for Sanitary Sewer Systems
https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2022/wqo_2022-0103-dwq.pdf
- SWRCB Order WQ 2004-0012-DWQ - General Waste Discharge Requirements for the Discharge of Biosolids to Land for Use as a Soil Amendment in Agricultural, Silvicultural, Horticultural, and Land Reclamation Activities (General Order)
https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2004/wqo/wqo2004-0012.pdf
- EPA Biosolids Regulations 40 CFR 503 - Standards for Use or Disposal of Sewage Sludge
<https://www.ecfr.gov/current/title-40/chapter-I/subchapter-O/part-503>
- SWRCB Order WQ 2016-0068-DDW Water Reclamation Requirements for Recycled Water Use
https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2016/wqo2016_0068_ddw.pdf

Note : The District is subject to the “Region 2” Monitoring and Reporting Requirements (MRP) rather than the original MRP in Order WQ 2016-0068-DDW

The references to the Internet websites made above are made for convenience only. The information contained within the websites may not be current, has not been reviewed by the District and is not incorporated by reference in this Official Statement.

The District has a Sewer System Management Plan, which describes the management of the District’s wastewater system. The District’s Sewer System Management Plan was prepared in compliance with Order No. 2006-0003-DWQ, which was amended by Order No. 2013-0058-EXEC. Under Order No. 2006-0003-DWQ, sanitary sewer systems were required to develop and implement a system-specific Sewer System Management Plan. The District updated and certified that its Sewer System Management Plan was in compliance with Order No. 2006-0003-DWQ in 2008 and, again, in 2013 to comply with Order No. WQ 2013-0058-EXEC. The Sewer System Management Plan was last updated in June 2025 complying with State Water Resource Control Board Order No. WQO-2022-0103-DWQ, Statewide General Waste Discharge Requirements for Sanitary Sewer Systems (General Order), adopted December 6, 2022, effective June 5, 2023.

Employees and Benefits

The District currently employs 32 full-time employees. The majority are represented by Operating Engineers 3. The current collective bargaining agreement is for three years and expires on June 30, 2026. The District has not experienced any formal grievances or disputes with the represented labor group during the current collective bargaining agreement. The District also has three year contracts with its management and confidential employees which terminate on June 30, 2026. The District provides retirement benefits and other post-employment benefits for its employees. See Notes (10) and (11) in the District’s audited financial statements, attached hereto as APPENDIX B.

Pension Obligations. Accounting and financial reporting by state and local government employers for defined benefit pension plans is governed by GASB Statement No. 68 (“**GASB 68**”). GASB 68 includes the following components: (i) unfunded pension liabilities are included on the employer’s balance sheet; (ii) pension expense incorporates rapid recognition of actuarial experience and investment returns and is not based on the employer’s actual contribution amounts; (iii) lower actuarial discount rates are required to be used for underfunded plans in certain cases for purposes of the financial statements; (iv) closed amortization periods for unfunded liabilities are required to be used for certain purposes of the financial statements; and (v) the difference between expected and actual investment returns will be recognized over a closed five-year smoothing period. GASB 68 affects the District’s accounting and reporting requirements, but it does not change the District’s pension plan funding obligations.

The District participates in a Miscellaneous Plan to fund pension benefits for employees that serve the wastewater system. The District’s pension plan is administered by the California Public Employees’ Retirement System (“**CalPERS**”). CalPERS administers agent multiple-employer public employee defined benefit pension plans for all of the District’s full-time and certain part-time employees. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries and acts as a common investment and administrative agent for participating public entities within the State, including the District. CalPERS plan benefit provisions and all other requirements are established by State statute and the District Board.

CalPERS plan benefit provisions and all other requirements are established by State statute and the District’s Board of Directors. The District’s employees participate in one of two plans under the District’s Miscellaneous Plan depending upon their date of hire. Employees hired prior to January 1, 2013 participate in the Classic Tier 1 plan and employees hired after that date participate in the PEPRA Tier 2 plan. The benefits of each plan are summarized below:

| | <i>Miscellaneous Plans</i> | |
|---|----------------------------|---------------------|
| | <i>Classic Tier 1</i> | <i>PEPRA Tier 2</i> |
| | Prior to | On or after |
| Hire date | January 1, 2013 | January 1, 2013 |
| Benefit formula | 2.7% @ age 55 | 2.0% @ age 62 |
| Benefit vesting schedule | 5-years of service | 5-years of service |
| Benefits payments | monthly for life | monthly for life |
| Retirement age | 50 - 67 & up | 52 - 67 & up |
| Monthly benefits, as a % of eligible compensation | 2.0% - 2.7% | 1.0% - 2.5% |
| Required member contribution rates | 8.000% | 6.750% |
| Required employer contribution rates – FY 2024 | 15.950% | 7.680% |
| Required employer contribution rates – FY 2023 | 14.030% | 7.470% |

At June 30, 2025, the following members were covered by the benefit terms:

| | <i>Miscellaneous Plans</i> | | |
|------------------------------------|----------------------------|---------------------|------------------|
| | <i>Classic Tier 1</i> | <i>PEPRA Tier 2</i> | <i>Total</i> |
| <i>Plan Members</i> | | | |
| Active members | 10 | 21 | 31 |
| Transferred and terminated members | 12 | 12 | 24 |
| Retired members and beneficiaries | <u>29</u> | <u>-</u> | <u>29</u> |
| Total plan members | <u><u>51</u></u> | <u><u>33</u></u> | <u><u>84</u></u> |

District employees who were hired on or after January 1, 2013 and who were not previously CalPERS members receive benefits based on 2.0% at age 62 formula. Such employees are required to make the full amount of required employee contributions themselves under the California Public Employees’ Pension Reform

Act of 2013 (“**AB 340**”), which was signed by the State Governor on September 12, 2012. AB 340 established a new pension tier for such employees. Benefits for such participants are calculated on the highest average annual compensation over a consecutive 36-month period. Employees are required to pay at least 50% of the total normal cost rate. AB 340 also capped pensionable income as noted below. Amounts are set annually, subject to Consumer Price Index increases, and retroactive benefits increases are prohibited, as are contribution holidays and purchases of additional non-qualified service credit.

**Las Gallinas Valley Sanitary District
Pensionable Income Caps for Calendar Year 2025 (AB 340 and Non-AB 340 Employees)**

| | <i>Employees Hired Before January 1, 2013 (Non-AB 340 Employees)</i> | <i>Employees Hired On or After January 1, 2013 (AB 340 Employees)</i> |
|--|--|---|
| Maximum Pensionable Income | \$350,000 | \$186,096 |
| Maximum Pensionable Income if also Participating in Social Security | N/A | \$155,081 |

Source: CalPERS Circulation Letter 200-001-25 for 2025.

Additional employee contributions, limits on pensionable compensation and higher retirement ages for new members as a result of the passage of AB 340 are expected to reduce the District’s unfunded pension liability and potentially reduce District contribution levels in the long term.

The District is also required to contribute the actuarially determined remaining amounts necessary to fund benefits for its members. Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on the July 1 following notice of a change in the rate. Total plan contributions are determined through the CalPERS annual actuarial valuation process. The total minimum required employer contribution is the sum of: (i) the plan’s employer normal cost rate, which funds pension benefits for current employees for the upcoming Fiscal Year (expressed as a percentage of payroll); plus (ii) the employer unfunded accrued liability contribution amount, which funds pension benefits that were previously earned by current and former employees (billed monthly).

For Fiscal Year 2023-24, required employer normal cost rates as a percentage of payroll are 12.03% for Miscellaneous Plan employees. For Fiscal Year 2024-25, required employer normal cost rates as a percentage of payroll are expected to be 5.3% for Miscellaneous Plan employees.

For Fiscal Years 2023-24 and 2024-25, the District made required Miscellaneous plan contributions of \$4,891,752 and \$4,870,904, respectively

Beginning in Fiscal Year 2017-18, CalPERS began collecting employer contributions toward a pension plan’s unfunded liability as dollar amounts instead of the prior method of a percentage of payroll. According to CalPERS, this change was intended to address potential funding issues that could arise from a declining payroll or a reduction in the number of active members in the plan. Funding the unfunded liability as a percentage of payroll could lead to underfunding of pension plans. Due to stakeholder feedback regarding internal needs for total contributions expressed as an estimated percentage of payroll, the CalPERS reports include such results in the contribution projection for informational purposes only. Contributions toward a pension plan’s unfunded liability will continue to be collected as set dollar amounts.

The District’s required contributions to CalPERS fluctuate each year and, as noted, include a normal cost component and a component that is equal to an amortized amount of the unfunded liability. Many assumptions are used to estimate the ultimate liability of pensions and the contributions that will be required to meet those obligations. The CalPERS Board of Administration has adjusted and may in the future further adjust certain assumptions used in the CalPERS actuarial valuations, which adjustments may increase the District’s

required contributions to CalPERS in future years. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly increase (or otherwise vary) from any past or current projected levels of contributions. CalPERS earnings reports for Fiscal Years 2012-13 through 2023-24 report investment gains (and losses) of approximately 13.2%, 18.4%, 2.4%, 0.6%, 11.2%, 8.6%, 6.7%, 4.7%, 21.3%, (6.1%), 5.8% and 9.3%, respectively. CalPERS preliminary earnings report for Fiscal Year 2024-25 reported investment gains of approximately 11.6%. Future earnings performance may increase or decrease future contribution rates for plan participants, including the District. The District notes that CalPERS' earnings in Fiscal Year 2019-20 were below its investment targets as a result of stock market declines in the wake of the COVID-19 outbreak, which could increase future contribution rates for plan participants, including the District.

On December 21, 2016, the CalPERS Board of Administration voted to lower its discount rate from 7.50% to 7.00% over a three period. For public agencies such as the District, the new discount rate took effect July 1, 2017. Lowering the discount rate means that employers which contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013 will also see their contribution rates rise under AB 340. The reduction of the discount rate will result in average employer rate increases of approximately 1% to 3% of normal cost as a percentage of payroll for most retirement plans such as the District's plans. Additionally, many employers will see a 30% to 40% increase in their current unfunded accrued liability payments (relative to the unfunded accrued liability payments projected in the June 30, 2015 valuation report) for pension plans. These payments are made to amortize unfunded liabilities over 20 years to bring pension funds to a fully funded status over the long-term.

The announcement on July 12, 2021 that CalPERS achieved investment returns of 21.3% in Fiscal Year 2020-21 caused the CalPERS Board of Administration to lower CalPERS' discount rate from 7.00% to 6.80% in fall 2021 in accordance with a risk mitigation policy that was adopted in 2015, which calls for the discount rate to be lowered if returns exceed the then-current discount rate by two or more percentage points. Active members hired after January 1, 2013 who were not previously CalPERS members will also see their contribution rates rise under AB 340.

The table below is derived from CalPERS' annual valuation report as of June 30, 2024 for the District's Miscellaneous Plan, which was completed in July 2025, and shows the required and projected employer contributions (before cost sharing) for the next six fiscal years. Projected results reflect the adopted changes to the discount rate described in the CalPERS annual valuation reports. Such projections also assume that all actuarial assumptions will be realized and that no further changes to assumptions, contributions, benefits, or funding will occur during the projection period. The projected normal cost percentages in the projections below does not reflect that the normal cost will decline over the time as new employees are hired into lower cost benefit tiers after the passage of AB 340.

The following projections assumed the investment return for fiscal year 2024-25 would be 6.8%. As described above, CalPERS announced preliminary investment returns of 11.6% for Fiscal Year 2024-25. As a result, the actual contribution requirements for Fiscal Year 2027-28 and the following years shown below can be expected to differ from such projections.

**Las Gallinas Valley Sanitary District
Projected Future Employer Contributions – CalPERS Miscellaneous Plan**

| <i>Fiscal Year</i> | <i>Required Contribution</i> | <i>Projected Future Employer Contributions (Assumes 6.80% Return for Fiscal Year 2024-25 and Beyond)</i> | | | | |
|-------------------------|------------------------------|--|----------------|----------------|----------------|----------------|
| | <i>2026-27</i> | <i>2027-28</i> | <i>2028-29</i> | <i>2029-30</i> | <i>2030-31</i> | <i>2031-32</i> |
| Normal Cost % | 11.24% | 11.1% | 10.9% | 10.7% | 10.5% | 10.3% |
| UAL Payment | \$3,795,268 | \$4,208,000 | \$4,621,000 | \$4,445,000 | \$4,188,000 | \$4,188,000 |
| Total as a % of Payroll | 20.42% | 21.0% | 21.5% | 20.6% | 19.6% | 19.1% |
| Projected Payroll | \$41,343,287 | \$42,500,899 | \$43,690,925 | \$44,914,270 | \$46,171,870 | \$47,464,683 |

Source: CalPERS’ Annual Valuation Report as of June 30, 2024.

No assurance can be provided that the District’s CalPERS plan expenses will not increase significantly in the future.

Notwithstanding the information in the table above, in November 2025 CalPERS announced normal cost percentages will be increasing from the rates shown in the table above beginning in Fiscal Year 2027-28.

The Schedule of Funding Progress below shows the District’s total pension liability for its Miscellaneous CalPERS plan, CalPERS assets and the relationship of the total pension liability to such assets.

**Las Gallinas Valley Sanitary District
Schedule of Funding Progress – CalPERS Miscellaneous Plan**

| <i>Valuation Date⁽¹⁾</i> | <i>District’s Proportionate Share of Net Pension Liability</i> | <i>Annual Covered Payroll</i> | <i>Funded Ratio</i> |
|-------------------------------------|--|-------------------------------|---------------------|
| 6/30/21 | \$3,734,920 | \$2,523,986 | 75.02% |
| 6/30/22 | 2,140,549 | 2,767,942 | 86.34 |
| 6/30/23 | 4,448,657 | 3,193,903 | 73.74 |
| 6/30/24 | 4,891,752 | 3,711,773 | 73.54 |
| 6/30/25 | 4,870,904 | 4,350,376 | 75.40 |

⁽¹⁾ Figures are as of the measurement dates of June 30 of the years 2021 through 2025, which apply to the Fiscal Years ended June 30, 2021 through 2025, respectively.

Source: CalPERS Annual Valuation Report as of June 30, 2025.

Portions of the above disclosures are primarily derived from information that has been produced by CalPERS, its independent accountants and its actuaries. The District and the Authority have not independently verified such information and neither makes any representations nor expresses any opinion as to the accuracy of the information that has been provided by CalPERS.

The comprehensive annual financial reports of CalPERS are available on CalPERS’ Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS’ most recent actuarial valuation reports and other information that concerns benefits and other matters. The textual reference to such Internet website is provided for convenience only. None of the information on such Internet website is incorporated by reference herein. The District, the Authority and the Underwriter cannot guarantee the accuracy of such information. Actuarial assessments are “forward-looking” statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future.

The District's Miscellaneous Plan had a total net pension liability of \$4,870,904 for Fiscal Year 2024-25 (as of the measurement date of June 30, 2025). The net pension liability is the difference between the total pension liability and the fair market value of pension assets. The District's total pension assets include funds that are held by CalPERS, and its net pension asset or liability is based on such amounts. For Fiscal Years 2023-24 and 2024-25, the District incurred Miscellaneous Plan pension expenses of \$951,746 and \$1,109,250, respectively.

A summary of principal assumptions and methods used to determine the total pension liability for the District's Miscellaneous pension plan for Fiscal Year 2024-25 is shown below.

**Las Gallinas Valley Sanitary District
Actuarial Assumptions for CalPERS Miscellaneous Plan**

| | |
|-------------------------------------|--|
| Actuarial Cost Method | Entry Age Normal in accordance with the requirements of GASB 68 |
| Asset Valuation Method | Market Value of Assets |
| <i>Actuarial Assumptions:</i> | |
| Accounting Discount Rate | 6.90% |
| Inflation | 2.30% |
| Salary Increases | Varies by entry age and service |
| Mortality Rate Table ⁽¹⁾ | Derived using CalPERS' membership data for all funds |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter |

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Postretirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Source: The District.

Changes in the net pension liability for the District's Miscellaneous pension plan in Fiscal Year 2024-25 were as follows:

**Las Gallinas Valley Sanitary District
Changes in CalPERS Miscellaneous Plan Net Pension Liability**

| | <i>Increase / (Decrease)</i> | | |
|--|------------------------------------|--|--|
| | <i>Total Pension Liability</i> | <i>Plan Fiduciary Net Position</i> | <i>Net Pension Liability / (Asset)</i> |
| Balance at June 30, 2023 | \$ 18,490,511 | \$ 13,598,759 | \$ 4,891,752 |
| Balance at June 30, 2024 | 19,804,060 | 14,933,156 | 4,870,904 |
| Net Changes for period from July 1, 2023 through June 30, 2024 | \$ 1,313,549 | \$ 1,334,397 | \$ (20,848) |

Source: The District.

The table below presents the net pension liability of the District's Miscellaneous pension plan, calculated using the discount rate applicable to Fiscal Year 2024-25 (6.90%), as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.90%) or 1 percentage point higher (7.90%) than the Fiscal Year 2024-25 rate:

**Las Gallinas Valley Sanitary District
Sensitivity of CalPERS Miscellaneous Plan Net Pension Liability
to Changes in the Discount Rate**

| <i>Plan's Net Pension Liability/(Asset)</i> | <i>Discount Rate – 1% (5.90%)</i> | <i>Applicable Discount Rate (6.90%)</i> | <i>Discount Rate + 1% (7.90%)</i> |
|---|---------------------------------------|---|---------------------------------------|
| Miscellaneous Plan | \$7,543,272 | \$4,870,904 | \$2,671,152 |

Source: The District.

For additional information relating to the District's CalPERS Miscellaneous pension plan, see Note 11 to the District's audited financial statements set forth in Appendix B.

Post-Employment Benefits

Plan Description – Eligibility. The District administers its post-employment benefits plan, a single-employer defined benefit plan (“**OPEB Plan**”). The following requirements must be satisfied in order to be eligible for the post-employment medical, dental and vision benefits: (1) attainment of age 55, and 20 years for full-time service with the District and (2) retirement from the District (the District must be the last employer prior to retirement).

Membership in the OPEB Plan consisted of the following members as of June 30 of each of the following years:

| | 2024 | 2025 |
|--|-------------|-------------|
| Active members | 29 | 31 |
| Inactives entitled to but not yet receiving benefits | 2 | 5 |
| Inactives currently receiving benefits | 20 | 19 |
| Total plan membership | 51 | 55 |

OPEB Plan Description – Benefits. The District offers post-employment medical, dental and vision benefits to retired employees who satisfy the eligibility rules. Spouses and surviving spouses are also eligible to receive benefits. Retirees may enroll in any plan available through the Association of California Water Agencies – Joint Power Insurance Authority (“**ACWA-JPIA**”) medical, dental and vision programs. The contribution requirements of OPEB Plan members and the District are established and may be amended by the Board of Directors. OPEB Plan benefits do not sunset when a retiree becomes eligible for Medicare.

GASB Statement No. 75 (“**GASB 75**”) requires governmental agencies to account for and report outstanding obligations and commitments related to post-employment benefits in essentially the same manner as for pensions. For the District, the reporting obligation began in Fiscal Year 2018.

The District's total OPEB liabilities of \$2,882,764 and \$3,136,063 as of June 30, 2023 and June 30, 2024, respectively, were measured as of June 30, 2023 and June 30, 2024, and were determined by an actuarial valuation as of June 30, 2025.

Changes in the net liability for the District’s post-employment benefit plan for Fiscal Year 2023-24 were as follows.

**Las Gallinas Valley Sanitary District
Changes in Post-Employment Benefit Plan Liability**

| | <i>Total OPEB Liability</i> |
|--|--|
| Balance at June 30, 2024 (Measurement date June 30, 2023) | <u>\$ 3,136,063</u> |
| Changes for the year: | |
| Service cost | 208,540 |
| Interest | 188,481 |
| Differences in experience | (366,557) |
| Benefit payments | <u>(133,348)</u> |
| Net changes | <u>(102,884)</u> |
| Balance at June 30, 2025 (Measurement date June 30, 2024) | <u>\$ 3,033,179</u> |

Source: District.

The following table presents the total liability of the District’s post-employment benefits plan, calculated using the discount rate applicable to Fiscal Year 2024-25 (5.75%), as well as what the total post-employment benefit liability would be if it were calculated using a discount rate that is 1 percentage point lower (4.75%) or 1 percentage point higher (6.75%) than the Fiscal Year 2024-25 rate:

**Las Gallinas Valley Sanitary District
Sensitivity of the Post-Employment Benefit Plan Net Liability to Changes in the Discount Rate**

| <i>1% Decrease</i> | <i>Discount Rate</i> | <i>1% Increase</i> |
|---------------------------|-----------------------------|---------------------------|
| <i>4.75%</i> | <i>5.75%</i> | <i>6.75%</i> |
| \$871,916 | \$483,810 | \$161,125 |

Source: District.

The District’s projections of Operation and Maintenance Costs under the caption “—Projected Operating Results and Debt Service Coverage” do not assume unusual increases in post-employment benefit funding expenses in the future. However, future changes in funding policies and assumptions, including those related to assumed rates of investment return and healthcare cost inflation, could trigger increases in the District’s annual required contributions, and such increases could be material to the finances of the District. No assurance can be provided that such expenses will not increase significantly in the future. The District does not expect that any increased funding of post-employment benefits will have a material adverse effect on the ability of the District to make the Series 2026 Installment Payments when due.

For additional information relating to the post-employment benefit plan, see Note 10 to the District’s audited financial statements set forth in Appendix A.

CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES

Article XIII B

Article XIII B of the State Constitution limits the annual appropriations of the State and of any city, county, school district, authority, special district or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and population. The “base year” for establishing such appropriation limit is the 1978-79 State fiscal

year and the limit is to be adjusted annually to reflect changes in population and consumer prices. Adjustments in the appropriations limit of an entity may also be made if: (a) the financial responsibility for a service is transferred to another public entity or to a private entity; (b) the financial source for the provision of services is transferred from taxes to other revenues; or (c) the voters of the entity approve a change in the limit for a period of time not to exceed four years.

Appropriations that are subject to Article XIII B generally include the proceeds of taxes levied by or for the State or other entity of local government, exclusive of certain State subventions, refunds of taxes and benefit payments from retirement, unemployment, insurance and disability insurance funds. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to an entity of government from: (i) regulatory licenses, user charges, and user fees (but only to the extent that such proceeds exceed the cost reasonably borne by the entity in providing the service or regulation); and (ii) the investment of tax revenues. Article XIII B includes a requirement that if an entity's revenues in any year exceed the amounts that are permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

Certain expenditures are excluded from the appropriations limit, including payments of indebtedness that were existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by the voters, and payments that are required to comply with court or federal mandates which without discretion require an expenditure for additional services or which unavoidably make the provision of existing services more costly.

The District is of the opinion that its charges for Wastewater Service do not exceed the costs that it reasonably bears in providing such services and therefore are not subject to the limits of Article XIII B. The District has covenanted in the Installment Purchase Agreement, to the fullest extent permitted by law, to fix and prescribe, at the commencement of each Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected, at the commencement of each Fiscal Year, to be at least sufficient to yield during each Fiscal Year Net Revenues equal to 125% of Debt Service on the Bonds and other Parity Bonds and Contracts for such Fiscal Year. See the caption "SECURITY FOR THE BONDS—Rate Covenant."

Proposition 218

General. An initiative measure entitled the "Right to Vote on Taxes Act" (the "**Initiative**") was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Articles XIII C and XIII D to the State Constitution. According to the "Title and Summary" of the Initiative prepared by the State Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Article XIII D. Article XIII D defines the terms "fee" and "charge" to mean "any levy other than an ad valorem tax, a special tax or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including user fees or charges for a property-related service." A "property-related service" is defined as "a public service having a direct relationship to property ownership." Article XIII D further provides that reliance by an agency on any parcel map (including an assessor's parcel map) may be considered a significant factor in determining whether a fee or charge is imposed as an incident of property ownership.

Article XIII D requires that any agency which imposes or increases any property-related fee or charge must provide written notice thereof to the record owner of each identified parcel upon which such fee or charge is to be imposed and must conduct a public hearing with respect thereto. The proposed fee or charge may not be imposed or increased if a majority of owners of the identified parcels file written protests against it. As a result, because fees for wastewater service are a "fee" or "charge" as defined in Article XIII D, the local government's ability to increase such fee or charge may be limited by a majority protest.

In addition, Article XIII D includes a number of limitations that are applicable to existing fees and charges, including provisions to the effect that: (a) revenues that are derived from the fee or charge may not

exceed the funds which are required to provide the property-related service; (b) such revenues may not be used for any purpose other than that for which the fee or charge was imposed; (c) the amount of a fee or charge that is imposed upon any parcel or person as an incident of property ownership may not exceed the proportional cost of the service attributable to the parcel; and (d) no such fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. Property-related fees or charges based on potential or future use of a service are not permitted.

Based upon the California Court of Appeal decision in *Howard Jarvis Taxpayers Association v. City of Los Angeles*, 85 Cal. App. 4th 79 (2000), which was denied review by the State Supreme Court, it was generally believed that Article XIID did not apply to charges for water and wastewater services that are “primarily based on the amount consumed” (i.e., metered water or wastewater rates), which had been held to be commodity charges related to consumption of the service, not property ownership. The State Supreme Court ruled in *Bighorn-Desert View Water Agency v. Verjil*, 39 Cal. 4th 205 (2006) (the “**Bighorn Case**”), however, that fees for ongoing water service through an existing connection were property-related fees and charges. The Court specifically disapproved the holding in *Howard Jarvis Taxpayers Association v. City of Los Angeles* that metered water rates are not subject to Proposition 218. The District complied with the notice, hearing and protest procedures in Article XIID, as further explained by the State Supreme Court in the *Bighorn Case*, with respect to the wastewater rate increases that were approved on June 19, 2018. See the caption “THE WASTEWATER SYSTEM OF THE DISTRICT—Wastewater System Rates and Charges—Adopted Rates.”

On April 20, 2015, the California Court of Appeal, Fourth District, issued an opinion in *Capistrano Taxpayers Association, Inc. v. City of San Juan Capistrano*, 235 Cal. App. 4th 1493 (2015) (the “**SJC Case**”), upholding tiered water rates under Proposition 218 provided that the tiers correspond to the actual cost of furnishing service at a given level of usage. The opinion was specific to the facts of the case, including a finding that the City of San Juan Capistrano did not attempt to calculate the actual costs of providing water at various tier levels. The District’s wastewater rates, which are described under the caption “THE WASTEWATER SYSTEM OF THE DISTRICT—Wastewater System Rates and Charges,” do not currently include tiered rates based on usage.

Article XIIC. Article XIIC provides that the initiative power may not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge and that the power of initiative to affect local taxes, assessments, fees and charges is applicable to all local governments. Article XIIC does not define the terms “local tax,” “assessment,” “fee” or “charge,” so it was unclear whether the definitions set forth in Article XIID referred to above are applicable to Article XIIC. Moreover, the provisions of Article XIIC are not expressly limited to local taxes, assessments, fees and charges imposed after November 6, 1996. On July 24, 2006, the State Supreme Court held in the *Bighorn Case* that the provisions of Article XIIC applied to rates and fees charged for domestic water use. In the decision, the Court noted that the decision did not address whether an initiative to reduce fees and charges could override statutory rate setting obligations.

On August 3, 2020, the State Supreme Court issued an opinion in *Wilde v. City of Dunsuir* (Cal. S. Ct. S252915) holding that taxpayers do not have the right under Proposition 218 to challenge water rates by referendum, and the District does not believe that Article XIIC grants to the voters within the District the power (whether by initiative under Article XIIC or otherwise, or by referendum, which is not authorized under Article XIIC) to repeal or reduce rates and charges for the Wastewater Services in a manner that would interfere with the contractual obligations of the District or the obligation of the District to maintain and operate the Wastewater System. However, there can be no assurance as to the availability of particular remedies adequate to protect the Beneficial Owners of the Bonds. Remedies that are available to Beneficial Owners of the Bonds in the event of a default by the District are dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain. So long as the Bonds are held in book-entry form, DTC (or its nominee) will be the sole registered owner of the Bonds and the rights and remedies of the Bond Owners will be exercised through the procedures of DTC.

In addition to the specific limitations on remedies which are contained in the applicable documents themselves, the rights and obligations with respect to the Bonds, the Indenture and the Installment Purchase Agreement are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought and to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State. The various opinions of counsel to be delivered with respect to such documents, including the opinion of Bond Counsel (the form of which is attached as Appendix C), will be similarly qualified.

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 applies to charges imposed or increased after November 2, 2010 and provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The District believes that its Wastewater System rates and charges meet the exception that is described in clause (g) above and are not taxes under Proposition 26.

Future Initiatives

Articles XIII B, XIII C and XIII D were adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiatives could be proposed and adopted affecting the District's revenues or ability to increase revenues.

CERTAIN RISKS TO BONDHOLDERS

The following information, in addition to the other matters that are described in this Official Statement, should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be comprehensive, definitive or an exhaustive listing of risks and other considerations that may be relevant to making an investment decision with respect to the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks. If any risk factor materializes to a sufficient degree, it alone could delay or preclude payment of principal of or interest on the Bonds.

Limited Obligations

The obligation of the District to pay the Series 2026 Installment Payments is a limited obligation of the District and is not secured by a legal or equitable pledge or charge or lien upon any property of the District or any of its income or receipts, except the Net Revenues. The obligation of the District to pay the Series 2026

Installment Payments does not constitute an obligation of the District to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation.

Accuracy of Assumptions

To estimate the Net Revenues available to pay the Series 2026 Installment Payments, the District has made certain assumptions with regard to various matters, including but not limited to future development within the District and increases in revenues resulting therefrom, the rates and charges to be imposed in future years, the expenses associated with operating the Wastewater System and the interest rate at which funds will be invested. The District believes these assumptions to be reasonable, but to the extent that any of such assumptions fail to materialize, the Net Revenues available to pay the Series 2026 Installment Payments will, in all likelihood, be less than those projected herein. See the caption “THE WASTEWATER SYSTEM OF THE DISTRICT—Projected Wastewater System Operating Results and Debt Service Coverage.” The District may choose, however, to maintain compliance with the rate covenant set forth in the Installment Purchase Agreement in part by means of contributions from available reserves or resources, including the Rate Stabilization Fund. In such event, Net Revenues may generate amounts which are less than 1.25 times Debt Service in any given Fiscal Year. See the captions “SECURITY FOR THE BONDS—Rate Covenant” and “SECURITY FOR THE BONDS—Rate Stabilization Fund.”

System Demand

There can be no assurance that the demand for wastewater services will occur as described in this Official Statement. Reduction in levels of demand could require an increase in rates or charges in order to comply with the rate covenant. See the caption “SECURITY FOR THE BONDS—Rate Covenant.” Demand for wastewater services could be reduced or may not occur as projected by the District as a result of reduced levels of development in the District’s service area, hydrological conditions, conservation efforts, an economic downturn, mandatory State conservation orders and other factors.

System Expenses

There can be no assurance that the District’s expenses will be consistent with the descriptions in this Official Statement. Wastewater System Operation and Maintenance Costs may vary with the conditions of the Treatment Plant as well as treatment costs, regulatory compliance costs, labor costs (including costs related to pension and other post-employment benefits) and other factors. Increases in Operation and Maintenance Costs could require an increase in rates or charges in order to comply with the rate covenant. There can be no assurance that actual Operation and Maintenance Costs associated with operation of the Wastewater System will not differ materially from the projections that are set forth herein. If the actual cost of operating the Wastewater System directly exceeds the District’s current projections, the amount of Net Revenues, which secure the Bonds, could be reduced, which could require the District to increase Wastewater System rates and charges in order to comply with the rate covenant. See the caption “SECURITY FOR THE BONDS—Rate Covenant.”

Limited Recourse on Default

If the District defaults on its obligation to pay the Series 2026 Installment Payments, the Trustee, as assignee of the Authority, has the right to declare the total unpaid principal amount of the Series 2026 Installment Payments, together with the accrued interest thereon, to be immediately due and payable. However, in the event of a default and such acceleration, there can be no assurance that the District will have sufficient funds to pay such accelerated amounts from Net Revenues.

Rate-Setting Process under Proposition 218

Proposition 218, which added Articles XIIC and XIID to the State Constitution, affects the District’s ability to maintain existing Wastewater System rates and impose rate increases, and no assurance can be given

that future Wastewater System rate increases will not encounter majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed Wastewater System rate increases cannot be imposed as a result of majority protest or initiative, the District might thereafter be unable to generate Net Wastewater System Revenues in the amounts required by the Installment Purchase Agreement to pay the Series 2026 Installment Payments. The District believes that its current Wastewater System rates approved by the Board were effected in accordance with the public hearing and majority protest provisions of Proposition 218. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.”

Statutory and Regulatory Compliance

Laws and regulations governing treatment and delivery of wastewater are enacted and promulgated by federal, State and local government agencies. Compliance with these laws and regulations is and will continue to be costly, and, as more stringent standards are developed, such costs will likely increase.

Claims against the Wastewater System for failure to comply with applicable laws and regulations could be significant. Such claims may be payable from assets of the Wastewater System and constitute Operation and Maintenance Costs or from other legally available sources. In addition to claims by private parties, changes in the scope and standards for public agency Wastewater Systems such as that operated by the District may also lead to administrative orders issued by federal or State regulators. Future compliance with such orders can also impose substantial additional costs on the District. No assurance can be given that the cost of compliance with such laws, regulations and orders would not adversely affect the ability of the District to generate Net Revenues in amounts that are sufficient to pay the Bonds.

Climate Change

One of the factors that may pose a risk to the operations of the Wastewater System is climate change. Numerous scientific studies on global climate change show that, among other effects on the global ecosystem, sea levels will rise, and extreme temperatures and extreme weather events will become more frequent as a result of increasing global temperatures attributable to atmospheric pollution. In addition, the effects of global climate change are expected to increase the risk of inundation at low-lying wastewater facilities as sea levels rise. In addition, higher intensity storms are expected in California as a result of climate change, which are projected to result in potentially higher peak wet weather flow events, which could lead to higher turbidity in raw water and increased runoff that affects sewers and wastewater treatment. The District has incorporated potential impacts of climate change into its planning activities.

Cybersecurity

The District, like many other public and private entities, relies on computer and other digital networks and systems to conduct their operations. The District is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that the efforts of the District to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the District, or the administration of the Bonds. No assurance can be given that the District will not be affected by cyber threats and attacks in a manner that may affect the payment of debt service on the Bonds.

Natural Disasters

The occurrence of any natural disaster in the District, including, without limitation, earthquake, wildfire, drought, high winds, landslide or flood, could have an adverse material impact on the economy within the District and the revenues available for the payment of the Bonds and result in substantial damage to and interference with the operations of the Wastewater System.

Portions of the District’s service area may be subject to unpredictable seismic activity. The Installment Purchase Agreement does not require the District to maintain earthquake insurance. The District maintains liability insurance for the Wastewater System and property casualty insurance (for losses other than from flood and seismic events) for certain portions of the Wastewater System. See the caption “THE DISTRICT—Insurance.” However, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers. Furthermore, significant portions of the Wastewater System, including underground pipelines and manhole covers, are not covered by property casualty insurance. Damage to such portions of the Wastewater System as a result of natural disasters would result in uninsured losses to the District.

In recent years, wildfires have caused extensive damage throughout the State. In some cases, these fires have burned thousands of acres and destroyed hundreds and in some cases thousands of homes. Several fires which occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and damaging wildfires in the future. The California Department of Forestry and Fire Protection (“**Cal Fire**”) periodically prepares maps which evaluate fire hazard, which is defined as the likelihood and expected fire behavior over a 30 to 50-year period without considering mitigation measures such as home hardening, recent wildfire or fuel reduction efforts, as opposed to risk, which is the potential damage a fire can do to the area under existing conditions, accounting for any modifications such as fuel reduction projects, defensible space, and ignition resistant building construction. In March 2025, Cal Fire released an updated Fire Hazard Severity Zone map for the Northern California region and certain portions of the District are located within a High of very high Fire Hazard Severity Zone. There is a risk that property within the District may be damaged or destroyed by wildfires, which may reduce the Net Revenues available to pay the Series 2026 Installment Payments. No assurance can be given as to the severity or frequency of wildfires within the vicinity of the District or the impact on the operations of the Wastewater System.

Limitations on Remedies

The ability of the District to comply with its covenants under the Installment Purchase Agreement and to generate Net Revenues in amounts that are sufficient to pay the Series 2026 Installment Payments may be adversely affected by actions and events outside of the control of the District and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or persons obligated to pay assessments, fees and charges. See the caption “CONSTITUTIONAL LIMITATIONS ON APPROPRIATIONS AND CHARGES—Proposition 218.” Furthermore, the remedies that are available to the owners of the Bonds upon the occurrence of an event of default under the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time-consuming to obtain.

In addition, usual equity principles may limit the specific enforcement under State law of certain remedies, as may the exercise by the United States of America of the powers delegated to it by the federal Constitution and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium proceedings and other laws relating to or affecting creditors’ rights, or the exercise of powers by the federal or State government, if initiated, could subject the Beneficial Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitations or modification of their rights. Remedies may be limited because the Wastewater System serves an essential public purpose.

The opinion to be delivered by Bond Counsel concurrently with the execution and delivery of the Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the Bonds will be similarly qualified. See Appendix C. In the event that the District fails to comply with its covenants under the Installment Purchase Agreement or fails to pay the Series 2026 Installment

Payments, which secure the payments of principal of and interest on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interest of the holders of the Bonds.

Loss of Tax Exemption

General. In order to maintain the exclusion from gross income for federal income tax purposes of the interest (and original issue discount) on the Bonds, the Authority and the District have covenanted in the Indenture and the Installment Purchase Agreement, respectively, to comply with the applicable requirements of the Code, and not to take any action or fail to take any action if such action or failure to take such action would adversely affect the exclusion from gross income of interest (and original issue discount) on the Bonds thereunder. Interest (and original issue discount) on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of such Bonds as a result of acts or omissions of the Authority or the District in violation of this or other covenants in the Indenture or the Installment Purchase Agreement. The Bonds are not subject to redemption or any increase in interest rates should an event of taxability occur and will remain outstanding until maturity or prior redemption in accordance with the provisions contained in the Indenture.

Federal Tax Law Changes. From time to time, there are legislative proposals in Congress and IRS rulemaking activities that could adversely affect the market value or marketability of the Bonds. It cannot be predicted whether future legislation, rules, regulations or other guidance may be proposed or enacted that would affect the federal tax treatment of interest (and original issue discount) received on the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors regarding any pending or proposed legislation or regulations that would change the federal tax treatment of interest (and original issue discount) on the Bonds. Risks to the status of federal tax exemption affecting interest (and original issue discount) on the Bonds are also discussed under the caption “TAX MATTERS.”

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Parity Obligations

The Installment Purchase Agreement permits the District to enter into Parity Bonds and Contracts payable from Net Revenues of the Wastewater System on a parity with the Series 2026 Installment Payments, which secure the Bonds, subject to the terms and conditions set forth therein. The entry into of additional Parity Bonds and Contracts could result in reduced Net Revenues available to pay the Series 2026 Installment Payments. The District has covenanted to maintain coverage of at least 125% of Debt Service, as further described under the caption “SECURITY FOR THE BONDS—Additional Parity Bonds and Contracts.”

THE AUTHORITY

The Authority was created by a Joint Exercise of Powers Agreement, dated as of January 24, 2017, between the District and Sausalito-Marín City Sanitary District (“SMCSD”). That agreement was entered into pursuant to Articles 1 and 4 of Chapter 5 of Division 7 of Title 1 (commencing with Section 6500) of the California Government Code (the “JPA Agreement”). The Authority was formed for the purpose of assisting in the financing and refinancing of capital improvement projects of the District and related entities and to finance working capital for the District by exercising the powers referred to in the JPA Agreement, including the power

to issue bonds to pay the costs of public improvements. Neither the District nor Authority is responsible for repayment of the obligations of the other.

APPROVAL OF LEGAL PROCEEDINGS

The valid, legal and binding nature of the Bonds is subject to the approval of Stradling Yocca Carlson & Rauth LLP, acting as Bond Counsel. The form of such legal opinion is attached as Appendix C, and such legal opinion will be attached to each Bond. Certain matters will be passed upon for the District by Byers/Richardson, California, District Counsel, and by Stradling Yocca Carlson & Rauth LLP, as Disclosure Counsel, and for the Trustee by its counsel.

LITIGATION

District

At the time of delivery of and payment for the Bonds, the District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the District, threatened against the District affecting the existence of the District or the titles of its directors or officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Installment Purchase Agreement and the Indenture, or that would have a material adverse effect on the District's ability to pay the Series 2026 Installment Payments, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, the Installment Purchase Agreement or any action of the District contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the District or its authority with respect to the Bonds or any action of the District contemplated by any of said documents, nor to the knowledge of the District, is there any basis therefor.

Authority

At the time of delivery of and payment for the Bonds, the Authority will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, pending or, to the knowledge of the Authority, threatened against the Authority affecting the existence of the Authority or the titles of its directors or officers to their respective offices or seeking to restrain or to enjoin the sale or delivery of the Bonds, the application of the proceeds thereof in accordance with the Installment Purchase Agreement and the Indenture, or that would have a material adverse effect on the Authority's ability to pay the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Indenture, the Installment Purchase Agreement or any action of the Authority contemplated by any of said documents, or in any way contesting the completeness or accuracy of this Official Statement or any amendment or supplement thereto, or contesting the powers of the Authority or its authority with respect to the Bonds or any action of the Authority contemplated by any of said documents, nor to the knowledge of the Authority, is there any basis therefor.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth LLP, Newport Beach, California, Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. However, it should be noted that, with respect to applicable corporations as defined in Section 59(k) of the Code, generally certain corporations with more than \$1,000,000,000 of average annual adjusted financial statement income, interest (and original issue discount) with respect to the Bonds might be taken into account in

determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed by Section 55 of the Code on such corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the Authority, the District and others and is subject to the condition that the Authority and the District comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The Authority and the District have covenanted to comply with all such requirements.

In the opinion of Bond Counsel, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity of such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Beneficial Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Beneficial Owner will increase the Beneficial Owner's basis in the applicable Bond. The amount of original issue discount that accrues to the Beneficial Owner of a Bond is excluded from the gross income of such Beneficial Owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received with respect to the Bonds), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The IRS has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar municipal obligations). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE OR LOCAL TAX TREATMENT OF THE BONDS, INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING

POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth LLP.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the Authority and the District continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Should interest (and original issue discount) on the Bonds become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

A complete copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix C.

CONTINUING DISCLOSURE

The District has covenanted in a Continuing Disclosure Agreement, dated as of the date of issuance of the Bonds (the "**Continuing Disclosure Agreement**"), by and between the District and Ridgeline Municipal Strategies, LLC, as dissemination agent (the "**Dissemination Agent**") for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District by not later than each April 1 following the end of the District's Fiscal Year (currently its Fiscal Year ends on June 30) (the "**Annual Report**"), commencing April 1, 2026 with the Annual Report for the Fiscal Year ending June 30, 2025, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of enumerated events will be filed by the District or the Dissemination Agent with EMMA. The specific nature of the information to be contained in the Annual Report and the notice of enumerated events is set forth in Appendix E.

In the last five years, the District has not failed to comply in all material respects with its previous undertakings under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission, as amended, except that its Annual Report for fiscal year 2019-20 was filed 33 days late and the District did not file a failure to timely file notice in connection therewith.

RATING

S&P Global Ratings, a Standard & Poor's Financial Services LLC business ("**S&P**"), has assigned the Bonds the rating of "AAA".

There is no assurance that any credit rating given to the Bonds will be maintained for any period of time or that a rating may not be lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds. Such rating reflect only the views of S&P, and an explanation of the significance of such rating may be obtained from S&P. Generally, rating agencies base their rating on information and materials furnished

to them (which may include information and material from the District that is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

The District has covenanted in the Continuing Disclosure Agreement to file notices of any rating changes on the Bonds with EMMA. See the caption “CONTINUING DISCLOSURE” and Appendix E. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agencies prior to such information being provided to the District and prior to the date by which the District is obligated to file a notice of rating change. Purchasers of the Bonds are directed to the rating agencies and their respective websites and official media outlets for the most current rating with respect to the Bonds after the initial issuance of the Bonds.

In providing a rating on the Bonds, certain rating agencies may have performed independent calculations of coverage ratios using their own internal formulas and methodology, which may not reflect the provisions of the Indenture or the Installment Purchase Agreement. The District makes no representations as to any such calculations, and such calculations should not be construed as a representation by the District as to past or future compliance with any financial covenants, the availability of particular revenues for the payment of debt service or for any other purpose.

MUNICIPAL ADVISOR

The District has retained Ridgeline Municipal Strategies, LLC, of Rocklin, California (the “**Municipal Advisor**”) as its municipal advisor in connection with the sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained herein.

The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

UNDERWRITING

The Bonds were sold by competitive bid on February __, 2026 and awarded by the Authority on that date to _____ (the “**Purchaser**”) as the successful bidder, in accordance with a Notice Inviting Proposals for Purchase of Bonds (the “**Official Notice of Sale**”). The Purchaser has agreed to purchase the Bonds at the initial purchase price of \$ _____ (which represents the aggregate principal amount of the Bonds, plus an original issue premium of \$ _____, less purchaser’s discount of \$ _____). The Official Notice of Sale provides that the Purchaser will purchase all of the Bonds. The obligation to make such purchase is subject to certain terms and conditions set forth in the Official Notice of Sale. The Purchaser may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed from time to time by the Purchaser.

MISCELLANEOUS

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Owners of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority and the District.

MARIN PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

LAS GALLINAS VALLEY SANITARY DISTRICT

By: _____
General Manager

APPENDIX A
DISTRICT FINANCIAL STATEMENTS

APPENDIX B

**DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INSTALLMENT
PURCHASE AGREEMENT AND THE INDENTURE**

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth LLP, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

_____, 2026

Marin Public Financing Authority
101 Lucas Valley Road, Suite 300
San Rafael, California 94903

Re: \$_____ Marin Public Financing Authority (Las Gallinas Valley Sanitary District)
Wastewater Revenue Bonds, Series 2026A

Members of the Board of Directors:

We have acted as Bond Counsel to the Marin Public Financing Authority (the "Authority") in connection with the issuance of \$_____ aggregate principal amount of Marin Public Financing Authority (Las Gallinas Valley Sanitary District) Wastewater Revenue Bonds, Series 2026A (the "Bonds"). The Bonds have been issued by the Authority pursuant to the terms of the Indenture of Trust, dated as of February 1, 2026 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee").

The Bonds are limited obligations of the Authority payable solely from payments to be made by the Las Gallinas Valley Sanitary District (the "District") to the Authority pursuant to an Installment Purchase Agreement, dated as of February 1, 2026 (the "Installment Purchase Agreement"), by and between the District and the Authority, and from certain funds and accounts established under the Indenture.

In connection with our representation, we have examined a certified copy of the proceedings relating to the Bonds. As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigations.

Based upon the foregoing and after examination of such questions of law as we have deemed relevant in the circumstances, but subject to the limitations set forth herein, we are of the opinion that:

1. The proceedings of the Authority show lawful authority for the issuance and sale by the Authority of the Bonds under the laws of the State of California (the "State") now in force, and the Indenture has been duly authorized, executed and delivered by the Authority, and, assuming due authorization, execution and delivery by the Trustee, as appropriate, the Bonds and the Indenture are valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms.

2. The obligation of the Authority to make the payments of principal and interest on the Bonds from Authority Revenues (as such term is defined in the Indenture) is an enforceable obligation of the Authority and does not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limit or restriction.

3. Under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and

is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals; however, with respect to applicable corporations as defined in Section 59(k) of the Internal Revenue Code of 1986, as amended (the "Code"), interest (and original issue discount) with respect to the Bonds might be taken into account in determining adjusted financial statement income for purposes of computing the alternative minimum tax imposed on such corporations.

4. Interest (and original issue discount) on the Bonds is exempt from State personal income tax.

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State personal income tax.

6. The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which must be amortized under Section 171 of the Code; such amortizable bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable bond premium.

The opinions that are expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and the Authority and are subject to the condition that the District and the Authority comply with all requirements of the Code that must be satisfied subsequent to issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the Authority have covenanted to comply with all such requirements.

The opinions that are expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds terminates on the date of their issuance. The Indenture, the Installment Purchase Agreement and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes if any such action is taken or omitted based upon the opinion or advice of counsel other than ourselves. Other than expressly stated herein, we express no other opinion regarding tax consequences with respect to the Bonds.

Our opinion is limited to matters governed by the laws of the State and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction.

The opinions that are expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations under the Indenture, the Installment Purchase

Agreement and the Bonds are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Bonds and expressly disclaim any duty to advise the Owners of the Bonds with respect to matters contained in the Official Statement.

Respectfully submitted,

APPENDIX D

BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority, the District and the Underwriter believe to be reliable, but neither the Authority, the District nor the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Marin Public Financing Authority (Las Gallinas Valley Sanitary District) Wastewater Revenue Bonds, Series 2026A (the "Bonds"), payment of principal, premium, if any, accreted value, if any, and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds

are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account. DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

Upon the issuance of the Bonds, the District proposes to enter into a Continuing Disclosure Agreement in substantially the following form:

This Continuing Disclosure Agreement (the “**Disclosure Agreement**”) is executed and delivered by and between the Las Gallinas Valley Sanitary District (the “**District**”) and Ridgeline Municipal Strategies, LLC, in its capacity as dissemination agent (the “**Dissemination Agent**”), in connection with the issuance of the Marin Public Financing Authority (Las Gallinas Valley Sanitary District) Wastewater Revenue Bonds, Series 2026A, in an aggregate principal amount of \$_____ (the “**Bonds**”). The Bonds are being issued by the Marin Public Financing Authority (the “**Authority**”), pursuant to the provisions of that certain Indenture of Trust, dated as of February 1, 2026 (the “**Indenture**”), by and between the Authority and U.S. Bank Trust Company, National Association, as successor trustee (the “**Trustee**”), in order to provide funds to finance the acquisition, construction and improvement of certain public improvements within the jurisdiction of the District. The District and the Dissemination Agent hereby certify, covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the parties hereto for the benefit of the holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth in the Indenture and in the Installment Purchase Agreement, dated as of February 1, 2026 (the “**Installment Purchase Agreement**”), by and between the Authority and the District, which apply to any capitalized terms used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Annual Report Date*” shall mean each April 1 after the end of the District’s fiscal year, the end of which, as of the date of this Disclosure Agreement, is June 30.

“*Beneficial Owner*” shall mean any person which: (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries); or (b) is treated as the owner of any Bonds for federal income tax purposes.

“*Dissemination Agent*” shall mean, initially, Ridgeline Municipal Strategies, LLC, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent that is so designated in writing by the District and has filed with the then-current Dissemination Agent a written acceptance of such designation.

“*Financial Obligations*” shall mean a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term “Financial Obligation” does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule and the issuer thereof has entered into a continuing disclosure undertaking for such municipal securities.

“*Listed Events*” shall mean any of the events listed in Sections 5(a) and (b) of this Disclosure Agreement.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board.

“Official Statement” shall mean the Official Statement dated _____, 2026, relating to the Bonds.

“Participating Underwriter” shall mean _____, the original purchaser of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the Securities and Exchange Commission.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2026 with the Annual Report for fiscal year 2024-25, provide to the MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 calendar days prior to such date, the District shall provide its Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the District. The Annual Report must be submitted in an electronic format as prescribed by the MSRB, accompanied by such identifying information as is prescribed by the MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that any audited financial statements of the District may be submitted separately from the balance of the Annual Report, and not later than the date required above for the filings of the Annual Report. If the District’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(a). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the District and shall have no duty or obligation to review such Annual Report.

(b) If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District in a timely manner shall send to the MSRB a notice in substantially the form attached as Exhibit A. Such notice must be submitted in an electronic format as prescribed by the MSRB, accompanied by such identifying information as prescribed by the MSRB.

(c) The Dissemination Agent shall:

1. provide any Annual Report received by it to the MSRB by the date required in subsection (a);
2. file a report with the District and the Trustee (if the Dissemination Agent is other than the Trustee) certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Agreement and stating the date it was provided; and
3. take any other actions as are mutually agreed upon between the Dissemination Agent and the District.

Section 4. Content of Annual Reports. The first Annual Report shall consist solely of the Official Statement for the Bonds. Thereafter, the Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements of the District for the prior fiscal year, which include information regarding the funds and accounts of the District, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If such audited financial statements are not available at the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Principal amount of the Bonds outstanding.

(c) The information for the most recently completed fiscal year in the form of the following tables in the Official Statement (in each case based on actual results for the most recently completed fiscal year only; no projections for future years is required):

1. Table 1, Summary of Sewer Customers by Class.
2. Table 7, Projected Revenues, Expenditures, Debt Service Coverage and Fund Balances.
3. A summary of any changes in the District's wastewater rates and charges since the date of the previous Annual Report.
4. A description of any Parity Debt issued during the most recently completed fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, that are available to the public on the MSRB's Internet website or filed with the SEC. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or shall cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) Business Days after the event:

1. Principal and interest payment delinquencies.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of credit or liquidity providers, or their failure to perform.
5. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices of Proposed Issue (IRS Form 5701 TEB).
6. Tender offers.
7. Defeasances.
8. Rating changes.
9. Bankruptcy, insolvency, receivership or similar proceedings.

Note: For the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority,

or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

10. Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5, the District shall give, or shall cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not more than ten (10) Business Days after occurrence:

1. Unless described in Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds.
2. Modifications to the rights of Bondholders.
3. Bond calls.
4. Release, substitution or sale of property securing repayment of the Bonds.
5. Non-payment related defaults.
6. The consummation of a merger, consolidation or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
7. Appointment of a successor or additional trustee or the change of the name of a trustee.
8. Incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(c) If the District determines that knowledge of the occurrence of a Listed Event under subsection (b) would be material under applicable federal securities laws, and if the Dissemination Agent is other than the District, the District shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to file a notice of such occurrence with the MSRB in an electronic format as prescribed by the MSRB in a timely manner not more than ten (10) Business Days after the event.

(d) If the District determines that a Listed Event under subsection (b) would not be material under applicable federal securities laws and if the Dissemination Agent is other than the District, the District shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence.

(e) The District hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the District and, if the Dissemination Agent is other than the District, the Dissemination Agent shall not be responsible for determining whether the District's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligations of the District and the Dissemination Agent specified in this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the

Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

Section 7. Dissemination Agent. The District may from time to time appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the District shall act as Dissemination Agent. The initial Dissemination Agent shall be Ridgeline Municipal Strategies, LLC.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the District or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver: (i) is approved by holders of the Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders; or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interest of Bond owners.

The District shall describe any amendment to this Disclosure Agreement in the next Annual Report filed after such amendment takes effect.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 14. Counterparts. This Disclosure Agreement may be executed in multiple counterparts, all of which shall constitute one and the same instrument, and each of which shall be deemed to be an original.

Date: _____, 2026

LAS GALLINAS VALLEY SANITARY DISTRICT

By: _____

RIDGELINE MUNICIPAL STRATEGIES, LLC
as Dissemination Agent

By: _____
Authorized Signatory

EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Obligor: Las Gallinas Valley Sanitary District
Name of Obligations: Marin Public Financing Authority (Las Gallinas Valley Sanitary District)
Wastewater Revenue Bonds, Series 2026A
Date of Issuance: _____, 2026

NOTICE IS HEREBY GIVEN that the Las Gallinas Valley Sanitary District (the “**District**”) has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated _____, 2026. The District anticipates that the Annual Report will be filed by _____.

Dated:

LAS GALLINAS VALLEY SANITARY DISTRICT

By: _____
Authorized Signatory

APPENDIX F

GENERAL INFORMATION ABOUT THE CITY OF SAN RAFAEL AND THE COUNTY OF MARIN

The following information concerning the City of San Rafael and the County of Marin is included only for the purpose of supplying general information regarding these areas.

General Information

City of San Rafael. In 1874, the City of San Rafael became the first incorporated city in the County of Marin, and became a charter city in 1913 by vote of its residents. The City of San Rafael is located 17 miles north of the City and County of San Francisco in Marin County, and is the County seat. The City is governed by a City Council comprised of five members, four of which are elected at-large to four-year terms while the mayor is elected separately to a four-year term. The City’s land area is 22 square miles, including 17 square miles of land and 5 square miles of water and tidelands. The City of San Rafael provides a wide range of municipal services required by statute or charter, namely police and fire protection, construction and maintenance of streets, parks, storm drains and other infrastructure, recreation, childcare, permits, planning, code enforcement, and a library system.

County of Marin. Marin County was one of the original counties of California, created in 1850 at the time of statehood. The County has a total area of 828 sq. miles and, as of January 1, , a population of approximately 254,550. Geographically, the county forms a large, southward-facing peninsula, with the Pacific Ocean to the west, San Pablo Bay and San Francisco Bay to the east, and – across the Golden Gate – the City and County of San Francisco to the south. Marin County’s northern border is with Sonoma County. Most of the county’s population resides on the eastern side, with a string of communities running along the Bay, from Sausalito to Tiburon to San Rafael to Corte Madera. The interior contains large areas of agricultural and open space; West Marin, through which California State Route 1 runs alongside the California coast, contains many small unincorporated communities dependent on agriculture and tourism for their economies.

Population

The following table shows population estimates for the City of San Rafael, the County of Marin and the State of California for the past five years as of January 1.

**CITY OF SAN RAFAEL, COUNTY OF MARIN AND STATE OF CALIFORNIA
Population Estimates
As of January 1**

| <i>Area</i> | <i>2021</i> | <i>2022</i> | <i>2023</i> | <i>2024</i> | <i>2025</i> |
|---------------------|-------------|-------------|-------------|-------------|-------------|
| City of San Rafael | 61,308 | 60,358 | 60,041 | 59,917 | 59,885 |
| County of Marin | 260,112 | 256,512 | 254,861 | 254,743 | 254,550 |
| State of California | 39,369,530 | 39,179,680 | 39,228,444 | 39,420,663 | 39,529,101 |

Source: State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State – January 1, 2021-2025. Sacramento, California, May 2025.

Industry

The table below lists employment by industry group for the County of Marin for the years 2020 through 2024.

**COUNTY OF MARIN
Annual Average Labor Force
Employment by Industry Group**

| | <i>2020</i> | <i>2021</i> | <i>2022</i> | <i>2023</i> | <i>2024</i> |
|---|-------------|-------------|-------------|-------------|-------------|
| Civilian Labor Force | 123,500 | 121,900 | 123,700 | 125,100 | 125,400 |
| Civilian Employment | 114,600 | 116,000 | 120,100 | 120,800 | 120,400 |
| Civilian Unemployment | 8,900 | 5,900 | 3,500 | 4,300 | 4,900 |
| Civilian Unemployment Rate | 7.2% | 4.8% | 2.9% | 3.5% | 3.9% |
| Total Farm | 400 | 400 | 400 | 400 | 400 |
| Total Nonfarm | 104,600 | 106,200 | 110,100 | 111,700 | 112,300 |
| Total Wage and Salary | 105,000 | 106,600 | 110,500 | 112,000 | 112,700 |
| Total Private | 89,800 | 91,700 | 95,300 | 96,400 | 96,400 |
| Goods Producing | 11,900 | 12,000 | 12,000 | 11,900 | 11,600 |
| Service Providing | 92,700 | 94,200 | 98,100 | 99,800 | 100,700 |
| Private Service Providing | 77,900 | 79,700 | 83,300 | 84,500 | 84,800 |
| Mining and Logging | 0 | 0 | 0 | 0 | 0 |
| Nat. Resources, Mining & Construction | 7,300 | 7,600 | 7,800 | 7,600 | 7,500 |
| Construction | 7,300 | 7,600 | 7,800 | 7,600 | 7,500 |
| Manufacturing | 4,600 | 4,400 | 4,200 | 4,300 | 4,200 |
| Trade, Transportation & Utilities | 17,300 | 17,500 | 17,500 | 17,100 | 16,900 |
| Wholesale Trade | 2,200 | 2,100 | 2,100 | 2,200 | 2,200 |
| Retail Trade | 13,700 | 13,900 | 13,900 | 13,500 | 13,200 |
| Transportation, Warehousing & Utilities | 1,400 | 1,400 | 1,400 | 1,400 | 1,500 |
| Information | 2,600 | 2,700 | 2,800 | 2,900 | 2,900 |
| Financial Activities | 5,200 | 5,000 | 5,200 | 5,200 | 5,000 |
| Professional & Business Services | 17,500 | 17,700 | 18,200 | 17,900 | 17,500 |
| Educational & Health Services | 19,400 | 20,000 | 20,400 | 21,400 | 22,100 |
| Leisure & Hospitality | 11,200 | 12,100 | 14,000 | 14,500 | 14,600 |
| Other Services | 4,800 | 4,800 | 5,300 | 5,600 | 5,900 |
| Government | 14,800 | 14,500 | 14,800 | 15,300 | 15,900 |
| Federal Government | 700 | 700 | 600 | 600 | 600 |
| Federal Government Ex. Dept. of Defense | 700 | 700 | 600 | 600 | 600 |
| Department of Defense | 0 | 0 | 0 | 0 | 0 |
| State Government | 2,000 | 1,900 | 1,900 | 1,800 | 1,800 |
| State Government Education | 0 | 0 | 0 | 0 | 0 |
| State Government Excluding Education | 2,000 | 1,900 | 1,900 | 1,800 | 1,800 |
| Local Government | 12,000 | 11,900 | 12,300 | 12,900 | 13,400 |
| Local Government Education | 4,900 | 4,700 | 5,000 | 5,300 | 5,500 |
| Local Government Excluding Education | 7,100 | 7,200 | 7,400 | 7,600 | 7,900 |
| Special Districts plus Indian Tribes | 3,300 | 3,300 | 3,300 | 3,400 | 3,600 |
| County | 2,600 | 2,600 | 2,600 | 2,700 | 2,800 |
| City | 1,300 | 1,300 | 1,400 | 1,500 | 1,600 |
| State and Local Government | 14,100 | 13,800 | 14,200 | 14,700 | 15,200 |

Source: State of California Employment Development Department.

The table below lists, in alphabetical order, the major employers in the County of Marin.

**COUNTY OF MARIN
Major Employers**

| <i>Employer Name</i> | <i>Location</i> | <i>Industry</i> |
|--------------------------------|-----------------|--|
| Bay Club | Corte Madera | Health Clubs Studios & Gymnasiums |
| Bay Equity | Sausalito | Real Estate Loans |
| Biomarin Pharmaceutical Inc | San Rafael | Laboratories-Research & Development |
| Brayton Purcell LLP | Novato | Attorneys |
| California Alpine Club | Mill Valley | Clubs |
| College of Marin | Kentfield | Schools-Universities & Colleges Academic |
| Community Action Marin | San Rafael | Membership Organizations NEC |
| Corrections Dept | San Quentin | Government Offices-State |
| Embassy Suites By Hilton Sn | San Rafael | Hotels & Motels |
| Glassdoor Inc | Mill Valley | Website Hosting |
| Hospice By the Bay Marin | Larkspur | Physicians & Surgeons |
| Kaiser Permanente Novato Med | Novato | Clinics |
| Kaiser Permanente Sn Rafael MD | San Rafael | Hospitals |
| Macy's | Corte Madera | Department Stores |
| Managed Health Network LLC | San Rafael | Health Plans |
| Marin County Public Works Dept | San Rafael | Public Works Department |
| Marin Independent Journal | San Rafael | Newspapers (publishers/Mfrs) |
| Marin YMCA | San Rafael | Youth Organizations & Centers |
| Marinhealth Medical Ctr | Greenbrae | Hospitals |
| RH (restoration Hardware) | Corte Madera | Furniture-Dealers-Retail |
| San Rafael Human Resources | San Rafael | City Government-Social & Human Resources |
| Sutter Care At Home-Marin | Novato | Home Health Service |
| Township Building Svc Inc | Novato | Janitor Service |
| Westamerica Bancorporation | San Rafael | Holding Companies (bank) |
| Whole Foods Market | San Rafael | Grocers-Retail |

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2025 2nd Edition.

Commercial Activity

A summary of historical taxable sales within the City of San Rafael during the past five years in which annual data is available is shown in the following table.

CITY OF SAN RAFAEL Taxable Transactions (dollars in thousands)

| <i>Year</i> | <i>Retail Stores Taxable Transactions</i> | <i>Total Outlets Taxable Transactions</i> |
|-------------|---|---|
| 2020 | \$1,282,496 | \$1,613,018 |
| 2021 | 1,517,605 | 1,892,537 |
| 2022 | 1,638,514 | 2,028,762 |
| 2023 | 1,622,939 | 2,014,314 |
| 2024 | 1,597,294 | 2,000,973 |

Source: State of California, Board of Equalization.

A summary of historical taxable sales within the County of Marin during the past five years in which annual data is available is shown in the following table.

COUNTY OF MARIN Taxable Transactions (dollars in thousands)

| <i>Year</i> | <i>Retail Stores Taxable Transactions</i> | <i>Total Outlets Taxable Transactions</i> |
|-------------|---|---|
| 2020 | \$3,982,041 | \$5,203,057 |
| 2021 | 4,669,874 | 6,207,919 |
| 2022 | 4,900,942 | 6,550,066 |
| 2023 | 4,752,659 | 6,435,011 |
| 2024 | 4,832,806 | 6,513,242 |

Source: State of California, Board of Equalization.

Construction Trends

Provided below are the building permits and valuations for the City of San Rafael and the County of Marin for calendar years 2020 through 2024.

CITY OF SAN RAFAEL Building Permit Valuations

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <u>Permit Valuation</u> | | | | | |
| New Single-family | \$ 1,110,400 | \$ 8,824,115 | \$ 10,059,869 | \$ 9,044,780 | \$ 19,704,648 |
| New Multi-family | 350,000 | 2,500,000 | 1,000,000 | - | 2,270,138 |
| Res. Alterations/Additions | <u>10,607,457</u> | <u>25,631,388</u> | <u>32,581,357</u> | <u>30,984,678</u> | <u>35,425,462</u> |
| Total Residential | \$ 12,067,857 | \$ 36,955,503 | \$ 43,641,226 | \$ 40,029,458 | \$ 57,400,248 |
| | | | | | |
| New Industrial | \$ - | \$ - | \$ - | \$ - | \$ - |
| New Commercial | - | 21,802,000 | 3,100,000 | - | 195,000 |
| New Other | 3,230,028 | 16,381,871 | 4,396,802 | 2,438,158 | 3,960,103 |
| Com. Alterations/Additions | <u>4,297,982</u> | <u>13,162,098</u> | <u>33,516,450</u> | <u>56,294,295</u> | <u>29,491,071</u> |
| Total Nonresidential | \$ 7,528,010 | \$ 51,345,969 | \$ 41,013,252 | \$ 58,732,453 | \$ 33,746,174 |
| | | | | | |
| <u>New Dwelling Units</u> | | | | | |
| Single Family | 7 | 16 | 49 | 27 | 64 |
| Multiple Family | <u>3</u> | <u>9</u> | <u>4</u> | <u>0</u> | <u>0</u> |
| TOTAL | 10 | 25 | 53 | 27 | 74 |

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF MARIN Building Permit Valuations

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <u>Permit Valuation</u> | | | | | |
| New Single-family | \$ 41,430,959 | \$ 107,029,811 | \$ 114,820,544 | \$ 113,239,381 | \$ 107,386,731 |
| New Multi-family | 350,000 | 6,180,686 | 5,915,000 | 34,463,840 | 4,046,880 |
| Res. Alterations/Additions | <u>145,529,536</u> | <u>200,676,718</u> | <u>250,434,532</u> | <u>281,323,973</u> | <u>246,284,483</u> |
| Total Residential | \$ 187,310,495 | \$ 313,887,215 | \$ 371,170,076 | \$ 429,027,194 | \$ 357,850,488 |
| | | | | | |
| New Industrial | \$ - | \$ - | \$ - | \$ - | \$ - |
| New Commercial | 3,402,442 | 46,757,399 | 10,381,595 | 8,822,961 | 1,413,493 |
| New Other | 24,802,290 | 44,127,345 | 48,231,737 | 81,133,396 | 26,622,484 |
| Com. Alterations/Additions | <u>22,409,172</u> | <u>39,463,482</u> | <u>80,547,531</u> | <u>95,593,803</u> | <u>72,977,205</u> |
| Total Nonresidential | \$ 50,694,904 | \$ 130,348,226 | \$ 139,160,863 | \$ 185,550,160 | \$ 101,013,182 |
| | | | | | |
| <u>New Dwelling Units</u> | | | | | |
| Single Family | 97 | 235 | 323 | 249 | 234 |
| Multiple Family | <u>3</u> | <u>21</u> | <u>8</u> | <u>360</u> | <u>40</u> |
| TOTAL | 100 | 256 | 331 | 609 | 244 |

Source: Construction Industry Research Board, Building Permit Summary.

Income

The following table summarizes per capita personal income for Marin County, California and the United

States for 2019 through 2023.

**TABLE NO. F-4
MARIN COUNTY PER CAPITA PERSONAL INCOME
2019 through 2023**

| <i>Year</i> | <i>Marin County</i> | <i>State of California</i> | <i>United States</i> |
|-------------|---------------------|----------------------------|----------------------|
| 2019 | \$136,592 | \$64,219 | \$55,567 |
| 2020 | 145,393 | 70,098 | 59,123 |
| 2021 | 164,340 | 76,882 | 64,460 |
| 2022 | 168,814 | 76,941 | 66,244 |
| 2023 | 180,575 | 81,255 | 69,810 |

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Transportation

The County's transportation facilities are excellent, with U.S. Highway 101 and U.S. Interstate Highway 580 providing easy access to the rest of California. Buses provide commuter service to San Francisco and other Bay Area cities, and commuter ferries embark for San Francisco from the communities of Sausalito, Tiburon, and Larkspur. The San Francisco International Airport, located 30 miles from the Town, provides air passenger service to points worldwide.

NOTICE INVITING PROPOSALS FOR PURCHASE OF BONDS

\$28,500,000*

MARIN PUBLIC FINANCING AUTHORITY
(LAS GALLINAS VALLEY SANITARY DISTRICT)
WASTEWATER REVENUE BONDS, SERIES 2026A

NOTICE IS HEREBY GIVEN that sealed unconditioned proposals will be received to and including the hour of 9:00 a.m., Pacific Time, on February 18, 2026, at the offices of the Marin Public Financing Authority (the “Authority”), located at 101 Lucas Valley Road, Suite 300, San Rafael, California 94903, in the manner described below, for the purchase of all, but not less than all, of \$28,500,000* principal amount of Marin Public Financing Authority Wastewater Revenue Bonds, Series 2026A, (the “Bonds”). Proposals must be submitted electronically via i-Deal LLC’s (“i-Deal”) Parity Electronic Bid Submission System (“PARITY”), a division of Thomson Information Services, Inc., in the manner described below, for the purchase of all, but not less than all, of \$28,500,000* principal amount of the Bonds. In the event that the sale has not been awarded by the designated time, bids may be received at a subsequent time and date to be determined by the Authority and publicized via the Bond Buyer or the Bond Buyer Wire or Thomson Municipal Market Monitor (www.tm3.com).

I. Issue:

The Bonds will be dated the date of delivery, will be in the denomination of \$5,000 principal amount each, or integral multiples thereof, and will bear interest from the date of delivery of the Bonds to the maturity of each of the Bonds at the rate such that the true interest cost (the “TIC”) shall not exceed 5.00%, with interest payable semiannually on April 1 and October 1 of each year during the term of each of the Bonds, commencing October 1, 2026. The Bonds will mature on April 1 in each of the years set forth in the following schedule:

* Preliminary, subject to change.

| <u>Maturity Date</u> | <u>Principal</u> * | <u>Coupon</u> * | <u>Interest</u> * | <u>Debt Service</u> * |
|----------------------|---------------------|-----------------|-------------------|-----------------------|
| 2027 | \$ 345,000.00 | 5.000% | \$ 1,338,665.97 | \$ 1,683,665.97 |
| 2028 | 480,000.00 | 5.000 | 1,202,800.00 | 1,682,800.00 |
| 2029 | 505,000.00 | 5.000 | 1,178,800.00 | 1,683,800.00 |
| 2030 | 530,000.00 | 5.000 | 1,153,550.00 | 1,683,550.00 |
| 2031 | 555,000.00 | 5.000 | 1,127,050.00 | 1,682,050.00 |
| 2032 | 585,000.00 | 5.000 | 1,099,300.00 | 1,684,300.00 |
| 2033 | 615,000.00 | 5.000 | 1,070,050.00 | 1,685,050.00 |
| 2034 | 645,000.00 | 5.000 | 1,039,300.00 | 1,684,300.00 |
| 2035 | 680,000.00 | 5.000 | 1,007,050.00 | 1,687,050.00 |
| 2036 | 710,000.00 | 5.000 | 973,050.00 | 1,683,050.00 |
| 2037 | 745,000.00 | 5.000 | 937,550.00 | 1,682,550.00 |
| 2038 | 785,000.00 | 5.000 | 900,300.00 | 1,685,300.00 |
| 2039 | 825,000.00 | 5.000 | 861,050.00 | 1,686,050.00 |
| 2040 | 865,000.00 | 4.000 | 819,800.00 | 1,684,800.00 |
| 2041 | 900,000.00 | 4.000 | 785,200.00 | 1,685,200.00 |
| 2042 | 935,000.00 | 4.000 | 749,200.00 | 1,684,200.00 |
| 2043 | 970,000.00 | 4.000 | 711,800.00 | 1,681,800.00 |
| 2044 | 1,010,000.00 | 4.000 | 673,000.00 | 1,683,000.00 |
| 2045 | 1,050,000.00 | 4.000 | 632,600.00 | 1,682,600.00 |
| 2046 | 1,095,000.00 | 4.000 | 590,600.00 | 1,685,600.00 |
| 2047 | 1,135,000.00 | 4.000 | 546,800.00 | 1,681,800.00 |
| 2048 | 1,185,000.00 | 4.000 | 501,400.00 | 1,686,400.00 |
| 2049 | 1,230,000.00 | 4.000 | 454,000.00 | 1,684,000.00 |
| 2050 | 1,280,000.00 | 4.000 | 404,800.00 | 1,684,800.00 |
| 2051 | 1,335,000.00 | 4.000 | 353,600.00 | 1,688,600.00 |
| 2052 | 1,385,000.00 | 4.000 | 300,200.00 | 1,685,200.00 |
| 2053 | 1,440,000.00 | 4.000 | 244,800.00 | 1,684,800.00 |
| 2054 | 1,500,000.00 | 4.000 | 187,200.00 | 1,687,200.00 |
| 2055 | 1,560,000.00 | 4.000 | 127,200.00 | 1,687,200.00 |
| 2056 | <u>1,620,000.00</u> | 4.000 | <u>64,800.00</u> | <u>1,684,800.00</u> |
| | \$ 28,500,000.00 | | \$22,035,515.97 | \$ 50,535,515.97 |

* Preliminary, subject to change.

II. Option to Elect Term Bonds:

The purchaser may elect to combine any number of consecutive maturities of Bonds maturing after April 1, 2036 for which an identical interest rate has been specified to comprise term bonds by indicating such an election in their bid. The election to create term bonds in such manner will require the creation of a mandatory sinking fund so that the sinking fund redemption payments shall equal the corresponding serial bond maturity amounts. No term bond shall have sinking fund redemption payments due on or prior to the April 1, 2036 first optional redemption date of the Bonds.

III. Adjustment of Principal Amounts after Receipt of Bids:

The estimated principal amount of each maturity of the Bonds set forth above reflects certain assumptions of the Authority and Ridgeline Municipal Strategies, LLC, the Las Gallinas Valley Sanitary District's (the "District") Municipal Advisor (the "Municipal Advisor") with respect to the likely interest rates of the winning bid or bids. Following the determination of the successful bidder, the Municipal Advisor, on behalf of the Authority, reserves the right to alter the final maturity date, increase or decrease the principal amount of each maturity of the Bonds (or, in the case of term bonds, the principal amount

*
*
*

thereof which is subject to mandatory sinking fund prepayment on April 1 in any year) in \$5,000 increments of principal amount in a total amount of up to 25% for each year, or eliminate maturities in their entirety. Such adjustment shall be made within 26 hours of the bid opening and in the sole discretion of the Authority, upon recommendation of the Municipal Advisor. In the event of any such adjustment, no rebidding or recalculation of the bids submitted will be required or permitted and the successful bid or bids may not be withdrawn, and the successful bidder will not be permitted to change the interest rate(s) in its bid for the Bonds. The percentage compensation to be paid to the successful bidder will not change if the maturity schedule is adjusted.

IV. Interest Rates:

All bids for the purchase of the Bonds must state the rate of interest to be paid for each maturity of Bonds offered and bid price for such Bonds. All Bonds of the same maturity must bear the same rate of interest and no Bond may bear more than one rate. The ratio of total debt service to the principal amount of the Bonds may not exceed four-to-one. Bidders may specify any number of different rates to be borne on the Bonds; provided that, all interest rates must be in multiples of 1/8 or 1/20 of one percent and a zero rate of interest cannot be specified. Interest will be computed on the basis of a 360-day year consisting of twelve, 30-day months. Interest with respect to each Bond shall be computed from the scheduled delivery date of the Bonds, to its stated maturity at the interest rate specified in the bid, payable on the Interest Payment Dates as set forth above. No proposal will be accepted which contemplates the waiver of any interest or other concession by the bidder as a substitute for payment in full of the purchase price.

V. Redemption:

The Bonds maturing on and after April 1, 2037 are subject to optional redemption prior to their respective stated maturity dates at the option of the Authority, from any source of available funds, as a whole or in part, on any date on or after April 1, 2036, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

VI. Notice of Redemption:

Notice of redemption of any Bond will be mailed to the Registered Owner of each Bond to be redeemed in whole or in part at the address shown on the registration records maintained by U.S. Bank Trust Company, National Association, as trustee for the Bonds, (the "Trustee"); such mailing to be not more than 60 nor less than 20 days prior to the date set for redemption. Neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of Bonds.

VII. Costs of Issuance:

The winning bidder will not be required to pay any costs of issuance associated with the Bonds, except as described in Sections XVII and XXIV. The costs of issuance of the Bonds, including the winning bidder's compensation, will be paid by the Authority solely from the aggregate proceeds of the Bonds eligible to be deposited into the Acquisition Fund (as such term is defined in the Preliminary Official Statement) held by the Trustee on behalf of the Authority. The Authority reserves the right to instruct the winning bidder of the Bonds to retain from the proceeds generated from the sale of the Bonds an amount equal to the winning bidder's compensation. The Authority further reserves the right to

instruct the winning bidder to wire a portion of the purchase price, in an amount not to exceed 1.50% of the principal amount of the Bonds, to U.S. Bank Trust Company, National Association, in its capacity as costs of issuance custodian for the Bonds.

By the submission of its bid pursuant to the provisions hereof, each bidder will be deemed to have represented that its underwriting discount with respect to the Bonds shall not exceed 0.80% of the principal amount of the Bonds.

VIII. Premium/Discount Bonds:

Bidders may not bid a purchase price (calculated as principal plus premium minus the bidder's compensation) of less than 102.0% of the aggregate principal amount of the Bonds.

No bid will be entertained if the aggregate amount of original issue premium exceeds the total amount of interest coming due on the Bonds within the first 36 months after issuance.

IX. Registration of Bonds as to Principal and Interest and Place of Payment:

The Bonds, 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 of the Bonds. Individual purchases will be made in book-entry form only, in the denominations of \$5,000 principal amount and integral multiples thereof. Purchasers will not receive physical certificates representing their interest in the Bonds purchased. 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 Bonds through DTC's Participants, as described in the Preliminary Official Statement.

X. Authority:

The Bonds will be issued pursuant to the Constitution and laws of the State of California and pursuant to the Marks-Roos Local Bond Pooling Act of 1985, commencing with Section 6584 of the California Government Code, a resolution adopted by the Board of Directors of the Authority, and a resolution adopted by the Board of Directors of the District.

XI. Security:

The obligation of the Authority to pay the Bonds is a special obligation of the Authority payable solely from Net Revenues, consisting of Authority Revenues of which consist of Series 2026 Installment Payments to be made by the District under the Installment Purchase Agreement, and certain other funds and accounts established pursuant to the Indenture, on a parity with the following bonds and contracts: (i) payments under a State Revolving Fund Loan Contract in in May 2010, as amended, with the State Water Resources Control Board; (ii) payments under the Bank of Marin loan, dated June 10, 2011, with the Bank of Marin; (iii) payments under the 2017 Installment Sale Agreement, dated April 1, 2017, with the Authority which secures the District's installment payments due in connection with the Authority's 2017 Revenue Bonds (Marin County, California); and (iv) payments under a California Infrastructure and Economic Development Bank Loan, entered into in May 2019, with the California Infrastructure and Economic Development Bank, which were outstanding in the aggregate principal amount of \$42,824,690 as of December 31, 2025.

The Authority has not funded a debt service reserve fund in connection with the issuance of the Bonds.

See the Preliminary Official Statement dated February 6, 2026 relating to the Bonds.

XII. Form of Bid:

All bids must be submitted electronically via PARITY, pursuant to the procedures described below, and all such bids shall be deemed to constitute a Bid for Purchase of the Bonds and shall be deemed to incorporate by reference all of the terms and conditions of this Notice Inviting Proposals for Purchase of Bonds. The submission of a bid electronically via PARITY shall constitute and be deemed the bidder's signature on the Bid for Purchase of the Bonds.

Bidders are required to bid upon the Bonds in accordance with this Notice Inviting Proposals for Purchase of Bonds, as it may be amended. The Authority reserves the right, prior to the acceptance of a bid, to modify or amend this Notice Inviting Proposals for Purchase of Bonds, including (but not limited to) changing (i) the Principal Amounts, including the aggregate principal amount of Bonds offered for sale, (ii) the terms of redemption of the Bonds and (iii) the requirements relating to the interest rates on or purchase price of the Bonds. Any such modifications or amendments will be posted on Parity not later than 2:00 p.m., California time one day prior to the Bid Date. Any delay in making such modification or amendment, or the failure of any bidder to receive such notice, shall not affect the validity of the sale of the Bonds.

XIII. Procedures Regarding Electronic Bidding:

Bids must be submitted electronically via PARITY in accordance with this Notice Inviting Proposals for Purchase of Bonds, until 9:00 a.m., Pacific Time, on February 18, 2026, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in PARITY conflict with this Notice Inviting Proposals for Purchase of Bonds, the terms of this Notice Inviting Proposals for Purchase of Bonds shall control. For further information about PARITY, potential bidders may contact the Authority's Municipal Advisor, Ridgeline Municipal Strategies, LLC, Attn: Dmitry Semenov, phone: (916) 250-1590 or dsemenov@ridgelinemuni.com, or PARITY at i-Deal at (212) 849-5021. In the event that a bid for the Bonds is submitted via PARITY, the bidder further agrees that:

1. Once the bids are communicated electronically via PARITY to the Authority as described herein, each bid will constitute a Bid for Purchase of the Bonds and shall be deemed to be an irrevocable offer to purchase the Bonds on the terms provided in this Notice Inviting Proposals for Purchase of Bonds. If a bid submitted electronically via PARITY is accepted by the Authority, the terms of the Bid for Purchase of the Bonds and the Notice Inviting Proposals for Purchase of Bonds and the information that is electronically transmitted through PARITY (including information about the purchase price of the Bonds, the coupon interest rate or rates to be borne by the various maturities of the Bonds, the initial public offering price of each maturity and any other information included in such transmission) shall form a contract and the successful bidder shall be bound by the terms of such contract.

2. PARITY is not an agent of the Authority, and the Authority shall have no liability whatsoever based on any bidder's use of PARITY, including but not limited to any failure by PARITY to correctly or timely transmit information provided by the Authority or information provided by the bidder.

3. The Authority may choose to discontinue use of electronic bidding via PARITY by issuing a notification to such effect via PARITY's internet site (www.tm3.com) no later than 1:00 p.m. (Pacific Time) on the last business day prior to the date of sale. In such case, a substitute bidding arrangement will be described in an amended Notice Inviting Proposals for Purchase of Bonds.

4. For purposes of submitting all Bids for Purchase of the Bonds, the time as maintained on PARITY shall constitute the official time. No bid received after the deadline shall be considered. In any case, each bid must be in accordance with the terms and conditions set forth in this official Notice Inviting Proposals for Purchase of Bonds.

5. Each bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with this Notice Inviting Proposals for Purchase of Bonds. Neither the Authority nor i-Deal shall have any duty or obligation to undertake such registration to bid for any prospective bidder or to provide or assure such access to any qualified prospective bidder, and neither the Authority nor i-Deal shall be responsible for a bidder's failure to register to bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, PARITY. The Authority is using PARITY as a communication mechanism, and not as the Authority's agent, to conduct the electronic bidding for the Bonds. By using PARITY, each bidder agrees to hold the Authority harmless for any harm or damages caused to such bidder in connection with its use of PARITY for bidding on the Bonds.

XIV. Estimate of True Interest Cost:

Bidders are requested (but not required) to supply an estimate of the total TIC to the Authority on the basis of their respective bids, which shall be considered as informative only and not binding on either the bidder or the Board of Directors of the Authority.

XV. Good Faith Deposit:

A good faith deposit (the "Deposit") in the form of a certified cashier's check or a wire transfer, in the amount of \$150,000, payable to the order of U.S. Bank Trust Company, National Association, as Trustee, must be remitted by the winning bidder within 48 hours after the acceptance of its bid. The Deposit shall be cashed by the Trustee on behalf of the Authority and shall then be applied toward the purchase price of the Bonds. If after the award of the Bonds the successful bidder or bidders fail to complete their purchase on the terms stated in their bid, the Deposit will be retained by the Authority. No interest on the Deposit shall accrue to any bidder.

XVI. Qualification for Sale; Blue Sky:

The purchaser will assume responsibility for taking any action necessary to qualify the Bonds for offer and sale in jurisdictions other than California, and for complying with the laws of all jurisdictions on resale of the Bonds, and shall indemnify, defend and hold harmless the Authority and their respective officers and officials from any loss or damage resulting from any failure to comply with any such law. Compliance with Blue Sky Laws shall be the sole responsibility of the purchaser, and the purchaser shall pay all fees and disbursements related to the qualification of the bonds for sale under the securities or Blue Sky laws of various jurisdictions. The Authority will furnish such information and take such action not inconsistent with law as the purchaser may request and the Authority shall deem necessary or appropriate 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 of America as may be designated

by the purchaser, provided, however, that the Authority 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 purchaser will not offer to sell, or solicit any offer to buy, the Bonds in any jurisdiction where it is unlawful for such purchaser to make such offer, solicitation or sale, and the purchaser shall comply with the Blue Sky and other securities laws and regulations of the states and jurisdictions.

XVII. CUSIP Numbers and Other Fees:

The Municipal Advisor will apply for CUSIP numbers and the CUSIP numbers will be printed on the Bonds. The cost of the printing thereof will be the Authority's responsibility. Any delay, error or omission with respect thereto will not constitute cause for the purchaser to refuse to accept delivery of and pay for the Bonds. The successful bidder shall be required to pay all fees required by CUSIP Service Bureau (including any fees associated with the assignment of the CUSIP numbers), The Depository Trust Company, Bond Market Association, Municipal Securities Rulemaking Board, and any other similar entity imposing a fee in connection with the issuance of the Bonds (see, "—California Debt and Investment Advisory Commission" below).

XVIII. Legal Opinion:

The Bonds are sold with the understanding that the purchaser will be furnished with the approving opinion of Bond Counsel, Stradling Yocca Carlson & Rauth LLP. A copy of the opinion will be attached to the Bonds. Said attorneys have been retained by the Authority as Bond Counsel and in such capacity are to render their opinion only upon the legality of the Bonds under State of California law, the exclusion of the interest income on the Bonds from federal income taxes, and the exemption of the interest income on the Bonds from State of California income taxes. Fees of Bond Counsel will be paid by the Authority from the costs of issuance.

XIX. Tax-Exempt Status:

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in the Preliminary Official Statement, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See the Preliminary Official Statement for additional information, including with respect to the alternative minimum tax imposed on certain large corporations. Should changes in the law cause Bond Counsel's opinion to change prior to delivery of the Bonds to the purchaser, the purchaser will be relieved of its responsibility to pick up and pay for the Bonds.

XX. Establishment of Issue Price of the Bonds:

(a) The winning bidder shall assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, 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 Authority and Bond Counsel, including, but not limited to, modifications in the event that the Competitive Sale Requirements (defined below) are not

satisfied. All actions to be taken by the Authority under this Notice Inviting Proposals for Purchase of Bonds (this “Notice Inviting Proposals”) to establish the issue price of the Bonds may be taken on behalf of the Authority by the Municipal Advisor and any notice or report to be provided to the Authority may be provided to the Municipal Advisor.

(b) The Authority intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “Competitive Sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

1. the Authority shall disseminate this Notice Inviting Proposals to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
2. all bidders shall have an equal opportunity to bid;
3. the Authority may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
4. the Authority anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest TIC), as set forth in this Notice Inviting Proposals.

Any bid submitted pursuant to this Notice Inviting Proposals shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the Authority shall so advise the winning bidder. The Authority may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% Test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Authority if any maturity of the Bonds satisfies the 10% Test as of the date and time of the award of the Bonds. The Authority shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% Test or shall be subject to the hold-the-offering-price rule. Bids will not be subject to cancellation in the event that the Authority determines to apply the hold-the-offering-price rule to any maturity of the Bonds. **Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Bonds.**

(d) By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

1. the close of the fifth (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 Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the Authority when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

(e) If the Competitive Sale Requirements are not satisfied, then until the 10% Test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Authority the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel.

(f) The Authority acknowledges that, in making the representations set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in 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 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party retail distribution agreement and the related pricing wires. The Authority further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party retail distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with regarding the hold-the-offering-price rule, if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (1) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that Maturity allocated to it have been sold or it is notified by the winning bidder that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the winning bidder and (2) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires,

(B) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

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

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

(h) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds (each such term being used as defined below) shall not constitute sales to the public for purposes of this Notice Inviting Proposals. Further, for purposes of this Notice Inviting Proposals:

(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 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),

- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (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 that the Bonds are awarded by the Authority to the winning bidder.

XXI. Award:

If the Bonds are awarded on the date of sale, the Bonds will be awarded to the responsible bidder submitting the best responsive bid, considering the coupon interest rate or rates and the purchase price specified in the bid. The best bid will be the bid that conforms with the provisions of this Notice Inviting Proposals for Purchase of Bonds and represents the lowest TIC to the Authority for the Bonds, taking into consideration the interest rate specified, and premium thereon, if any. The TIC is the discount rate that, when compounded semiannually and used to discount all debt service payments on the Bonds back to the date of delivery of such Bonds, results in an amount equal to the purchase price bid for said Bonds. In the event that two or more bidders offer bids for the Bonds at the same lowest TIC, the Authority will determine by lottery which bidder will be awarded the Bonds. For the purpose of calculating the TIC, the mandatory sinking fund payments, if any, shall be treated as serial maturities in such years. The determination of the bid representing the lowest TIC will be made without regard to any adjustments made or contemplated to be made after the award by the Municipal Advisor on behalf of the Authority, as described herein under “Adjustment of Principal Amounts,” even if such adjustments have the effect of raising the TIC of the successful bid to a level higher than the bid containing the next lowest TIC prior to adjustment. The Authority reserves the right to waive any irregularity or informality in any bid that does not change the ranking of the bids received.

XXII. Prompt Award:

The Executive Director of the Authority, the Treasurer of the Authority, or their designee, will take action awarding the Bonds or rejecting all bids not later than twenty-six (26) hours after the expiration of the time herein prescribed for the receipt of bid proposals, unless such time of award is waived by the successful bidder. Notice of the award will be given promptly to the successful bidder.

XXIII. Delivery:

Delivery of the Bonds will be made to the purchaser through DTC upon payment of the purchase price in federal funds payable to or for the account of the Authority according to such wire or other delivery instructions as shall be provided by the Authority or the Municipal Advisor. The Closing will take place at the offices of Stradling Yocca Carlson & Rauth LLP, 660 Newport Center Drive, Suite 1600, Newport Beach, California 92660, or at the purchaser’s request and expense, at any other place mutually agreeable to both the Authority and the purchaser, on February 26, 2026.

XXIV. California Debt and Investment Advisory Commission:

The successful bidder will be required, pursuant to State of California law, to pay any fees to the California Debt and Investment Advisory Commission (“CDIAC”). CDIAC will invoice the successful bidder after the closing of the Bonds.

XXV. No Litigation and Non-Arbitrage:

The Authority will deliver a certificate stating that no litigation is pending affecting the issuance and sale of the Bonds. The Authority will also deliver an arbitrage certificate covering its reasonable expectations concerning the Bonds and the use of proceeds thereof.

XXVI. Official Statement:

The Authority will make available a Preliminary Official Statement relating to the Bonds, a copy of which, along with related documents, will be furnished upon request made to Ridgeline Municipal Strategies, LLC, 2213 Plaza Drive Rocklin, California 95765, Attn: Dmitry Semenov, dsemenov@ridgelinemuni.com, the Authority’s Municipal Advisor, or telephoned to said Municipal Advisor at (916) 250-1590. Such Preliminary Official Statement, together with any supplements thereto, shall be in a form “deemed final” by the Authority for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but is subject to revision, amendment and completion in a final version thereof (the “Official Statement”).

The Authority has deemed final the Preliminary Official Statement for purposes of Rule 15c2-12(b)(1).

Each bidder must read the entire Preliminary Official Statement prior to bidding on the Bonds, to obtain information essential to the making of an informed decision to bid. This Notice Inviting Proposals for Purchase of Bonds contains certain information for general reference only, and is not a complete summary of the issue. The internet posting of the Preliminary Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, the securities described in the Preliminary Official Statement, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Copies of the Official Statement will be made available to the purchaser without charge, up to an amount of 10 copies, within seven business days of the date of sale and additional copies will be made available upon request at the purchaser’s expense.

The Authority will deliver, at the closing, a certificate executed by an authorized officer of the Authority, acting in their official capacity, to the effect that the Official Statement does 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 are made, not misleading.

The Authority undertakes that for a certain period of up to twenty-five (25) days following the end of the “underwriting period” as defined in Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934 (the “Rule”), it will (i) apprise the winning bidder if any event shall occur, or information comes to the attention of the Authority that, in the reasonable judgment of the Authority, is reasonably likely to cause the Official Statement (whether or not previously supplemented or amended)

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, and (ii) if requested by the winning bidder, prepare a supplement to the final Official Statement with respect to such event or information. The Authority will presume, unless notified in writing by the winning bidder, that the end of the underwriting period will occur on the date of the delivery of the Bonds. By making a bid on the Bonds, the winning 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 Authority, and to file a copy of the final Official Statement, including any supplements prepared by the Authority, with the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system (as provided by the Rule) within one business day after receipt thereof from the Authority or its designee, but in any event, no later than the date of closing and (ii) to take any and all other actions necessary to comply with the applicable rules of the Securities and Exchange Commission and the MSRB governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

XXVII. Continuing Disclosure:

In order to assist bidders in complying with the Rule, the Authority will undertake in a Continuing Disclosure Certificate to provide certain annual financial information and notices of the occurrence of events listed therein. A description of this undertaking and a form of the Continuing Disclosure Certificate are included in the Preliminary Official Statement.

The District has engaged Ridgeline Municipal Strategies, LLC to provide a continuing disclosure compliance report in connection with the issuance of the Bonds.

XXVIII. Rating:

S&P Global Ratings, a Standard & Poor’s Financial Services LLC business (“S&P”) has assigned to the Bonds the rating shown on the cover page of the Preliminary Official Statement or, if not so indicated, will be available upon request from the Municipal Advisor. Such rating reflects only the views of such organization and an explanation of the significance of such rating may be obtained from S&P. There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency, if, in the judgment of such agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

XXIX. Municipal Bond Insurance:

No bids with municipal bond insurance will be accepted.

XXX. Right to Reject:

The Authority reserves the right, in its sole discretion, to reject any and all bids and to the extent not prohibited by law to waive any irregularity or informality in any bid.

XXXI. Right to Cancel, Postpone, or Reschedule Sale:

The Authority reserves the right to cancel, postpone or reschedule the sale of the Bonds upon notice given through the Bloomberg News Service, Thomson Municipal Market Monitor

(www.tm3.com) or *The Bond Buyer* not later than 1:00 p.m. (Pacific Time) on the day prior to the date bids are to be received. If the sale is postponed, bids will be received at the place set forth above, at the date and time as the Authority shall determine. Notice of the new sale date and time, if any, will be given through Bloomberg News Service, Thomson Municipal Market Monitor (www.tm3.com) or *The Bond Buyer* no later than twenty-three (23) hours prior to the new time bids are to be received. As an accommodation to bidders, telephone or e-mail notice of the postponement of the sale date and of the new sale date will be given to any bidder requesting such notice from the Municipal Advisor. Failure of any bidders to receive such notice shall not affect the legality of the sale.

XXXII. Additional Information:

Copies of the Notice Inviting Proposals for Purchase of Bonds and the Preliminary Official Statement relating to the Bonds will be furnished to any bidder upon request made to Ridgeline Municipal Strategies, LLC, Attn: Dmitry Semenov, phone: (916) 250-1590, dsemenov@ridgelinemuni.com, the Municipal Advisor to the Authority.

Dated: February 6, 2026

MARIN PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

EXHIBIT A

§ _____
MARIN PUBLIC FINANCING AUTHORITY
(LAS GALLINAS VALLEY SANITARY DISTRICT)
WASTEWATER REVENUE BONDS, SERIES 2026A

CERTIFICATE OF THE PURCHASER

The undersigned, on behalf of _____, hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

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

(b) _____ was not given the opportunity to review other bids prior to submitting its bid.¹

(c) The bid submitted by _____ constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Authority* means Marin Public Financing Authority.

(b) *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.

(c) *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.

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2026.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Authority (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (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

¹ Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

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 _____'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 Authority with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth LLP, Bond Counsel, 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 Authority from time to time relating to the Bonds.

_____, as Underwriter

By: _____

Name: _____

—

Dated: _____, 2026

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

B-1

INSTALLMENT PURCHASE AGREEMENT

by and between

LAS GALLINAS VALLEY SANITARY DISTRICT

and

MARIN PUBLIC FINANCING AUTHORITY

Dated as of _____ 1, 2026

Relating to

**\$ _____
MARIN PUBLIC FINANCING AUTHORITY
WASTEWATER REVENUE BONDS, SERIES 2026A**

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INSTALLMENT PURCHASE AGREEMENT

This INSTALLMENT PURCHASE AGREEMENT, dated as of _____ 1, 2026, is entered into by and between LAS GALLINAS VALLEY SANITARY DISTRICT, a special district that is duly organized and existing under and by virtue of the general laws of the State of California (the “**District**”), and MARIN PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “**Authority**”).

RECITALS

A. The District proposes to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Wastewater System, as described in Exhibit A (the “**2026 Project**”).

B. The Authority has agreed to assist the District in financing the 2026 Project on the terms and conditions that are set forth in this Installment Purchase Agreement.

C. The Authority is authorized by Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, including but not limited to Section 6540 *et seq.*, to assist the District in financing the 2026 Project, and to enter into this Installment Purchase Agreement.

D. The District is authorized by the Constitution and laws of the State of California to finance property for its Wastewater System for its members.

E. The District and the Authority have duly authorized the execution of this Installment Purchase Agreement.

F. All acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Installment Purchase Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Installment Purchase Agreement.

NOW, THEREFORE, IN CONSIDERATION OF THESE PREMISES AND OF THE MUTUAL AGREEMENTS AND COVENANTS CONTAINED HEREIN AND FOR OTHER VALUABLE CONSIDERATION, THE PARTIES HERETO DO HEREBY AGREE AS FOLLOWS:

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms that are defined in this section shall for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document that is mentioned herein or therein have the meanings that are defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms that are defined herein. All capitalized terms that are used herein and not defined herein shall have the meanings that are ascribed thereto in the Indenture of Trust.

Accountant's Report

The term "Accountant's Report" means a report signed by an Independent Certified Public Accountant.

Acquisition Fund

The term "Acquisition Fund" means the fund by that name created pursuant to Section 3.04 of the Indenture.

Additional Revenues

The term "Additional Revenues" means:

(i) An allowance for Net Revenues from any additions or improvements to or extensions of the Wastewater System to be made with the proceeds of the applicable Bonds or Contracts and also for Net Revenues from any such additions, improvements or extensions which have been made from moneys from any source but in any case which, during all or any part of the latest Fiscal Year or for any more recent consecutive 12-month period selected by the District, were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is respectively to be in operation, all as shown by the certificate or opinion of a qualified independent engineer employed by the District; and

(ii) An allowance for Net Revenues arising from any increase in the charges made for service from the Wastewater System which has been adopted prior to the incurring of the applicable Bonds or Contracts but which, during all or any part of the latest Fiscal Year or for any more recent consecutive 12-month period selected by the District, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or 12-month period, all as shown by the certificate or opinion of an Independent Certified Public Accountant or Independent Fiscal Consultant employed by the District.

Authority

The term "Authority" means Marin Public Financing Authority, a joint exercise of powers agency that is duly organized pursuant to the JPA Agreement and existing under and by virtue of the laws of the State of California.

Bank of Marin Loan

The term "Bank of Marin Loan" means that certain loan obtained the District from the Bank of Marin in June 2011 that matures in 2031.

Bonds

The term "Bonds" means all revenue bonds or notes of the District that are authorized, executed, issued and delivered by the District, the payments of which are payable from Net Revenues on a parity with the Series 2026 Installment Payments and which are secured by a pledge of and lien on Revenues as described in Section 5.01 hereof.

Contracts

The term “Contracts” means this Installment Purchase Agreement, and any amendments and supplements hereto, and all contracts of the District previously or hereafter authorized and executed by the District, the Installment Payments or payments under which are payable from Net Revenues on a parity with the Series 2026 Installment Payments and which are secured by a pledge and lien on Revenues as described in Section 5.01 hereof, including the 2017 Installment Sale Agreement, the Bank of Marin Loan, the iBank Loan and the SRF Loan; and excluding contracts entered into for operation and maintenance of the Wastewater System.

Debt Service

The term “Debt Service” means, for any period of calculation, the sum of:

(i) the interest accruing during such period on all outstanding Bonds, assuming that all outstanding serial Bonds are retired as scheduled and that all outstanding term Bonds are redeemed or paid from sinking fund payments as scheduled (except to the extent that such interest is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program);

(ii) those portions of the principal amount of all outstanding serial Bonds maturing in such period, but excluding Excluded Principal;

(iii) those portions of the principal amount of all outstanding term Bonds required to be prepaid or paid in such period, but excluding Excluded Principal; and

(iv) those portions of the Contracts that are required to be paid during such period, (except to the extent that the interest that is evidenced and represented thereby is capitalized or is reasonably anticipated to be reimbursed to the District by the United States of America pursuant to Section 54AA of the Code (Section 1531 of Title I of Division B of the American Recovery and Reinvestment Act of 2009 (Pub. L. No. 111-5, 23 Stat. 115 (2009), enacted February 17, 2009)), or any future similar program and excluding Excluded Principal);

but less the earnings to be derived from the investment of moneys on deposit in debt service reserve funds established for Bonds or Contracts;

provided that, as to any such Bonds or Contracts bearing or comprising interest at other than a fixed rate, the rate of interest used to calculate Debt Service shall, for all purposes, be assumed to be a fixed rate equal to the higher of: (1) the then current variable interest rate borne by such Bonds or Contract plus 1%; and (2) the highest variable rate borne over the preceding 3 months by outstanding variable rate debt issued by the District or, if no such variable rate debt is at the time outstanding, by variable rate debt of which the interest rate is computed by reference to an index that is comparable to that to be utilized in determining the interest rate for the debt then proposed to be issued; provided further that if any series or issue of such Bonds or Contracts have twenty-five percent (25%) or more of the aggregate principal amount of such series or issue due in any one year (and such principal is not Excluded Principal), Debt Service shall be determined for the period of determination as if the principal of and interest on such series or issue of such Bonds or Contracts were being paid from the

date of incurrence thereof in substantially equal annual amounts over a period of twenty-five (25) years from the date of calculation; and

provided further that, as to any such Bonds or Contracts or portions thereof which bear no interest but which are sold at a discount and which discount accretes with respect to such Bonds or Contracts or portions thereof, such accreted discount shall be treated as interest in the calculation of Debt Service; and

provided further that if the Bonds or Contracts constitute interest rate swap agreements or other paired obligations, the interest rate on such Bonds or Contracts shall be the resulting linked rate or the effective fixed interest rate to be paid by the District with respect to such paired obligations; and

provided further that the amount on deposit in a debt service reserve fund on any date of calculation of Debt Service shall be deducted from the amount of principal due at the final maturity of the Bonds and Contracts for which such debt service reserve fund was established and, to the extent that the amount in such debt service reserve fund is in excess of such amount of principal, such excess shall be applied to the full amount of principal due, in each preceding year, in descending order, until such amount is exhausted.

District

The term “District” means Las Gallinas Valley Sanitary District, a special district that is duly organized and existing under and by virtue of the general laws of the State of California.

Event of Default

The term “Event of Default” means an event that is described in Section 8.01.

Excluded Principal

The term “Excluded Principal” means each payment of principal of any Bond or Contract: (1) which is commercial paper or otherwise of a revolving or short-term nature and has a maturity of less than 60 months; and (2) for which a certificate of an authorized representative of the District has been prepared to the effect that the District intends to pay such principal from the proceeds of Bonds, Contracts, other bonds, notes or other obligations or moneys other than Revenues. No such determination shall affect the security for such Bonds or Contracts or the obligation of the District to pay such Bonds or Contracts from the sources set forth in the applicable resolution or contract.

Fiscal Year

The term “Fiscal Year” means the twelve month period beginning on July 1 of each year and ending on the next succeeding June 30, both dates inclusive, or any other twelve month period hereafter selected and designated as the official fiscal year period of the District.

General Manager

The term “General Manager” means the General Manager of the District, or any other person that is designated by the General Manager to act on behalf of the General Manager.

iBank Loan

The term “iBank Loan” means that certain loan obtained the District from the California Infrastructure and Economic Development Bank in May 2019 that matures in 2043.

Indenture

The term “Indenture” means the Indenture of Trust, dated as of the date hereof, by and between the District and the Authority, relating to the 2026A Bonds.

Independent Certified Public Accountant

The term “Independent Certified Public Accountant” means any firm of certified public accountants that is appointed by the District, and each of whom is independent pursuant to the Statement on Auditing Standards No. 1 of the American Institute of Certified Public Accountants.

Independent Financial Consultant

The term “Independent Financial Consultant” means a financial consultant or firm of such consultants that is appointed by the District, and who, or each of whom: (1) is in fact independent and not under domination of the District; (2) does not have any substantial interest, direct or indirect, with the District; and (3) is not connected with the District as an officer or employee of the District, but who may be regularly retained to make reports to the District.

Installment Payment Date

The term “Installment Payment Date” means any date on which Installment Payments are scheduled to be paid by the District under and pursuant to any Contract.

Installment Payments

The term “Installment Payments” means the Installment Payments of interest and principal scheduled to be paid by the District under and pursuant to the Contracts.

Installment Purchase Agreement

The term “Installment Purchase Agreement” means this Installment Purchase Agreement, by and between the District and the Authority, dated as of _____ 1, 2026, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

JPA Agreement

The term “JPA Agreement” means that certain Joint Exercise of Powers Agreement, dated January 24, 2017, by and between the District and the Sausalito-Marín City Sanitary District, which is duly organized and existing under the laws of the State, as amended from time to time.

Net Proceeds

The term “Net Proceeds” means, when used with respect to any casualty insurance or condemnation award, the proceeds from such insurance or condemnation award remaining after payment of all expenses (including attorneys’ fees) incurred in the collection of such proceeds.

Net Revenues

The term “Net Revenues” means, for any Fiscal Year, the Revenues for such Fiscal Year less the Operation and Maintenance Costs for such Fiscal Year. When held by the Trustee in any funds or accounts established hereunder, Net Revenues shall include all interest or gain derived from the investment of amounts in any of such funds or accounts.

Operation and Maintenance Costs

The term “Operation and Maintenance Costs” means costs spent or incurred for maintenance and operation of the Wastewater System calculated in accordance with generally accepted accounting principles, including (among other things) the reasonable expenses of management and repair and other expenses that are necessary to maintain and preserve the Wastewater System in good repair and working order, and including administrative costs of the District that are charged directly or apportioned to the Wastewater System, including but not limited to salaries and wages of employees, payments to the Public Employees Retirement System, overhead, insurance, taxes (if any), fees of auditors, accountants, attorneys or engineers and insurance premiums, and including all other reasonable and necessary costs of the District or charges (other than debt service payments) required to be paid by it to comply with the terms of the Installment Purchase Agreement or of the Indenture or any Contract or of any resolution or indenture authorizing the issuance of any Bonds or of such Bonds; but excluding in all cases depreciation, replacement and obsolescence charges or reserves therefor and amortization of intangibles or other bookkeeping entries of a similar nature and all capital charges and any amounts that are transferred to the Rate Stabilization Fund, if established.

Project

The term “Project” means additions, betterments, extensions or improvements to the District’s facilities designated by the Board of Directors of the District as a Project, the acquisition and construction of which is to be paid for by the proceeds of any Contracts or Bonds.

Purchase Price

The term “Purchase Price” means the principal amount plus interest thereon owed by the District to the Authority under the terms hereof as provided in Section 4.01.

Rate Stabilization Fund

The term “Rate Stabilization Fund” means the fund by that name that is described in Section 5.05.

Revenue Fund

The term “Revenue Fund” means the fund by that name that is established pursuant to Section 5.02.

Revenues

The term “Revenues” means all gross charges received for, and all other gross income and receipts derived by the District from, the ownership and operation of the Wastewater System or otherwise arising from the Wastewater System, including but not limited to:

- (i) all amounts levied by the District as a fee for connecting to the Wastewater System, as such fee is established for time to time under the applicable laws of the State of California;
- (ii) all income, rents, rates, fees, capital improvement fees, charges and other moneys derived from the services and facilities furnished or supplied through the facilities of the Wastewater System;
- (iii) *ad valorem* property taxes allocated to the District (but as provided below, not including ad valorem property taxes levied to pay any general obligation bond indebtedness of the District with respect to the Wastewater System);
- (iv) the earnings on and income derived from the investment of such income, rents, rates, fees, charges or other moneys to the extent that the use of such earnings and income is limited by or under applicable law to the Wastewater System;
- (v) the proceeds derived by the District directly or indirectly from the sale, lease or other disposition of a part of the Wastewater System as permitted hereunder; and
- (vi) amounts transferred into the Revenue Fund from the Rate Stabilization Fund in accordance with Section 5.05.

The term “Revenues” does not include (i) customers’ deposits or any other deposits subject to refund until such deposits have become the property of the District, (ii) the proceeds of any ad valorem property taxes levied to pay any general obligation bond indebtedness of the District with respect to the Wastewater System, (iii) special assessments or special taxes levied upon real property within any improvement district for the purpose of paying special assessment bonds or special tax obligations of the District, and (iv) amounts transferred from the Revenue Fund into the Rate Stabilization Fund during a fiscal year in accordance with Section 5.02(c), but only to the extent that any amounts transferred from the Revenue Fund into the Rate Stabilization Fund were included in Revenues for that fiscal year.

Series 2026 Installment Payment Date

The term “Series 2026 Installment Payment Date” means the third (3rd) Business Day prior to April 1 and October 1 of each year, commencing on October 1, 2026.

Series 2026 Installment Payments

The term “Series 2026 Installment Payments” means that certain Installment Payments scheduled to be paid by the District under and pursuant to the Installment Purchase Agreement.

SRF Loan

The term “SRF Loan” means that certain loan obtained by the District from the State Water Resources Control Board in May 2010 that matures in 2032.

Trustee

The term “Trustee” means U.S. Bank Trust Company, National Association, acting in its capacity as Trustee under and pursuant to the Indenture, and its successors and assigns.

Wastewater Service

The term “Wastewater Service” means the wastewater treatment and disposal service that is made available or provided by the Wastewater System.

Wastewater System

The term “Wastewater System” means the whole and each and every part of the wastewater system of the District, including all real property and buildings, including the portion thereof existing on the date hereof, and including all additions, betterments, extensions and improvements to such wastewater system or any part thereof hereafter acquired or constructed, but excluding any wastewater system that is acquired through merger, consolidation or similar action, to the extent that the exclusion of such acquired wastewater system is required pursuant to the term of such merger, consolidation or similar action. In the event that the District establishes a recycled water system in the future, such recycled water system shall be included as part of the Wastewater System.

2017 Installment Sale Agreement

The term “2017 Installment Sale Agreement” means that certain Installment Sale Agreement, dated as of April 1, 2017, by and between the District and the Authority, the installment payments under which secure the Authority’s (Las Gallinas Valley Sanitary District) 2017 Revenue Bonds.

2026 Project

The term “2026 Project” means the additions, betterments, extensions and improvements to the District’s Wastewater System facilities, including real property and buildings, if any, which are described as such in Exhibit A hereto.

2026A Bonds

The term “2026A Bonds” means the Marin Public Financing Authority Wastewater Revenue Bonds, Series 2026A, issued pursuant to the Indenture.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.01. Representations by the District. The District makes the following representations:

(a) The District is a special district that is duly organized and existing under and pursuant to the general laws of the State of California.

(b) The District has full legal right, power and authority to enter into this Installment Purchase Agreement, carry out its obligations hereunder and carry out and consummate all other transactions that are contemplated by this Installment Purchase Agreement, and the District has complied with the provisions of the laws of the State of California in all matters relating to such transactions.

(c) By proper action, the District has duly authorized the execution, delivery and due performance of this Installment Purchase Agreement.

(d) The District will not take or, to the extent within its power, permit any action to be taken which results in the interest that is paid for the installment purchase of the 2026 Project under the terms of this Installment Purchase Agreement being included in the gross income of the Authority or its assigns for purposes of federal or State of California personal income taxation.

(e) The District has determined that it is necessary and proper for District uses and purposes within the terms of the laws of the State of California that the District finance and acquire the 2026 Project in the manner that is provided for in this Installment Purchase Agreement in order to provide essential services and facilities to persons residing in the District.

Section 2.02. Representations and Warranties by the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a joint exercise of powers agency that is duly organized under the JPA Agreement and in good standing under the laws of the State of California, has full legal right, power and authority to enter into this Installment Purchase Agreement and to carry out and consummate all transactions that are contemplated by this Installment Purchase Agreement and by proper action has duly authorized the execution and delivery and due performance of this Installment Purchase Agreement.

(b) The execution and delivery of this Installment Purchase Agreement and the consummation of the transactions herein contemplated will not violate any provision of law, any order of any court or other agency of government, or any indenture, material agreement or other instrument to which the Authority is now a party or by which it or any of its properties or assets is bound, or be in conflict with, result in a breach of or constitute a default (with due notice or the passage of time or both) under any such indenture, agreement or other instrument, or result in the creation or imposition of any prohibited lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority.

(c) The Authority will not take or permit any action to be taken which results in interest that is paid for the installment purchase of the 2026 Project under the terms of this Installment Purchase Agreement being included in the gross income of the Authority or its assigns for purposes of federal or State of California personal income taxation.

ARTICLE III

ACQUISITION AND CONSTRUCTION OF PROJECTS

Section 3.01. Acquisition and Construction of the 2026 Project. The Authority hereby agrees to cause the 2026 Project and any additions or modifications thereto to be acquired by the District as its agent. The District shall provide for, as agent for the Authority, acquisition and construction of the 2026 Project in accordance with all applicable laws. The District hereby agrees that it will cause the acquisition and construction of the 2026 Project to be diligently performed after the deposit of funds with the Trustee pursuant to Section 3.02 of the Indenture, and that it will use its best efforts to cause the acquisition and construction of the 2026 Project to be completed. It is hereby expressly understood and agreed that the Authority shall be under no liability of any kind or character whatsoever for the payment of any cost of the 2026 Project and that all such costs and expenses shall be paid by the District.

Section 3.02. Changes to the 2026 Project. The District may substitute other improvements for those listed as components of the 2026 Project in Exhibit A, but only if the District first files with the Authority and the Trustee a statement of the District in the form attached as Exhibit C: (a) identifying the improvements to be substituted and the improvements to District facilities they replace in the 2026 Project; and (b) stating that the estimated costs of construction, acquisition and installation of the substituted improvements are not less than such costs for the improvements previously planned.

Section 3.03. [Reserved.]

Section 3.04. Purchase and Sale of the 2026 Project. In consideration for the Installment Payments, the Authority agrees to sell, and hereby sells, to the District, and the District agrees to purchase, and hereby purchases, from the Authority, the 2026 Project at the purchase price that is specified in Section 4.01 hereof and otherwise in the manner and in accordance with the provisions of the Installment Purchase Agreement.

Section 3.05. Title. All right, title and interest in each component of the 2026 Project shall vest in the District immediately upon acquisition or construction thereof. Such vesting shall occur without further action by the Authority or the District, and the Authority shall, if requested by the District or if necessary to assure such automatic vesting, deliver any and all documents which are required to assure such vesting.

Section 3.06. Acquisition Fund. There has been established with the Trustee pursuant to the Indenture the Acquisition Fund. The moneys in the Acquisition Fund shall be held by the Trustee in trust and applied to the payment of the costs of acquisition and construction of the 2026 Project and of expenses incidental thereto. Before any payment is made from the Acquisition Fund by the Trustee, the Administrative Services Manager of the District, acting as agent of the Authority, shall cause to be filed with the Trustee a certificate of the District in the form set forth in Exhibit D.

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.01. Purchase Price.

(a) The Purchase Price to be paid by the District hereunder to the Authority is the sum of the principal amount of the District's obligations hereunder plus the interest to accrue on the unpaid balance of such principal amount from the effective date hereof over the term hereof, subject to prepayment as provided in Article VII.

(b) The principal amount of the payments to be made by the District hereunder is set forth in Exhibit B.

(c) The interest to accrue on the unpaid balance of such principal amount is as specified in Section 4.02 and Exhibit B, and shall be paid by the District as and constitute interest paid on the principal amount of the District's obligations hereunder.

Section 4.02. Series 2026 Installment Payments. The District shall, subject to its rights of prepayment provided in Article VII, pay the Authority the Purchase Price in installment payments of interest and principal in the amounts and on the Series 2026 Installment Payment Dates as set forth in Exhibit B.

Each Series 2026 Installment Payment shall be paid to the Authority in lawful money of the United States of America. In the event that the District fails to make any of the payments which are required to be made by it under this section, such payment shall continue as an obligation of the District until such amount shall have been fully paid, and the District agrees to pay the same with interest accruing thereon at the rate or rates of interest then applicable to the remaining unpaid principal balance of the Series 2026 Installment Payments if paid in accordance with their terms.

The obligation of the District to make the Series 2026 Installment Payments is absolute and unconditional, and until such time as the Purchase Price shall have been paid in full (or provision for the payment thereof shall have been made pursuant to Article IX), the District will not discontinue or suspend any Series 2026 Installment Payment which is required to be made by it under this section when due, whether or not the Wastewater System or any part thereof is operating or operable or its use is suspended, interfered with, reduced or curtailed or terminated in whole or in part, and whether or not the 2026 Project has been completed, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.01. Pledge of Revenues. The Revenues, other amounts that are on deposit in the Revenue Fund, amounts that are transferred from the Rate Stabilization Fund, if established, to the Revenue Fund as described in Section 5.05, and any other amounts (including proceeds of the sale of the 2026A Bonds) which are held in any fund or account that is established pursuant to the Installment Purchase Agreement (except the Rate Stabilization Fund, if established (other than those

amounts which are transferred by the District from the Rate Stabilization Fund, if established, to the Revenue Fund)), are irrevocably pledged to the payment of the Series 2026 Installment Payments. Except for the payment of the Operation and Maintenance Costs, the Revenues shall not be used for any other purpose while any of the Series 2026 Installment Payments remain unpaid; provided that out of the Revenues there may be apportioned such sums for such purposes as are expressly permitted herein. This pledge shall constitute a first lien on Revenues, the Revenue Fund and the other funds and accounts that are created hereunder for the payment of the Series 2026 Installment Payments and all other Contracts and Bonds in accordance with the terms hereof and of the Indenture.

Section 5.02. Allocation of Revenues. In order to carry out and effectuate the pledge and lien contained herein, the District agrees and covenants that all Revenues shall be received by the District in trust hereunder and shall be deposited when and as received in a special fund designated as the "Revenue Fund," which fund is hereby established and which fund the District agrees and covenants to maintain and to hold separate and apart from other funds so long as any Installment Payments or Bonds remain unpaid. Moneys in the Revenue Fund shall be used and applied by the District as provided in this Installment Purchase Agreement.

The District shall, from the moneys in the Revenue Fund, pay all Operation and Maintenance Costs (including amounts which are reasonably required to be set aside in contingency reserves for Operation and Maintenance Costs, the payment of which is not then immediately required) as they become due and payable. All remaining moneys in the Revenue Fund shall be set aside by the District at the following times in the following respective special funds in the following order of priority, and all moneys in each of such funds shall be held in trust and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this section:

(a) 2026A Bond Payment Fund. On or before each Series 2026 Installment Payment Date, the District shall, from remaining moneys in the Revenue Fund, transfer to the Trustee for deposit in the 2026A Bond Payment Fund an amount that is equal to the interest and principal payable and coming due on the next succeeding Series 2026 Installment Payment Date. The District shall also, from the moneys in the Revenue Fund, transfer to the applicable trustee for deposit in the applicable payment fund, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, any other Debt Service in accordance with the provisions of the Contract, Bond, resolution or indenture relating thereto.

Any moneys which are on deposit in the 2026A Bond Payment Fund on each Series 2026 Installment Payment Date (other than amounts required for the payment of past due principal or interest with respect to any 2026A Bonds not presented for payment) shall be credited to the payment of the Series 2026 Installment Payments due and payable on such date. No deposit need be made in the 2026A Bond Payment Fund as Series 2026 Installment Payments if the amount in the 2026A Bond Payment Fund is at least equal to the amount of the Series 2026 Installment Payment that is due and payable on the next succeeding Series 2026 Installment Payment Date.

(b) Reserve Funds. On or before each Series 2026 Installment Payment Date, the District shall, from remaining moneys in the Revenue Fund, thereafter, without preference or priority, and in the event of any insufficiency of such moneys ratably without any discrimination or preference, transfer to the applicable trustee for deposit to such other reserve fund or account for Bonds or Contracts an amount that is equal to the amount required to be deposited therein.

(c) Surplus. Moneys on deposit in the Revenue Fund which are not necessary to make any of the payments which are required above may be expended by the District at any time for any purpose permitted by law or deposited in the Rate Stabilization Fund, if established.

Section 5.03. Additional Contracts and Bonds. The District may at any time execute any Contract or issue any Bonds, as the case may be, in accordance herewith; provided that:

(a) No Event of Default has occurred hereunder and is continuing, nor in connection with any other existing Bonds or Contracts; and

(b) The amount of Net Revenues, excluding connection fees and transfers from the Rate Stabilization Fund, as shown by the books of the District for the most recent completed Fiscal Year for which audited financial statements of the District are available or for any more recent consecutive 12-month period selected by the District, in either case verified by an Independent Certified Public Accountant or an Independent Financial Consultant or shown in the audited financial statements of the District, plus at the option of the District any Additional Revenues, are at least equal to 125% of the amount of maximum annual Debt Service coming due and payable in the current or any future Bond Year with respect to all Bonds and Contracts then outstanding (including the Bonds then proposed to be issued or the Contract then proposed to be executed).

Notwithstanding the foregoing, Bonds issued or Contracts executed to refund Bonds or prepay Contracts may be delivered without satisfying the conditions set forth above if Debt Service in each Fiscal Year after the Fiscal Year in which such Bonds are issued or Contracts executed is not greater than Debt Service would have been in each such Fiscal Year prior to the issuance of such Bonds or execution of such Contracts.

In addition, at any time, the District may enter into obligations that are either unsecured or which are secured by Net Revenues on a basis that is junior and subordinate to the pledge of and lien upon the Net Revenues established under the Installment Purchase Agreement for the Bonds.

Section 5.04. Investments. All moneys which are held by the District in the Revenue Fund shall be invested in Permitted Investments, and the investment earnings thereon shall remain on deposit in such fund, except as otherwise provided herein.

Section 5.05. Rate Stabilization Fund. The District is authorized but not required to establish a special fund designated as the "Rate Stabilization Fund." If the District elects to establish a Rate Stabilization Fund, such fund will be held by the District in trust under the Installment Purchase Agreement. The District agrees and covenants to maintain and to hold such fund, if established, separate and apart from other funds so long as any Contracts or Bonds remain unpaid. Money transferred by the District from the Revenue Fund to the Rate Stabilization Fund, if established, in accordance with Section 5.02(c) will be held in the Rate Stabilization Fund and applied in accordance with the Installment Purchase Agreement.

The District may withdraw all or any portion of the amounts on deposit in the Rate Stabilization Fund, if established, and transfer such amounts to the Revenue Fund for application in accordance with Section 5.02 or, in the event that all or a portion of the Series 2026 Installment Payments are discharged in accordance with Article VII, transfer all or any portion of such amounts for application in accordance with Article VII. Any such amounts transferred from the Rate

Stabilization Fund, if established, to the Revenue Fund in accordance with the Indenture constitute pledged Revenues.

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.01. Compliance with Installment Purchase Agreement and Ancillary Agreements. The District will punctually pay the Series 2026 Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all of the agreements, conditions, covenants and terms contained herein which are required to be observed and performed by it, and will not terminate the Installment Purchase Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure of consideration, destruction of or damage to the 2026 Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either or any failure of the Authority to observe or perform any agreement, condition, covenant or term which is contained herein and required to be observed and performed by it, whether express or implied, or any duty, liability or obligation arising out of or connected herewith or the insolvency, or deemed insolvency, or bankruptcy or liquidation of the Authority or any force majeure, including acts of God, tempest, storm, earthquake, war, rebellion, riot, civil disorder, acts of public enemies, blockade or embargo, strikes, industrial disputes, lock outs, lack of transportation facilities, fire, explosion or acts or regulations of governmental authorities.

The District will faithfully observe and perform all of the agreements, conditions, covenants and terms which are required to be observed and performed by it pursuant to all outstanding Contracts and Bonds as such may from time to time be executed or issued, as the case may be.

Section 6.02. Against Encumbrances. The District will not make any pledge of or place any lien on Revenues or the moneys in the Revenue Fund except as provided herein. In addition, the District may at any time, or from time to time, issue evidences of indebtedness or incur other obligations for any lawful purpose which are payable from and secured by a pledge of and lien on Revenues or any moneys in the Revenue Fund as may from time to time be deposited therein (as provided in Section 5.02), provided that such pledge and lien shall be subordinate in all respects to the pledge of and lien thereon provided herein.

Section 6.03. Against Sale or Other Disposition of Property. The District will not enter into any agreement or lease which impairs the operation of the Wastewater System or any part thereof which is necessary to secure adequate Revenues for the payment of the Series 2026 Installment Payments, or which would otherwise impair the rights of the Authority hereunder or the operation of the Wastewater System. Any real or personal property which has become nonoperative or which is not needed for the efficient and proper operation of the Wastewater System, or any material or equipment which has become worn out, may be sold if such sale will not impair the ability of the District to pay the Series 2026 Installment Payments and if the proceeds of such sale are deposited in the Revenue Fund.

Nothing herein shall restrict the ability of the District to sell any portion of the Wastewater System if such portion is immediately repurchased by the District and if such arrangement cannot by its terms result in the purchaser of such portion of the Wastewater System exercising any remedy

which would deprive the District of or otherwise interfere with its right to own and operate such portion of the Wastewater System.

Section 6.04. Against Competitive Facilities. The District will not, to the extent permitted by law, acquire, construct, maintain or operate and will not, to the extent permitted by law and within the scope of its powers, permit any other public or private agency, corporation, District or political subdivision or any person whomsoever to acquire, construct, maintain or operate within the District any wastewater system competitive with the Wastewater System.

Section 6.05. Tax Covenants. Notwithstanding any other provision of the Installment Purchase Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the 2026A Bonds will not be adversely affected for federal income tax purposes, the District covenants to comply with all applicable requirements of the Code which are necessary to preserve such exclusion from gross income with respect to the 2026A Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The District will take no action or refrain from taking any action, and the District will make no use of the proceeds of the 2026A Bonds or of any other moneys or property, which would cause the 2026A Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) Arbitrage. The District will make no use of the proceeds of the 2026A Bonds or of any other amounts or property, regardless of the source, and the District will not take any action or refrain from taking any action, which will cause the 2026A Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The District will make no use of the proceeds of the 2026A Bonds, and the District will not take or omit to take any action, that would cause the 2026A Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the 2026A Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The District will make no use of the proceeds of the 2026A Bonds or any other amounts or property, regardless of the source, and the District will not take any action or refrain from taking any action, that would cause the 2026A Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the 2026A Bonds for federal income tax purposes; and

(f) Miscellaneous. The District will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax Certificate executed by the District in connection with the issuance of the 2026A Bonds and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

This section and the covenants that are set forth herein shall not be applicable to, and nothing that is contained herein shall be deemed to prevent the District from causing the Authority to issue revenue bonds or issuing bonds or executing and delivering contracts that are payable on a parity with the 2026A Bonds, the interest with respect to which has been determined to be subject to federal income taxation.

Section 6.06. Prompt Acquisition and Construction. The District will take all necessary and appropriate steps to acquire the 2026 Project, as agent of the Authority, with all practicable dispatch and in an expeditious manner and in conformity with law so as to complete the same as soon as possible.

Section 6.07. Maintenance and Operation of the Wastewater System. The District will maintain and preserve the Wastewater System in good repair and working order at all times, operate the Wastewater System in an efficient and economical manner and pay all Operation and Maintenance Costs as they become due and payable.

Section 6.08. Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien on the Revenues or the funds or accounts created hereunder or under the Indenture or on any funds in the hands of the District pledged to pay the Series 2026 Installment Payments or the Bonds, or which might impair the security of the Series 2026 Installment Payments.

Section 6.09. Compliance with Contracts. The District will comply with, keep, observe and perform all agreements, conditions, covenants and terms, express or implied, which are required to be performed by it contained in all contracts for the use of the Wastewater System and all other contracts affecting or involving the Wastewater System, to the extent that the District is a party thereto.

Section 6.10. Insurance.

(a) The District will procure and maintain or cause to be procured and maintained insurance on the Wastewater System, excluding coverage for earthquake damage or destruction, with responsible insurers in such amounts and against such risks (including accident to or destruction of the Wastewater System) as are usually covered in connection with facilities that are similar to the Wastewater System so long as such insurance is available at reasonable rates.

In the event of any damage to or destruction of the Wastewater System caused by the perils covered by such insurance, the Net Proceeds thereof shall be applied to the reconstruction, repair or replacement of the damaged or destroyed portion of the Wastewater System. The District shall begin such reconstruction, repair or replacement promptly after such damage or destruction shall occur, and shall continue and properly complete such reconstruction, repair or replacement as expeditiously as possible, and shall pay out of such Net Proceeds all costs and expenses in connection with such reconstruction, repair or replacement so that the same shall be completed and the Wastewater System shall be free and clear of all claims and liens.

(b) The District will procure and maintain such other insurance which it shall deem advisable or necessary to protect its interests and the interests of the Authority, which insurance shall afford protection in such amounts and against such risks as are usually covered in connection with municipal wastewater systems similar to the Wastewater System.

(c) Any insurance that is required to be maintained by paragraph (a) above and, if the District determines to procure and maintain insurance pursuant to paragraph (b) above, such insurance, may be maintained under a self-insurance program so long as such self-insurance is maintained in the amounts and manner usually maintained in connection with wastewater systems similar to the Wastewater System and is, in the opinion of an accredited actuary, actuarially sound.

All policies of insurance which are required to be maintained herein shall provide that the Authority or its assignee shall be given thirty (30) days' written notice of any intended cancellation thereof or reduction of coverage provided thereby.

Section 6.11. Accounting Records; Financial Statements and Other Reports.

(a) The District will keep appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Wastewater System, which records shall be available for inspection by the Authority and the Trustee at reasonable hours and under reasonable conditions.

(b) The District will prepare and file with the Authority or its assignee, annually within two hundred seventy (270) days after the close of each Fiscal Year (commencing with the Fiscal Year ended June 30, 2025) financial statements of the District for the preceding Fiscal Year prepared in accordance with generally accepted accounting principles, together with an Accountant's Report thereon. The Trustee shall have no obligation to review any such financial statements.

Section 6.12. Protection of Security and Rights of the Authority. The District will preserve and protect the security hereof and the rights of the Authority to the Series 2026 Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.13. Payment of Taxes and Compliance with Governmental Regulations. The District will pay and discharge all taxes, assessments and other governmental charges which may hereafter be lawfully imposed upon the Wastewater System, or any part thereof or upon the Revenues when the same shall become due. The District will duly observe and conform with all valid regulations and requirements of any governmental authority relative to the operation of the Wastewater System, or any part thereof, but the District shall not be required to comply with any regulations or requirements so long as the validity or application thereof shall be contested in good faith.

Section 6.14. Amount of Rates and Charges.

(a) ***Covenant Regarding Net Revenues.*** To the fullest extent permitted by law, the District will fix and prescribe, at the commencement of each such Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected, at the commencement of such Fiscal Year, to be at least sufficient to yield during such Fiscal Year Net Revenues equal to 125% of Debt Service for such Fiscal Year plus any amounts needed to replenish any reserve accounts held in connection with Bonds or Contracts.

(b) ***Covenant Regarding Revenues.*** To the fullest extent permitted by law, the District will fix and prescribe, at the commencement of each such Fiscal Year, rates and charges for the Wastewater Service which are reasonably expected, at the commencement of such Fiscal Year, to be

at least sufficient to yield during such Fiscal Year, Revenues sufficient to pay the following amounts in the following order of priority:

(i) All Operating and Maintenance Costs estimated by the District to become due and payable in such Fiscal Year;

(ii) All Debt Service due in such Fiscal Year;

(iii) All amounts needed to replenish any reserve accounts held in connection with Bonds or Contracts; and

(iv) All payments required to meet any other obligations of the District which are charges, liens, encumbrances upon, or which are otherwise payable from, the Revenues or the Net Revenues during such Fiscal Year, except to the extent other sources of funds are reserved or encumbered therefore.

(c) The District may make, or permit to be made, adjustments from time to time in such rates, fees and charges and may make, or permit to be made, such classification thereof as it deems necessary, but may not reduce or permit to be reduced such rates, fees and charges below those then in effect, unless the Revenues from such reduced rates, fees and charges will at all times be sufficient to meet the foregoing requirements.

(d) So long as the District has complied with its obligations set forth in subsections (a) or (b) above, as applicable, the failure of Revenues or Net Revenues to meet the thresholds set forth in subsections (a) or (b) above, as applicable, shall not constitute a default or an Event of Default hereunder or under the Indenture.

Section 6.15. Collection of Rates and Charges. The District will have in effect at all times by-laws, rules and regulations requiring each customer to pay the rates and charges applicable to the Wastewater Service to such customer's land and providing for the billing thereof and for a due date and a delinquency date for each bill. In each case where such bill remains unpaid in whole or in part after it becomes delinquent, the District may discontinue such service from the Wastewater System, and such service shall not thereafter be recommenced except in accordance with District by-laws or rules, regulations and the laws of the State of California governing such situations of delinquency.

Section 6.16. Eminent Domain Proceeds. Any Net Proceeds received as awards as a result of the taking of all or any part of the Wastewater System by the lawful exercise of eminent domain, if and to the extent that such right can be exercised against such property of the District, must be used for the acquisition or construction of improvements to the Wastewater System.

Section 6.17. Further Assurances. The District will adopt, deliver, execute and make any and all further assurances, instruments and resolutions as may be reasonably necessary or proper to carry out the intention or to facilitate the performance hereof and for the better assuring and confirming unto the Authority of the rights and benefits provided to it herein.

Section 6.18. Enforcement of Contracts. So long as any of the 2026A Bonds are outstanding, the District will not voluntarily consent to or permit any rescission of, nor will it consent to any amendment to or otherwise take any action under or in connection with any contracts

previously or hereafter entered into if such rescission or amendment would in any manner impair or adversely affect the ability of the District to pay principal of and interest on the 2026A Bonds.

ARTICLE VII

PREPAYMENT OF SERIES 2026 INSTALLMENT PAYMENTS

Section 7.01. Prepayment.

(a) The District may not prepay the Series 2026 Installment Payments prior to _____ or any date before. The District may prepay the Series 2026 Installment Payments as a whole, or in part, on _____ or any date thereafter in the order of payment date as directed by the District, at a prepayment price equal to 100% of the principal amount of the Series 2026 Installment Payments to be prepaid, together with accrued interest thereon to the date of prepayment.

(b) Notwithstanding any such prepayment, the District shall not be relieved of its obligations hereunder, including its obligations under Article IV, until the Purchase Price shall have been fully paid (or provision for payment thereof shall have been provided to the written satisfaction of the Authority).

Section 7.02. Method of Prepayment. Before making any prepayment pursuant to Section 7.01, the District shall, within five (5) days following the event permitting the exercise of such right to prepay or creating such obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be paid, which date shall be not less than sixty (60) (or such shorter number of days as is acceptable to the Trustee) days from the date that such notice is given.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE AUTHORITY

Section 8.01. Events of Default and Acceleration of Maturities. If one or more of the following Events of Default shall happen:

(a) if default shall be made by the District in the due and punctual payment of any Series 2026 Installment Payment or any Contract or Bond when and as the same shall become due and payable;

(b) if default shall be made by the District in the performance of any of the agreements or covenants which are required herein to be performed by it, and such default shall have continued for a period of sixty (60) days after the District shall have been given notice in writing of such default by the Authority; or

(c) if the District shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the District seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the

provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the District or of the whole or any substantial part of its property; or

(d) if payment of the principal of any Contract or Bond is accelerated in accordance with its terms;

then and in each and every such case during the continuance of an Event of Default, the Authority shall, by notice in writing to the District, declare the entire principal amount of the unpaid Series 2026 Installment Payments and the accrued interest thereon to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable, anything contained herein to the contrary notwithstanding. This section, however, is subject to the condition that if at any time after the entire principal amount of the unpaid Series 2026 Installment Payments and the accrued interest thereon shall have been so declared due and payable, but before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the District shall deposit with the Authority an amount that is sufficient to pay the unpaid principal amount of the Series 2026 Installment Payments or the unpaid payment of any other Contract or Bond referred to in clause (1) above due prior to such declaration and the accrued interest thereon, with interest on such overdue installments, at the rate or rates applicable to the remaining unpaid principal balance of the Series 2026 Installment Payments or such Contract or Bond if paid in accordance with their terms, and the reasonable expenses of the Authority, and any and all other defaults known to the Authority (other than in the payment of the entire principal amount of the unpaid Series 2026 Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Authority or provision deemed by the Authority to be adequate shall have been made therefor, then and in every such case the Authority, by written notice to the District, may rescind and annul such declaration and its consequences; but no such rescission and annulment shall extend to or shall affect any subsequent default or shall impair or exhaust any right or power consequent thereon.

Section 8.02. Application of Funds Upon Acceleration. Upon the date of the declaration of acceleration as provided in Section 8.01, all Revenues thereafter received by the District shall be applied in the following order:

First, to the payment, without preference or priority, and in the event of any insufficiency of such Revenues ratably without any discrimination or preference, of the fees, costs and expenses of the Trustee and its assigns and thereafter to the Authority, as the case may be, in carrying out the provisions of this article, including reasonable compensation to their respective accountants and counsel;

Second, to the payment of the Operation and Maintenance Costs; and

Third, to the payment of the entire principal amount of the unpaid Series 2026 Installment Payments and the unpaid principal amount of all Bonds and Contracts and the accrued interest thereon, with interest on the overdue installments at the rate or rates of interest applicable to the Series 2026 Installment Payments and such Bonds and Contracts if paid in accordance with their respective terms.

Section 8.03. Other Remedies of the Authority. The Authority shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the District or any director, officer or employee thereof, and to compel the District or any such director, officer or employee to perform and carry out its or his or her duties under the laws of the State of California and the agreements and covenants required to be performed by it or him or her contained herein;

(b) by suit in equity to enjoin any acts or things which are unlawful or violate the rights of the Authority; or

(c) by suit in equity upon the happening of an Event of Default to require the District and its directors, officers and employees to account as the trustee of an express trust.

Notwithstanding anything contained herein, the Authority shall have no security interest in or mortgage on the 2026 Project, the Wastewater System or other assets of the District and no default hereunder shall result in the loss of the 2026 Project, the Wastewater System or other assets of the District.

Section 8.04. Non-Waiver. Nothing in this article or in any other provision hereof shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the Series 2026 Installment Payments to the Authority at the respective due dates or upon prepayment from the Net Revenues, the Revenue Fund and the other funds herein pledged for such payment, or shall affect or impair the right of the Authority, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein.

A waiver of any default or breach of duty or contract by the Authority shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Authority to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy that is conferred upon the Authority by the laws of the State of California or by this article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Authority.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned or determined adversely to the Authority, the District and the Authority shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

Section 8.05. Remedies Not Exclusive. No remedy that is conferred upon or reserved to the Authority herein is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the laws of the State of California or any other law.

ARTICLE IX

DISCHARGE OF OBLIGATIONS

Section 9.01. Discharge of Obligations. When:

(a) all or any portion of the Series 2026 Installment Payments shall have become due and payable in accordance herewith or a written notice of the District to prepay all or any portion of the Series 2026 Installment Payments shall have been filed with the Trustee; and

(b) there shall have been deposited with the Trustee at or prior to the Series 2026 Installment Payment Date or dates specified for prepayment, in trust for the benefit of the Authority or its assigns and irrevocably appropriated and set aside to the payment of all or any portion of the Series 2026 Installment Payments, sufficient moneys or sufficient moneys and non-callable Permitted Investments that are described in clause (A) of the definition thereof, the principal of and interest on which Permitted Investments when due will provide money that is sufficient in the opinion of an Independent Certified Public Accountant to pay all principal, prepayment premium, if any, and interest of such Series 2026 Installment Payments to their respective Series 2026 Installment Payment Dates, as the case may be; and

(c) provision shall have been made for paying all fees and expenses of the Trustee, then and in that event, the right, title and interest of the Authority herein and the obligations of the District hereunder shall, with respect to all or such portion of the Series 2026 Installment Payments as have been so provided for, thereupon cease, terminate, become void and be completely discharged and satisfied (except for the right of the Trustee and the obligation of the District to have such moneys and such Permitted Investments applied to the payment of such Series 2026 Installment Payments).

In such event, upon request of the District, the Trustee shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary or desirable to evidence such total or partial discharge and satisfaction, as the case may be, and, in the event of a total discharge and satisfaction, the Trustee shall pay over to the District, after payment of all amounts due the Trustee pursuant to the Indenture, as an overpayment of Series 2026 Installment Payments, all such moneys or such Permitted Investments held by it pursuant hereto, other than such moneys and such Permitted Investments as are required for the payment or prepayment of the Series 2026 Installment Payments, which moneys and Permitted Investments shall continue to be held by the Trustee in trust for the payment of the Series 2026 Installment Payments and shall be applied by the Trustee to the payment of the Series 2026 Installment Payments of the District.

ARTICLE X

MISCELLANEOUS

Section 10.01. Liability Limited. Notwithstanding anything contained herein, the District shall not be required to advance any moneys derived from any source of income other than the Revenues, the Revenue Fund and the other funds provided herein for the payment of amounts due hereunder or for the performance of any agreements or covenants that are required to be performed by it contained herein. The District may, however, advance moneys for any such purpose so long as

such moneys are derived from a source legally available for such purpose and may be legally used by the District for such purpose.

The obligation of the District to make the Series 2026 Installment Payments is a special obligation of the District payable from the Net Revenues and does not constitute a debt of the District or of the State of California or of any political subdivision thereof in contravention of any constitutional or statutory debt limitation or restriction.

Section 10.02. Benefits of Installment Purchase Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District or the Authority any right, remedy or claim under or pursuant hereto, and any agreement or covenant that is required herein to be performed by or on behalf of the District or the Authority shall be for the sole and exclusive benefit of the other party.

Section 10.03. Successor Is Deemed Included in all References to Predecessor. Whenever either the District or the Authority is named or referred to herein, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the District or the Authority, and all agreements and covenants which are required hereby to be performed by or on behalf of the District or the Authority shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 10.04. Waiver of Personal Liability. No member, officer or employee of the District shall be individually or personally liable for the payment of the Series 2026 Installment Payments, but nothing contained herein shall relieve any member, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 10.05. Article and Section Headings, Gender and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof, and words of any gender shall be deemed and construed to include all genders. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof and the words "hereby," "herein," "hereof," "hereto," "herewith" and other words of similar import refer to the Installment Purchase Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 10.06. Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the District or the Authority shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof. The District and the Authority hereby declare that they would have executed the Installment Purchase Agreement, and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10.07. Assignment. The Installment Purchase Agreement and any rights hereunder may be assigned by the Authority, as a whole or in part, without the necessity of obtaining the prior consent of the District. In addition to the rights and remedies assigned by the Authority to the

Trustee, to the extent that the Indenture and the Installment Purchase Agreement confer upon or give or grant to the Trustee any right, remedy or claim under or by reason of the Indenture or the Installment Purchase Agreement, the Trustee is hereby explicitly recognized as being a third party beneficiary hereunder and may enforce any such right, remedy or claim conferred given or granted.

Section 10.08. Net Contract. The Installment Purchase Agreement shall be deemed and construed to be a net contract, and the District shall pay absolutely net during the term hereof of the Series 2026 Installment Payments and all other payments required hereunder, free of any deductions and without abatement, diminution or set-off whatsoever.

Section 10.09. California Law. THE INSTALLMENT PURCHASE AGREEMENT SHALL BE CONSTRUED AND GOVERNED IN ACCORDANCE WITH THE LAWS OF THE STATE OF CALIFORNIA.

Section 10.10. Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, namely:

If to the District:

Attention:

If to the Authority:

Attention:

If to the Trustee:

Attention:
Reference:

Section 10.11. Effective Date. This Installment Purchase Agreement shall become effective upon its execution and delivery, and shall terminate when the Purchase Price shall have been fully paid (or provision for the payment thereof shall have been made to the written satisfaction of the Authority).

Section 10.12. Execution in Counterparts. This Installment Purchase Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

Section 10.13. Indemnification of Authority. The District hereby agrees to indemnify and hold harmless the Authority and its assigns and its officers and directors if and to the extent permitted by law, from and against all claims, advances, damages and losses, including legal fees and expenses, arising out of or in connection with the acceptance or the performance of its duties hereunder and under the Indenture; provided that no indemnification will be made for willful misconduct, negligence or breach of an obligation hereunder or under the Indenture by the Authority.

Section 10.14. Amendments Permitted.

(a) This Installment Purchase Agreement and the rights and obligations of the Authority and the District and of the Owners of the 2026A Bonds and of the Trustee may be modified or amended at any time by an amendment hereto which shall become binding upon the written consents of the Owners of a majority in aggregate principal amount of the 2026A Bonds then Outstanding, exclusive of 2026A Bonds disqualified as provided in Section 11.09 of the Indenture. No such modification or amendment may: (1) extend the fixed maturity of any 2026A Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each 2026A Bond so affected; or (2) reduce the aforesaid percentage of 2026A Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Revenues and other assets pledged under the Installment Purchase Agreement prior to or on a parity with the lien created by the Installment Purchase Agreement except as permitted herein, or deprive the Owners of the 2026A Bonds of the lien created by the Indenture on such Revenues and other assets except as permitted herein, without the consent of the Owners of all of the 2026A Bonds then Outstanding.

(b) This Installment Purchase Agreement and the rights and obligations of the Authority and the District and of the Owners of the 2026A Bonds may also be modified or amended at any time by an amendment hereto which shall become binding upon adoption, without the consent of the Owners of any 2026A Bonds, but only to the extent permitted by law and only for any one or more of the following purposes: (1) to add to the covenants and agreements of the District contained in the Installment Purchase Agreement other covenants and agreements thereafter to be observed, to pledge or assign additional security for the 2026A Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the District; (2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Installment Purchase Agreement, or in regard to matters or questions arising under the Installment Purchase Agreement, as the District may deem necessary or desirable; and (3) to modify, amend or supplement the Installment Purchase Agreement in such manner as to cause interest on the 2026A Bonds to remain excludable from gross income under the Code. No amendment without consent of the Owners may modify any of the rights or obligations of the Trustee without the written consent thereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the parties hereto have executed and attested this Installment Purchase Agreement by their officers thereunto duly authorized as of the day and year first written above.

LAS GALLINAS VALLEY SANITARY DISTRICT

By: _____
General Manager

ATTEST:

Secretary

MARIN PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

ATTEST:

Secretary of the Board of Directors

EXHIBIT A
DESCRIPTION OF THE 2026 PROJECT

2026 Project

| <i>Component</i> | <i>Capital Cost</i> |
|------------------|---------------------|
| | \$ |
| TOTAL | \$ |

EXHIBIT B

PURCHASE PRICE

1. The principal amount of payments to be made by the District hereunder is \$_____.

2. The Series 2026 Installment Payments of principal and interest are payable in the amounts and on the Series 2026 Installment Payment Dates as follows:

| <i>Installment Payment Date (Third Business Day Prior to)</i> | <i>Amount Attributable to Principal</i> | <i>Amount Attributable to Interest</i> | <i>Total Series 2026 Installment Payment</i> |
|---|---|--|--|
| | \$ | \$ | \$ |

| <i>Installment Payment Date (Third Business Day Prior to)</i> | <i>Amount Attributable to Principal</i> | <i>Amount Attributable to Interest</i> | <i>Total Series 2026 Installment Payment</i> |
|---|---|--|--|
|---|---|--|--|

EXHIBIT C

FORM OF SUBSTITUTION STATEMENT

Marin Public Financing Authority
c/o Las Gallinas Valley Sanitary District
300 Smith Ranch Road
San Rafael, California 94903
Attention: Chair

U.S. Bank Trust Company, National Association

Attention: _____
Reference: _____

The undersigned General Manager of the Las Gallinas Valley Sanitary District (the “District”) hereby states pursuant to Section 3.02 of the Installment Purchase Agreement, dated as of _____ 1, 2026 by and between Marin Public Financing Authority and the District (the “Installment Purchase Agreement”) that each component of the 2026 Project (as such term is defined in the Installment Purchase Agreement) described in the first column of Exhibit A attached hereto, with an estimated cost set forth in the second column of Exhibit A, will be replaced by the corresponding improvement described in the third column of Exhibit A with an estimated cost set forth in the fourth column of Exhibit A.

Dated: _____, 20__

General Manager

EXHIBIT A

| <i>Components of 2026 Project to be Replaced</i> | <i>Cost of Each Components of 2026 Project to be Replaced</i> | <i>Improvements to be Substituted</i> | <i>Cost of Each Improvement to be Substituted</i> |
|--|---|---|---|
|--|---|---|---|

EXHIBIT D

FORM OF REQUISITION FROM ACQUISITION FUND

\$ _____
MARIN PUBLIC FINANCING AUTHORITY
WASTEWATER REVENUE BONDS, SERIES 2026A

REQUISITION NO. ____ FOR
DISBURSEMENT FROM ACQUISITION FUND

The undersigned hereby states and certifies:

(i) that the undersigned is the duly appointed, qualified and acting General Manager or Administrative Services Manager of the Las Gallinas Valley Sanitary District, a special district that is duly organized and existing under and by virtue of the general laws of the State of California (the “District”), and as such, is familiar with the facts herein certified and is authorized to certify the same;

(ii) that, pursuant to Section 3.06 of that certain Installment Purchase Agreement, dated as of _____ 1, 2026 (the “Installment Purchase Agreement”), by and between the Marin Public Financing Authority and the District, the undersigned hereby requests U.S. Bank Trust Company, National Association, as trustee for the above-captioned obligations, to disburse this date the following amounts from the Acquisition Fund established under the Indenture relating to the above-captioned obligations, to the payees designated on the attached Exhibit A;

(iii) that each obligation mentioned herein has been incurred by the District and is a proper charge against the Acquisition Fund;

(iv) that any approval required under the California Environmental Quality Act, as amended (Division 13 of the California Public Resources Code), prior to the expenditure of such amount for the purpose set forth on the attached Exhibit A has been received and is final; and

(v) that there has not been filed with or served upon the District notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the payees named on the attached Exhibit A, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen’s or mechanics’ liens accruing by mere operation of law.

Dated: _____, 20__

LAS GALLINAS VALLEY SANITARY DISTRICT

By: _____
General Manager / Administrative Services
Manager

EXHIBIT A
ACQUISITION FUND DISBURSEMENTS

| <i>Item Number</i> | <i>Payee Name and Address</i> | <i>Purpose of Obligation</i> | <i>Amount</i> |
|------------------------|-------------------------------|------------------------------|---------------|
|------------------------|-------------------------------|------------------------------|---------------|

INDENTURE OF TRUST

Dated as of _____ 1, 2026

By and between

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,
as successor Trustee**

and the

MARIN PUBLIC FINANCING AUTHORITY

Relating to

\$ _____

**MARIN PUBLIC FINANCING AUTHORITY
WASTEWATER REVENUE BONDS, SERIES 2026A**

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INDENTURE OF TRUST

THE INDENTURE OF TRUST is made and entered into and dated as of _____ 1, 2026, by and between the MARIN PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under and by virtue of the laws of the State of California (the “**Authority**”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association that is duly organized and existing under the laws of the United States of America, as successor trustee hereunder (the “**Trustee**”).

RECITALS

A. The Authority has been created pursuant to the JPA Agreement with the powers, among others, to issue bonds, to finance wastewater facilities and to refinance certain installment payments on behalf of its members.

B. The Las Gallinas Valley Sanitary District (the “**District**”), a member of the Authority, has determined that it is in the best interest of the public to finance certain improvements to its Wastewater System with the assistance of the Authority.

C. The Authority is authorized pursuant to State law, including but not limited to, Section 6588(c) of the Government Code of the State of California (the “**Government Code**”) and pursuant to Sections 5 and 10 of the JPA Agreement to incur indebtedness to finance and refinance such improvements, and is authorized pursuant to State law, including but not limited to Section 6588(m) of the Government Code, to assign and pledge to the repayment of such indebtedness amounts payable to the Authority by its members.

D. The District has determined that it is in the District’s best interest to finance the acquisition and construction of certain improvements, betterments, renovations and expansions of facilities within its Wastewater System (the “**2026 Project**”), as further described in the Installment Purchase Agreement.

E. The Authority hereby finds pursuant to Section 6586 of the Government Code that the issuance of the bonds that are authorized pursuant to Section 2.01 hereof (the “**Bonds**”) to finance the 2026 Project will have demonstrable savings in effective interest rate, bond preparation, bond underwriting or bond issuance costs and significant reductions in effective user charges levied by the District.

G. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and interest and premium, if any, thereon, the Authority has authorized the execution and delivery of the Indenture.

H. The Authority has determined that all acts and proceedings which are required by law and necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee, and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute the Indenture a valid and binding agreement for the uses and purposes set forth herein in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized.

GRANTING CLAUSES

The Authority, in consideration of the premises and the acceptance by the Trustee of the trusts hereby created and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and Outstanding under the Indenture, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, does hereby assign and pledge unto, and grant a security interest in, the following (the “**Trust Estate**”) to the Trustee, and its successors in trust and assigns forever, for the securing of the performance of the obligations of the Authority to the Bond Owners hereinafter set forth:

FIRST

All right, title and interest of the Authority in and to the Authority Revenues (as such term is defined herein), including, but without limiting the generality of the foregoing, the present and continuing right to make claim for, collect, receive and receipt for any Authority Revenues which are payable to or receivable by the Authority under the Constitution of the State, the Government Code and the Indenture and any other applicable laws of this State or otherwise, to bring actions and proceedings thereunder for the enforcement thereof, and to do any and all things which the Authority is or may become entitled to do thereunder, subject to the terms hereof.

SECOND

All moneys and securities held in funds and accounts of the Indenture, except amounts held in the Rebate Fund, and all other rights of every name and nature from time to time herein or hereafter by delivery or by writing of any kind pledged, assigned or transferred as and for additional security hereunder to the Trustee by the Authority or by anyone on its behalf, or with its written consent, and to hold and apply the same, subject to the terms hereof.

THIRD

All of the rights, title, and interest of the Authority in the Installment Purchase Agreement, including all rights of the Authority to receive payments thereunder and all rights of the Authority thereunder as may be necessary to enforce compliance with said provisions (including enforcement of payment obligations and rate covenants, if any, contained in the Installment Purchase Agreement) or otherwise to protect the interest of the Owners of the Bonds, subject to the terms hereof, and excepting therefrom any rights to indemnification or to receive notices thereunder.

TO HAVE AND TO HOLD all and singular the Trust Estate, whether now owned or hereafter acquired, unto the Trustee and its respective successors in trust and assigns forever for the benefit of the Owners, and such pledge shall constitute a lien on and security interest in such Trust Estate;

IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit, security and protection of all present and future owners of the Bonds issued under and secured by the Indenture without privilege, priority or distinction as to the lien or otherwise of any of the Bonds over any of the other Bonds;

PROVIDED, HOWEVER, that if the Authority, its successors or assigns shall well and truly pay, or cause to be paid, the principal of and interest and any redemption premium on the Bonds due or to become due thereon, at the times and in the manner provided in the Bonds according to the true intent and meaning thereof, and shall well and truly keep, perform and observe all of the covenants and conditions pursuant to the terms of the Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee all sums of money due or to become due in accordance with the terms and provisions hereof, then upon such final payments or deposits as herein provided, the Indenture and the rights hereby granted shall cease, terminate and be void; otherwise the Indenture shall remain in full force and effect.

THE INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds which are issued and secured hereunder are to be issued, authenticated and delivered, and all sold property, rights and interests, including, without limitation, the Authority Revenues, hereby assigned and pledged, are to be dealt with and disposed of, under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes hereinafter expressed, and the Authority has agreed and covenanted and does hereby covenant and agree with the Trustee, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; CONTENT OF CERTIFICATES AND OPINIONS

Section 1.01. Definitions. Unless the context otherwise requires, the terms that are defined in this Section 1.01 shall, for all purposes of the Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined. Unless the context otherwise requires, all capitalized terms that are used herein and not defined have the meanings ascribed thereto in the Installment Purchase Agreement.

Acquisition Fund. The term “Acquisition Fund” means the fund by that name established pursuant to Section 3.04.

Authority. The term “Authority” means the Marin Public Financing Authority, a public body that is duly organized and existing under the JPA Agreement, and under the Constitution and laws of the State of California.

Authority Revenues. The term “Authority Revenues” means: (a) all Series 2026 Installment Payments received by the Authority or the Trustee pursuant to or with respect to the Installment Purchase Agreement; and (b) all interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder.

Authorized Representative. The term “Authorized Representative” means with respect to the Authority, its Chair, Vice Chair, Secretary, Treasurer or Executive Director or any other person designated as an Authorized Representative of the Authority by a Certificate of the Authority signed by its Chair, Vice Chair, Secretary, Treasurer or Executive Director and filed with the Trustee.

Bond Counsel. The term “Bond Counsel” means Stradling, Yocca, Carlson & Rauth LLP, or another firm of nationally recognized attorneys experienced in the issuance of obligations the interest on which is excludable from gross income under Section 103 of the Code.

Bond Year. The term “Bond Year” means the period beginning on the date of issuance of the Bonds and ending on October 1, 2026, and each successive one year or, during the last period prior to maturity, shorter period thereafter until there are no Outstanding Bonds.

Bonds. The term “Bonds” means the Wastewater Revenue Bonds, Series 2026A issued by the Authority and at any time Outstanding pursuant to the Indenture.

Business Day. The term “Business Day” means: (i) a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State, or in any other state in which the Office of the Trustee is located, are closed; or (ii) a day on which the New York Stock Exchange is not closed.

Certificate; Direction; Request; Requisition. The terms “Certificate,” “Direction,” “Request,” and “Requisition” of the Authority mean a written certificate, direction, request or requisition signed in the name of the Authority by its Authorized Representative. Any such instrument and supporting opinions or representations, if any, may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument. If and to the extent required by Section 1.02, each such instrument shall include the statements that are provided for in Section 1.02.

Closing Date. The term “Closing Date” means the date on which the Bonds are delivered to the original purchaser thereof.

Code. The term “Code” means the Internal Revenue Code of 1986, as amended.

Costs of Issuance. The term “Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Authority and related to the authorization, issuance, sale and delivery of the Bonds, including but not limited to costs of preparation and reproduction of documents, printing expenses, filing and recording fees, initial fees and charges of the Trustee and counsel to the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, rating agency fees, title insurance premiums and letter of credit fees, fees and charges for preparation, execution and safekeeping of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

Costs of Issuance Fund. The term “Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.03.

Depository; DTC. The terms “Depository” and “DTC” mean The Depository Trust Company, New York, New York, a limited purpose trust company that is organized under the laws of the State of New York, in its capacity as securities depository for the Bonds.

District. The term “District” means the Las Gallinas Valley Sanitary District, a special district that is duly organized and existing under and by virtue of the general laws of the State.

Event of Default. The term “Event of Default” means any of the events that are specified in Section 7.01.

Federal Securities. The term “Federal Securities” means any direct, noncallable general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America), or noncallable

obligations the timely payment of principal of and interest on which are fully and unconditionally guaranteed by the United States of America.

Fitch. The term “Fitch” means Fitch Ratings, Inc., or any successor thereto.

Government Code. The term “Government Code” means the Government Code of the State.

Indenture. The term “Indenture” means this Indenture of Trust, dated as of _____ 1, 2026, by and between the Authority and the Trustee, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture.

Information Services. The term “Information Services” means the Municipal Securities Rulemaking Board; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other services providing information with respect to called bonds as the Authority may specify in a certificate to the Authority and the Trustee as the Trustee may select.

Insolvency Proceeding. The term “Insolvency Proceeding” means any proceeding by or against the District or the Authority commenced under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law.

Installment Purchase Agreement. The term “Installment Purchase Agreement” means the Installment Purchase Agreement, dated as of the date hereof, by and between the Authority and the District, as amended from time to time.

Interest Account. The term “Interest Account” means the account by that name in the 2026A Bond Payment Fund established pursuant to Section 5.01.

Interest Payment Date. The term “Interest Payment Date” means April 1 and October 1 of each year commencing October 1, 2026.

Investment Agreement. The term “Investment Agreement” means an investment agreement by a provider, supported by appropriate opinions of counsel, provided that any such Investment Agreement shall: (i) be from a provider rated by a Rating Agency at “A-” or “A3”, respectively, or above; (ii) require the Authority or the District to terminate such agreement and immediately reinvest the proceeds thereof in other Permitted Investments if the rating assigned to the provider by S&P or Moody’s falls to “BBB” or “Baa2”, respectively, or below; and (iii) expressly permit the withdrawal, without penalty, of any amounts necessary at any time to fund any deficiencies on account of debt service requirements with respect to the Bonds, together with such amendments as may be approved by the Authority and the Trustee from time to time.

JPA Agreement. The term “JPA Agreement” means that certain Joint Exercise of Powers Agreement, dated January 24, 2017, by and between the District and the Sausalito-Marin City Sanitary District, which is duly organized and existing under the laws of the State, as amended from time to time.

Letter of Representations. The term “Letter of Representations” means the letter of the Authority delivered to and accepted by the Depository on or prior to delivery of the Bonds as book-entry bonds setting forth the basis on which the Depository serves as depository for such book-entry bonds, as originally executed or as it may be supplemented or revised or replaced by a letter from the Authority delivered to and accepted by the Depository.

Moody's. The term “Moody’s” means Moody’s Investors Service, Inc. or any successor thereto.

Nominee. The term “Nominee” means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.08 hereof.

Office. The term “Office” means with respect to the Trustee, the principal corporate trust office of the Trustee at _____, Attention: _____, Reference: _____ or at such other or additional offices as may be specified in writing by the Trustee to the Authority, except that with respect to presentation of Bonds for payment or for registration of transfer and exchange such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

Opinion of Counsel. The term “Opinion of Counsel” means a written opinion of counsel (including but not limited to counsel to the Authority) selected by the Authority. If and to the extent required by the provisions of Section 1.02, each Opinion of Counsel shall include the statements provided for in Section 1.02.

Outstanding. The term “Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 11.09) all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except: (i) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (ii) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with Section 10.02, including Bonds (or portions thereof) described in Section 11.10; and (iii) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

Owner; Bond Owner. The terms “Owner” or “Bond Owner,” whenever used herein with respect to a Bond, mean the person in whose name the ownership of such Bond is registered on the Registration Books.

Participants. The term “Participants” means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds book-entry certificates as securities depository.

Permitted Investments. The term “Permitted Investments” means any of the following which at the time are legal investments under the laws of the State for moneys held hereunder and then proposed to be invested therein:

- (A) for all purposes, including defeasance investments in refunding escrow accounts: (1) cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in clause (2) below); (2) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America; (3) U.S. Treasury Certificates, Notes and Bonds (including State and Local Government Series); (4) Resolution Funding Corp. strips (only the interest component of REFCORP strips which have been stripped by request to the Federal Reserve Bank of New York in book entry form are acceptable); (5) Pre-refunded municipal bonds rated “Aaa” by Moody’s and “AAA” by S&P. If however, the issue is only rated by S&P (i.e., there is no Moody’s rating), then the pre-refunded bonds must have been pre-refunded with cash, direct U.S. or U.S. guaranteed obligations,

or “AAA” rated pre-refunded municipals to satisfy this condition; and (6) Obligations issued by the following agencies which are backed by the full faith and credit of the U.S.: a. U.S. Export-Import Bank (Eximbank): Direct obligations or fully guaranteed certificates of beneficial ownership; b. Farmers Home Administration: Certificates of beneficial ownership; c. Federal Financing Bank; d. General Services Administration: Participation Certificates; e. U.S. Maritime Administration: Guaranteed Title XI financing; and f. U.S. Department of Housing and Urban Development: Project Notes, Local Authority Bonds, New Communities Debentures – U.S. government guaranteed debentures, U.S. Public Housing Notes and Bonds – U.S. government guaranteed public housing notes and bonds; and

(B) for all purposes other than defeasance investments in refunding escrow accounts:

(1) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, and CATS and TIGRS) or obligations of the principal of and interest on which are unconditionally guaranteed by the United States of America;

(2) obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America: the Export-Import Bank; Farmers Home Administration; General Services Administration; United States Maritime Administration; Government National Mortgage Association; United States Department of Housing & Urban Development; Federal Financing Bank; and Federal Housing Administration Debentures;

(3) obligations of any of the following federal agencies which obligations do not represent the full faith and credit of the United States of America, including the Federal Home Loan Bank System; Federal Home Loan Mortgage Corporation (FHLMC); Federal National Mortgage Association (FNMA); Student Loan Marketing Association; Resolution Funding Corp.; and Farm Credit System;

(4) commercial paper which is rated at the time of purchase in the single highest classification, “A-1” by S&P and “P-1” by Moody’s;

(5) investments in a money market fund rated “AAAm”, “AAAm-G” or “AA-m” or better by S&P, or “Aaa”, “Aa1” or “Aa2” or better by Moody’s, including any fund for which the Trustee or an affiliate acts as investment advisor or provides other services;

(6) Certificates of deposit secured at all times by collateral described in clauses (A) and/or (B)(1) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks, including the Trustee and its affiliates. The collateral must be held by a third party and the Trustee must have a perfected first security interest in the collateral;

(7) Certificates of deposit (including those of the Trustee, its parent and its affiliates), savings accounts, deposit accounts or money market deposits;

(8) Investment Agreements, including GICs, Forward Purchase Agreements and Reserve Fund Put Agreements;

(9) Federal Funds or bankers acceptances with a maximum term of one year of any bank, including the Trustee and its affiliates, which has an unsecured, uninsured and

unguaranteed obligation rating of “Prime-1” or “A3” or better by Moody’s and “A-1” or “A” or better by S&P;

(10) Repurchase agreements provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee or the District, as applicable, and the transfer of cash from the Trustee or the District, as applicable, to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee or the District, as applicable, in exchange for the securities at a specified date;

1. Repurchase agreements must be between the municipal entity and a dealer bank or securities firm.

a. Primary dealers on the Federal Reserve reporting dealer list which are rated “A” or better by S&P and Moody’s; or

b. Banks rated “A” or above by S&P and Moody’s.

2. The written contract must include the following:

a. Securities which are acceptable for transfer are: (1) Direct U.S. Government securities; or (2) Federal agency securities that are backed by the full faith and credit of the U.S. government (and FNMA and FHLMC);

b. The term of the repurchase agreement may be up to 30 days;

c. The collateral must be delivered to the Trustee or the District, as applicable, trustee (if trustee is not supplying the collateral) or third party acting as agent for the trustee (if the trustee is supplying the collateral) before/simultaneous with payment (perfection by possession of certificates securities).

d. The securities must be valued weekly, marked-to-market at current market price plus accrued interest. The value of collateral must be equal to 104% of the amount of cash transferred by the Trustee or the District, as applicable, to the dealer bank or security firm under the repo plus accrued interest. If the value of the securities held as collateral slips below the 104% of the value of the cash transferred by the Trustee or the District, as applicable, then additional cash and/or acceptable securities must be transferred. If, however, the securities used as collateral are FNMA or FHLMC, then the value of collateral must equal 105%.

3. Legal opinion which must be delivered to the Trustee and the District: the repurchase agreement meets guidelines under state law for legal investment of public funds;

(11) The Local Agency Investment Fund of the State of California created pursuant to Section 16429.1 of the California Government Code; and

(12) Unsecured certificates of deposit, time deposits, money market deposits, demand deposits and bankers’ acceptances of any bank (including those of Trustee, its parent and its affiliates) the short term obligations of which are rated on the date of purchase “A-1” or better by S&P, “P-1” or better by Moody’s or “F1” or better by Fitch.

Principal Account. The term “Principal Account” means the account by that name in the 2026A Bond Payment Fund established pursuant to Section 5.01.

Rating. The term “Rating” means any currently effective rating on the Bonds issued by a Rating Agency.

Rating Agencies. The term “Rating Agencies” means S&P, Moody’s and Fitch.

Rebate Fund. The term “Rebate Fund” means the fund by that name established pursuant to Section 5.07.

Record Date. The term “Record Date” means, with respect to any Interest Payment Date, the fifteenth (15th) day of the calendar month preceding such Interest Payment Date, whether or not such day is a Business Day.

Redemption Date. The term “Redemption Date” means the date fixed for an optional redemption prior to maturity of the Bonds.

Redemption Fund. The term “Redemption Fund” means the fund by that name established pursuant to Section 5.05.

Redemption Price. The term “Redemption Price” means, with respect to any Bond (or portion thereof), the principal amount of such Bond (or portion) plus the interest accrued to the applicable Redemption Date and the applicable premium, if any, payable upon redemption thereof pursuant to the provisions of such Bond and the Indenture.

Registration Books. The term “Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.05.

Responsible Officer of the Trustee. The term “Responsible Officer of the Trustee” means any officer within the corporate trust division (or any successor group or department of the Trustee) including any vice president, assistant vice president, assistant secretary or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by the persons who at the time shall be such officers, respectively, with responsibility for the administration of the Indenture.

S&P. The term “S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business, or any successor thereto.

Securities Depositories. The term “Securities Depositories” means The Depository Trust Company; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority may designate in a Request of the Authority deliver to the Trustee.

State. The term “State” means the State of California.

Supplemental Indenture. The term “Supplemental Indenture” means any indenture that is hereafter duly authorized and entered into between the Authority and the Trustee, supplementing,

modifying or amending the Indenture; but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

Tax Certificate. The term “Tax Certificate” means the Tax Certificate dated the Closing Date, concerning certain matters pertaining to the use and investment of proceeds of the Bonds issued by the Authority on the date of issuance of the Bonds, including any and all exhibits attached thereto.

Trustee. The term “Trustee” means U.S. Bank Trust Company, National Association, a national banking association duly organized and existing under the laws of the United States of America, or its successor, as successor Trustee hereunder as provided in Section 8.01.

2026A Bond Payment Fund. The term “2026A Bond Payment Fund” means the fund by that name established pursuant to Section 5.01(c).

Valuation Date. “Valuation Date” means the fifth Business Day preceding the date of redemption.

Value. The term “Value” which shall be determined as of the end of each month, means that the value of any investments shall be calculated as follows:

(a) for the purpose of determining the amount of any fund, all Permitted Investments credited to such fund shall be valued at fair market value. The Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers. Accepted industry providers shall include, but are not limited to, pricing services provided by Financial Times Interactive Data Corporation, Merrill Lynch and Morgan Stanley Smith Barney.

(b) As to certificates of deposit and bankers’ acceptances, the face amount thereof, plus accrued interest.

(c) As to any investment that is not specified above, the value thereof established by prior agreement between the Authority and the Trustee.

Section 1.02. Content of Certificates and Opinions. Every certificate or opinion that is provided for in the Indenture, except the certificate of destruction that is provided for in Section 11.05 hereof, with respect to compliance with any provision hereof shall include: (1) a statement that the person making or giving such certificate or opinion has read such provision and the definitions herein relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the certificate or opinion is based; (3) a statement that, in the opinion of such person he or she has made or caused to be made such examination or investigation as is necessary to enable such person to express an informed opinion with respect to the subject matter referred to in the instrument to which such person’s signature is affixed; (4) a statement of the assumptions upon which such certificate or opinion is based, and that such assumptions are reasonable; and (5) a statement as to whether, in the opinion of such person, such provision has been complied with.

Any such certificate or opinion that is made or given by an officer of the Authority may be based, insofar as it relates to legal or accounting matters, upon a certificate or opinion of or representation by counsel or an Independent Certified Public Accountant, unless such officer knows,

or in the exercise of reasonable care should have known, that the certificate, opinion or representation with respect to the matters upon which such certificate or statement may be based, as aforesaid, is erroneous. Any such certificate or opinion made or given by counsel or an Independent Certified Public Accountant may be based, insofar as it relates to factual matters (with respect to which information is in the possession of the Authority) upon a certificate or opinion of or representation by an officer of the Authority, unless such counsel or Independent Certified Public Accountant knows, or in the exercise of reasonable care should have known, that the certificate or opinion or representation with respect to the matters upon which such person's certificate or opinion or representation may be based, as aforesaid, is erroneous. The same officer of the Authority, or the same counsel or Independent Certified Public Accountant, as the case may be, need not certify to all of the matters that are required to be certified under any provision of the Indenture, but different officers, counsel or Independent Certified Public Accountants may certify to different matters, respectively.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa, and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of the Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

THE BONDS

Section 2.01. Authorization of Bonds. The Authority hereby authorizes the issuance hereunder from time to time of the Bonds, which shall constitute special obligations of the Authority, for the purpose of financing the 2026 Project. The Bonds are hereby designated the "Marin Public Financing Authority Wastewater Revenue Bonds, Series 2026A" in the aggregate principal amount of \$_____. The Indenture constitutes a continuing agreement with the Owners from time to time of the Bonds to secure the full payment of the principal of and interest and premium (if any) on all the Bonds, subject to the covenants, provisions and conditions herein contained.

Section 2.02. Terms of the Bonds. The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof.

The Bonds shall mature on April 1 in each of the years and in the amounts set forth below and shall bear interest on each Interest Payment Date at the rates set forth below:

| <i>Maturity Date</i> <i>(April 1)</i> | <i>Principal Amount</i> | <i>Interest Rate</i> |
|--|-------------------------|----------------------|
| | \$ | |

Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Registration Books as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee sent by first class mail on the applicable Interest Payment Date to the Owner at the address of such Owner as it appears on the Registration Books (except that in the case of an Owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such Owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such Owner prior to the Record Date. Principal of and premium (if any) on any Bond shall be paid by check of the Trustee upon presentation and surrender thereof at maturity or upon the prior redemption thereof, at the Office of the Trustee. Both the principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall be dated the date of initial delivery, and shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless: (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) unless it is authenticated on or before March 15, 2026, in which event it shall bear interest from the date of initial delivery; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available

for payment thereon. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

Section 2.03. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred on the Registration Books by the person in whose name it is registered, in person or by his or her duly authorized attorney, upon surrender of such Bond at the Office of the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. The Trustee shall not be required to register the transfer of any Bond during the period in which the Trustee is selecting Bonds for redemption and any Bond that has been selected for redemption.

Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds of authorized denomination or denominations for a like series and aggregate principal amount of the same maturity. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge that is required to be paid with respect to such transfer. Following any transfer of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Section 2.04. Exchange of Bonds. Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of other authorized denominations of the same series and maturity. The Trustee shall not be required to exchange any Bond during the period in which the Trustee is selecting Bonds for redemption and any Bond that has been selected for redemption. The Trustee shall require the Bond Owner requesting such exchange to pay any tax or other governmental charge that is required to be paid with respect to such exchange. Following any exchange of Bonds, the Trustee will cancel and destroy the Bonds that it has received.

Section 2.05. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall upon reasonable notice and at reasonable times be open to inspection during regular business hours by the Authority, the District and the Owners; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as hereinbefore provided.

The person in whose name any Bond shall be registered shall be deemed the Owner thereof for all purposes hereof, and payment of or on account of the interest on and principal and Redemption Price of such Bonds shall be made only to or upon the order in writing of such registered Owner, which payments shall be valid and effectual to satisfy and discharge liability upon such Bond to the extent of the sum or sums so paid.

Section 2.06. Form and Execution of Bonds. The Bonds shall be in substantially the form set forth in Exhibit A. The Bonds shall be executed in the name and on behalf of the Authority with the manual or facsimile signature of its Chair, attested by the manual or facsimile signature of its Secretary. The Bonds may carry a seal, and such seal may be in the form of a facsimile of the Authority's seal and may be reproduced, imprinted or impressed on the Bonds. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of the officers who shall have signed or attested any of the Bonds shall cease to be such officer or officers of the Authority before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though those who signed

and attested the same had continued to be such officers of the Authority, and any Bonds may be signed and attested on behalf of the Authority by those persons who at the actual date of execution of such Bonds are the proper officers of the Authority although at the nominal date of such Bonds any such person shall not have been such officer of the Authority.

Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form set forth in Exhibit A, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of the Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of the Indenture.

Section 2.07. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, series and authorized denomination in exchange and substitution for the Bonds so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and upon the written request of the Authority delivered to, or upon the order of, the Authority. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor, series and authorized denomination in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed, or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Indenture with all other Bonds secured by the Indenture. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond for a Bond which has been mutilated, lost, destroyed or stolen and which has matured or has been selected for redemption, the Trustee may make payment of such Bond upon receipt of indemnity satisfactory to the Trustee.

Section 2.08. Book-Entry System.

(a) Election of Book-Entry System. Prior to the issuance of the Bonds, the Authority may provide that such Bonds shall be initially issued as book-entry Bonds. If the Authority shall elect to deliver any Bonds in book-entry form, then the Authority shall cause the delivery of a separate single fully registered bond (which may be typewritten) for each maturity date of such Bonds in an authorized denomination corresponding to that total principal amount of the Bonds designated to mature on such date. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Registration Books in the name of the Nominee, as nominee of the Depository, and ownership of the Bonds, or any portion thereof may not thereafter be transferred except as provided in Section 2.08(e).

With respect to book-entry Bonds, the Authority and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which such a Participant holds an

interest in such book-entry Bonds. Without limiting the immediately preceding sentence, the Authority and the Trustee shall have no responsibility or obligation with respect to: (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in book-entry Bonds; (ii) the delivery to any Participant or any other person, other than an Owner as shown in the Bond Registration Books, of any notice with respect to book-entry Bonds, including any notice of redemption; (iii) the selection by the Depository and its Participants of the beneficial interests in book-entry Bonds to be redeemed in the event that the Authority redeems the Bonds in part; or (iv) the payment by the Depository or any Participant or any other person of any amount of principal of, premium, if any, or interest on book-entry Bonds. The Authority and the Trustee may treat and consider the person in whose name each book-entry Bond is registered in the Bond Registration Books as the absolute Owner of such book-entry Bond for the purpose of payment of principal of, premium and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owner, as shown in the Bond Registration Books, or his respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Registration Books, shall receive a Bond evidencing the obligation to make payments of principal of, premium, if any, and interest on the Bonds. Upon delivery by the Depository to the Authority and the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in the Indenture shall refer to such nominee of the Depository.

(b) Delivery of Letter of Representations. In order to qualify the book-entry Bonds for the Depository's book-entry system, the Authority shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in such book-entry Bonds other than the Owners, as shown on the Registration Books. In addition to the execution and delivery of a Letter of Representations, the Authority and the Trustee, if necessary, shall take such other actions, not inconsistent with the Indenture, as are reasonably necessary to qualify book-entry Bonds for the Depository's book-entry program.

(c) Selection of Depository. In the event that: (i) the Depository determines not to continue to act as securities depository for book-entry Bonds; or (ii) the Authority determines that continuation of the book-entry system is not in the best interest of the beneficial owners of the Bonds or the Authority, then the Authority will discontinue the book-entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully registered Bond for each of the maturity dates of such book-entry Bonds, registered in the name of such successor or substitute qualified securities depository or its Nominee as provided in subsection (e) hereof. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Bonds shall no longer be restricted to being registered in such Bond Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.03 and 2.04 hereof.

(d) Payments To Depository. Notwithstanding any other provision of the Indenture to the contrary, so long as all Outstanding Bonds are held in book-entry form and registered in the name of the Nominee, all payments of principal of, redemption premium, if any, and interest on such Bonds and all notices with respect to such Bonds shall be made and given, respectively to the Nominee, as provided in the Letter of Representations or as otherwise instructed by the Depository and agreed to by the Trustee notwithstanding any inconsistent provisions herein.

(e) Transfer of Bonds to Substitute Depository.

(i) The Bonds shall be initially issued as provided in Section 2.01 hereof. Registered ownership of such Bonds, or any portions thereof, may not thereafter be transferred except:

(A) to any successor of DTC or its nominee, or of any substitute depository designated pursuant to clause (B) of subsection (i) of this Section 2.08(e) (a “**Substitute Depository**”); provided that any successor of DTC or Substitute Depository shall be qualified under any applicable laws to provide the service proposed to be provided by it;

(B) to any Substitute Depository, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the Authority that DTC (or its successor) is no longer able to carry out its functions as depository; provided that any such Substitute Depository shall be qualified under any applicable laws to provide the services proposed to be provided by it; or

(C) to any person as provided below, upon: (1) the resignation of DTC or its successor (or any Substitute Depository or its successor) from its functions as depository; or (2) a determination by the Authority that DTC or its successor (or Substitute Depository or its successor) is no longer able to carry out its functions as depository.

(ii) In the case of any transfer pursuant to clause (A) or clause (B) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the Authority to the Trustee designating the Substitute Depository, a single new Bond, which the Authority shall prepare or cause to be prepared, shall be issued for each maturity of Bonds then Outstanding, registered in the name of such successor or such Substitute Depository or their Nominees, as the case may be, all as specified in such written request of the Authority. In the case of any transfer pursuant to clause (C) of subsection (i) of this Section 2.08(e), upon receipt of all Outstanding Bonds by the Trustee, together with a written request of the Authority to the Trustee, new Bonds, which the Authority shall prepare or cause to be prepared, shall be issued in such denominations and registered in the names of such persons as are requested in such written request of the Authority, subject to the limitations of Section 2.01 hereof, provided that the Trustee shall not be required to deliver such new Bonds within a period of less than sixty (60) days from the date of receipt of such written request from the Authority.

(iii) In the case of a partial redemption or an advance refunding of any Bonds evidencing a portion of the principal maturing in a particular year, DTC or its successor (or any Substitute Depository or its successor) shall make an appropriate notation on such Bonds indicating the date and amounts of such reduction in principal, in form acceptable to the Trustee, all in accordance with the Letter of Representations. The Trustee shall not be liable for such

Depository's failure to make such notations or errors in making such notations and the records of the Trustee as to the outstanding principal amount of such Bonds shall be controlling.

(iv) The Authority and the Trustee shall be entitled to treat the person in whose name any Bond is registered as the Owner thereof for all purposes of the Indenture and any applicable laws, notwithstanding any notice to the contrary received by the Trustee or the Authority; and the Authority and the Trustee shall not have responsibility for transmitting payments to, communicating with, notifying, or otherwise dealing with any beneficial owners of the Bonds. Neither the Authority nor the Trustee shall have any responsibility or obligation, legal or otherwise, to any such beneficial owners or to any other party, including DTC or its successor (or Substitute Depository or its successor), except to the Owner of any Bonds, and the Trustee may rely conclusively on its records as to the identity of the Owners of the Bonds.

ARTICLE III

ISSUANCE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of the Bonds. At any time after the execution of the Indenture, the Authority may execute and the Trustee shall authenticate and, upon Request of the Authority, deliver the Bonds in the aggregate principal amount of \$_____.

Section 3.02. Application of Proceeds of the Bonds. The proceeds received by the Trustee from the sale of the Bonds shall be deposited in trust with the Trustee, who shall apply such proceeds as follows pursuant to a Direction of the Authority or the District:

(a) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.

(b) The Trustee shall deposit the amount of \$_____ in the Acquisition Fund to finance a portion of the costs of the 2026 Project.

(c) The Trustee shall deposit the amount of \$_____ in the Interest Account to pay the interest on a portion of the Bonds through _____.

The Trustee may establish temporary funds or accounts in its records to facilitate and record the above transfer of proceeds.

Section 3.03. Establishment and Application of Costs of Issuance Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Costs of Issuance Fund." The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance upon submission of Requisitions of the Authority stating the person to whom payment is to be made, the amount to be paid, the purpose for which the obligation was incurred, that such payment is a proper charge against said fund and that payment for such charge has not previously been made. On the six month anniversary of the Closing Date, or upon the earlier Request of the Authority, all amounts remaining in the Costs of Issuance Fund shall be deposited in the Interest Account and the Costs of Issuance Fund shall be closed.

Section 3.04. Acquisition Fund. The Trustee shall establish, maintain and hold in trust a separate fund designated as the "Acquisition Fund." The moneys in the Acquisition Fund shall be

held by the Trustee in trust and applied to the payment of the costs of acquisition and construction of the 2026 Project and of expenses incidental thereto.

Before any payment is made from the Acquisition Fund by the Trustee, the General Manager or Administrative Services Manager, acting as agent of the Authority, shall cause to be filed with the Trustee a certificate of the District in the form set forth in Exhibit D to the Installment Purchase Agreement.

Upon receipt of each such certificate, on which the Trustee is entitled to rely conclusively, without investigation, the Trustee will pay the amount that is set forth in such certificate as directed by the terms thereof or disburse funds to the District for such payment as directed by the District in such certificate. The Trustee need not make any such payment if it has received notice of any lien, right to lien, attachment upon or claim affecting the right to receive payment of any of the moneys to be so paid, which has not been released or will not be released simultaneously with such payment.

When the 2026 Project shall have been constructed and acquired in accordance with the Installment Purchase Agreement, a statement of the District stating the fact and date of such acquisition, construction and acceptance and stating that all of such costs of acquisition and incidental expenses have been determined and paid (or that all of such costs and expenses have been paid less specified claims which are subject to dispute and for which a retention in the Acquisition Fund is to be maintained in the full amount of such claims until such dispute is resolved), shall be delivered to the Trustee by the General Manager or Administrative Services Manager. Upon the receipt of such statement, the Trustee shall deposit any remaining balance in the Acquisition Fund which is not needed for Acquisition Fund purposes (but less the amount of any such retention, which amount shall be certified to the Trustee by the General Manager or Administrative Services Manager) into the 2026A Bond Payment Fund for payment of Bonds in accordance herewith.

Section 3.05. Validity of Bonds. The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority, the District or the Trustee with respect to or in connection with the Installment Purchase Agreement. The recital contained in the Bonds that the same are issued pursuant to the Constitution and laws of the State shall be conclusive evidence of the validity and of compliance with the provisions of law in their issuance.

ARTICLE IV

REDEMPTION OF BONDS

Section 4.01. Terms of Redemption.

(a) The Bonds with stated maturities on or before April 1, ____, are not subject to redemption prior to their respective stated maturities. The Bonds with stated maturities on or after April 1, ____, are subject to redemption prior to their respective stated maturities, as a whole or in part, as directed by the Authority in a request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) and by lot within each maturity in integral multiples of \$5,000, on April 1, ____ or any date thereafter at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

Section 4.02. Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds for redemption as a whole or in part on any date as directed by the Authority and by lot within each maturity in integral multiples of \$5,000 in accordance with Section 4.01 hereof. The Trustee will promptly notify the Authority in writing of the numbers of the Bonds or portions thereof so selected for redemption.

Section 4.03. Notice of Redemption. Notice of redemption shall be mailed by first class mail not less than twenty (20) days nor more than sixty (60) days before any Redemption Date, to the respective Owners of any Bonds that are designated for redemption at their addresses appearing on the Registration Books, to the Securities Depositories and the Information Services. Each notice of redemption shall state the date of notice, the redemption date, the place or places of redemption and the Redemption Price, and shall designate the maturities, CUSIP numbers, if any, and, in the case of Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice shall also state that on the redemption date there will become due and payable on each of said Bonds or parts thereof that are designated for redemption the Redemption Price thereof or of said specified portion of the principal thereof in the case of a Bond to be redeemed in part only, together with interest accrued thereon to the redemption date, and that (provided that moneys for redemption have been deposited with the Trustee) from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered to the Trustee. Neither the failure to receive such notice nor any defect in the notice or the mailing thereof will affect the validity of the redemption of any Bond. Notice of redemption of Bonds shall be given by the Trustee, at the expense of the Authority, for and on behalf of the Authority.

With respect to any notice of optional redemption of Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee on or prior to the date fixed for such redemption of moneys that are sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed and that, if such moneys shall not have been so received, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds. In the event that such notice of redemption contains such a condition and such moneys are not so received, the redemption shall not be made, and the Trustee shall within a reasonable time thereafter give notice, in the manner in which the notice of redemption was given, that such moneys were not so received.

If any bonds are redeemed pursuant to Section 4.01(a) the Authority will provide the Trustee with a revised schedule of mandatory sinking fund redemptions.

Section 4.04. Partial Redemption of Bonds. Upon surrender of any Bond redeemed in part only, the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered and of the same series, interest rate and maturity.

Section 4.05. Effect of Redemption. Notice of redemption having been duly given as aforesaid, and moneys for payment of the redemption price of, together with interest accrued to the date fixed for redemption on, the Bonds (or portions thereof) so called for redemption being held by the Trustee, on the redemption date designated in such notice, the Bonds (or portions thereof) so called for redemption shall become due and payable, interest on the Bonds so called for redemption shall cease to accrue, said Bonds (or portions thereof) shall cease to be entitled to any benefit or security under the Indenture, and the Owners of said Bonds shall have no rights in respect thereof

except to receive payment of the redemption price thereof. The Trustee shall, upon surrender for payment of any of the Bonds to be redeemed on their Redemption Dates, pay such Bonds at the Redemption Price.

All Bonds redeemed pursuant to the provisions of this Article shall be canceled upon surrender thereof.

ARTICLE V

REVENUES, FUNDS AND ACCOUNTS; PAYMENT OF PRINCIPAL AND INTEREST

Section 5.01. Pledge and Assignment; 2026A Bond Payment Fund.

(a) All of the Authority Revenues and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account that is established pursuant to the Indenture (except the Rebate Fund) are hereby irrevocably pledged to secure the payment of the principal of and interest, and the premium, if any, on the Bonds in accordance with their terms and the provisions of the Indenture. Said pledge shall constitute a lien on and security interest in such amounts and shall attach, be perfected and be valid and binding from and after the Closing Date, without any physical delivery thereof or further act and shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the Authority, irrespective of whether such parties have notice hereof.

(b) The Authority, for good and valuable consideration in hand received, does hereby irrevocably assign and transfer to the Trustee without recourse, for the benefit of the Owners of the Bonds as set forth herein, all of its rights, title, and interest in all Series 2026 Installment Payments payable by the District pursuant to the Installment Purchase Agreement, including all rights of the Authority thereunder as may be necessary to enforce compliance with said provisions (including enforcement of payment obligations and rate covenants, if any, contained in the Installment Purchase Agreement, or otherwise to protect the interest of the Owners of the Bonds). Such assignment shall be subject to and limited by the terms of the Indenture.

(c) There is hereby established with the Trustee the 2026A Bond Payment Fund, which the Trustee covenants to maintain and hold in trust separate and apart from other funds held by it so long as any Series 2026 Installment Payments remain unpaid. Except as directed in Sections 5.06 and 5.08, all Authority Revenues shall be promptly deposited by the Trustee upon receipt thereof into the 2026A Bond Payment Fund; except that all moneys received by the Trustee and required hereunder to be deposited in the Redemption Fund shall be promptly deposited therein. All Authority Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in the Indenture. The Trustee shall also create and maintain an Interest Account and a Principal Account within the 2026A Bond Payment Fund.

Section 5.02. Allocation of Authority Revenues. The Trustee shall transfer from the 2026A Bond Payment Fund and deposit into the following respective accounts the following amounts in the following order of priority and at the following times, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Authority Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) Not later than the day preceding each date on which the interest on the Bonds shall become due and payable hereunder, the Trustee shall deposit in the Interest Account that sum, if any, required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such date on all Bonds then Outstanding.

(b) Not later than the day preceding each date on which the principal of the Bonds shall become due and payable hereunder, the Trustee shall deposit in the Principal Account that sum, if any, required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such date or subject to mandatory sinking fund redemption on such date.

Section 5.03. Application of Interest Account. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or accelerated prior to maturity pursuant to the Indenture).

Section 5.04. Application of Principal Account. All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at maturity, mandatory sinking fund redemption, purchase or acceleration; provided, however, that at any time prior to selection for redemption of any such Bonds, upon written direction of the Authority, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Section 5.05. Application of Redemption Fund. There is hereby established with the Trustee, when needed, a special fund designated as the “Redemption Fund.” All amounts in the Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of and accrued interest on the Bonds to be redeemed on any Redemption Date pursuant to Section 4.01(a); provided, however, that at any time prior to selection for redemption of any such Bonds, upon written direction of the Authority, the Trustee shall apply such amounts to the purchase of Bonds at public or private sale, as and when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed pursuant to a Request of the Authority, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds.

Section 5.06. Investments. All moneys in any of the funds or accounts that are established with the Trustee pursuant to the Indenture shall be invested by the Trustee solely in Permitted Investments, which will, as nearly as practicable, mature on or before the dates when such moneys are anticipated to be needed for disbursement. Such investments shall be directed by the Authority pursuant to a Request of the Authority filed with the Trustee at least two (2) Business Days in advance of the making of such investments (which directions shall be promptly confirmed to the Trustee in writing). In the absence of any such directions from the Authority, the Trustee shall invest any such moneys in Permitted Investments that are described in clause (B)(5) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a written direction from the District specifying a specific money market fund and, if no such written direction from the

District is so received, the Trustee shall hold such moneys uninvested. Obligations purchased as an investment of moneys in any fund shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder (except for interest or gain derived from the Permitted Investment described in clause (B)(8) of the definition thereof, which shall be retained in such Permitted Investment) shall be deposited in the Interest Account unless otherwise provided in the Indenture. For purposes of acquiring any investments hereunder, the Trustee may commingle funds (other than the Rebate Fund) held by it hereunder upon the Request of the Authority. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 5.06.

The Trustee shall furnish the Authority with periodic cash transaction statements which include detail for all investment transactions that are effected by the Trustee or brokers that are selected by the Authority. Upon the Authority's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Authority waives the right to receive brokerage confirmations of security transactions that are effected by the Trustee as they occur, to the extent permitted by law. The Authority further understands that trade confirmations for securities transactions that are effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee under the Indenture.

The Authority shall invest, or cause to be invested, all moneys in any fund or accounts established with the Trustee as provided in the Tax Certificate.

For investment purposes, the Trustee may commingle the funds and accounts that are established hereunder, but shall account for each separately. In making any valuations of investments hereunder, the Trustee may utilize and rely on computerized securities pricing services that may be available to the Trustee, including those that are available through the Trustee's accounting system.

Section 5.07. Rebate Fund.

(a) Establishment. The Trustee shall establish a separate fund designated the "Rebate Fund" when required in accordance herewith. Absent an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Bonds will not be adversely affected, the Authority shall cause to be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to this Section and the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust for payment to the United States Treasury. All amounts on deposit in the Rebate Fund for the Bonds shall be governed by this Section and the Tax Certificate for the Bonds, unless and to the extent that the Authority delivers to the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest with respect to the Bonds will not be adversely affected, if such requirements are not satisfied. Notwithstanding anything to the contrary herein or in the Tax Certificate, the Trustee: (i) shall be deemed conclusively to have complied with the provisions

thereof if it follows all Requests of the Authority; (ii) shall have no liability or responsibility to enforce compliance by the Authority with the terms of the Tax Certificate; (iii) may rely conclusively on the Authority's calculations and determinations and certifications relating to rebate matters; and (iv) shall have no responsibility to independently make any calculations or determinations or to review the Authority's calculations or determinations thereunder.

(i) Annual Computation. Within 55 days of the end of each Bond Year (as such term is defined in the Tax Certificate), the Authority shall calculate or cause to be calculated the amount of rebatable arbitrage, in accordance with Section 148(f)(2) of the Code and Section 1.148-3 of the Treasury Regulations (taking into account any applicable exceptions with respect to the computation of the rebatable arbitrage, described, if applicable, in the Tax Certificate (e.g., the temporary investments exceptions of Section 148(f)(4)(B) and the construction expenditures exception of Section 148(f)(4)(C) of the Code), and taking into account whether the election pursuant to Section 148(f)(4)(C)(vii) of the Code (the "1½% Penalty") has been made), for this purpose treating the last day of the applicable Bond Year as a computation date, within the meaning of Section 1.148-1(b) of the Treasury Regulations (the "**Rebatable Arbitrage**"). The Authority shall obtain expert advice as to the amount of the Rebatable Arbitrage to comply with this Section.

(ii) Annual Transfer. Within 55 days of the end of each Bond Year, upon the written Request of the Authority, an amount shall be deposited to the Rebate Fund by the Trustee from any Authority Revenues legally available for such purpose (as specified by the Authority in the aforesaid written Request), if and to the extent required so that the balance in the Rebate Fund shall equal the amount of Rebatable Arbitrage so calculated in accordance with clause (i) of this subsection (a). In the event that immediately following the transfer required by the previous sentence, the amount then on deposit to the credit of the Rebate Fund exceeds the amount required to be on deposit therein, upon written Request of the Authority, the Trustee shall withdraw the excess from the Rebate Fund and then credit the excess to the 2026A Bond Payment Fund.

(iii) Payment to the Treasury. The Trustee shall pay, as directed by Request of the Authority, to the United States Treasury, out of amounts in the Rebate Fund:

(A) Not later than 60 days after the end of: (X) the fifth Bond Year; and (Y) each applicable fifth Bond Year thereafter, an amount equal to at least 90% of the Rebatable Arbitrage calculated as of the end of such Bond Year; and

(B) Not later than 60 days after the payment of all of the Bonds, an amount equal to 100% of the Rebatable Arbitrage calculated as of the end of such applicable Bond Year, and any income attributable to the Rebatable Arbitrage, computed in accordance with Section 148(f) of the Code and Section 1.148-3 of the Treasury Regulations.

In the event that, prior to the time of any payment required to be made from the Rebate Fund, the amount in the Rebate Fund is not sufficient to make such payment when such payment is due, the Authority shall calculate or cause to be calculated the amount of such deficiency and deposit an amount received from any legally available source equal to such deficiency prior to the time such payment is due. Each payment required to be made pursuant to this subsection (a) shall be made to the Internal Revenue Service Center, Ogden, Utah 84201 on or before the date on which such payment is due, and shall be accompanied by Internal Revenue Service Form 8038-T (prepared by the Authority), or shall be made in such other manner as provided under the Code.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund after redemption and payment of the Bonds and the payments described in subsection (a) above being made may be withdrawn by the Authority and utilized in any manner by the Authority.

(c) Survival of Defeasance. Notwithstanding anything in this Section to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance or payment in full of the Bonds.

Section 5.08. Application of Funds and Accounts When No Bonds are Outstanding. On the date on which all Bonds shall be retired hereunder or provision made therefor pursuant to Article X and after payment of all amounts due the Trustee hereunder, all moneys then on deposit in any of the funds or accounts (other than the Rebate Fund) established with the Trustee pursuant to the Indenture shall be withdrawn by the Trustee and paid to the Authority for distribution in accordance with the Installment Purchase Agreement.

Section 5.09. No Reserve Fund. No reserve fund shall be established in connection with the Bonds.

ARTICLE VI

PARTICULAR COVENANTS

Section 6.01. Punctual Payment. The Authority shall punctually pay or cause to be paid the principal and interest to become due in respect of all of the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Authority Revenues and other assets pledged for such payment as provided in the Indenture.

Section 6.02. Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of the Indenture, except subject to the prior payment in full for the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of Bonds.

Section 6.03. Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrances upon the Authority Revenues and other assets pledged or assigned under the Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by the Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the JPA Agreement, and reserves the right to issue other obligations for such purposes.

Section 6.04. Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into the Indenture and to pledge and assign the Authority Revenues and other assets that are pledged and assigned under the Indenture in

the manner and to the extent that is provided in the Indenture. The Bonds and the provisions of the Indenture are and will be the legal, valid and binding special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VIII and to the extent permitted by law, defend, preserve and protect said pledge and assignment of Authority Revenues and other assets and all the rights of the Bond Owners under the Indenture against all claims and demands of all persons whomsoever.

Section 6.05. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards, in which complete and accurate entries shall be made of all transactions that are undertaken by it relating to the proceeds of Bonds, the Authority Revenues and all funds and accounts that have been established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the Authority and the District upon reasonable prior notice during business hours and under reasonable circumstances.

Section 6.06. Tax Covenants. Notwithstanding any other provision of the Indenture or the Installment Purchase Agreement, absent an opinion of Bond Counsel that the exclusion from gross income of the interest on the Bonds will not be adversely affected for federal income tax purposes, the Authority covenants to comply with all applicable requirements of the Code that are necessary to preserve such exclusion from gross income with respect to the Bonds and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Authority will take no action or refrain from taking any action, and the Authority will make no use of the proceeds of the Bonds or of any other moneys or property, which would cause the Bonds to be “private activity bonds” within the meaning of Section 141 of the Code;

(b) Arbitrage. The Authority will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, and the Authority will not take any action or refrain from taking any action, which will cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code;

(c) Federal Guarantee. The Authority will make no use of the proceeds of the Bonds, and the Authority will not take or omit to take any action, that would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code;

(d) Information Reporting. The Authority will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code which is necessary to preserve the exclusion of interest on the Bonds pursuant to Section 103(a) of the Code;

(e) Hedge Bonds. The Authority will make no use of the proceeds of the Bonds or any other amounts or property, regardless of the source, and the Authority will not take any action or refrain from taking any action, that would cause the Bonds to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the Authority takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income of interest on the Bonds for federal income tax purposes; and

(f) Miscellaneous. The Authority will not take any action or refrain from taking any action which is inconsistent with its expectations stated in the Tax Certificate executed by the Authority in connection with the issuance of the Bonds and will comply with the covenants and requirements that are stated therein and incorporated by reference herein.

This Section and the covenants that are set forth herein shall not be applicable to, and nothing that is contained herein shall be deemed to prevent the Authority from issuing revenue bonds or executing and delivering contracts that are payable on a parity with the Bonds, the interest with respect to which has been determined to be subject to federal income taxation.

Section 6.07. Payments Under Installment Purchase Agreement. The Authority shall promptly collect all Series 2026 Installment Payments due from the District pursuant to the Installment Purchase Agreement and, subject to the provisions of Article VIII, shall enforce and take all steps, actions and proceedings which the Authority or the Trustee determines to be reasonably necessary for the enforcement of all of the obligations of the District thereunder.

The Authority shall not enter into any amendments to the Installment Purchase Agreement except as permitted therein. The Trustee shall give written consent only if: (a) such amendment, modification or termination will not materially adversely affect the interests of the Bond Owners; or (b) the Trustee first obtains the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding to such amendment, modification or termination.

Section 6.08. Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in the Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Section 6.09. Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in the Indenture.

Section 6.10. Eminent Domain. If all or any part of the Wastewater System shall be taken by eminent domain proceedings (or sold to a government entity that is threatening to exercise the power of eminent domain), the Net Proceeds therefrom shall be applied in the manner that is specified in Section 6.16 of the Installment Purchase Agreement.

Section 6.11. Interest Rate Exchange. The Authority shall not enter into any interest rate exchange agreement or any other interest rate maintenance agreement secured by and payable from the Trust Estate.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 7.01. Events of Default. The following events shall be Events of Default hereunder:

(a) Default by the Authority in the due and punctual payment of the principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by acceleration, or otherwise.

(b) Default by the Authority in the due and punctual payment of any installment of interest on any Bonds when and as the same shall become due and payable.

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof specifying such default and requiring the same to be remedied shall have been given to the Authority by the Trustee or by the Owners of not less than a majority in aggregate principal amount of Bonds Outstanding; provided, however, that if in the reasonable opinion of the Authority the default stated in the notice can be corrected, but not within such sixty (60) day period, and corrective action is instituted by the Authority within such sixty (60) day period and diligently pursued in good faith until the default is corrected, such default shall not be an Event of Default hereunder.

(d) The Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

Section 7.02. Remedies Upon Event of Default. If any Event of Default shall occur, then, and in each and every such case during the continuance of such Event of Default, the Trustee may, at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, shall, in each case, upon notice in writing to the Authority and the District, declare the principal of all of the Bonds then Outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable, anything in the Indenture or in the Bonds contained to the contrary notwithstanding.

Nothing contained in the Indenture shall permit or require the Trustee or the Authority to accelerate payments due under the Installment Purchase Agreement if the District, which is a party to such Installment Purchase Agreement, is not in default of its obligation thereunder.

Any such declaration is subject to the condition that if, at any time after such declaration, but before any judgment or decree for the payment of the moneys due shall have been obtained or entered, the Authority or the District shall deposit with the Trustee an amount that is sufficient to pay all the principal of and installments of interest on the Bonds the payment of which is overdue, with interest on such overdue principal at the rate borne by the respective Bonds to the extent permitted by law, and the reasonable charges and expenses of the Trustee, and any and all other Events of Default known to the Trustee (other than in the payment of principal of and interest on the Bonds that is due and payable solely by reason of such declaration) shall have been made good or cured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall have been made therefor, then, and in every such case the Trustee shall on behalf of the Owners of all of the Bonds,

rescind and annul such declaration and its consequences and waive such Event of Default; but no such rescission and annulment shall extend to or affect any subsequent Event of Default or impair or exhaust any right or power consequent thereon.

Section 7.03. Application of Authority Revenues and Other Funds After Default. If an Event of Default shall occur and be continuing, all Authority Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture (other than amounts held in the Rebate Fund) shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses that are necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and to the payment of reasonable fees and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture; and

(b) To the payment of the principal of and interest then due on the Bonds (upon presentation of the Bonds to be paid, and stamping or otherwise noting thereon of the payment if only partially paid, or surrender thereof if fully paid) in accordance with the provisions of the Indenture, in the following order of priority:

First: To the payment to the persons that are entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount that is available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the persons entitled thereto of the unpaid principal of any Bonds which have become due, whether at maturity or by acceleration or redemption, with interest on the overdue principal at the rate borne by the respective Bonds (to the extent permitted by law), and, if the amount available is not sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

Section 7.04. Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney in fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to such Owners under the provisions of the Bonds or the Indenture and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee or in such Owners under the Bonds or the Indenture or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Authority Revenues and other assets pledged under the Indenture, pending such proceedings. All

rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of all the Owners of such Bonds, subject to the provisions of the Indenture.

Section 7.05. Bond Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing that are executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction to direct the method of conduct in all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners who are not parties to such direction.

Section 7.06. Suit by Owners. No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Installment Purchase Agreement, the JPA Agreement or any other applicable law with respect to such Bonds, unless: (a) such Owners shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) such Owner or Owners shall have tendered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; (d) the Trustee shall have failed to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee; and (e) no direction which is inconsistent with such written request shall have been given to the Trustee during such sixty (60) day period by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by their action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners of Bonds, or to enforce any right under the Bonds, the Indenture, the Installment Purchase Agreement, the JPA Agreement or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Bonds, subject to the provisions of the Indenture.

Section 7.07. Absolute Obligation of the Authority. Nothing in this Section or in any other provision of the Indenture or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners of the Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Authority Revenues and other assets herein pledged therefor, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

Section 7.08. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.09. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or an acquiescence therein.

ARTICLE VIII

THE TRUSTEE

Section 8.01. Duties, Immunities and Liabilities of Trustee.

(a) The Trustee shall, prior to an Event of Default, and after the curing of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in the Indenture, and no implied covenants or duties shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured), exercise such of the rights and powers vested in it by the Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Authority may remove the Trustee at any time, unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee. The Authority shall promptly appoint a successor Trustee by an instrument in writing.

(c) The Trustee may at any time resign by giving written notice of such resignation to the Authority and by giving the Bond Owners notice of such resignation by mail at the addresses shown on the Registration Books. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing.

(d) Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee. If no successor Trustee shall have been appointed and have accepted appointment within forty-five (45) days of giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee that is appointed under the Indenture shall signify its acceptance of such appointment by executing and

delivering to the Authority and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Request of the Authority or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all of the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property that is subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Authority shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Authority shall mail or cause the successor trustee to mail a notice of the succession of such Trustee to the trusts hereunder to each rating agency which is then rating the Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Authority fails to mail such notice within fifteen (15) days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Authority.

(e) Any Trustee that is appointed under the provisions of this Section in succession to the Trustee shall be a trust company, banking association or bank having the powers of a trust company, having a combined capital and surplus of at least Seventy Five Million Dollars (\$75,000,000), and subject to supervision or examination for federal or state authority. If such bank, banking association or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority that is referred to above, then for the purpose of this subsection, the combined capital and surplus of such trust company, banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any trust company, banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated, any trust company, banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such trust company, banking association or bank shall be eligible under Section 8.01(e), shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee.

(a) The recitals of facts herein and in the Bonds shall be taken as statements of the Authority, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of the Indenture, any security interest or lien created under the Indenture, the Bonds or the Installment Purchase Agreement, nor shall the Trustee incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The

Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment that is made in good faith by a Responsible Officer of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority (or such other percentage provided for herein) in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture.

(d) The Trustee shall not be liable for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture.

(e) The Trustee shall not be deemed to have knowledge of any default or Event of Default hereunder or under the Installment Purchase Agreement or any other event which, with the passage of time, the giving of notice, or both, would constitute an Event of Default hereunder or under the Installment Purchase Agreement unless and until a Responsible Officer of the Trustee shall have actual knowledge of such event or the Trustee shall have been notified in writing, in accordance with Section 11.07, of such event by the Authority or the Owners of not less than twenty-five percent (25%) of the Bonds then Outstanding. Except as otherwise expressly provided herein, the Trustee shall not be bound to ascertain or inquire as to the performance or observance by the Authority or the District of any of the terms, conditions, covenants or agreements herein, or under the Installment Purchase Agreement, of any of the documents executed in connection with the Bonds or as to the existence of an Event of Default thereunder or an event which would, with the giving of notice, the passage of time, or both, constitute an Event of Default thereunder. The Trustee shall not be responsible for the validity, effectiveness or priority of any collateral that is given to or held by it.

(f) No provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of its duties hereunder, or in the exercise of any of its rights or powers.

(g) The Trustee shall be under no obligation to exercise any of the rights or powers that are vested in it by the Indenture at the request or direction of Owners pursuant to the Indenture unless such Owners shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction. No permissive power, right or remedy that is conferred upon the Trustee hereunder shall be construed to impose a duty to exercise such power, right or remedy.

(h) Whether or not herein expressly so provided, every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article VIII.

(i) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(j) The immunities that are extended to the Trustee also extend to its directors, officers, employees and agents.

(k) The Trustee may execute any of the trusts or powers of the Indenture and perform any of its duties through attorneys, agents and receivers and shall not be answerable for the conduct of the same if appointed by it with reasonable care.

(l) The Trustee shall not be considered in breach of or in default in its obligations hereunder or progress in respect thereto in the event of enforced delay in the performance of such obligations due to unforeseeable causes beyond its control and without its fault or negligence, including, but not limited to, acts of God or of the public enemy or terrorists, acts of a government, acts of the other party, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, earthquakes, explosions, mob violence, riots, inability to procure or general sabotage or rationing of labor, equipment, facilities, sources of energy, material or supplies in the open market, litigation or arbitration involving a party or others relating to zoning or other governmental action or inaction pertaining to the 2026 Project, malicious mischief, condemnation and unusually severe weather or delays of suppliers or subcontractors due to such causes or any similar event and/or occurrences beyond the control of the Trustee.

(m) The Trustee agrees to accept and act upon instructions or directions pursuant to the Indenture sent by unsecured electronic mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, for purposes of the Indenture, an electronic mail message does not constitute a notice, request or other communication hereunder but rather the portable document format or similar attachment attached to such electronic mail message shall constitute a notice, request or other communication hereunder; and provided further that the Trustee shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Authority elects to give the Trustee electronic mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding the fact that such instructions conflict or are inconsistent with a subsequent written instruction. The Authority agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties.

(n) The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

(o) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion, notes, direction, facsimile transmission, electronic mail or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

The Trustee may treat the Owners of the Bonds appearing in the Trustee's Registration Books as the absolute owners of the Bonds for all purposes and the Trustee shall not be affected by any notice to the contrary.

Whenever in the administration of the trusts imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is specifically prescribed herein) may be deemed to be conclusively proved and established by a Certificate, Request or Requisition of the Authority, and such Certificate, Request or Requisition shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Certificate, Request or Requisition, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents that are received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject at all reasonable times to the inspection of the Authority, the District and any Bond Owner, and their agents and representatives duly authorized in writing, at reasonable hours and under reasonable conditions.

Section 8.06. Compensation and Indemnification. The Authority shall pay to the Trustee from time to time reasonable compensation for all services that are rendered under the Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture.

The Authority shall indemnify, defend and hold harmless the Trustee, its officers, employees, directors and agents from and against any loss, costs, claims, liability or expense (including fees and expenses of its attorneys and advisors) incurred without negligence or bad faith on its part, arising out of or in connection with the execution of the Indenture, acceptance or administration of this trust, including costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 8.06 shall survive removal or resignation of the Trustee hereunder or the discharge of the Bonds and the Indenture.

ARTICLE IX

MODIFICATION OR AMENDMENT OF THE INDENTURE

Section 9.01. Amendments Permitted.

(a) The Indenture and the rights and obligations of the Authority, the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental thereto, which the Authority and the Trustee may enter into when the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, exclusive of Bonds that are disqualified as provided in Section 11.09, has been filed with the Trustee. No such modification or amendment may: (1) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the rate of interest or the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected; or (2) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Authority Revenues and other assets pledged under the Indenture prior to or on a parity with the lien that is created by the Indenture except as permitted herein, or deprive the Owners of the Bonds of the lien created by the Indenture on such Authority Revenues and other assets except as permitted herein, without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice, setting forth in general terms the substance of such Supplemental Indenture, to each Rating Agency and the Owners of the Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) The Indenture and the rights and obligations of the Authority, the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such Supplemental Indenture shall not materially adversely affect the interests of the Owners of the Outstanding Bonds, including, without limitation, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the Authority contained in the Indenture other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Authority;

(2) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision, contained in the Indenture, or in regard to matters or questions arising under the Indenture, as the Authority may deem necessary or desirable;

(3) to modify, amend or supplement the Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar

federal statute hereunder in effect, and to add such other terms conditions and provisions as may be permitted by said act or similar federal statute; and

(4) to modify, amend or supplement the Indenture in such manner as to cause interest on the Bonds to remain excludable from gross income under the Code.

(c) The Trustee may in its discretion, but shall not be obligated to, enter into any such Supplemental Indenture that is authorized by subsections (a) or (b) of this Section which materially adversely affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

(d) Prior to the Trustee entering into any Supplemental Indenture hereunder, there shall be delivered to the Trustee an opinion of Bond Counsel stating, in substance, that such Supplemental Indenture has been adopted in compliance with the requirements of the Indenture and that the adoption of such Supplemental Indenture will not, in and of itself, adversely affect the exclusion of interest on the Bonds from federal income taxation and from state income taxation.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Authority, the Trustee and all Owners of Bonds Outstanding shall thereafter be determined, exercised and enforced thereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Section 9.03. Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Trustee so determines shall, bear a notation by endorsement or otherwise in form approved by the Authority and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand on the Owner of any Bonds Outstanding at the time of such execution and presentation of his or her Bonds for the purpose at the Office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the Trustee, to any modification or amendment that is contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee, and upon demand on the Owners of any Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Bonds then Outstanding, upon surrender for cancellation of such Bonds, in equal aggregate principal amount of the same maturity.

Section 9.04. Amendment of Particular Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Bonds held by such Bond Owner.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. The Bonds may be paid by the Authority in any of the following ways, provided that the Authority also pays or causes to be paid any other sums payable hereunder by the Authority:

- (a) by paying or causing to be paid the principal of and interest and redemption premiums (if any) on the Bonds, as and when the same become due and payable;
- (b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem all Bonds then Outstanding; or
- (c) by delivering to the Trustee, for cancellation by it, all of the Bonds then Outstanding.

If the Authority shall also pay or cause to be paid all other sums that are payable hereunder by the Authority, then and in that case, at the election of the Authority (as evidenced by a Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and the Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of Authority Revenues and other assets under the Indenture and all covenants, agreements and other obligations of the Authority under the Indenture shall cease, terminate, become void and be completely discharged and satisfied. In such event, upon the Request of the Authority, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over, transfer, assign or deliver all moneys or securities or other property held by it pursuant to the Indenture which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption to the Authority.

Section 10.02. Discharge of Liability on Bonds. Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount (as provided in Section 10.03) to pay or redeem any Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), provided that, if such Outstanding Bonds are to be redeemed prior to maturity, notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities that are deposited with the Trustee as aforesaid for their payment, subject however, to the provisions of Section 10.04.

The Authority may at any time surrender to the Trustee for cancellation by it any Bonds that were previously issued and delivered, which the Authority may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Section 10.03. Deposit of Money or Securities with Trustee. Whenever in the Indenture it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or

held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be:

(a) lawful money of the United States of America in an amount that is equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in Article IV or provisions satisfactory to the Trustee shall have been made for the giving of such notice, the amount to be deposited or held shall be the principal amount of such Bonds and all unpaid interest and premium, if any, thereon to the redemption date; or

(b) Federal Securities the principal of and interest on which when due will, in the written opinion of an Independent Certified Public Accountant filed with the Authority and the Trustee, provide money that is sufficient to pay the principal of and all unpaid interest to maturity, or to the redemption date (with premium, if any), as the case may be, on the Bonds to be paid or redeemed, as such principal, interest and premium, if any, become due, provided that in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article IV or provision satisfactory to the Trustee shall have been made for the giving of such notice;

provided, in each case, that: (i) the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Request of the Authority) to apply such money to the payment of such principal, interest and premium, if any, with respect to such Bonds; and (ii) the Authority shall have delivered to the Trustee an opinion of Bond Counsel addressed to the Authority and the Trustee to the effect that such Bonds have been discharged in accordance with the Indenture (which opinion may rely upon and assume the accuracy of the Independent Certified Public Accountant's opinion referred to above).

Section 10.04. Payment of Bonds After Discharge of Indenture. Notwithstanding any provisions of the Indenture, any moneys which are held by the Trustee in trust for the payment of the principal of, or interest on, any Bonds and which remain unclaimed for two (2) years after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Indenture), if such moneys were so held at such date, or two (2) years after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall be repaid to the Authority free from the trusts created by the Indenture upon receipt of an indemnification agreement that is acceptable to the Authority and the Trustee indemnifying the Trustee with respect to claims of Owners of Bonds which have not yet been paid, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Authority as aforesaid, the Trustee shall at the written direction of the Authority (at the cost of the Authority) first mail to the Owners of Bonds which have not yet been paid, at the addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Authority of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Liability of Authority Limited to Authority Revenues. Notwithstanding anything in the Indenture or the Bonds, the Authority shall not be required to advance any moneys derived from any source other than the Authority Revenues and other moneys pledged under the Indenture for any of the purposes of the Indenture, whether for the payment of the principal of or interest on the Bonds or for any other purpose of the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes hereof any funds of the Authority which may be made available to it for such purposes.

The Bonds are not a debt of the members of the Authority, the State or any of its political subdivisions (other than the Authority) and neither the members of the Authority, said State nor any of its political subdivisions (other than the Authority) is liable thereon. The District shall have no liability or obligation herein except with respect to Series 2026 Installment Payments payable under the Installment Purchase Agreement.

Each of the Authority and the Trustee covenant and agree to take such action (including, as applicable, filing of Uniform Commercial Code financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Authority Revenues under applicable law.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in the Indenture either the Authority or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all covenants and agreements in the Indenture by or on behalf of the Authority or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights to Parties and Bond Owners. Nothing in the Indenture or in the Bonds, express or implied, is intended or shall be construed to give to any person other than the Authority, the Trustee, the District and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or herein contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee, the District and the Owners of the Bonds.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in the Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person who is entitled to receive such notice, and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in the Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of Bonds. Whenever in the Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall destroy such Bonds as may be allowed by law and deliver a certificate of such destruction to the Authority.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in the Indenture or in the Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in the Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of the Indenture, and the Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Authority hereby declares that it would have entered into the Indenture and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of the Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any notice to or demand upon the Authority or the Trustee shall be deemed to have been sufficiently given or served for all purposes by being sent by facsimile or by being deposited, first class mail, postage prepaid, in a post office letter box, addressed, as the case may be, to the Authority, c/o the Las Gallinas Valley Sanitary District, 300 Smith Ranch Road, San Rafael, California 94903, Attention: General Manager (or such other address as may have been filed in writing by the Authority with the Trustee), or to the Trustee at its Office by first class mail. Notwithstanding the foregoing provisions of this Section 11.07, the Trustee shall not be deemed to have received, and shall not be liable for failing to act upon the contents of, any notice unless and until the Trustee actually receives such notice.

Section 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument that is required or permitted by the Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any person of Bonds transferable by delivery, shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Trustee and the Authority if made in the manner provided in this Section.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The Ownership of Bonds shall be proved by the Registration Books. Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in accordance therewith or reliance thereon.

Section 11.09. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, Bonds which are known by the Trustee to be owned or held by or for the account of the Authority, or by any other obligor on the Bonds, or by any person that is directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the

purpose of any such determination. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a person that is directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request, the Authority shall certify to the Trustee those Bonds that are disqualified pursuant to this Section 11.09 and the Trustee may conclusively rely on such certificate.

Section 11.10. Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of registered Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Bonds entitled thereto, subject, however, to the provisions of Section 10.04 hereof, but without any liability for interest thereon.

Section 11.11. Funds and Accounts. Any fund or account that is required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.05 and for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 11.12. Waiver of Personal Liability. No member, officer, agent, employee, consultant or attorney of the Authority or the District shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such member, officer, agent, employee, consultant or attorney from the performance of any official duty provided by law or by the Indenture.

Section 11.13. Execution in Several Counterparts. The Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 11.14. CUSIP Numbers. Neither the Trustee nor the Authority shall be liable for any defect or inaccuracy in the CUSIP number that appears on any Bond or in any redemption notice. The Trustee may, in its discretion, include in any redemption notice a statement to the effect that the CUSIP numbers on the Bonds have been assigned by an independent service and are included in such notice solely for the convenience of the Bondholders and that neither the Authority nor the Trustee shall be liable for any inaccuracies in such numbers.

Section 11.15. Choice of Law. THE INDENTURE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA.

Section 11.16. Notice to Rating Agencies. The Trustee shall provide any rating agency rating the Bonds with written notice of each amendment to the Indenture and a copy thereof at least 15 days in advance of its execution.

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IN WITNESS WHEREOF, the Authority has caused the Indenture to be signed in its name by its Executive Director and attested by its Secretary, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused the Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

MARIN PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

ATTEST:

Secretary

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION, as Trustee

By: _____

Authorized Officer

EXHIBIT A

FORM OF BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

No. _____

\$ _____

UNITED STATES OF AMERICA
STATE OF CALIFORNIA

MARIN PUBLIC FINANCING AUTHORITY
WASTEWATER REVENUE BOND, SERIES 2026A

| | | | |
|---------------|---------------|---------------------|-------|
| INTEREST RATE | MATURITY DATE | ORIGINAL ISSUE DATE | CUSIP |
| _____ % | April 1, 20__ | _____, 2026 | _____ |

REGISTERED OWNER CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS

The MARIN PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency that is duly organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay to the Registered Owner specified above or registered assigns (the "Registered Owner"), on the Maturity Date specified above (subject to any right of prior redemption hereinafter provided for), the Principal Amount specified above, in lawful money of the United States of America, and to pay interest thereon in like lawful money from the interest payment date next preceding the date of authentication of this Bond (unless: (i) this Bond is authenticated after the fifteenth day of the calendar month preceding an interest payment date, whether or not such day is a business day, and on or before the following interest payment date, in which event it shall bear interest from such interest payment date; or (ii) this Bond is authenticated on or before March 15, 2026, in which event it shall bear interest from the Original Issue Date identified above; provided, however, that if as of the date of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the interest payment date to which interest has previously been paid or made available for payment on this Bond), at the Interest Rate per annum specified above, payable semiannually on April 1 and October 1 in each year, commencing October 1, 2026, calculated on the basis of a 360 day year composed of twelve 30 day months. Principal hereof and premium, if any,

upon early redemption hereof are payable by check of the Trustee upon presentation and surrender hereof at the Office (as defined in the hereinafter described Indenture) of U.S. Bank Trust Company, National Association, as successor trustee (the "Trustee"). Interest hereon is payable by check of the Trustee sent by first class mail on the applicable interest payment date to the Registered Owner hereof at the Registered Owner's address as it appears on the registration books of the Trustee as of the close of business on the fifteenth day of the month preceding each interest payment date (except that in the case of a registered owner of one million dollars (\$1,000,000) or more in principal amount, such payment may, at such registered owner's option, be made by wire transfer of immediately available funds to an account in the United States in accordance with written instructions provided to the Trustee by such registered owner prior to the fifteenth (15th) day of the month preceding such interest payment date).

This Bond is not a debt of the members of the Authority, the State of California, or any of its political subdivisions (other than the Authority), and neither the members of the Authority or said State, nor any of its political subdivisions (other than the Authority), is liable hereon, nor in any event shall this Bond be payable out of any funds or properties of the Authority other than the Authority Revenues (as such term is defined in the Indenture of Trust, dated as of _____ 1, 2026 (the "Indenture"), by and between the Authority and the Trustee) and other moneys pledged therefor under the Indenture. The obligation of the Las Gallinas Valley Sanitary District (the "District") to make payments in accordance with the Installment Purchase Agreement (as such term is defined in the Indenture) is a limited obligation of the District as set forth in the Installment Purchase Agreement and the District shall have no liability or obligation in connection herewith except with respect to such Series 2026 Installment Payments to be made pursuant to the Installment Purchase Agreement. The Bonds do not constitute an indebtedness of the Authority in contravention of any constitutional or statutory debt limitation or restriction.

This Bond is one of a duly authorized issue of bonds of the Authority designated as the "Marin Public Financing Authority Wastewater Revenue Bonds, Series 2026A" (the "Bonds"), of an aggregate principal amount of _____ Thousand Dollars (\$ _____), all of like tenor and date (except for such variation, if any, as may be required to designate varying series, numbers or interest rates) and all issued pursuant to the provisions of the Joint Exercise of Powers Agreement, dated January 24, 2017, by and between the District and the Sausalito-Marin City Sanitary District, a public body, corporate and politic, duly organized and existing under the laws of the State, as amended from time to time (the "JPA Agreement") and the laws of the State of California and pursuant to the Indenture and the resolution authorizing the issuance of the Bonds. Reference is hereby made to the Indenture (copies of which are on file at the office of the Authority) and all supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Authority Revenues, and the rights thereunder of the Owners of the Bonds and the rights, duties and immunities of the Trustee and the rights and obligations of the Authority hereunder, to all of the provisions of which the Registered Owner of this Bond, by acceptance hereof, assents and agrees. The Bonds have been issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof.

The Bonds have been issued by the Authority to finance certain public capital improvements and related costs, as more fully described in the Indenture.

This Bond and the interest, premium, if any, hereon and all other Bonds and the interest and premium, if any, thereon (to the extent set forth in the Indenture) are special obligations of the Authority, and are payable from, and are secured by a pledge and lien on the Authority Revenues,

including all Series 2026 Installment Payments received from the District by the Authority or the Trustee, and any other amounts on deposit in certain funds and accounts created under the Indenture. As and to the extent set forth in the Indenture, all of the Authority Revenues are exclusively and irrevocably pledged in accordance with the terms hereof and the provisions of the Indenture, to the payment of the principal of and interest and premium (if any) on the Bonds.

The Indenture and the rights and obligations of the Authority and the Owners of the Bonds and the Trustee may be modified or amended from time to time and at any time with the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, exclusive of Bonds disqualified as set forth in the Indenture, in the manner, to the extent and upon the terms provided in the Indenture, but no such modification or amendment may: (i) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof or premium (if any) thereon, or extend the time of payment, or change the method of computing the rate of interest thereon, or extend the time of payment of interest thereon, without the consent of the owner of each Bond so affected; or (ii) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to affect any such modification or amendment, or permit the creation of any lien on the Authority Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture except as permitted in the Indenture, or deprive the Owners of the Bonds of the lien created by the Indenture on such Authority Revenues and other assets, except as expressly provided in the Indenture, without the consent of the Owners of all of the Bonds then Outstanding.

The Indenture and the rights and obligations of the Authority, the Trustee and the Owners of the Bonds may also be modified or amended for certain purposes described more fully in the Indenture at any time in the manner, to the extent and upon the terms provided in the Indenture by a supplemental indenture, which the Authority and the Trustee may enter into without the consent of any Bond Owners, if the Trustee shall receive an opinion of Bond Counsel to the effect that the provisions of such supplemental indenture will not materially adversely affect the interests of the Owners of the Outstanding Bonds.

The Bonds with stated maturities on or before April 1, _____, are not subject to redemption prior to their respective stated maturities. The Bonds with stated maturities on or after April 1, _____, are subject to redemption prior to their respective stated maturities, as a whole or in part, as directed by the Authority in a request provided to the Trustee at least 35 days (or such lesser number of days acceptable to the Trustee in the sole discretion of the Trustee, such notice for the convenience of the Trustee) and by lot within each maturity in integral multiples of \$5,000, on April 1, _____ or any date thereafter at a redemption price equal to 100% of the principal amount of the Bonds to be redeemed, together with accrued interest to the date fixed for redemption, without premium.

As provided in the Indenture, notice of redemption shall be mailed by the Trustee by first class mail not less than twenty (20) days nor more than sixty (60) days prior to the redemption date to the respective Owners of any Bonds designated for redemption at their addresses appearing on the registration books of the Trustee, but neither the failure to receive such notice nor any defect in the notice or the mailing thereof shall affect the validity of the proceedings for redemption or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

If an Event of Default, as defined in the Indenture, shall occur, the principal of all of the Bonds and the interest accrued thereon may be declared due and payable upon the conditions, in the manner and with the effect provided in the Indenture, but such declaration and its consequences may be rescinded and annulled as further provided in the Indenture.

This Bond is transferable by the Registered Owner hereof, in person or by his or her duly authorized attorney in writing, at said office of the Trustee but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon registration of such transfer, a new Bond or Bonds of the same series, of authorized denomination or denominations, for the same aggregate principal amount of the same maturity will be issued to the transferee in exchange therefor.

Bonds may be exchanged at said office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations of the same series and same maturity, but only in the manner, subject to the limitations and upon payment of the taxes and charges provided in the Indenture.

The Trustee shall not be required to register the transfer or exchange of any Bond during the period in which the Trustee is selecting Bonds for redemption or any Bond that has been selected for redemption.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary.

It is hereby certified that all of the things, conditions and acts that are required to exist, to have happened or to have been performed precedent to and in the issuance of this Bond do exist, have happened or have been performed in due and regular time, form and manner as required by the JPA Agreement, and the laws of the State of California and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit under any laws of the State of California, and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond shall not be entitled to any benefit under the Indenture or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf with the manual or facsimile signature of its Chair and attested to by the manual or facsimile signature of its Secretary, all as of the Original Issue Date specified above.

MARIN PUBLIC FINANCING AUTHORITY

By: _____
Chair

Attest:

Secretary of the Board

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION
TO APPEAR ON BONDS]

This is one of the Bonds described in the within-mentioned Indenture.

Dated: _____, 2026

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth LLP, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

Secretary of the Board of the Marin Public Financing
Authority

[FORM OF ASSIGNMENT]

For value received the undersigned hereby sells, assigns and transfers unto

(Name, Address and Tax Identification or
Social Security Number of Assignee)

the within registered Bond and hereby irrevocably constitute(s) and appoint(s) _____
_____ attorney, to transfer the same on the registration books of the Trustee
with full power of substitution in the premises.

Dated: _____

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Sources and Uses of Funds
Las Gallinas Valley Sanitary District
2026A Wastewater Revenue Bonds
Public Sale
Preliminary Numbers - 01/27/2026

Dated Date: 2/26/2026
Delivery Date: 2/26/2026

Sources:

| | | |
|----------------|-------------|---------------|
| Loan Proceeds: | | |
| | Par Amount | 28,500,000.00 |
| | Net Premium | 1,344,693.02 |
| | | 29,844,693.02 |
| | | 29,844,693.02 |

Uses:

| | | |
|-------------------------|------------------------|---------------|
| Project Fund: | | |
| | Project Fund | 29,497,593.02 |
| Delivery Date Expenses: | | |
| | Cost of Issuance | 204,600.00 |
| | Underwriter's Discount | 142,500.00 |
| | | 29,844,693.02 |
| | | 29,844,693.02 |

Bond Summary Statistics
Las Gallinas Valley Sanitary District
2026A Wastewater Revenue Bonds
Public Sale
Preliminary Numbers - 01/27/2026

| | |
|-----------------------------------|---------------|
| Dated Date | 2/26/2026 |
| Delivery Date | 2/26/2026 |
| Last Maturity | 4/1/2056 |
| | |
| Arbitrage Yield | 3.807720% |
| True Interest Cost (TIC) | 3.846837% |
| Net Interest Cost (NIC) | 3.866498% |
| All-In TIC | 3.903503% |
| Average Coupon | 4.280877% |
| | |
| Average Life (years) | 18.777 |
| Weighted Average Maturity (years) | 18.777 |
| | |
| Par Amount | 28,500,000.00 |
| Bond Proceeds | 29,844,693.02 |
| Total Interest | 22,035,515.97 |
| Net Interest | 20,833,322.95 |
| Total Debt Service | 50,535,515.97 |
| Maximum Annual Debt Service | 1,688,600.00 |
| Average Annual Debt Service | 1,684,517.20 |

| | TIC | All-In TIC | Arbitrage Yield |
|----------------------------|---------------|---------------|--------------------|
| | ----- | ----- | ----- |
| Par Value | 28,500,000.00 | 28,500,000.00 | 28,500,000.00 |
| + Accrued Interest | | | |
| + Premium (Discount) | 1,344,693.02 | 1,344,693.02 | 1,344,693.02 |
| - Underwriter's Discount | (142,500.00) | (142,500.00) | |
| - Cost of Issuance Expense | | (204,600.00) | |
| - Other Amounts | | | |
| | ----- | ----- | ----- |
| Target Value | 29,702,193.02 | 29,497,593.02 | 29,844,693.02 |
| | | | |
| Target Date | 2/26/2026 | 2/26/2026 | 2/26/2026 |
| Yield | 3.846837% | 3.903503% | 3.807720% |

Bond Debt Service
Las Gallinas Valley Sanitary District
2026A Wastewater Revenue Bonds
Public Sale
Preliminary Numbers - 01/27/2026

| Period Ending | Principal | Coupon | Interest | Debt Service | Annual Debt Service |
|----------------------|--------------|--------|----------------------|----------------------|----------------------|
| 2/26/2026 | 0.00 | | 0.00 | 0.00 | |
| 10/1/2026 | 0.00 | | 728,640.97 | 728,640.97 | |
| 4/1/2027 | 345,000.00 | 5.000% | 610,025.00 | 955,025.00 | 1,683,666.0 |
| 10/1/2027 | 0.00 | | 601,400.00 | 601,400.00 | |
| 4/1/2028 | 480,000.00 | 5.000% | 601,400.00 | 1,081,400.00 | 1,682,800.0 |
| 10/1/2028 | 0.00 | | 589,400.00 | 589,400.00 | |
| 4/1/2029 | 505,000.00 | 5.000% | 589,400.00 | 1,094,400.00 | 1,683,800.0 |
| 10/1/2029 | 0.00 | | 576,775.00 | 576,775.00 | |
| 4/1/2030 | 530,000.00 | 5.000% | 576,775.00 | 1,106,775.00 | 1,683,550.0 |
| 10/1/2030 | 0.00 | | 563,525.00 | 563,525.00 | |
| 4/1/2031 | 555,000.00 | 5.000% | 563,525.00 | 1,118,525.00 | 1,682,050.0 |
| 10/1/2031 | 0.00 | | 549,650.00 | 549,650.00 | |
| 4/1/2032 | 585,000.00 | 5.000% | 549,650.00 | 1,134,650.00 | 1,684,300.0 |
| 10/1/2032 | 0.00 | | 535,025.00 | 535,025.00 | |
| 4/1/2033 | 615,000.00 | 5.000% | 535,025.00 | 1,150,025.00 | 1,685,050.0 |
| 10/1/2033 | 0.00 | | 519,650.00 | 519,650.00 | |
| 4/1/2034 | 645,000.00 | 5.000% | 519,650.00 | 1,164,650.00 | 1,684,300.0 |
| 10/1/2034 | 0.00 | | 503,525.00 | 503,525.00 | |
| 4/1/2035 | 680,000.00 | 5.000% | 503,525.00 | 1,183,525.00 | 1,687,050.0 |
| 10/1/2035 | 0.00 | | 486,525.00 | 486,525.00 | |
| 4/1/2036 | 710,000.00 | 5.000% | 486,525.00 | 1,196,525.00 | 1,683,050.0 |
| 10/1/2036 | 0.00 | | 468,775.00 | 468,775.00 | |
| 4/1/2037 | 745,000.00 | 5.000% | 468,775.00 | 1,213,775.00 | 1,682,550.0 |
| 10/1/2037 | 0.00 | | 450,150.00 | 450,150.00 | |
| 4/1/2038 | 785,000.00 | 5.000% | 450,150.00 | 1,235,150.00 | 1,685,300.0 |
| 10/1/2038 | 0.00 | | 430,525.00 | 430,525.00 | |
| 4/1/2039 | 825,000.00 | 5.000% | 430,525.00 | 1,255,525.00 | 1,686,050.0 |
| 10/1/2039 | 0.00 | | 409,900.00 | 409,900.00 | |
| 4/1/2040 | 865,000.00 | 4.000% | 409,900.00 | 1,274,900.00 | 1,684,800.0 |
| 10/1/2040 | 0.00 | | 392,600.00 | 392,600.00 | |
| 4/1/2041 | 900,000.00 | 4.000% | 392,600.00 | 1,292,600.00 | 1,685,200.0 |
| 10/1/2041 | 0.00 | | 374,600.00 | 374,600.00 | |
| 4/1/2042 | 935,000.00 | 4.000% | 374,600.00 | 1,309,600.00 | 1,684,200.0 |
| 10/1/2042 | 0.00 | | 355,900.00 | 355,900.00 | |
| 4/1/2043 | 970,000.00 | 4.000% | 355,900.00 | 1,325,900.00 | 1,681,800.0 |
| 10/1/2043 | 0.00 | | 336,500.00 | 336,500.00 | |
| 4/1/2044 | 1,010,000.00 | 4.000% | 336,500.00 | 1,346,500.00 | 1,683,000.0 |
| 10/1/2044 | 0.00 | | 316,300.00 | 316,300.00 | |
| 4/1/2045 | 1,050,000.00 | 4.000% | 316,300.00 | 1,366,300.00 | 1,682,600.0 |
| 10/1/2045 | 0.00 | | 295,300.00 | 295,300.00 | |
| 4/1/2046 | 1,095,000.00 | 4.000% | 295,300.00 | 1,390,300.00 | 1,685,600.0 |
| 10/1/2046 | 0.00 | | 273,400.00 | 273,400.00 | |
| 4/1/2047 | 1,135,000.00 | 4.000% | 273,400.00 | 1,408,400.00 | 1,681,800.0 |
| 10/1/2047 | 0.00 | | 250,700.00 | 250,700.00 | |
| 4/1/2048 | 1,185,000.00 | 4.000% | 250,700.00 | 1,435,700.00 | 1,686,400.0 |
| 10/1/2048 | 0.00 | | 227,000.00 | 227,000.00 | |
| 4/1/2049 | 1,230,000.00 | 4.000% | 227,000.00 | 1,457,000.00 | 1,684,000.0 |
| 10/1/2049 | 0.00 | | 202,400.00 | 202,400.00 | |
| 4/1/2050 | 1,280,000.00 | 4.000% | 202,400.00 | 1,482,400.00 | 1,684,800.0 |
| 10/1/2050 | 0.00 | | 176,800.00 | 176,800.00 | |
| 4/1/2051 | 1,335,000.00 | 4.000% | 176,800.00 | 1,511,800.00 | 1,688,600.0 |
| 10/1/2051 | 0.00 | | 150,100.00 | 150,100.00 | |
| 4/1/2052 | 1,385,000.00 | 4.000% | 150,100.00 | 1,535,100.00 | 1,685,200.0 |
| 10/1/2052 | 0.00 | | 122,400.00 | 122,400.00 | |
| 4/1/2053 | 1,440,000.00 | 4.000% | 122,400.00 | 1,562,400.00 | 1,684,800.0 |
| 10/1/2053 | 0.00 | | 93,600.00 | 93,600.00 | |
| 4/1/2054 | 1,500,000.00 | 4.000% | 93,600.00 | 1,593,600.00 | 1,687,200.0 |
| 10/1/2054 | 0.00 | | 63,600.00 | 63,600.00 | |
| 4/1/2055 | 1,560,000.00 | 4.000% | 63,600.00 | 1,623,600.00 | 1,687,200.0 |
| 10/1/2055 | 0.00 | | 32,400.00 | 32,400.00 | |
| 4/1/2056 | 1,620,000.00 | 4.000% | 32,400.00 | 1,652,400.00 | 1,684,800.0 |
| 28,500,000.00 | | | 22,035,515.97 | 50,535,515.97 | 50,535,515.97 |

Bond Debt Service
Las Gallinas Valley Sanitary District
2026A Wastewater Revenue Bonds
Public Sale
Preliminary Numbers - 01/27/2026

| Period Ending | Principal | Coupon | Interest | Debt Service |
|---------------|---------------|--------|---------------|---------------|
| 4/1/2027 | 345,000.00 | 5.000% | 1,338,665.97 | 1,683,665.97 |
| 4/1/2028 | 480,000.00 | 5.000% | 1,202,800.00 | 1,682,800.00 |
| 4/1/2029 | 505,000.00 | 5.000% | 1,178,800.00 | 1,683,800.00 |
| 4/1/2030 | 530,000.00 | 5.000% | 1,153,550.00 | 1,683,550.00 |
| 4/1/2031 | 555,000.00 | 5.000% | 1,127,050.00 | 1,682,050.00 |
| 4/1/2032 | 585,000.00 | 5.000% | 1,099,300.00 | 1,684,300.00 |
| 4/1/2033 | 615,000.00 | 5.000% | 1,070,050.00 | 1,685,050.00 |
| 4/1/2034 | 645,000.00 | 5.000% | 1,039,300.00 | 1,684,300.00 |
| 4/1/2035 | 680,000.00 | 5.000% | 1,007,050.00 | 1,687,050.00 |
| 4/1/2036 | 710,000.00 | 5.000% | 973,050.00 | 1,683,050.00 |
| 4/1/2037 | 745,000.00 | 5.000% | 937,550.00 | 1,682,550.00 |
| 4/1/2038 | 785,000.00 | 5.000% | 900,300.00 | 1,685,300.00 |
| 4/1/2039 | 825,000.00 | 5.000% | 861,050.00 | 1,686,050.00 |
| 4/1/2040 | 865,000.00 | 4.000% | 819,800.00 | 1,684,800.00 |
| 4/1/2041 | 900,000.00 | 4.000% | 785,200.00 | 1,685,200.00 |
| 4/1/2042 | 935,000.00 | 4.000% | 749,200.00 | 1,684,200.00 |
| 4/1/2043 | 970,000.00 | 4.000% | 711,800.00 | 1,681,800.00 |
| 4/1/2044 | 1,010,000.00 | 4.000% | 673,000.00 | 1,683,000.00 |
| 4/1/2045 | 1,050,000.00 | 4.000% | 632,600.00 | 1,682,600.00 |
| 4/1/2046 | 1,095,000.00 | 4.000% | 590,600.00 | 1,685,600.00 |
| 4/1/2047 | 1,135,000.00 | 4.000% | 546,800.00 | 1,681,800.00 |
| 4/1/2048 | 1,185,000.00 | 4.000% | 501,400.00 | 1,686,400.00 |
| 4/1/2049 | 1,230,000.00 | 4.000% | 454,000.00 | 1,684,000.00 |
| 4/1/2050 | 1,280,000.00 | 4.000% | 404,800.00 | 1,684,800.00 |
| 4/1/2051 | 1,335,000.00 | 4.000% | 353,600.00 | 1,688,600.00 |
| 4/1/2052 | 1,385,000.00 | 4.000% | 300,200.00 | 1,685,200.00 |
| 4/1/2053 | 1,440,000.00 | 4.000% | 244,800.00 | 1,684,800.00 |
| 4/1/2054 | 1,500,000.00 | 4.000% | 187,200.00 | 1,687,200.00 |
| 4/1/2055 | 1,560,000.00 | 4.000% | 127,200.00 | 1,687,200.00 |
| 4/1/2056 | 1,620,000.00 | 4.000% | 64,800.00 | 1,684,800.00 |
| | 28,500,000.00 | | 22,035,515.97 | 50,535,515.97 |

Bond Pricing
Las Gallinas Valley Sanitary District
2026A Wastewater Revenue Bonds
Public Sale
Preliminary Numbers - 01/27/2026

| Period Ending | Principal | Coupon | Yield | Price | Yield to Maturity | Call Date | Call Price | Premium (-Discount) | |
|---------------|--------------|--------|--------|---------|-------------------|-----------|------------|---------------------|-------------|
| 4/1/2027 | 345,000.00 | 5.000% | 2.266% | 102.944 | | | | 10,157.35 | |
| 4/1/2028 | 480,000.00 | 5.000% | 2.229% | 105.645 | | | | 27,095.08 | |
| 4/1/2029 | 505,000.00 | 5.000% | 2.200% | 108.337 | | | | 42,101.74 | |
| 4/1/2030 | 530,000.00 | 5.000% | 2.212% | 110.861 | | | | 57,564.69 | |
| 4/1/2031 | 555,000.00 | 5.000% | 2.243% | 113.207 | | | | 73,301.51 | |
| 4/1/2032 | 585,000.00 | 5.000% | 2.268% | 115.473 | | | | 90,518.75 | |
| 4/1/2033 | 615,000.00 | 5.000% | 2.335% | 117.335 | | | | 106,609.20 | |
| 4/1/2034 | 645,000.00 | 5.000% | 2.391% | 119.101 | | | | 123,200.48 | |
| 4/1/2035 | 680,000.00 | 5.000% | 2.491% | 120.309 | | | | 138,098.54 | |
| 4/1/2036 | 710,000.00 | 5.000% | 2.600% | 119.330 | | | | 137,240.50 | |
| 4/1/2037 | 745,000.00 | 5.000% | 2.680% | 118.617 | C | 3.013% | 4/1/2036 | 100.000 | 138,697.70 |
| 4/1/2038 | 785,000.00 | 5.000% | 2.780% | 117.734 | C | 3.218% | 4/1/2036 | 100.000 | 139,208.61 |
| 4/1/2039 | 825,000.00 | 5.000% | 2.880% | 116.858 | C | 3.395% | 4/1/2036 | 100.000 | 139,076.91 |
| 4/1/2040 | 865,000.00 | 4.000% | 3.080% | 107.249 | C | 3.350% | 4/1/2036 | 100.000 | 62,699.60 |
| 4/1/2041 | 900,000.00 | 4.000% | 3.280% | 105.621 | C | 3.517% | 4/1/2036 | 100.000 | 50,590.01 |
| 4/1/2042 | 935,000.00 | 4.000% | 3.430% | 104.419 | C | 3.635% | 4/1/2036 | 100.000 | 41,322.17 |
| 4/1/2043 | 970,000.00 | 4.000% | 3.580% | 103.234 | C | 3.742% | 4/1/2036 | 100.000 | 31,367.99 |
| 4/1/2044 | 1,010,000.00 | 4.000% | 3.680% | 102.452 | C | 3.811% | 4/1/2036 | 100.000 | 24,766.39 |
| 4/1/2045 | 1,050,000.00 | 4.000% | 3.830% | 101.293 | C | 3.903% | 4/1/2036 | 100.000 | 13,571.62 |
| 4/1/2046 | 1,095,000.00 | 4.000% | 3.930% | 100.528 | C | 3.961% | 4/1/2036 | 100.000 | 5,781.87 |
| 4/1/2047 | 1,135,000.00 | 4.000% | 4.050% | 99.620 | C | 4.027% | 4/1/2036 | 100.000 | (4,318.37) |
| 4/1/2048 | 1,185,000.00 | 4.000% | 4.050% | 99.620 | C | 4.026% | 4/1/2036 | 100.000 | (4,508.61) |
| 4/1/2049 | 1,230,000.00 | 4.000% | 4.050% | 99.620 | C | 4.025% | 4/1/2036 | 100.000 | (4,679.82) |
| 4/1/2050 | 1,280,000.00 | 4.000% | 4.050% | 99.620 | C | 4.025% | 4/1/2036 | 100.000 | (4,870.05) |
| 4/1/2051 | 1,335,000.00 | 4.000% | 4.050% | 99.620 | C | 4.024% | 4/1/2036 | 100.000 | (5,079.31) |
| 4/1/2052 | 1,385,000.00 | 4.000% | 4.150% | 98.870 | C | 4.071% | 4/1/2036 | 100.000 | (15,653.27) |
| 4/1/2053 | 1,440,000.00 | 4.000% | 4.150% | 98.870 | C | 4.069% | 4/1/2036 | 100.000 | (16,274.88) |
| 4/1/2054 | 1,500,000.00 | 4.000% | 4.150% | 98.870 | C | 4.068% | 4/1/2036 | 100.000 | (16,953.00) |
| 4/1/2055 | 1,560,000.00 | 4.000% | 4.150% | 98.870 | C | 4.066% | 4/1/2036 | 100.000 | (17,631.12) |
| 4/1/2056 | 1,620,000.00 | 4.000% | 4.150% | 98.870 | C | 4.065% | 4/1/2036 | 100.000 | (18,309.24) |
| | | | | | | | | 1,344,693.02 | |

| | | |
|------------------------|---------------|-------------|
| Dated Date | 2/26/2026 | |
| Delivery Date | 2/26/2026 | |
| First Coupon | 10/1/2026 | |
| Par Amount | 28,500,000.00 | |
| Premium | 1,344,693.02 | |
| Production | 29,844,693.02 | 104.718221% |
| Undersriter's Discount | (142,500.00) | -0.500000% |
| Purchase Price | 29,702,193.02 | 104.218221% |
| Accrued Interest | | |
| Net Proceeds | 29,702,193.02 | |