

Temecula Public Cemetery District
41911 C ST
Temecula, California 92592
Call of Special Meeting of the Board of Trustees
8:00 A.M.
Thursday, February 26, 2026

In accordance with the procedures specified by California Government Code Section
#54956,

I Patricia Kelleher, Chair, hereby call a Special Meeting
with the Board of Trustees of the Temecula Public Cemetery District which will be
held on Thursday, February 26, 2026, at 8:00am

1. CALL TO ORDER-

2. PLEDGE OF ALLEGIANCE-

3. ROLL CALL-

4. PUBLIC COMMENT ON ANY AGENDA ITEM-

Members of the public are invited to address the Board concerning any items not on the agenda but are within the subject matter jurisdiction of the Board of Trustees.

Members of the public may address the Board on agenda items when those matters come up for discussion for a total of 3 minutes.

5. BOARD DISCUSSION AND ACTION ITEMS

- A. Consider Approval of Resolution for adopting a Debt Policy
- B. Consider Adoption of a Resolution Approving the Form of and Authorizing the Execution and Delivery of an Installment Sale Agreement and Related Documents and Authorizing Certain Additional Actions

Adjournment -

\$3,050,000
INSTALLMENT SALE AGREEMENT
DATED AS OF MARCH 1, 2026 BETWEEN
TEMECULA PUBLIC CEMETERY DISTRICT AND COLUMBIA BANK

Closing Date: March 5, 2026

PARTIES/PARTICIPANTS:

District: Temecula Public Cemetery District
District Counsel: Best, Best & Krieger LLP
Lender: Columbia Bank
Lender Counsel: Gilmore & Bell, P.C.
Loan Arranger: Municipal Finance Corporation

TRANSACTION DOCUMENTS:

1. Installment Sale Agreement, with the following exhibit attached:
Exhibit A: Installment Payments.
2. Federal Tax Agreement, with the following exhibits attached:
Exhibit A: Amortization Schedule and Calculation of Weighted Average Maturity and Yield on the Agreement.
Exhibit B: IRS Form 8038-G, together with proof of filing.
Exhibit C: Description of the Project Expected to Comprise the Financed Assets.
Exhibit D: Sample Annual Compliance Checklist.
Exhibit E: Certificate of Lender.
3. Closing and Incumbency Certificate of the District, with the following exhibits attached:
Exhibit A: Resolution of the Board of Trustees authorizing execution of documents.
Exhibit B: Minutes of meeting evidencing approval of Debt Management Policy.
4. Opinion of District Counsel (validity opinion).
5. Opinion of Special Counsel to Lender (tax opinion).
6. Lender Letter.
7. CDIA Reports and Acknowledgements:
 - A. Report of Proposed Debt Issuance.
 - B. Report of Final Sale.
8. Closing Memorandum.
9. District's Form W9.

#

INSTALLMENT SALE AGREEMENT

This **INSTALLMENT SALE AGREEMENT**, dated as of March 1, 2026, between **TEMECULA PUBLIC CEMETERY DISTRICT**, a public cemetery district operating in the State of California (the "District"), and **COLUMBIA BANK**, an Oregon state-chartered bank (together with its successors and assigns, the "Lender"),

WITNESSETH:

WHEREAS, the District owns, operates, and maintains one public cemetery serving Riverside County;

WHEREAS, the District proposes to finance a portion of the cost relating to the development of approximately 12 acres of District-owned vacant land to expand Temecula Cemetery, including infrastructure such as electrical, water, curbing, signage, entry gates and roads, as well as installation of an eight-stall garage and storage area, a committal center and a lawned area for casket burials (the "Project");

WHEREAS, the capital improvement financing will be accomplished by entering into this Installment Sale Agreement, pursuant to which the Lender will commission the acquisition and installation of the Project by the District, as its agent, the Lender will provide the funds to pay a portion of the costs of the Project and certain transaction costs, and the Lender will sell the Project to the District in exchange for installment payments to be paid to the Lender as provided herein;

WHEREAS, the District and the Lender have each duly authorized the execution of this Installment Sale Agreement;

WHEREAS, 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 Sale 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 Sale Agreement; and

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for other valuable consideration, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICABILITY

Section 1.1. Definitions. Unless the context otherwise requires, the terms defined in this Section for all purposes hereof and of any amendment hereof or supplement hereto and of any report or other document mentioned herein or therein have the meanings defined herein, the following definitions to be equally applicable to both the singular and plural forms of any of the terms defined herein.

"Corporation" means Municipal Finance Corporation, a California corporation.

"Date of Taxability" means the date as of which the interest components of Installment Payments become includable in the gross income of the Lender for federal income taxation purposes because of a Determination of Taxability.

"Determination of Taxability" means any event or occurrence or any determination, decision or decree made in regard to Section 103 of the Code by the Commissioner of the Internal Revenue Service or any officer of the Internal Revenue Service empowered to make such determinations, or by any court of competent jurisdiction, to the effect that the interest components of Installment Payments under this Installment Sale Agreement are includable in the gross income of the Lender for federal income taxation purposes as a result of the failure of the

District to comply with the requirements of the Internal Revenue Code or any State law with respect to the exemption of income on this Installment Sale Agreement from federal or State taxation.

“**District**” means Temecula Public Cemetery District, a public cemetery district duly organized and existing under and by virtue of the laws of the State of California.

“**Event of Default**” means an event described in **Section 8.1** hereof.

“**Fiscal Year**” means the period beginning on July 1 of each year and ending on the June 30 of the next succeeding year, or any other twelve-month period selected and designated as the official Fiscal Year of the District.

“**Funding Date**” means March 5, 2026.

“**General Fund Revenues**” means all gross income, taxes, fees, charges and other revenue received by the District, including the balance of moneys in the General Fund, but exclusive of (i) any moneys legally restricted by law, regulation, grant, or contract to a purpose other than the payment of Operation Expenses, including, but not limited to, the District’s perpetual care and preneed funds, (ii) *ad valorem* property taxes collected for the payment of general obligation bonds, (iii) special benefit assessments collected for the payment of assessment bonds, and (iv) special taxes collected for the payment of special tax bonds.

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

“**Installment Payment Dates**” means a date for payment of Installment Payments as set forth in **Exhibit A** to this Installment Sale Agreement.

“**Installment Payments**” means the installment payments of interest and principal scheduled to be paid by the District under and pursuant to this Installment Sale Agreement.

“**Installment Sale Agreement**” means this Installment Sale Agreement, between the District and the Lender, dated as of March 1, 2026, as originally executed and as it may from time to time be amended or supplemented in accordance herewith.

“**Lender**” means Columbia Bank, an Oregon state-chartered bank, and its successors and assigns.

“**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**” means, for any Fiscal Year, the General Fund Revenues for such Fiscal Year less the Operation Expenses for such Fiscal Year.

“**Operation Expenses**” means the reasonable and necessary costs paid or incurred by the District for operating and carrying out its responsibilities as set forth in the California Health and Safety Code and all administrative costs of the District, such as salaries, wages, and expenses of officers and employees, legal fees, accounting fees, overhead, taxes (if any), maintenance costs, and insurance premiums (but excluding debt service or other similar payments on debt or other obligations and depreciation and obsolescence charges or reserves therefor and amortization of intangibles and inter-fund transfers or other bookkeeping entries of a similar nature).

“**Project**” means the development of approximately 12 acres of District-owned vacant land to expand Temecula Cemetery, including infrastructure such as electrical, water, curbing, signage, entry gates and roads, as well as installation of an eight-stall garage and storage area, a committal center and a lawned area for casket burials, located at 41911 C Street, Temecula, California 92592.

“Prepayment Price” means the amount that the District may, at its option, pay to the Lender to prepay Installment Payments due hereunder, as set forth on **Exhibit A** hereto.

“Purchase Price” means the principal amount paid to acquire the Project and owed by the District to the Lender under the terms hereof as provided in **Section 3.5** hereof.

“Resolution” means the resolution adopted by the Board of Trustees of the District on February 26, 2026, approving this Installment Sale Agreement and related documents and the financing.

“Tax Agreement” means the Federal Tax Agreement, executed and delivered by the District on the date hereof.

“Tax-Exempt Interest Rate” means an interest rate equal to 4.86% per annum.

“Taxable Rate” means an interest rate equal to 6.312% per annum.

Section 1.2. Benefits of Installment Sale Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the District or the Lender any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the District or the Lender are for the sole and exclusive benefit of the other party.

Section 1.3. Successor Is Deemed Included in all References to Predecessor. Whenever either the District or the Lender 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 Lender, and all agreements and covenants required hereby to be performed by or on behalf of the District or the Lender bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Section 1.4. Waiver of Personal Liability. No trustee, officer, or employee of the District is individually or personally liable for the payment of the Installment Payments, but nothing contained herein relieves any trustee, officer or employee of the District from the performance of any official duty provided by any applicable provisions of law or hereby.

Section 1.5. 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 are solely for convenience of reference and do 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 Sale Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

Section 1.6. 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 Lender is contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof are null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and in no way affect the validity hereof. The District and the Lender hereby declare that they would have executed this Installment Sale 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 1.7. State Law. This Installment Sale Agreement shall be construed and governed in accordance with the laws of the State of California. Venue is proper for all matters in Riverside County, California.

Section 1.8. 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: Temecula Public Cemetery District
41911 C Street
Temecula, CA 92592
Attention: General Manager

With Copy to: Best Best & Krieger LLP
500 Capitol Mall, Suite 2500
Sacramento, CA 95814
Attention: Brian Hughes, General Counsel

If to the Lender: Columbia Bank
2998 Douglas Boulevard, Suite 145
Roseville, CA 95661
Attention: Public Finance Relationship Manager

Section 1.9. Amendments. This Installment Sale Agreement may be altered, amended, or modified in writing as may be mutually agreed by the Lender and the District.

Section 1.10. Assignment by Lender. The Lender's right, title and interest in, to and under this Installment Sale Agreement, including the right to receive and enforce payment of the Installment Payments, may be assigned, sold or transferred in whole (but not in part) without the necessity of obtaining consent from the District; provided however, such assignment, transfer, or conveyance shall be made only to (i) a subsidiary or affiliate of the Lender; (ii) a "Bank" as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the "Securities Act"); (iii) an "Accredited Investor" as defined in Regulation D under the Securities Act; or (iv) a "Qualified Institutional Buyer" as defined in Rule 144A under the Securities Act, that delivers a letter to the District in substantially the form provided by the Lender on the date hereof. Such assignment, transfer or conveyance shall not be effective as against the District unless and until the Lender has delivered to the District written notice thereof not less than thirty (30) days' prior to the assignment or transfer date that discloses the name and address of the assignee; provided, however, that such written notice and lender letter shall not be required to be provided to the District if assignment or transfer of this Installment Sale Agreement is made to a subsidiary or affiliate of the Lender, and the Lender continues as servicer for the Installment Payments paid hereunder. The District will retain all notices of assignment as a register of all assignees and will make all payments to the assignee designated in such register. The District agrees to execute all documents, including notices of assignment and chattel mortgages or financing statements, that may be reasonably requested by the Lender or its assignees to protect their interests in this Installment Sale Agreement.

Section 1.11. Execution in Counterparts; Electronic Transaction. This Installment Sale Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which constitute but one and the same instrument. In addition, the parties agree that the transaction described herein may be conducted and related documents may be stored by electronic means. Copies, telecopies, facsimiles, electronic files and other reproductions of original executed documents shall be deemed to be authentic and valid counterparts of such original documents for all purposes, including the filing of any claim, action or suit in the appropriate court of law.

Section 1.12. Captions. The captions or headings in this Installment Sale Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or Sections hereof.

ARTICLE II

REPRESENTATIONS BY THE DISTRICT AND THE LENDER

Section 2.1. Representations by the District. The District makes the following representations:

- (a) **Valid Existence.** The District is a public cemetery district duly organized and existing under and pursuant to the laws of the State of California.
- (b) **Power to Enter into Agreements.** The District has full legal right, power and authority to enter into this Installment Sale Agreement and the Tax Agreement and to carry out its obligations hereunder and thereunder.
- (c) **Due Authorization.** This Installment Sale Agreement and the Tax Agreement have been duly authorized by all necessary action on the part of the District.
- (d) **Enforceability of Agreements.** The District represents, covenants, and warrants that this Installment Sale Agreement and the Tax Agreement are valid and binding obligations of the District, enforceable in accordance with their respective terms, except as such enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally and by the application of equitable principles; by the exercise of judicial discretion in appropriate cases; and by the limitations on legal remedies against public entities in the State.
- (e) **No Violation of Law or Breach of Contract.** The execution and delivery of this Installment Sale Agreement and the Tax Agreement and compliance with the provisions hereof and thereof will not (i) violate any applicable provision of statutory law or regulation, (ii) breach or otherwise violate any existing obligation of the District under any court order or administrative decree to which the District is subject, or (iii) breach, or result in a default under, any loan agreement, note, resolution, indenture, contract, agreement, or other instrument to which the District is a party or is otherwise subject or bound.
- (f) **No Adverse Litigation.** No litigation is pending before any court or administrative agency (and notice of which has been received by the District) or, to the knowledge of the District, threatened in writing against the District, that, if determined adversely to the interests of the District, would materially adversely affect the ability of the District to perform its obligations under this Installment Sale Agreement or the Tax Agreement.
- (g) **No Defaults.** At no time in the last ten (10) years has the District non- appropriated or defaulted under any of its payment or performance obligations or covenants, or under any financing agreement of the same general nature as this Installment Sale Agreement, or under any of its bonds, notes, or other debt obligations.
- (h) **Current Compliance.** The District is in all material respects in compliance with all laws, regulations, ordinances, and orders of public authorities applicable to its operations.
- (i) **No Prior Liens.** On the Funding Date, with the exception of the pledge of the Net Revenues hereunder, the Net Revenues have not otherwise been pledged to previous debt obligations, and there are no other liens secured by Net Revenues other than debt secured on a parity with the Installment Payments.
- (j) **Financial Condition.** The financial statements of the District for the year ended June 30, 2025, supplied to the Lender (i) were prepared in accordance with generally accepted accounting principles, consistently applied, and (ii) fairly present the District's financial condition as of the date of the statements. There has been no material adverse change in the District's financial condition subsequent to June 30, 2025.

(k) **Acknowledgment of Disclaimers of the Lender and the Corporation.**

(1) The Lender is acting solely for its own loan account and not as a fiduciary for the District or in the capacity of broker, dealer, municipal securities underwriter, placement agent, or municipal advisor.

(2) The Lender and the Corporation have not provided, and will not provide, financial, legal (including securities law), tax, accounting or other advice to or on behalf of the District (including to any financial advisor or placement agent engaged by the District) with respect to the structuring of the financing or the execution and delivery of this Installment Sale Agreement.

(3) The Lender and the Corporation have no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934, as amended, to the District with respect to the transactions relating to the structuring of the financing or the execution and delivery of this Installment Sale Agreement and the Tax Agreement or the discussions, undertakings, and procedures leading thereto.

(4) To the extent that the District or any municipal advisor or placement agent engaged by the District desires to, should, or needs to seek or obtain financial, legal (including securities law), tax, accounting and other advice (including as it relates to structure, timing, terms and similar matters) with respect to this financing transaction, it shall seek or obtain such advice from its financial, legal, and other advisors (and not the Lender or its subsidiaries or affiliates).

(5) The Lender has expressed no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements applicable to any other party, including but not limited to any municipal advisor or placement agent engaged by the District, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to any municipal advisor or placement agent engaged by the District, with respect to any such matters.

(6) The District and the Lender are entering into the transactions relating to this Installment Sale Agreement as an arm's-length, commercial transaction in which the Lender is acting and has acted solely as a principal and for its own interest, and the Lender has not made recommendations to the District with respect to the transactions relating to this Installment Sale Agreement.

Section 2.2. Representations by the Lender. The Lender is an Oregon state-chartered bank, with full legal right, power and authority to enter into this Installment Sale Agreement and to carry out its obligations hereunder.

ARTICLE III

INSTALLMENT SALE OF THE PROJECT

Section 3.1. Acquisition and Installation of the Project. The Lender hereby agrees to cause the Project to be acquired and installed by the District, as its agent. The District shall enter into contracts and provide for, as agent for the Lender, the acquisition and installation of the Project. The District hereby agrees that it will diligently cause the Project to be acquired and installed after the delivery of funds by the Lender and that it will use its best efforts to complete the Project within three years from the date of execution of this Installment Sale Agreement, unforeseeable events or delays beyond the reasonable control of the District excepted. Payment of a portion of the costs of the Project shall be made from the moneys deposited in the Project Fund, which fund the District hereby agrees to establish and maintain. The Lender is under no obligation for the payment of any costs of the Project that exceed the amount of the funds deposited in the Project Fund.

Section 3.2. Lender's Disclaimer of Warranties. THE LENDER MAKES NO AGREEMENT, WARRANTY, OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE TITLE, VALUE, DESIGN, CONDITION, HABITABILITY, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE, OR FITNESS FOR USE OF THE PROJECT, OR WARRANTY WITH RESPECT THERETO. THE DISTRICT ACKNOWLEDGES THAT THE LENDER HAS NOT ACQUIRED ANY PORTION OF THE PROJECT, AND THAT THE DISTRICT ACCEPTS THE PROJECT AS-IS, AGREEING THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event is the Lender liable for any incidental, indirect, special, or consequential damage in connection with or arising out of this Installment Sale Agreement or the existence, furnishing, functioning, or the District's use of the Project or any services provided for in this Installment Sale Agreement.

Section 3.3. Application of Funds. To fund the cost of the Project and the payment of transaction costs, the Lender hereby agrees to cause to be paid to or for the benefit of the District the sum of \$3,050,000. The District agrees that it will cause to be expended or deposited the funds paid by the Lender under this Installment Sale Agreement for the following purposes:

- (a) **Project Fund:** \$3,00,000 shall be deposited into the Project Fund; and
- (b) **Costs of Issuance:** \$50,000 shall be disbursed to the Corporation to pay transaction costs associated with the execution and delivery of this Installment Sale Agreement.

Section 3.4. Installment Sale of the Project to the District; Title. The Lender hereby sells the Project to the District for the Purchase Price, as described in **Section 3.5** hereof. All right, title and interest in the Project vests in the District immediately as it is acquired. Such vesting occurs without further action by the Lender or the District and the Lender shall, if requested by the District or if necessary to assure such automatic vesting, deliver any and all documents required to assure such vesting.

Section 3.5. Purchase Price. The Purchase Price to be paid by the District hereunder to the Lender is the principal amount of the District's obligations hereunder being, \$3,050,000.

ARTICLE IV

INSTALLMENT PAYMENTS

Section 4.1. Installment Payments.

(a) **Amount and Timing.** The District shall, subject to its rights of prepayment provided in **Article VII** hereof, pay the Lender the Installment Payments of interest and principal in the amounts and on the Installment Payment Dates as set forth in **Exhibit A** hereto.

(b) **Interest.** The interest component of the Installment Payments will be paid by the District and constitute interest paid on the principal components of the Installment Payments. Interest accrues at the Tax-Exempt Interest Rate on the aggregate unpaid principal components of the Installment Payments, calculated based on a 360-day year comprising twelve 30-day months. In the event of a Determination of Taxability, from and after the Date of Taxability, the interest components of Installment Payments shall bear interest at the Taxable Rate.

(c) **Medium and Place of Payments.** Each Installment Payment shall be paid to the Lender in lawful money of the United States of America by made by wire or other form of electronic payment in accordance with written instructions provided by the Lender or, with the Lender's consent, by such other commercially reasonable method of payment.

(d) **Rate on Overdue Payments.** In the event the District should fail to make the Installment Payments required under this Installment Sale Agreement when due and payable, the payment in default shall continue as an obligation of the District until the amount in default shall have been fully paid, and the District agrees to pay the same with interest thereon, to the extent permitted by law, from the date of default to the date of payment at the rate of 7.86% per annum.

Section 4.2. Absolute Obligation. The obligation of the District to make the Installment Payments is absolute and unconditional, and, until such time as the Purchase Price, plus accrued interest to the date of payment in full hereunder, including prepayment premium if any, has been paid in full, the District will not discontinue or suspend any Installment Payments required to be made by it hereunder when due, and such Installment Payments are not subject to reduction whether by offset or otherwise and are not conditional upon the performance or nonperformance by any party of any agreement for any cause whatsoever.

ARTICLE V

SECURITY

Section 5.1. Pledge of Net Revenues. The District hereby irrevocably pledges all of the Net Revenues to the payment of the Installment Payments. This pledge constitutes a first lien on the Net Revenues for the payment of the Installment Payments.

Section 5.2. Deposit and Application of Net Revenues. In order to effectuate the pledge and lien contained in this Installment Sale Agreement, the District agrees and covenants that all Net Revenues of the District will be deposited into the fund of the District that is designated as its General Fund. The District will apply moneys deposited in the General Fund not later than each Installment Payment Date to pay the Installment Payment due and payable on that Installment Payment Date. Notwithstanding the requirements herein, the District shall comply with all endowment care fund requirements pursuant to Health and Safety Code Section 9065 and any other general accounting principles or County required accounting standards as they relate to the District's endowment care fund.

ARTICLE VI

COVENANTS OF THE DISTRICT

Section 6.1. Compliance with Installment Sale Agreement. The District will punctually pay the Installment Payments in strict conformity with the terms hereof, and will faithfully observe and perform all the agreements, conditions, covenants and terms contained herein required to be observed and performed by it, and will not terminate the Installment Sale Agreement prior to final maturity or optional prepayment in full for any cause.

Section 6.2. Protection of Security and Rights of the Lender. The District will preserve and protect the security hereof and the rights of the Lender to the Installment Payments hereunder and will warrant and defend such rights against all claims and demands of all persons.

Section 6.3. Compliance with Law. The District will faithfully comply with, keep, observe, and perform all valid and lawful obligations or regulations now or hereafter imposed on its operations prescribed by any law of the United States of America or of the State of California, or by any officer, board, or commission having jurisdiction or control.

Section 6.4. Additional Debt.

(a) **No Superior Obligations.** The District shall not issue or incur any obligations secured by a pledge of Net Revenues that is superior to the pledge securing the Installment Payments.

(b) **Additional Parity Debt.** The District shall not incur additional debt secured on parity with the Installment Payments, unless:

(1) the District is not in default under the terms of this Installment Sale Agreement, and

(2) the Net Revenues, calculated on sound accounting principles, as shown by the books of the District for the latest Fiscal Year or any more recent 12-month period selected by the District ending not more than 60 days prior to the adoption of the resolution approving the instrument pursuant to which such proposed parity debt is to be issued or incurred, as shown by the books of the District, were at least 1.20 times the sum of the amount of the Installment Payments becoming due and payable in the Fiscal Year (current or future) in which that amount is at its maximum and the maximum annual debt service on all parity debt outstanding immediately subsequent to the incurring of such additional obligations.

(c) **Subordinate Obligations.** The District may incur obligations secured by the Net Revenues on a junior or subordinate basis at any time.

Section 6.5. Charges for Services. The District covenants that it will prescribe and revise such charges for its services (including, but not limited to adjusting rates for such services and charges to the predicted volume of sales for a given Fiscal Year) that, with the District's taxes, fees, charges and other revenue and after allowances for contingencies and error in the estimates, will produce in each Fiscal Year Net Revenues equal to at least 1.20 times of (1) the Installment Payments becoming due and payable in such Fiscal Year, and (2) all debt service and any additional payments required with respect to other parity debt obligations for such Fiscal Year. Collection of said fees is contingent on the community using the District's services. The District, however, shall operate as in the past, such that use of the District's services is not purposefully diminished.

Section 6.6. Maintenance of Property. The District agrees that, at all times during the term of this Installment Sale Agreement, the District will, at the District's own cost and expense, maintain, preserve, and keep all of its properties and every portion thereof in good repair, working order, and condition and that the District will from time to time make or cause to be made all necessary and proper repairs, replacements, and renewals.

Section 6.7. Insurance Coverage. At its own expense, the District shall maintain at all times (i) the usual and customary "all risk" property insurance (which may exclude the risk of earthquake) insuring the District's property against loss or damage, which insurance shall be provided by an insurer rated no less than "A" by A.M. Best, or as otherwise approved by the Lender, in an amount equal to 100% of the replacement cost without deduction for depreciation; (ii) general liability insurance in the amount of \$5,000,000 per occurrence; and (iii) workers' compensation insurance covering all District employees.

Section 6.8. Application of Net Proceeds. If (a) any portion of the District's property is damaged or destroyed, in whole or in part, or (b) title to, or the temporary use of, any part of the District's property is taken under the exercise or threat of the power of eminent domain by any governmental body or by any person, firm or corporation acting pursuant to governmental authority, the District shall cause the Net Proceeds of any insurance claim, condemnation award or sale under threat of condemnation to be applied to the prompt repair, reconstruction, or replacement of the District's property, unless the District has exercised its right to prepay this Installment Sale Agreement as provided herein.

Section 6.9. Taxes and Other Governmental Charges; Utility Charges; Contest of Charges.

(a) **Taxes and Other Governmental Charges on District Property.** The parties to this Installment Sale Agreement contemplate that all of the Project will be used for governmental purposes of the District and, therefore, that it will be exempt from all taxes presently assessed and levied with respect to said property. In the

event that the use, possession, or acquisition by the District of any of the Project is found to be subject to taxation in any form, the District will pay during the term of this Installment Sale Agreement as the same respectively become due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the Project; provided that, with respect to any governmental charges or taxes that may lawfully be paid in installments over a period of years, the District is obligated to pay only such installments as are accrued during such time as this Installment Sale Agreement is in effect.

(b) **Utility Charges.** The District shall pay or cause to be paid all gas, water, steam, electricity, heat, power, air conditioning, telephone, utility, and other charges incurred in the operation, maintenance, use, occupancy, and upkeep of the Project.

(c) **Contest of Charges.** The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments, or other charges and, in the event of any such contest, may permit the taxes, assessments, or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, unless any part of the Project will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments, or charges.

Section 6.10. Liens. The District shall not, directly or indirectly, create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Project that materially impairs the District's use of the Project for the purposes for which it is, or may reasonably be expected to be, held (referred to herein as an "encumbrance"). The District shall promptly, at its own expense, take such action as may be necessary to duly discharge or remove any such encumbrance for which it is responsible, if the same arises at any time; provided that the District may in good faith contest any such encumbrance.

Section 6.11. Tax Covenants. The District shall at all times do and perform all acts and things permitted by law that are necessary and desirable in order to assure that interest paid with respect to the Installment Payments will be excluded from gross income for federal income tax purposes and shall take no action that would result in such interest not being so excluded. This covenant survives the payment in full of the Installment Payments. As of the Funding Date, the District covenants and agrees to observe and perform all agreements, covenants and warranties of the District contained in the Tax Agreement which, by this reference, is incorporated in and made a part of this Installment Sale Agreement.

Section 6.12. Lender Not Liable; Indemnification of Lender. The Lender and its directors, officers, and employees are not liable to the District or to any other party whomsoever for any death, injury, or damage that may result to any person or property by or from any cause whatsoever in, on or about the District's properties, exclusive of any death, injury, or damage caused, in whole or in part, by the negligence or actions of the Lender, as applicable.

The District shall to the full extent then permitted by law, indemnify, protect, hold harmless, save, and keep harmless the Lender and its directors, officers, and employees from and against any and all liability, obligations, losses, claims, and damages whatsoever, regardless of the cause thereof (exclusive of any of the foregoing caused, in whole or in part, by the negligence or actions of the Lender, as applicable), and expenses in connection therewith, including, without limitation, counsel fees and expenses, penalties and interest arising out of or as the result of (i) the District's performance of any of its obligations under this Installment Sale Agreement, (ii) the District's maintenance of the Project or its other property, (iii) the acquisition or ownership of the Project, (iv) the acquisition, use, operation, condition, purchase, delivery, rejection, storage, or return of any part of the Project, or (v) any accident in connection with the operation, use, condition, possession, storage, or return of any portion of the Project resulting in damage to property or injury to or death to any person including, without limitation, any claim alleging latent and other defects, whether or not discoverable by the District or the Lender; any claim for patent, trademark, or copyright infringement; and any claim arising out of strict liability in tort. The indemnification arising under this section continues in full force and effect notwithstanding the full payment of all obligations under this Installment Sale Agreement or the termination of the term of this Installment Sale Agreement for any reason. The District and the Lender mutually agree to promptly give notice to each other and the Lender of any claim or liability hereby indemnified against following either's learning thereof.

Section 6.13. Financial Statements. During the term of this Installment Sale Agreement, the District shall furnish or cause to be furnished to the Lender, at the District's expense, (a) the audited financial statements of the District within 270 days of the end of the Fiscal Year and (b) the annual budget within 30 days after approval by the Board of Trustees of the District; provided, however, that should the audited financial statements or the annual budget be publicly available on the District's website, such posting on the website shall satisfy this **Section 6.13**. In the event that the audited financial statements are not available within 270 days of the end of the Fiscal Year, the District will furnish unaudited financial statements to the Lender within such 270-day period, and will then supply the audited financial statements immediately upon the availability thereof. Any audited financial statements furnished to the Lender shall be prepared in accordance with generally accepted accounting principles, consistently applied, and shall fairly present the District's financial condition as of the date of the statements.

Section 6.14. Additional Information and Further Assurances. The District agrees to furnish to the Lender, promptly, from time to time, such information regarding the operations, financial condition and property of the District as the Lender may reasonably request. 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 Lender of the rights and benefits provided to it herein.

Section 6.15. Opinion of District Counsel. The District will cause to be delivered an opinion of counsel to the District dated the Funding Date and addressed to the Lender in form and substance acceptable to the Lender.

ARTICLE VII

PREPAYMENT OF INSTALLMENT PAYMENTS

Section 7.1. Prepayment. The District shall have the option to prepay the Installment Payments owed hereunder (in whole but not in part) on any Installment Payment Date at the following respective Prepayment Price (expressed as percentages of the principal amount of Installment Payments to be prepaid), plus accrued interest thereon to the date of prepayment:

<u>Prepayment Dates</u>	<u>Prepayment Prices</u>
March 5, 2027 and March 5, 2028	103%
March 5, 2029 and March 5, 2030	102
March 5, 2031	101
March 5, 2032 and any Installment Payment Date thereafter	100

Prepayment under this **Section 7.1** may only be exercised provided that: (i) no Event of Default shall have occurred and be continuing hereunder; (ii) the District gives written notice to the Lender of its intention to exercise this option at least thirty (30) calendar days prior to the Installment Payment Date on which the option is to be exercised; and (iii) on the Installment Payment Date, the District shall deposit with the Lender an amount equal to any amounts then due or past due (including, but not limited to, the Installment Payment due on the applicable Installment Payment Date and all accrued interest), together with the then-applicable Prepayment Price, as set forth on **Exhibit A** hereto. Upon such prepayment, the term of this Installment Sale Agreement automatically terminates.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF THE LENDER

Section 8.1. Events of Default and Remedies.

(a) **Events of Default.** The following are Events of Default hereunder:

(1) **Payment Default.** Failure by the District to pay any Installment Payment at the time specified herein.

(2) **Breach of Covenant.** Failure by the District to observe and perform any material covenant, condition or agreement on its part contained herein, other than in clause (1) of this subsection, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Lender; provided, however, that the Lender and the District may agree that action by the District to cure such failure may be extended beyond such thirty-day period.

(3) **Bankruptcy or Insolvency.** Institution of any proceeding under the United States Bankruptcy Code or any federal or state bankruptcy, insolvency, or similar law or any law providing for the appointment of a receiver, liquidator, trustee, or similar official of the District or of all or substantially all of its assets, by or with the consent of the District, or institution of any such proceeding without its consent that is not permanently stayed or dismissed within sixty (60) days, or agreement by the District with the District's creditors to effect a composition or extension of time to pay the District's debts, or request by the District for a reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or a general or any assignment by the District for the benefit of the District's creditors.

(4) **Misrepresentation.** Any material representation or warranty made by the District hereunder or in any exhibit, instrument, agreement, or certificate executed by the District in connection herewith or referenced hereby, shall be untrue in any material respect as of the date made.

(b) **Remedies on Default.** If an Event of Default happens and is continuing, the Lender has the right, at its option upon notice to the District, to take whatever action at law or in equity may appear necessary or desirable to collect the Installment Payments then due or thereafter to become due during the term of this Installment Sale Agreement, or enforce performance and observance of any obligation, agreement or covenant of the District hereunder; provided, however, the Lender may not accelerate the Installment Payments.

The provisions of the preceding paragraph are subject to the condition that, if, at any time after the principal amount of the unpaid Installment Payments has been so declared due and payable, and before any judgment or decree for the payment of the moneys due has been obtained or entered, the District deposits with the Lender a sum sufficient to pay the unpaid principal amount of the Installment Payments coming due prior to such declaration, and the reasonable expenses of the Lender, and any and all other defaults known to the Lender (other than in the payment of the entire principal amount of the unpaid Installment Payments and the accrued interest thereon due and payable solely by reason of such declaration) have been made good or cured to the satisfaction of the Lender or provision deemed by the Lender to be adequate has been made therefor, then and in every such case the Lender, by written notice to the District, shall rescind and annul such declaration and its consequences; but no such rescission and annulment extends to or affects any subsequent default or impairs or exhausts any right or power consequent thereon.

Section 8.2. Non-Waiver. Nothing in this article or in any other provision hereof affects or impairs the obligation of the District, which is absolute and unconditional, to pay the Installment Payments to the Lender at the respective due dates or upon prepayment, or affects or impairs the right of the Lender, 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 Lender does 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 Lender to exercise any right or remedy accruing upon any default or breach of duty or contract impairs any such right or remedy or shall 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 conferred upon the Lender by the

Law or by this article may be enforced and exercised from time to time and as often as deemed expedient by the Lender.

Section 8.3. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, and each such remedy is cumulative and is 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 law.

Section 8.4. Restoration of Positions. In case any proceedings taken by the Lender on account of any Event of Default are discontinued or abandoned for any reason or are determined adversely to the Lender, then in every such case the District and the Lender, subject to any determination in such proceedings, are thereby restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers, and duties of the District and the Lender continue as though no such proceedings had been taken.

Section 8.5. OFAC Patriot Act Notice. The District shall (a) ensure that no person who owns a controlling interest in or otherwise controls the District is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders, that prohibits or limits the Lender from making any advance or extension of credit to the District or from otherwise conducting business with the District and (b) ensure that the proceeds resulting from this Installment Sale Agreement shall not be used to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto. Further, the District shall comply with all applicable Bank Secrecy Act ("BSA") laws and regulations, as amended. The Lender hereby notifies the District that pursuant to the requirements of the Patriot Act it, or its agent, is required to obtain, verify and record information that identifies the District, which information includes the name and address of the District and other information that will allow the Lender to identify the District in accordance with the Patriot Act. The District hereby agrees that it shall promptly provide such information upon request by the Lender.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Installment Sale Agreement by their officers thereunto duly authorized as of the day and year first written above.

TEMECULA PUBLIC CEMETERY DISTRICT

By: _____
Name: Cindi Beudet
Title: General Manager

COLUMBIA BANK

By: _____
Name: Anastasia Efstathiu
Title: Relationship Manager

EXHIBIT A TO INSTALLMENT SALE AGREEMENT

INSTALLMENT PAYMENTS

Installment Payment Date	Total Installment Payment	Interest Component	Principal Component	Outstanding Principal Component	Prepayment Price (*)
03/05/2027	\$ 241,843.10	\$ 148,230.00	\$ 93,613.10	\$2,956,386.90	\$3,045,078.51
03/05/2028	241,843.10	143,680.40	98,162.70	2,858,224.20	2,943,970.93
03/05/2029	241,843.10	138,909.70	102,933.40	2,755,290.80	2,810,396.62
03/05/2030	241,843.10	133,907.13	107,935.97	2,647,354.83	2,700,301.93
03/05/2031	241,843.10	128,661.44	113,181.66	2,534,173.17	2,559,514.90
03/05/2032	241,843.10	123,160.82	118,682.28	2,415,490.89	2,415,490.89
03/05/2033	241,843.10	117,392.86	124,450.24	2,291,040.65	2,291,040.65
03/05/2034	241,843.10	111,344.58	130,498.52	2,160,542.13	2,160,542.13
03/05/2035	241,843.10	105,002.35	136,840.75	2,023,701.38	2,023,701.38
03/05/2036	241,843.10	98,351.89	143,491.21	1,880,210.17	1,880,210.17
03/05/2037	241,843.10	91,378.21	150,464.89	1,729,745.28	1,729,745.28
03/05/2038	241,843.10	84,065.62	157,777.48	1,571,967.80	1,571,967.80
03/05/2039	241,843.10	76,397.64	165,445.46	1,406,522.34	1,406,522.34
03/05/2040	241,843.10	68,356.99	173,486.11	1,233,036.23	1,233,036.23
03/05/2041	241,843.10	59,925.56	181,917.54	1,051,118.69	1,051,118.69
03/05/2042	241,843.10	51,084.37	190,758.73	860,359.96	860,359.96
03/05/2043	241,843.10	41,813.49	200,029.61	660,330.35	660,330.35
03/05/2044	241,843.10	32,092.06	209,751.04	450,579.31	450,579.31
03/05/2045	241,843.10	21,898.15	219,944.95	230,634.36	230,634.36
03/05/2046	241,843.10	11,208.74	230,634.36	0.00	0.00
Totals	<u>\$4,836,862.00</u>	<u>\$1,786,862.00</u>	<u>\$3,050,000.00</u>		

* The District's option to purchase is subject to provisions of Section 7.1 of the Installment Sale Agreement.

FEDERAL TAX AGREEMENT

This **FEDERAL TAX AGREEMENT** (the "Tax Agreement"), is executed on March 5, 2026, by Temecula Public Cemetery District, a public cemetery district organized and existing under the laws of the State of California (the "District"), for the benefit of Columbia Bank (together with its successors and assigns, the "Lender"), and any firm of attorneys rendering an opinion on the exclusion from gross income for federal income tax purposes of the interest component of installment payments payable on the Agreement (as defined below).

RECITALS

1. This Tax Agreement is being executed and delivered in connection with that certain Installment Sale Agreement dated as of March 1, 2026, in the principal amount of \$3,050,000 (the "Agreement"), entered into between the District and the Lender.

2. The Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Regulations (as defined herein) impose certain limitations on the uses and investment of Agreement Proceeds (as defined herein) and of certain other money relating to the Agreement and set forth the conditions under which the interest component of installment payments payable on the Agreement will be excluded from gross income for federal income tax purposes.

3. The District is executing this Tax Agreement in order to set forth certain facts, covenants, representations, and expectations relating to the use and investment of Agreement Proceeds and the property financed with those proceeds, in order to establish and maintain the exclusion of the interest component of installment payments payable on the Agreement from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of Section 148(f) of the Code.

NOW, THEREFORE, in consideration of the foregoing and the mutual representations, covenants and agreements set forth in this Tax Agreement, the District represents, covenants and agrees as follows:

Section 1. Definitions of Words and Terms. Except as otherwise provided in this Tax Agreement or unless the context otherwise requires, capitalized words and terms used in this Tax Agreement have the same meanings as set forth in the Agreement, and certain other words and phrases have the meanings assigned in Sections 103 and 141-150 of the Code and the Regulations. The following words and terms used in this Tax Agreement have the following meanings:

"**Agreement**" means that certain Installment Sale Agreement dated as of March 1, 2026, between the District and the Lender, as amended from time to time.

"**Agreement Proceeds**" means the gross proceeds of the Agreement, which include (a) sale proceeds (any amounts actually or constructively received by the District from the execution and delivery of the Agreement, including amounts used to pay a discount or fees to the Lender, but excluding pre-issuance accrued interest), (b) any amounts received from investing sale proceeds or transferred proceeds or other investment proceeds, (c) any amounts held in a sinking fund for the Agreement, (d) any amounts held in a pledged fund or reserve fund for the Agreement, and (e) any other replacement proceeds.

"**Agreement Year**" means each one-year period ending on each annual anniversary of the Closing Date.

"**Annual Compliance Checklist**" means a checklist for the Project designed to measure compliance with the requirements of this Tax Agreement after the Closing Date substantially in the form attached as **Exhibit D** hereto.

"**Closing Date**" means March 5, 2026.

"**Code**" means the Internal Revenue Code of 1986, as amended.

“Computation Date” means each date on which arbitrage rebate and yield reduction amounts for the Agreement are computed. The District may treat any date as a Computation Date, subject to the following limits:

- (a) the first rebate installment payment must be made for a Computation Date not later than 5 years after the Closing Date;
- (b) each subsequent rebate installment payment must be made for a Computation Date not later than 5 years after the previous Computation Date for which an installment payment was made; and
- (c) the date the Agreement is discharged is the final Computation Date.

The District selects March 1, 2031, as the first Computation Date but reserves the right to select a different date consistent with the Regulations.

“District” means Temecula Public Cemetery District, a public cemetery district organized and existing under the laws of the State of California.

“Financed Assets” means the portion of the Project financed with Agreement Proceeds, as described in Exhibit C hereto.

“Investment” means any security, obligation, annuity contract or other investment-type property which is purchased directly with, or otherwise allocated to, Agreement Proceeds. This term does not include tax-exempt obligations, except for “specified private activity bonds” as defined in Section 57(a)(5)(C) of the Code.

“IRS” means the Internal Revenue Service.

“Lender” means Columbia Bank, an Oregon state-chartered bank, and its successors and assigns.

“Management or Service Agreement” means a legal agreement defined in Treasury Regulations Section 1.141-3(b) as a management, service, or incentive payment contract with an entity that provides services involving all or a portion of any function of the Project, such as a contract to manage the Project or a portion thereof. However, contracts for services that are solely incidental to the primary governmental function of the Project (for example, contracts for janitorial, office equipment repair, billing or similar services) are not treated as Management or Services Agreements.

“Measurement Period” means the period beginning on the later of (i) the Closing Date or (ii) the date the property is placed in service and ending on the earlier of (A) the final maturity date of the Agreement or (B) the expected economic useful life of the Project.

“Non-Qualified Use” generally means any use of the Project in a trade or business carried on by any Non-Qualified User that is different in form or substance to the use made of the Project by any other member of the general public. Generally, ownership, a lease, or any other use that provides a Non-Qualified User a special legal right or entitlement to use the Project will constitute Non-Qualified Use.

“Non-Qualified User” means any person or entity other than a Qualified User.

“Official Intent Date” means February 26, 2026.

“Opinion of Special Tax Counsel” means the written opinion of Special Tax Counsel addressed to the Lender and the District to the effect that the proposed action or the failure to act will not adversely affect the exclusion of the interest component of installment payments on the Agreement from gross income for federal income tax purposes or an opinion describing additions, modifications or additional procedures required to preserve the interest component of installment payments on the Agreement from gross income for federal income tax purposes.

"Post-Issuance Tax Requirements" means those requirements related to the use of Agreement Proceeds, the use of the Project and the investment of Agreement Proceeds after the Closing Date.

"Project" means the property acquired and installed by the District with Agreement Proceeds, as further described on **Exhibit C** hereto.

"Project Fund" means the project fund established by the District pursuant to the Agreement.

"Qualified Use Agreement" means any of the following:

(1) A lease or other short-term use by members of the general public who use the Project on a short-term basis in the ordinary course of the District's governmental purposes.

(2) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Project for a period up to 100 days in length pursuant to an arrangement whereby (a) the use of the Project under the same or similar arrangements is predominantly by natural persons who are not engaged in a trade or business and (b) the compensation for the use is determined based on generally applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed. Any Qualified User or Non-Qualified User using all or any portion of the Project under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(3) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Project for a period up to 200 days in length pursuant to arrangements whereby (a) the use of the property by the person would be general public use but for the fact that generally applicable and uniformly applied rates are not reasonably available to natural persons not engaged in a trade or business, (b) the compensation for the use under the arrangement is determined based on applicable, fair market value rates that are in effect at the time the agreement is entered into or renewed, and (c) the Project was not acquired for a principal purpose of providing the property for use by that Qualified User or Non-Qualified User. Any Qualified User or Non-Qualified User using all or any portion of the Project under this type of arrangement may have a right of first refusal to renew the agreement at rates generally in effect at the time of the renewal.

(4) Agreements with Qualified Users or Non-Qualified Users to use all or a portion of the Project for a period up to 50 days in length pursuant to a negotiated arm's-length arrangement at fair market value so long as the Project was not acquired for a principal purpose of providing the property for use by that person.

"Qualified User" means a State, territory, possession of the United States, the District of Columbia, or any political subdivision thereof, or any instrumentality of such entity, but it does not include the United States or any agency or instrumentality of the United States.

"Regulations" means United States Treasury Regulations governing obligations the interest on which is excluded from gross income for federal income tax purposes under Sections 103 and 141-150 of the Code.

"Special Tax Counsel" means Gilmore & Bell, P.C., Kansas City, Missouri, or other nationally recognized firm of bond counsel acceptable to the Lender.

"State" means the State of California.

"Tax Compliance File" means documents and records for the Agreement maintained by an officer of the District pursuant to this Tax Agreement.

"Yield" means the yield on the Agreement, computed under Treasury Regulations Section 1.148-4, and yield on an Investment, computed under Treasury Regulations Section 1.148-5.

Section 2. Organization and Authority; General Representations.

(a) *Organization and Authority.* The District (1) is a public cemetery district and a political subdivision organized and existing under the laws of the State, (2) has lawful power and authority to enter into, execute and deliver the Agreement for the purposes set forth therein and in this Tax Agreement and to carry out its obligations under such documents, and (3) by all necessary action has been duly authorized to execute and deliver the Agreement and this Tax Agreement, acting by and through its duly authorized officials.

(b) *Tax-Exempt Status of Agreement—General Representation and Covenants.* In order to maintain the exclusion of the interest component of installment payments payable on the Agreement from gross income for federal income tax purposes, the District (1) will take whatever action, and refrain from whatever action, necessary to comply with the applicable requirements of the Code, (2) will not use or invest, or permit the use or investment of, any Agreement Proceeds or other funds in a manner that would violate applicable provisions of the Code, and (3) will not use, or permit the use of, any portion of the Financed Assets in a manner that would cause any portion of the Agreement to become a “private activity bond” as defined in Section 141 of the Code.

Section 3. Purpose of the Agreement; Reimbursement; Use of Agreement Proceeds.

(a) *Purpose.* The Agreement is being executed and delivered for the purpose of paying a portion of the costs of the Project and certain costs of issuance in connection with the execution and delivery of the Agreement.

(b) *Reimbursement.* Reimbursement from proceeds of the Agreement of expenditures paid prior to the Closing Date will satisfy the requirements of Treasury Regulations Section 1.150-2. The list of expenditures to be reimbursed, if any, are set forth on **Exhibit C** hereto.

(c) *Use of Agreement Proceeds.* On the Closing Date, all proceeds of the Agreement in the amount of \$3,000,000 are expected to be deposited in the Project Fund and used to pay costs of the Financed Assets, with the remaining amount of \$50,000 paid as a loan arranger fee. The remainder of the cost of the Project in the approximately amount of \$5,000,000 will be paid by the District from moneys on hand.

Section 4. Completion of the Project. The District has incurred, or will incur within 6 months after the Closing Date, substantial binding obligations to third parties to spend at least 5% of the Agreement Proceeds on the Project. The acquisition and installation of the Project and the allocation of the Agreement Proceeds to expenditures will proceed with due diligence. At least 85% of the Agreement Proceeds will be allocated to expenditures for the Project within three years after the Closing Date.

Section 5. Funds or Accounts. The Project Fund has been established by the District to hold Agreement Proceeds. No other funds or accounts have been established to hold Agreement Proceeds, and no other funds or accounts of the District have been or will be established that will contain other money that will be used to make installment payments on the Agreement.

Section 6. Rebate and Yield Restriction.

(a) *Certification of Issue Price.* The Lender has represented in the Certificate of Lender, dated as of the Closing Date and attached hereto as **Exhibit E**, that it has acquired the Agreement, pursuant to Treasury Regulations Section 1.148-1(f)(2)(i) (relating to the so-called “private placement rule,” for the amount of \$3,050,000 (the “**Issue Price**”), and presently intends to hold the Agreement for its own account with no current intent to sell, assign or transfer the Agreement.

(b) *Agreement Yield.* Based on the Issue Price, Special Tax Counsel has determined that the Yield on the Agreement is 4.8023%. The amortization schedule and calculation of the Yield on the Agreement is attached to this Tax Agreement as **Exhibit A**. The District has not entered into an interest rate swap agreement with respect to any portion of Agreement Proceeds.

(c) *Agreement Subject to the Rebate Requirement.* The Agreement is subject to the arbitrage rebate requirements of Section 148(f) of the Code. If the Yield on investments of the Project Fund exceeds the Yield under the Agreement, or if the District establishes any sinking or reserve fund for the Agreement, then the District will contact Special Tax Counsel to seek advice regarding the need to calculate and pay arbitrage rebate.

Section 7. Use of Financed Assets.

(a) *General.* The Project will be owned by the District throughout the Measurement Period. Except as otherwise described in this Section, no portion of the Project is expected to be used in a Non-Qualified Use during the Measurement Period. Unless the District obtains an Opinion of Special Tax Counsel, the District will not use, or permit the use of, the Project in any other Non-Qualified Use.

(b) *Management or Service Agreements.* As of the Closing Date, the District does not have any leases or similar use agreements with Non-Qualified Users that relate to the management or operation of any portion of the Project. During the Measurement Period, the District will not enter into or renew any leases or similar use agreements with any Non-Qualified User with respect to the management or operation of any portion of the Project without first obtaining an Opinion of Special Tax Counsel.

(c) *Leases.* As of the Closing Date, the District does not have any leases with Non-Qualified Users with respect to the Project. During the Measurement Period, the District will not enter into or renew any other leases with any Non-Qualified Users, other than Qualified Use Agreements, with respect to the Project without first obtaining an Opinion of Special Tax Counsel.

(d) *Written Policies and Procedures of the District.* The District intends for this Tax Agreement to be its primary written policies and procedures for monitoring compliance with the Post-Issuance Tax Requirements for the Agreement and to supplement any other formal policies and procedures related to the Post-Issuance Tax Requirements that the District has established.

(e) *Compliance Officer.* The District, when necessary to fulfill the Post-Issuance Tax Requirements, will, through the Compliance Officer, sign Form 8038-T in connection with the payment of arbitrage rebate or Yield reduction payments, participate in any federal income tax audit of the Agreement or related proceedings under a voluntary compliance agreement procedures (VCAP) or undertake a remedial action procedure pursuant to Treasury Regulations Section 1.141-12.

(f) *Annual Compliance Checklist.* Attached as **Exhibit D** hereto is a form of Annual Compliance Checklist for the Agreement. The Compliance Officer will prepare and complete an Annual Compliance Checklist for the Financed Assets at least annually. In the event the Annual Compliance Checklist identifies a deficiency in compliance with the requirements of this Tax Agreement, the Compliance Officer will obtain an Opinion of Special Tax Counsel and take actions to correct any deficiency.

Section 8. Record Keeping. The District will maintain, or cause to be maintained, the Tax Compliance File for the Agreement in accordance with this Tax Agreement. Unless otherwise specifically instructed in advice or a written Opinion of Special Tax Counsel or to the extent otherwise provided in this Tax Agreement, the District will retain, or cause to be retained, records related to the Post-Issuance Tax Requirements until 3 years following the final maturity of (i) the Agreement or (ii) any obligation issued to refund the Agreement. Any records maintained electronically must comply with Section 4.01 of Revenue Procedure 97-22, which generally provides that an electronic storage system must (1) ensure an accurate and complete transfer of the hardcopy records which indexes, stores, preserves, retrieves and reproduces the electronic records, (2) include reasonable controls to ensure integrity, accuracy and reliability of the electronic storage system and to prevent unauthorized alteration or deterioration of electronic records, (3) exhibit a high degree of legibility and readability both electronically and in hardcopy, (4) provide support for other books and records of the District, and (5) not be subject to any agreement that would limit the ability of the IRS to access and use the electronic storage system on the District's premises.

Section 9. Miscellaneous

(a) *Reimbursement of Expenditures; Official Intent.* On the Official Intent Date, the governing body of the District adopted a resolution declaring the intent of the District to finance a portion of the Project with proceeds of a tax-exempt obligation and to reimburse the District for expenditures made (if any) therefor prior to the issuance of such tax-exempt obligation. \$ _____ of the Agreement Proceeds will be allocated to expenditures paid by the District prior to the Closing Date and should be shown on line 45 of Form 8038-G. Except for expenditures meeting the requirements of Treasury Regulations Section 1.150-2(f), no portion of the Agreement Proceeds will be used to reimburse an expenditure paid by the District more than 60 days prior to the date the resolution was adopted. The District will evidence each allocation of the Agreement Proceeds to an expenditure in writing. No reimbursement allocation will be made for an expenditure made more than 3 years before the date of the reimbursement allocation. In addition, no reimbursement allocation will be made more than 18 months following the later of (1) the date of the expenditure or (2) the date the Project is completed.

(b) *Form 8038-G.* A copy of the completed and fully executed IRS Form 8038-G (Information Return for Tax-Exempt Governmental Obligations) is attached to this Tax Agreement as **Exhibit B**. The Form 8038-G was prepared by Special Tax Counsel based on representations and covenants by the District and the Lender contained in this Tax Agreement or otherwise made by the District and the Lender. The information contained on Form 8038-G is true, complete and correct to the knowledge of the undersigned and the undersigned is authorized to sign the Form 8038-G on behalf of the District and deliver it to Special Tax Counsel for filing with the IRS. The District agrees to timely execute and return to Special Tax Counsel the execution copy of Form 8038-G for filing with the IRS. A copy of the "as-filed" copy along with proof of filing will be included as **Exhibit B**.

(c) *Single Issue; No Other Issues.* The Agreement constitutes a single "issue" under Treasury Regulations Section 1.150-1(c). No other debt obligations of the District (1) are being sold within 15 days of the sale of the Agreement, (2) are being sold under the same plan of financing as the Agreement, and (3) are expected to be paid from substantially the same source of funds as the Agreement (disregarding guarantees from unrelated parties, such as bond insurance).

(d) *Bank Qualified Tax-Exempt Obligation.* The District has designated the Agreement as a "qualified tax-exempt obligation" under Section 265(b)(3) of the Code, and with respect to this designation certifies as follows:

(1) The District reasonably anticipate that the amount of tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) that will be issued by or on behalf of the District (and all subordinate entities of the District) during the calendar year that the Agreement is executed and delivered, including the Agreement, will not exceed \$10,000,000; and

(2) The District (including all subordinate entities of the District) will not issue tax-exempt obligations (other than private activity bonds that are not qualified 501(c)(3) bonds) during the calendar year that the Agreement is executed and delivered, including the Agreement, in an aggregate principal amount or aggregate issue price in excess of \$10,000,000, without first obtaining an Opinion of Special Tax Counsel that the designation of the Agreement as a "qualified tax-exempt obligation" will not be adversely affected.

(e) *No Federal Guaranty.* The payment of installment payments on the Agreement is not, and the District will not permit the payment of installment payments on the Agreement to be, directly or indirectly guaranteed by the United States of America or any agency thereof.

(f) *Hedge Bonds.* The District reasonably expects that at least 85% of the net sale proceeds (the sale proceeds of the Agreement less any sale proceeds invested in a reserve fund) of the Agreement will be used to carry out the governmental purpose of the Agreement within 3 years after the Closing Date, and not more than 50% of the proceeds of the Agreement will be invested in Investments having a substantially guaranteed Yield for 4 years or more.

(g) *Registration Requirement; Record Owner.* The District will maintain or cause to be maintained a record of the owner(s) of the Agreement and the person/entity entitled to the receipt of the interest components of installment payments on the Agreement. Transfer of ownership of the Agreement is effective only if entered in these records. The Agreement will be held in registered form within the meaning of Section 149(a) of the Code.

(h) *Reliance.* The District understands that its certifications will be relied upon by Special Tax Counsel in rendering its opinion as to the exclusion from federal gross income of the interest component of installment payments payable by the District on the Agreement.

(i) *Enforceability.* If any provision in this Tax Agreement or in the Agreement is determined to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not be affected or impaired.

(j) *Electronic Transactions.* The transaction described in this Tax Agreement may be conducted, and related documents may be sent, received and stored by electronic means.

IN WITNESS WHEREOF, the undersigned, by execution of this Tax Agreement, hereby makes the foregoing certifications, representations, and agreements contained in this Tax Agreement on behalf of the District.

TEMECULA PUBLIC CEMETERY DISTRICT

By: _____
Title: General Manager

EXHIBIT A

**AMORTIZATION SCHEDULE AND CALCULATION OF WEIGHTED
AVERAGE MATURITY AND YIELD ON THE AGREEMENT**

\$3,050,000.00

Installment Sale Agreement

Dated as of March 1, 2026 between, Temecula Cemetery District and Columbia Bank

Schedule of Bond Payments

Payment Date	Payments			Principal Balance	Bond Years
	Interest	Principal	Total		
3/5/2026				\$ 3,050,000.00	-
3/5/2027	148,230.00	93,613.10	241,843.10	2,956,386.90	93.613
3/5/2028	143,680.40	98,162.70	241,843.10	2,858,224.20	196.325
3/5/2029	138,909.70	102,933.40	241,843.10	2,755,290.80	308.800
3/5/2030	133,907.13	107,935.97	241,843.10	2,647,354.83	431.744
3/5/2031	128,661.44	113,181.66	241,843.10	2,534,173.17	565.908
3/5/2032	123,160.82	118,682.28	241,843.10	2,415,490.89	712.094
3/5/2033	117,392.86	124,450.24	241,843.10	2,291,040.65	871.152
3/5/2034	111,344.58	130,498.52	241,843.10	2,160,542.13	1,043.988
3/5/2035	105,002.35	136,840.75	241,843.10	2,023,701.38	1,231.567
3/5/2036	98,351.89	143,491.21	241,843.10	1,880,210.17	1,434.912
3/5/2037	91,378.21	150,464.89	241,843.10	1,729,745.28	1,655.114
3/5/2038	84,065.62	157,777.48	241,843.10	1,571,967.80	1,893.330
3/5/2039	76,397.64	165,445.46	241,843.10	1,406,522.34	2,150.791
3/5/2040	68,356.99	173,486.11	241,843.10	1,233,036.23	2,428.806
3/5/2041	59,925.56	181,917.54	241,843.10	1,051,118.69	2,728.763
3/5/2042	51,084.37	190,758.73	241,843.10	860,359.96	3,052.140
3/5/2043	41,813.49	200,029.61	241,843.10	660,330.35	3,400.503
3/5/2044	32,092.06	209,751.04	241,843.10	450,579.31	3,775.519
3/5/2045	21,898.15	219,944.95	241,843.10	230,634.36	4,178.954
3/5/2046	11,208.74	230,634.36	241,843.10	-	4,612.687
Total	1,786,862.00	3,050,000.00	4,836,862.00		36,766.709

Bond Statistics			
Principal amount	\$ 3,050,000.00	Day-Count Method	30/360
Interest rate	4.860%	Computed Payment Amount	\$241,843.10
Dated date	3/5/2026	Actual Payment Amount	\$241,843.10
Issue date	3/5/2026	Days of accrued interest	-
First interest payment	3/5/2027	Accrued interest	\$0.00
First principal payment	3/5/2027	Bond years	36,766.709
Last payment	3/5/2046		
No. of principal payments per	1	Weighted avg. maturity (years)	12.0547
Total no. of principal payments	20	Bond yield	4.802344%
Denomination	0.01	Net interest cost	4.860000%

Proof of Arbitrage Yield				
Payment Date	Days After Closing	Bond Payments	Pres. Val. Factor 4.80234%	Present Value to 3/5/2026
3/5/2026				
3/5/2026	-	-	1.0000000	-
3/5/2027	360	241,843.10	0.9536525	230,634.27
3/5/2028	720	241,843.10	0.9094531	219,944.95
3/5/2029	1,080	241,843.10	0.8673022	209,751.05
3/5/2030	1,440	241,843.10	0.8271049	200,029.61
3/5/2031	1,800	241,843.10	0.7887706	190,758.74
3/5/2032	2,160	241,843.10	0.7522131	181,917.54
3/5/2033	2,520	241,843.10	0.7173499	173,486.12
3/5/2034	2,880	241,843.10	0.6841025	165,445.47
3/5/2035	3,240	241,843.10	0.6523961	157,777.48
3/5/2036	3,600	241,843.10	0.6221591	150,464.89
3/5/2037	3,960	241,843.10	0.5933236	143,491.22
3/5/2038	4,320	241,843.10	0.5658245	136,840.76
3/5/2039	4,680	241,843.10	0.5396000	130,498.53
3/5/2040	5,040	241,843.10	0.5145908	124,450.25
3/5/2041	5,400	241,843.10	0.4907408	118,682.29
3/5/2042	5,760	241,843.10	0.4679962	113,181.66
3/5/2043	6,120	241,843.10	0.4463058	107,935.97
3/5/2044	6,480	241,843.10	0.4256206	102,933.41
3/5/2045	6,840	241,843.10	0.4058942	98,162.70
3/5/2046	7,200	241,843.10	0.3870820	93,613.10
Total		4,836,862.00		3,050,000.00
Yield Target Amount:				
Principal			3,050,000.00	
Original issue premium/discount			-	
Sale proceeds			3,050,000.00	
Accrued interest			-	
Total				3,050,000.00
Difference				(0.00)
Bond yield				4.8023436%

EXHIBIT B
IRS FORM 8038-G,
TOGETHER WITH PROOF OF FILING

[Post Closing Item -- To be prepared and filed by Special Tax Counsel.]

EXHIBIT C

**DESCRIPTION OF THE PROJECT EXPECTED
TO COMPRISE THE FINANCED ASSETS**

Description of the Financed Assets:

The Financed Assets consist of the development of approximately 12 acres of District-owned vacant land to expand Temecula Cemetery, including infrastructure such as electrical, water, curbing, signage, entry gates and roads, as well as installation of an eight-stall garage and storage area, a committal center and a lawn area for casket burials (the "Project"), located at 41911 C Street, Temecula, CA 92592.

The estimated average economic life of the Financed Assets is not less than 20 years, and the Financed Assets are expected to be placed in service no later than March 1, 2029.

Sources and Uses of Funds:

Sources:

Agreement Proceeds	\$3,050,000.00
District Funds	<u>5,000,000.00</u>
Total Sources:	<u>\$8,050,000.00</u>

Uses:

Costs of the Financed Assets	\$8,000,000.00
Costs of Issuance	<u>50,000.00</u>
Total Sources:	<u>\$8,050,000.00</u>

EXHIBIT D

SAMPLE ANNUAL COMPLIANCE CHECKLIST

Name of tax-exempt obligation financing the Project:	Installment Sale Agreement dated as of March 1, 2026, between Temecula Public Cemetery District and Columbia Bank
Description of the Project:	Development of vacant land to expand Temecula Cemetery
Placed in service date for the Project:	
Period covered by request ("Annual Period"):	

Item	Question	Response
1 Ownership	For federal income tax purposes, was the Project owned by the District during the entire Annual Period?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "No," was advice of Special Tax Counsel obtained prior to the transfer?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If Yes, include a description of the advice in the Tax Compliance File. If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.	

2 Use of the Project	During the Annual Period, was any portion of the Project used by a Non-Qualified User pursuant to a lease, management or service agreement, research agreement or any other agreement granting the Non-Qualified User special legal rights to use the Project?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If answer above was "Yes," was an Opinion of Special Tax Counsel obtained prior to entering into the arrangement? If Yes, include a description of the advice in the Tax Compliance File. If No, contact Special Tax Counsel and include description of resolution in the Tax Compliance File.	<input type="checkbox"/> Yes <input type="checkbox"/> No

3 Arbitrage Rebate; Yield Restriction	Have all rebate and yield reduction calculations mandated in the Federal Tax Agreement been prepared for the current year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
	If No, contact a rebate analyst and incorporate report or include description of resolution in the Tax Compliance File.	

By: Officer of District: _____

Date: _____, 20__.

EXHIBIT E

CERTIFICATE OF LENDER

\$3,050,000

**INSTALLMENT SALE AGREEMENT
DATED AS OF MARCH 1, 2026 BETWEEN
TEMECULA PUBLIC CEMETERY DISTRICT AND COLUMBIA BANK**

The undersigned, on behalf of Columbia Bank (the "Lender"), as lender under the above-referenced installment sale agreement (the "Agreement"), being executed and delivered on the date hereof, certifies and represents as follows:

I. Issue Price.

(a) *Issue Price.* On the date of this certificate, the Lender is acquiring the Agreement for the amount of \$3,050,000. The Lender is not acting as an Underwriter with respect to the Agreement. The Lender has no present intention to sell, reoffer, or otherwise dispose of the Agreement (or any portion of the Agreement or any interest in the Agreement). The Lender has not contracted with any person pursuant to a written agreement to have such person participate in the execution and delivery of the Agreement, and the Lender has not agreed with Temecula Public Cemetery District (the "District"), pursuant to a written agreement to sell the Agreement to persons other than the Lender or a Related Party to the Lender.

(b) *Defined Terms.*

(i) The term "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.

(ii) The term "Related Party" is defined in U.S. Treasury Regulation § 1.150-1(b) which generally provides that the term related party means any two or more persons who have a greater than 50 percent common ownership, directly or indirectly.

(iii) The term "Underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Agreement to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this paragraph to participate in the initial sale of the Agreement 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 Agreement to the Public).

This certificate may be relied upon by the District in executing and delivering the Federal Tax Agreement relating to the Agreement, and by Gilmore & Bell, P.C., Special Tax Counsel to the Lender, in rendering its opinion relating to the exclusion from federal gross income of the interest component of installment payments paid on the Agreement and in preparing any informational return required to be filed with the Internal Revenue Service in connection with the execution and delivery of the Agreement.

Dated: March 5, 2026.

COLUMBIA BANK

By: _____
Title: Relationship Manager

CLOSING AND INCUMBENCY CERTIFICATE OF THE DISTRICT

**\$3,050,000
INSTALLMENT SALE AGREEMENT
DATED AS OF MARCH 1, 2026 BETWEEN
TEMECULA PUBLIC CEMETERY DISTRICT AND COLUMBIA BANK**

The following certifications are made in connection with the execution and delivery of that certain Installment Sale Agreement dated as of March 1, 2026 (the "Agreement"), entered into between Temecula Public Cemetery District (the "District") and Columbia Bank (the "Lender"). Capitalized terms used herein have the meanings defined in the Agreement.

1. **District Certifications.** The undersigned hereby certify on behalf of the District as follows:

(a) **No Litigation.** There are no actions or proceedings against the District pending (service of process having been accomplished) or, to the best of my knowledge, threatened (a) to restrain or enjoin the payment of the Installment Payments, (b) in any way contesting the validity of the Agreement or the authority of the District to enter into the Agreement or the Tax Agreement, (c) in any way contesting the powers of the District in connection with any actions contemplated by the Agreement and the Tax Agreement, or (d) in which a final adverse decision could materially adversely affect the operations of the District or its ability to perform its obligations under the Agreement and the Tax Agreement.

(b) **Representations.** The representations, warranties and covenants of the District contained in the Agreement and the Tax Agreement are true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof by the District

(c) **Receipt of Funds.** The District hereby acknowledges payment by the Lender of the total amount of \$3,050,000 in payment of the Purchase Price payable under the Agreement, comprising the following amounts: (i) \$3,000,000 to the District for deposit into the Project Fund, and (ii) \$50,000 to Municipal Finance Corporation for the payment of transaction costs.

2. **Resolution: Debt Management Policy.** The undersigned hereby certify that attached hereto as **Exhibit A** is a complete copy of a resolution that was duly adopted by the Board of Trustees of the District at a meeting thereof that was duly called and held on February 26, 2026, and attached hereto as **Exhibit B** are minutes of said meeting (or excerpt thereof) evidencing approval of a debt management policy by the Board of Trustees of the District. The agenda for the meeting was posted at least seventy-two (72) hours before the meeting at the offices of the District at 41911 C Street, Temecula, California, 92592, a location freely accessible to members of the public, and a brief description of the resolution appeared on the agenda. At the meeting, a quorum was present and acting throughout. The resolution has not been amended, modified, or rescinded since the date of adoption and is now in full force and effect.

Each of the undersigned holds the office hereinbelow set forth below such officer's signature, and each of the undersigned, by such officer's signature, confirms that the other signature set forth below is genuine.

Dated: March 5, 2026.

Name: Patricia Kelleher
Title: Chair, Board of Trustees

Name: Cindi Beudet
Title: General Manager

**EXHIBIT A TO
CLOSING AND INCUMBENCY CERTIFICATE OF THE DISTRICT**

**RESOLUTION OF THE BOARD OF TRUSTEES
AUTHORIZING EXECUTION OF DOCUMENTS**

[Please provide signed copy of resolution adopted at February 26, 2026 meeting.]

**EXHIBIT B TO
CLOSING AND INCUMBENCY CERTIFICATE OF THE DISTRICT
MINUTES OF MEETING EVIDENCING APPROVAL OF DEBT MANAGEMENT POLICY**

[Please provide copy of minutes from meeting evidencing
approval of Debt Management Policy]

FORM OF OPINION OF DISTRICT COUNSEL

March 5, 2026

Columbia Bank
2998 Douglas Boulevard, Suite 145
Roseville, CA 95661

Re: Installment Sale Agreement dated as of March 1, 2026, between Temecula Public Cemetery District and Columbia Bank

Ladies and Gentlemen:

We serve as General Counsel to Temecula Public Cemetery District (the "District") and in such capacity, have reviewed certain proceedings taken in connection with the above-referenced financing. We have examined (a) an executed counterpart of that certain Installment Sale Agreement, dated as of March 1, 2026 (the "Installment Sale Agreement"), by and between the District and Columbia Bank (the "Lender"), (b) an executed copy of that certain Federal Tax Agreement of the District (the "Tax Agreement"), dated the date hereof, (c) a resolution adopted by the Board of Trustees of the District on February 26, 2026 (the "Resolution") approving the financing of the Project, (d) an executed copy of the Closing and Incumbency Certificate of the District dated the date hereof, and (e) such other opinions, documents and matters of law as we have deemed necessary in connection with the following opinions. All capitalized terms used herein and not otherwise defined shall have the meanings given to such terms as set forth in the Installment Sale Agreement.

As to questions of fact which are material to our opinion, we have relied upon representations of the District and the certified proceedings and other certifications of officers of the District furnished to us, without undertaking to determine independently the accuracy, completeness or fairness thereof. We have been retained by the District to render this opinion and do not advise the District on all legal matters nor are we familiar with all District transactions. In connection with the opinions set forth below, we have reviewed the documents noted above that we have deemed necessary to render such opinions and have discussed certain matters with District officials. This opinion is based on such examination of the laws of the State of California as we have deemed relevant for the purposes of this opinion. We have not considered the effect, if any, of the laws of any other jurisdiction upon matters covered by this opinion. We have assumed the genuineness of all documents and signatures presented to us. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the Installment Sale Agreement and related documents.

As used in this opinion, the phrase "to our best knowledge" means knowledge as we have obtained from (i) the incumbency and signature certificate of the District, (ii) knowledge of facts or other information currently known to lawyers in our firm who have performed legal services for the District, and (iii) a litigation search in California state and federal court conducted on _____, 2026.

Based on the foregoing and subject to the qualifications herein, we are of the following opinions under existing law:

1. The District is a public cemetery district duly organized and existing under the laws of the State of California.
2. The District has the requisite power and authority to execute and deliver the Installment Sale Agreement and the Tax Agreement and to perform its obligations thereunder.

3. The Installment Sale Agreement and the Tax Agreement have been duly authorized, approved and executed by and on behalf of the District, and the Installment Sale Agreement and Tax Agreement are valid and binding obligations of the District, enforceable in accordance with their respective terms, except as limited by bankruptcy.

4. The Resolution was duly adopted at a meeting of the Board of Trustees of the District that was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

5. To the best of our knowledge, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending for which the District has been served or threatened against or affecting the District, seeking to restrain or enjoin the payment of Installment Payments under the Installment Sale Agreement or in any way contesting or affecting the validity of the Resolution, the Installment Sale Agreement or the Tax Agreement.

6. To the best of our knowledge, the execution of the Installment Sale Agreement and the Tax Agreement, the adoption of the Resolution, and compliance by the District with the provisions of the foregoing, under the circumstances contemplated thereby, does not and will not, in any material respect, constitute on the part of the District a breach or default under any agreement or other instrument to which the District is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the District is subject.

All capitalized terms herein have the same meanings as in the Installment Sale Agreement unless otherwise provided herein.

Our opinion is further qualified by the following:

(a) We express no opinion with respect to the laws of any state or jurisdiction other than California and the United States regarding the enforceability of any transaction mentioned herein or the interpretation, authorization, execution, validity, enforceability or effect of any of the documents mentioned herein; provided further that we express no opinion with respect to California or federal tax and securities law and blue-sky laws.

(b) As General Counsel in this matter, we have not rendered financial advice to the District and do not represent by this opinion, or otherwise, that we reviewed or made any assessment about, nor do we express any opinion about, the financial feasibility or ability to repay the Installment Payments and other amounts due under the Installment Sale Agreement.

(c) We express no opinion as to the validity and enforceability of any indemnity or liquidated damages provisions.

(d) In rendering this opinion, we have assumed without independent verification: (a) the genuineness of all signatures, the conformity to the originals of all documents submitted to us as drafts or copies, and the authenticity of all such originals; (b) that the documents reviewed and relied upon by us in preparing this opinion have been or will be duly authorized (except as to the District), executed and delivered by and on behalf of the parties thereto and will be the legal, valid and binding obligations of the parties (except as to the District) once executed and delivered; (c) the conformity to authentic original documents of all documents submitted to us as certified, conformed or photostatic copies; (d) that the copies of the documents provided to us are complete and correct copies (other than various exhibits to be attached to the documents and which we have assumed will be properly attached prior to delivery) and contain the entire agreement of the parties thereto necessary for us to render the opinions contemplated herein, and that there are no other documents nor any oral agreements or other circumstances that will or do in any way alter or vary the provisions of the documents; and (e) that each person executing or who has executed a document is or was competent to do so.

(e) We express no opinion as to the legality, validity, binding effect, or enforceability of any provision of the Installment Sale Agreement to the extent that it purports to waive trial by jury, to consent to a certain venue for trial, to consent to the jurisdiction of a specific court (or which purports, by implication or otherwise, to confer subject matter jurisdiction on any court), or to consent to a judicial reference proceeding.

(f) We express no opinion regarding the extent to which the rights and remedies of any party under the Installment Sale Agreement may be qualified by limitations relative to the enforceability of contractual provisions waiving broadly or vaguely stated rights or unknown future rights.

(g) We express no opinion as to the legality, validity, binding effect, or enforceability of any particular provision or agreement contained in the Installment Sale Agreement designating a party as an agent or attorney in fact (whether or not coupled with an interest).

(h) We express no opinion as to the legality, validity, binding effect, or enforceability of any provision of the Installment Sale Agreement insofar as they may provide for the payment or reimbursement of costs and expenses in excess of a reasonable amount determined by any court or other tribunal. Further, we wish to bring to your attention that, to the extent such provisions provide for the payment of attorneys' fees in litigation, under California law, such attorneys' fees may be granted only to the prevailing party as defined by California law and such provisions are deemed to extend to both parties, notwithstanding that such provisions may, by their express terms, benefit only one party.

(i) The opinions rendered herein are subject to and limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, or other similar laws now or hereafter affecting the enforcement of creditors' rights generally; (b) general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing, and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law; and (c) limitations on the enforceability of certain rights, remedies, or waivers deemed to be against public policy or unconscionable.

This letter is furnished by us as General Counsel to the District. Other than the District, no attorney-client relationship has existed or exists between our firm and the addressee in connection with the transactions noted herein or by virtue of this letter. Our engagement with respect to the financing has terminated as of the date hereof. The opinions herein are limited to the matters expressly set forth herein, and no opinion is to be implied or may be inferred beyond the matters expressly so stated. This letter speaks only as of its date, and we disclaim any obligation to update this letter. This letter is delivered to you, is solely for your benefit and is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter may be relied upon solely by the parties to whom it is addressed and may not be circulated, quoted, or otherwise referred to or relied upon by any other person without our express written consent.

We bring to your attention the fact that our conclusions are an expression of professional judgment and are not a guarantee of a result.

Sincerely,

BEST BEST & KRIEGER LLP

Commented [1]: We already state above that the letter may be relied upon by the addressee. Why would bank's counsel need to rely on our opinion for their tax opinion?

OPINION OF SPECIAL COUNSEL TO LENDER

[To be provided by Gilmore & Bell.]

LENDER LETTER

March 5, 2026

Temecula Public Cemetery District
41911 C Street
Temecula, California 92592

Re: \$3,050,000 Installment Sale Agreement dated as of March 1, 2026, between
Temecula Public Cemetery District and Columbia Bank (the "Loan Obligation")

Ladies and Gentlemen:

Columbia Bank (the "Lender") hereby represents and certifies as follows in connection with its acquisition of the above-referenced Loan Obligation:

1. The Lender is purchasing the Loan Obligation for its own account with the present intent to hold the Loan Obligation to maturity or earlier prepayment, and without any present intent to distribute, transfer, sell, resell, participate or otherwise dispose of the Loan Obligation or any interest therein or portion thereof; provided that the Lender retains the right at any time to dispose of the Loan Obligation or any interest therein or portion thereof, but agrees that any such transfer or distribution by the Lender shall be made in accordance with applicable law and the provisions of the Loan Obligation. The Lender is not participating, directly or indirectly, in a distribution of the Loan Obligation and will not take, or cause to be taken, any action that would cause the Lender to be deemed an "underwriter" of the Loan Obligation (as defined in Section 2(11) of the Securities Act of 1933, as amended (the "Securities Act")).

2. The Lender is a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended ("Securities Act"), or an "accredited investor" as defined in Regulation D promulgated under the Securities Act. The Lender has sufficient knowledge and experience in financial and business matters that make it capable of evaluating Temecula Public Cemetery District (the "District"), the Loan Obligation and the risks associated with the acquisition of the Loan Obligation; and has the ability to bear the economic risk of extending the credit evidenced by the Loan Obligation.

3. The Lender understands that the District has no obligation to register the Loan Obligation for resale under the Securities Act. The Lender further understands that the Loan Obligation is being sold in a transaction that is exempt from the registration requirements of the Securities Act. The Lender acknowledges that the District will not be entering into a continuing disclosure agreement pursuant to Section 15c2-12 of the Securities Exchange Act of 1934, as amended.

4. The Lender has conducted its own investigation of the financial condition of the District and of the security for the payment of the principal of and interest on the Loan Obligation, and has obtained such information regarding the Loan Obligation, the District and its operations, financial condition and financial prospects as the Lender deems necessary to make an informed credit decision with respect to its acquisition of the Loan Obligation. In connection therewith the Lender, has had access to all other materials, books, records, documents, and information relating to the District and the Loan Obligation (the "Disclosure Items"), and has been able to verify the accuracy of, and supplement, the information contained therein.

5. The Lender has had an opportunity to ask questions of, and receive satisfactory answers from, duly designated representatives of the District concerning the terms and conditions pursuant to which the offer to purchase the Loan Obligation is being made, and any request for such information has been fully complied with to the extent the District possesses such information or can acquire it without unreasonable effort or expense.

6. The Lender has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks relating to such Loan Obligation and has evaluated: (i) the information furnished to it by the District; (ii) its or such representative's personal knowledge of the business and affairs of the District; (iii) the records, files, and plans of the District, to all of which it or such representative has had full access; (iv) such additional information as it or such representative may have requested and have received from the District; and (v) the independent inquiries and investigations undertaken by it or such representative.

7. No person employed or authorized in writing by the District has given any information or made any representation not contained in any Disclosure Items referred to above. The Lender understands and agrees that any such information or representation not contained in the Disclosure Items must not, and will not, be relied upon and that nothing contained therein should be deemed as legal or tax advice to the Lender.

8. The District has not made any direct or indirect representation or warranty of any kind to the Lender with respect to the economic return which may accrue to the Lender. The Lender has consulted with its own counsel and other advisors with respect to its purchase of the Loan Obligation.

9. The signatory of this letter is a duly authorized officer of the Lender with the authority to sign this letter on behalf of the Lender, and this letter has been duly authorized, executed, and delivered by the Lender.

COLUMBIA BANK

By: _____
Title: Relationship Manager

CDIAC REPORTS

[To be prepared and filed by Municipal Finance Corporation]

CLOSING MEMORANDUM

[To be prepared by Municipal Finance Corporation.]

DISTRICT'S FORM W-9

[On file with Lender.]

RESOLUTION NO. 2026-7

RESOLUTION OF THE BOARD OF TRUSTEES OF TEMECULA PUBLIC CEMETERY DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN INSTALLMENT SALE AGREEMENT AND RELATED DOCUMENTS AND AUTHORIZING CERTAIN ADDITIONAL ACTIONS

WHEREAS, Temecula Public Cemetery District (the “District”), a public cemetery district duly organized and validly existing under and by virtue of the laws of the State of California, wishes to finance a portion of the cost relating to the development of approximately 12 acres of District-owned vacant land to expand Temecula Cemetery, including infrastructure such as electrical, water, curbing, signage, entry gates and roads, as well as installation of an eight-stall garage and storage area, a committal center and a lawned area for casket burials (the “Project”); and

WHEREAS, pursuant to California Health and Safety Code Section 9041, the District may acquire real and personal property, may borrow money, give security therefor, purchase on contract, and take any and all actions necessary for or incidental to its powers; and

WHEREAS, pursuant to the request of the District, Columbia Bank, an Oregon state-chartered bank (the “Lender”), will assist the District in financing the Project pursuant to an Installment Sale Agreement (the “Installment Sale Agreement”) entered into between the District and the Lender, the form of which has been presented to this meeting; and

WHEREAS, the Lender will commission the acquisition and installation of the Project by the District as its agent, will provide the funds to pay a portion of the cost thereof and certain transaction costs, and will then sell the Project to the District pursuant to the Installment Sale Agreement; and

WHEREAS, the Board of Trustees of the District (“Board of Trustees”) has obtained good faith estimates from the Lender of (a) the true interest cost of the financing authorized by this Resolution; (b) the sum of all fees and charges paid to third parties with respect to the financing; (c) the amount of proceeds of the financing expected to be received, net of the fees and charges paid to third parties, and any reserves or capitalized interest paid or funded with proceeds of the financing; and (d) the aggregate sum total of all installment payments calculated to the final term of the Installment Sale Agreement, plus the fees and charges paid to third parties not paid with proceeds of the financing, and such estimates are disclosed and set forth in Exhibit A attached hereto; and

WHEREAS, the Board of Trustees determines that the authorization, approval, execution, and delivery of the Installment Sale Agreement and certain related documents and the actions described therein or contemplated thereby or incidental thereto are desirable and in the best interests of the District and the Board of Trustees now wishes to approve the financing and related documents.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF TEMECULA PUBLIC CEMETERY DISTRICT, as follows:

Section 1. Recitals. This Board of Trustees finds and determines that all of the above recitals are true and correct.

Section 2. Authorization of Officers to Execute and Deliver Documents. The Board of Trustees hereby authorizes and directs the General Manager of the District and the Chair of the Board of Trustees, or in the Chair's absence, the Vice Chair of the Board of Trustees (together the "Designated Officers"), and each of them individually, for and in the name of and on behalf of the District, to approve, execute, and deliver (a) the Installment Sale Agreement and (b) the Federal Tax Agreement (the "Tax Agreement"), both in substantially the forms presented to this meeting, which agreements are hereby approved, with such changes, insertions, revisions, corrections, or amendments as shall be approved by the Designated Officer executing the agreements for the District; provided that the total principal components of the District's installment payments thereunder shall not exceed \$3,050,000 and that the rate at which the interest components of the installment payments are calculated shall be 4.86% per annum. The execution of the foregoing by a Designated Officer constitutes conclusive evidence of such officer's and the Board of Trustee's approval of any such changes, insertions, revisions, corrections, or amendments to the form of the agreements presented to this meeting.

Section 3. Authorization to Establish Project Fund. The Board of Trustees hereby authorizes and directs a Designated Officer to make appropriate arrangements to establish a special fund into which the proceeds of the financing are deposited for the purpose of paying the costs of the Project.

Section 4. Designation as Qualified Tax-Exempt Obligation. The Board of Trustees hereby finds that the District's obligations under the Installment Sale Agreement will not be a private activity bond as defined in Section 141 of the Internal Revenue Code of 1986; and the Board of Trustees reasonably anticipates that the District and all subordinate entities and all entities that issue obligations on its behalf will not issue more than \$10 million of tax-exempt obligations (excluding private activity bonds) during the current calendar year. The Board of Trustees hereby designates the District's obligations under the Installment Sale Agreement as a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

Section 5. Declaration of Reimbursement. The District shall, presently intends, and reasonably expects to finance a portion of the Project with legally available funds of the District's General Fund. All of the expenditures covered by this resolution were or will be paid on and after the date which is 60 days prior to the effective date of this resolution. The District presently intends and reasonably expects to participate in a tax-exempt financing in the maximum principal amount of \$3,050,000 within 18 months of the date of the expenditure of moneys on the Project or the date upon which the Project is placed in service, whichever is later (but in no event more than three years after the date of the original expenditure of such moneys), and to allocate from such financing an amount not to exceed amounts advanced for the Project from legally available funds to reimburse the District. The District intends for this resolution to constitute the District's official intent, within the meaning of Treasury Regulations Section 1.150-2, to support the use of the proceeds of the Installment Sale Agreement to reimburse the District for the prior payment of expenditures related to the Project.

Section 6. General Authorization. The Designated Officers, and each of them individually, are hereby authorized and directed, for and in the name of and on behalf of the District, to execute and deliver any and all documents and certificates, to do any and all things and take any and all actions that may be necessary or advisable, in their discretion, in order to effect the purposes of this resolution. All actions heretofore taken by the Designated Officers that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

Section 7. Effective Date. This resolution shall take effect immediately upon its adoption.

PASSED AND ADOPTED by the Board of Trustees of Temecula Public Cemetery District on February 26, 2026, by the following vote:

AYES: _____

NOES: _____

ABSTENTIONS: _____

ABSENT: _____

APPROVED:

Chair of the Board of Trustees

ATTEST:

Secretary to the Board of Trustees

APPROVED AS TO FORM:

General Counsel

EXHIBIT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to that certain Installment Sale Agreement, dated as of March 1, 2026 (the "Installment Sale Agreement"), between Temecula Cemetery District (the "District") and Columbia Bank (the "Lender"). Such good faith estimates have been provided to the District by the Lender.

Principal Amount. The estimated aggregate amount of the principal components of the installment payments under the Installment Sale Agreement is \$3,050,000.

True Interest Cost. The estimated true interest cost of the Installment Sale Agreement, which means the rate necessary to discount the amounts payable on the installment payment dates to the proceeds received for the Installment Sale Agreement, is 4.86%.

Finance Charge. The estimated finance charge for the Installment Sale Agreement, which means the sum of all fees and charges paid to third parties, is \$50,000.

Amount of Proceeds to be Received. The estimate of the amount of proceeds to be received by the District from the Installment Sale Agreement is \$3,000,000.

Total Payment Amount. The estimated total payment amount is \$4,836,862.00, which includes the sum total of all installment payments the District will make under the Installment Sale Agreement (\$4,836,862.00, plus the finance charges not paid with the proceeds of the Installment Sale Agreement (\$0.00).

The foregoing estimates are good faith estimates only. The actual figures may differ from the estimates owing to changes in the District's financing plan.

TEMECULA PUBLIC CEMETERY DISTRICT DEBT POLICY

INTRODUCTION

The purpose of this debt management policy (the “Policy”) is to establish and maintain parameters for debt issuances of Temecula Public Cemetery District (“District”) and is intended to comply with California Government Code Section 8855(i). The Policy shall govern all debt issued by the District. This Policy may be amended by the District Board of Trustees (“Board”) as it deems appropriate from time to time in the prudent management of the debt of the District. The District recognizes that changes in the capital markets and other unforeseen circumstances may require action that deviates from this Policy. Any approval of debt by the Board that is not consistent with this Policy shall constitute a waiver of the Policy.

SCOPE

The guidelines established by this Policy will govern the issuance and management of all debt funded for long-term and short-term financing needs and not for general operating functions. When used herein, “debt” refers to all forms of indebtedness, including but not limited to, bonds, notes, loans, certificates of participation, installment sale agreements, and lease obligations.

PURPOSES FOR WHICH DEBT PROCEEDS BY BE USED

Long-term debt may be issued to finance or refinance the acquisition of land and/or easements, the capital costs of planning, pre-design, construction, acquisition and rehabilitation of capital improvements and facilities, equipment acquisition, and other costs as permitted by law. Short-term debt may be issued as permitted by law. Short-term debt may also be used to finance short-lived capital projects; for example, the District may undertake lease-purchase financing for equipment.

The proceeds of any debt obligation shall be expended only for the purpose for which it was authorized. Debt may only be issued under the Board’s authorization and when the District has identified sufficient funds to pay the obligation of principal and interest. No debt shall be issued with a maturity date greater than the expected useful life of the facilities or improvements being financed.

TYPES OF DEBT THAT MAY BE ISSUED

Debt is to be issued pursuant to the authority of and in full compliance with provisions, restrictions and limitations of the Constitution and the laws of the State of California (the “State”). Various types of debt may be issued, including, but not limited to revenue bonds, bonds, certificates of participation, notes, special tax bonds, all refunding obligations, lease financing obligations, and any other form of debt authorized by law. There may be special circumstances when other forms of debt are appropriate and may be evaluated on a case-by-case basis. Such other forms include, but are not limited to, bond anticipation notes, grant anticipation notes, etc. In addition, the District

may utilize federal loans or loan guarantees. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why variable rate debt would be beneficial to the District in a specific circumstance.

RELATIONSHIP OF DEBT TO CAPITAL BUDGET

The District shall issue debt for the purposes set forth in this Policy and to implement policy decisions incorporated in the District's capital budget. The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District may enter into credit enhancement agreements such as municipal bond insurance, surety bonds, and letters of credit when their use is judged to lower borrowing costs, eliminate restrictive covenants, or have a net economic benefit to the financing.

POLICY GOALS RELATING TO PLANNING GOALS AND OBJECTIVES

The District is committed to following sensible practices in governance, management and budget administration. The District will issue debt for the purposes stated in this Policy and to implement policy decisions incorporated into the District's budget. It is a policy goal of the District to utilize conservative financing methods and techniques. The District will comply with applicable State and federal law as it pertains to the maximum term of debt and the procedures for imposing any related charges.

INTERNAL CONTROL PROCEDURES

When issuing debt, in addition to complying with the terms of this Policy, the District shall comply with any other applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment and expenditure of debt proceeds. The District will periodically review the requirements of and remain in compliance with the following: (i) any federal tax compliance requirements; (ii) any State requirements related to debt issuance; (iii) any continuing disclosure undertakings entered into by the District in accordance with Securities and Exchange Commission Rule 15c2-12; and (iv) the District's investment policies as they relate to the use and investment of debt proceeds, if applicable.

Proceeds of tax-exempt debt will be held either (a) by a third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the District, or (b) by the District, to be held and accounted for in a separate fund or account, the expenditure of which will be carefully documented by the District. Proceeds of taxable debt may be held by any means which the District determines are convenient or necessary.

RESOLUTION NO. 2026-6

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
TEMECULA PUBLIC CEMETERY DISTRICT ADOPTING
A DEBT POLICY**

WHEREAS, the Temecula Public Cemetery District (the “District”) is a public cemetery district duly organized and existing under and pursuant to the laws of the State of California; and

WHEREAS, on September 12, 2016, the Governor of the State of California signed into law Senate Bill No. 1029 (“SB 1029”) which is codified in California Government Code Section 8855; and

WHEREAS, pursuant to California Government Code Section 8855, as amended by SB 1029, state and local governments are required to certify to the California Debt and Investment Advisory Commission on their report of proposed debt issuance submitted prior to the sale of any debt that they have adopted local debt policies concerning the use of debt and that the contemplated debt issuance is consistent with those debt policies; and

WHEREAS, the Board of Trustees of the District (the “Board”) now desires to adopt the District’s debt policy (the “Policy”), attached hereto as Exhibit “A” and incorporated herein.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the Temecula Public Cemetery District as follows:

Section 1. The recital set forth above are true and correct and the Board so finds and determines.

Section 2. The Board hereby adopts the Policy as set forth in Exhibit A attached hereto and incorporated herein by this reference.

Section 3. This Resolution shall take effect immediately upon its passage.

PASSED APPROVED AND ADOPTED this 26th day of February, 2006, by the following vote:

AYES: _____

NOES: _____

ABSTENTIONS: _____

ABSENT: _____

APPROVED:

Chair of the Board of Trustees

ATTEST:

Secretary to the Board of Trustees

APPROVED AS TO FORM:

General Counsel

EXHIBIT A

DEBT POLICY

[ATTACHED]