TOWN COUNCIL HEARING AND MEETING

1777 N Meadowlark Dr, Apple Valley
Wednesday, July 15, 2026 at 6:00 PM

AGENDA

Notice is given that a meeting of the Town Council of the Town of Apple Valley will be held on **Wednesday, July 15, 2026**, commencing at **6:00 PM** or shortly thereafter at **1777 N Meadowlark Dr, Apple Valley**.

Mayor| Michael Farrar
Council Members | Kevin Sair | Annie Spendlove | Scott Taylor | Richard Palmer

Please be advised that the meeting will be held electronically and broadcast via Zoom. Persons allowed to comment during the meeting may do so via Zoom. Login to the meeting by visiting:
https://us02web.zoom.us/j/82661513795
if the meeting requests a password use 1234
To call into meeting, dial (253) 215 8782 and use Meeting ID 826 6151 3795

CALL TO ORDER
PLEDGE OF ALLEGIANCE
PRAYER
ROLL CALL

DECLARATION OF CONFLICTS OF INTEREST

MAYOR'S TOWN UPDATE & REPORTS, RECOMMENDATIONS, AND ANNOUNCEMENTS

PUBLIC COMMENTS: 3 MINUTES EACH - DISCRETION OF MAYOR FARRAR

PUBLIC HEARING

1. Discuss a grant application to the Community Impact Board (CIB) for a comprehensive Culinary Water System planning project.

DISCUSSION AND ACTION

2. Discuss a grant application to the Community Impact Board (CIB) for a comprehensive Culinary Water System planning project.
3. Ordinance O-2026-17, Adopt Title 11.02.055 Boundary Adjustments.

   *Planning Commission recommended approval on July 8, 2026.
4. Resolution R-2026-25, Civil Rights Resolution.
5. Consideration for and adoption of a Parameters Resolution authorizing the issuance Parity Water Revenue Bonds of the Town of Apple Valley and calling of a public hearing to receive input with respect to the issuance of such Bonds and any potential impact to the private sector from the engineering and well rehabilitation work to address an emergency drought situation and the acquisition of the assets of Big Plains Water & Sewer Special Service District.

CONSENT AGENDA
The Consent Portion of the Agenda is approved by one (1) non-debatable motion. If any Council Member wishes to remove an item from the Consent Portion of the agenda, that item becomes the first order of business on the Regular Agenda.

6. June 2026 Disbursement Listing.
7. Budget Report for Fiscal Year 2026 through June 2026.

8. June 2026 Water Usage Comparison.

9. Minutes: June 17, 2026 - Town Council Hearing and Meeting.

10. Minutes: June 30, 2026 - Special Town Council Hearing and Meeting.

REQUEST FOR A CLOSED SESSION: IF NECESSARY

ADJOURNMENT

CERTIFICATE OF POSTING: I, Jenna Vizcardo, as duly appointed Recorder for the Town of Apple Valley, hereby certify that this Agenda was posted at the Apple Valley Town Hall, the Utah Public Meeting Notice website http://pmn.utah.gov, and the Town Website www.applevalleyut.gov.

THE PUBLIC IS INVITED TO PARTICIPATE IN ALL COMMUNITY EVENTS AND MEETINGS
In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify the Town at 435-877-1190 at least three business days in advance.

NOTICE OF PUBLIC HEARING

The Town of Apple Valley will hold a public hearing on July 15, 2026, at 6:00 PM at the Town of Apple Valley Offices, 1777 North Meadowlark Drive, Apple Valley, UT.

The purpose of this hearing is to discuss a grant application to the Community Impact Board (CIB) for a comprehensive Culinary Water System planning project. This project includes updates to the Culinary Water Master Plan, Impact Fee Facility Plan, and Impact Fee Analysis to strategically address the expansion, replacement, and upgrade needs to the town’s culinary water system.

Items for discussion include:

- **Funding Options:** Potential sources and financial structures.
- **Project Scope:** Details of the master plan and impact fee plan updates.
- **Implementation Schedule:** Timeline for the proposed work.
- **Impact on Residents:** How the project will affect local users.

All interested citizens are encouraged to attend and provide input.

In addition to appearing at the public hearing, interested persons may submit written comments to Jenna Vizcardo, Town Recorder 1777 North Meadowlark Drive, Apple Valley, UT 84737 or clerk@applevalleyut.gov

Dated this 16th day of June 2026

/s/ Jenna Vizcardo
Apple Valley Recorder/Clerk

APPLE VALLEY
ORDINANCE O-2026-17

NOW THEREFORE, be it ordained by the Council of the Apple Valley, in the State of Utah, as follows:

SECTION 1: **ADOPTION** "11.02.055 Boundary Adjustments" of the Apple Valley Subdivisions is hereby *added* as follows:

A D O P T I O N

11.02.055 Boundary Adjustments*(Added)*

SECTION 2: **ADOPTION** "Purpose" of the Apple Valley Subdivisions is hereby *added* as follows:

A D O P T I O N

Purpose*(Added)*

The purpose of this section is to establish procedures and standards for boundary adjustments within the Town of Apple Valley in accordance with Utah Code Title 10, Chapter 20, and to ensure resulting parcels comply with applicable zoning, access, utility, and subdivision requirements.

SECTION 3: **ADOPTION** "Applicability" of the Apple Valley Subdivisions is hereby *added* as follows:

A D O P T I O N

Applicability*(Added)*

This section applies only to boundary adjustments subject to municipal review under Utah Code §§10-20-906 and 10-20-811.

Boundary establishments authorized under Utah Code §10-20-907 are not subject to Town review or approval.

SECTION 4: **ADOPTION** "Simple Boundary Adjustment" of the Apple Valley Subdivisions is hereby *added* as follows:

ADOPTION

Simple Boundary Adjustment*(Added)*

A simple boundary adjustment shall be processed in accordance with Utah Code §10-20-906. The Town shall administratively consent to a proposed simple boundary adjustment when the Town verifies the proposal: 1. Includes required conveyance documents;

2. Does not affect:

a. public rights-of-way;

b. municipal utility easements;

c. public property;

d. existing easements;

e. onsite wastewater systems; or

f. internal lot restrictions;

3. Does not result in a parcel that violates Town land use regulations.

SECTION 5: **ADOPTION** "Full Boundary Adjustment" of the Apple Valley Subdivisions is hereby *added* as follows:

ADOPTION

Full Boundary Adjustment*(Added)*

A full boundary adjustment shall be required when a proposed boundary adjustment does not qualify as a simple boundary adjustment under Utah Code §10-20-906. Applications shall include: 1. Conveyance documents;

2. Survey prepared by a licensed Utah surveyor;

3. Plat amendment if required by Town ordinance;

4. Applicable fees;

5. Additional information reasonably necessary to verify compliance with Town ordinances and state law.

SECTION 6: **ADOPTION** "Approval Standards" of the Apple Valley Subdivisions is hereby *added* as follows:

A D O P T I O N

Approval Standards*(Added)*

The Town shall administratively consent to a full boundary adjustment when the Town verifies: 1. Required application materials have been submitted;

2. The survey demonstrates compliance with Town land use regulations;

3. Any required plat amendment has been approved pursuant to Utah Code §10-20-811;

4. The adjustment does not create additional lots, dwelling rights, or development rights;

5. Resulting parcels maintain safe and legal access;

6. No parcel becomes landlocked.

SECTION 7: **ADOPTION** "Recording" of the Apple Valley Subdivisions is hereby *added* as follows:

ADOPTION

Recording*(Added)*

A boundary adjustment shall not become effective until all required documents are recorded with the Washington County Recorder.

SECTION 8: **ADOPTION** "Fees" of the Apple Valley Subdivisions is hereby *added* as follows:

ADOPTION

Fees*(Added)*

1. Boundary adjustment applications shall be subject to the same application fee established for Simple Lot Subdivisions, unless otherwise established by resolution or adopted fee schedule of the Town Council.

2. Applicants shall pay all applicable recording fees.

3. The Town may require reimbursement for reasonable professional review costs actually incurred by the Town, including engineering, legal, surveying, planning, or consultant review expenses reasonably necessary to evaluate the application.

4. All fees and reimbursements required under this section shall be paid prior to final administrative consent or recording approval by the Town.

PASSED AND ADOPTED BY THE APPLE VALLEY COUNCIL
______________________________.

	AYE	NAY	ABSENT	ABSTAIN
Mayor | Mike Farrar	_______	_______	_______	_______
Council Member | Kevin Sair	_______	_______	_______	_______
Council Member | Annie Spendlove	_______	_______	_______	_______
Council Member | Scott Taylor	_______	_______	_______	_______
Council Member | Richard Palmer	_______	_______	_______	_______

Attest

____
Jenna Vizcardo, Town Clerk, Apple Valley

Presiding Officer

____
Michael Farrar, Mayor, Apple Valley

TOWN OF APPLE VALLEY, UTAH

RESOLUTION NO. R-2026-25

A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, UTAH, ADOPTING A FEDERAL CIVIL RIGHTS, ACCESSIBILITY, AND NONDISCRIMINATION POLICY; PROVIDING FOR COMPLIANCE WITH APPLICABLE FEDERAL CIVIL RIGHTS LAWS AND REGULATIONS; INCORPORATING THE POLICY INTO THE TOWN'S ADMINISTRATIVE CODE; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS,

The Town of Apple Valley ("Town") is committed to providing equal access to its programs, services, activities, facilities, and benefits without unlawful discrimination; and

WHEREAS,

The Town periodically applies for and receives financial assistance from federal and state agencies for public infrastructure, transportation, water, wastewater, emergency management, parks, recreation, public safety, community development, and other governmental purposes; and

WHEREAS,

Recipients of federal financial assistance are required to comply with applicable federal civil rights laws and regulations, including but not limited to Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, Executive Order 13166 regarding Limited English Proficiency, and other nondiscrimination requirements applicable to federally funded programs; and

WHEREAS,

The Town Council finds that adopting a comprehensive Civil Rights, Accessibility, and Nondiscrimination Policy promotes transparency, accountability, equal opportunity, and compliance with applicable federal and state requirements while establishing consistent administrative procedures applicable to all Town departments and federally funded projects.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, UTAH, AS FOLLOWS:

Section 1. Adoption.

The Town Council hereby adopts the **Federal Civil Rights, Accessibility, and Nondiscrimination Policy**, attached hereto as **Exhibit A** and incorporated herein by this reference.

Section 2. Administrative Code.

The policy shall be incorporated into the Town of Apple Valley Administrative Code as **Chapter 2.01 – Federal Civil Rights, Accessibility, and Nondiscrimination Policy**, or such other chapter designation as may be assigned by the Town.

Section 3. Applicability.

The policy shall apply to all Town departments, elected officials, appointed officials, employees, volunteers, contractors, consultants, boards, commissions, committees, and any person administering Town programs, services, activities, or federally funded projects on behalf of the Town.

Section 4. Administration.

The Administrative Manager, or the Mayor's designee, is authorized to administer the policy, receive requests for reasonable accommodations and language assistance, receive and process civil rights complaints, maintain records necessary to demonstrate compliance with applicable federal requirements, and coordinate the Town's compliance efforts.

Nothing in this Resolution creates a separate employment position or requires the appointment of a Civil Rights Coordinator unless such designation becomes required by applicable law or as a condition of receiving federal financial assistance.

Section 5. Implementation.

Town staff are authorized and directed to implement the policy and to develop forms, notices, procedures, and administrative practices necessary to carry out its provisions, including but not limited to:

- Public Nondiscrimination Notice;
- Civil Rights Complaint Procedure;
- Civil Rights Complaint Form;
- Limited English Proficiency (LEP) Language Assistance Plan;
- Reasonable Accommodation Procedures;
- Any additional administrative forms or procedures necessary to comply with applicable federal or state requirements.

Section 6. Federal Compliance.

The Town shall administer its programs, services, activities, and federally assisted projects in accordance with applicable federal civil rights laws, regulations, grant assurances, and funding requirements.

The Town intends that this policy be interpreted broadly to maintain compliance with current and future federal nondiscrimination requirements applicable to recipients of federal financial assistance.

Section 7. Administrative Revisions.

The Administrative Manager may make non-substantive administrative revisions to forms, contact information, references, or procedures necessary to maintain compliance with changes in federal guidance or grant administration requirements, provided such revisions do not alter the substantive rights or obligations established by the adopted policy.

Any substantive amendment to the policy shall require approval of the Town Council by resolution.

Section 8. Severability.

If any section, subsection, sentence, clause, or phrase of this Resolution or the attached policy is held invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining portions.

Section 9. Effective Date.

This Resolution shall become effective immediately upon its adoption.

PASSED AND ADOPTED by the Town Council of the Town of Apple Valley, Utah, this _____ day of ________________, 2026.

TOWN OF APPLE VALLEY

Michael Farrar, Mayor

ATTEST:

Jenna Vizcardo, Town Recorder

CERTIFICATE OF ADOPTION

The foregoing Resolution was duly adopted by the Town Council of the Town of Apple Valley, Utah, at a duly noticed public meeting held on the _____ day of ________________, 2026.

APPLE VALLEY
RESOLUTION R-2026-25

SECTION 1: **ADOPTION** “2.01 Federal Civil Rights, Accessibility, Nondiscrimination, And Language Access Policy” of the Apple Valley Municipal Code is hereby *added* as follows:

A D O P T I O N

2.01 Federal Civil Rights, Accessibility, Nondiscrimination, And Language Access Policy*(Added)*

SECTION 2: **ADOPTION** “2.01.010 Purpose” of the Apple Valley Municipal Code is hereby *added* as follows:

A D O P T I O N

2.01.010 Purpose*(Added)*

The purpose of this policy is to ensure that the Town of Apple Valley administers its programs, services, activities, facilities, meetings, communications, and federally assisted projects in a manner consistent with applicable federal civil rights laws and regulations.

The Town is committed to providing equal access to all persons and to preventing discrimination in the administration of municipal services.

SECTION 3: **ADOPTION** "2.01.020 Applicability" of the Apple Valley Municipal Code is hereby *added* as follows:

A D O P T I O N

2.01.020 Applicability*(Added)*

This policy applies to:

A. All Town departments, boards, commissions, committees, employees, officials, volunteers, contractors, consultants, and agents acting on behalf of the Town.

B. Every Town program, service, activity, facility, meeting, hearing, communication, and project, including those receiving federal or state financial assistance.

C. All applicants, participants, customers, utility users, contractors, vendors, consultants, and members of the public.

SECTION 4: **ADOPTION** "2.01.030 Governing Authorities" of the Apple Valley Municipal Code is hereby *added* as follows:

A D O P T I O N

2.01.030 Governing Authorities*(Added)*

This policy is intended to comply with applicable federal civil rights requirements, including but not limited to:

A. Title VI of the Civil Rights Act of 1964;

B. Title II of the Americans with Disabilities Act of 1990;

C. Section 504 of the Rehabilitation Act of 1973;

D. The Age Discrimination Act of 1975;

E. Executive Order 13166, Improving Access for Persons with Limited English Proficiency;

F. EPA regulations at 40 C.F.R. Part 7; and

G. Any additional nondiscrimination requirements imposed by federal or state grant agreements.

Nothing in this policy limits the Town's obligation to comply with future amendments or additional federal requirements applicable to specific grant programs.

SECTION 5: **ADOPTION** "2.01.040 Nondiscrimination" of the Apple Valley Municipal Code is hereby *added* as follows:

ADOPTION

2.01.040 Nondiscrimination*(Added)*

The Town shall not exclude any person from participation in, deny the benefits of, or otherwise discriminate in the administration of any Town program, service, activity, facility, meeting, communication, or federally assisted project on the basis of race, color, national origin, disability, age, sex, or any other classification protected by applicable federal or state law.

This policy applies to all Town operations, regardless of whether federal financial assistance is involved.

SECTION 6: **ADOPTION** "2.01.050 Accessibility And Reasonable Accommodations" of the Apple Valley Municipal Code is hereby *added* as follows:

ADOPTION

2.01.050 Accessibility And Reasonable Accommodations*(Added)*

Town programs, services, activities, meetings, facilities, and communications shall be administered in a manner that provides individuals with disabilities with an equal opportunity to participate.

Where required by law, the Town shall provide reasonable accommodation, auxiliary aids, services, or other reasonable modifications necessary to provide meaningful access.

Individuals requesting reasonable accommodation to participate in Town meetings, hearings, programs, or activities are encouraged to notify the Town at least seventy-two (72) hours before the scheduled event whenever practical. Requests received with less notice will be considered and accommodated whenever reasonably possible.

SECTION 7: **ADOPTION** "2.01.060 Limited English Proficiency (LEP)" of the Apple Valley Municipal Code is hereby *added* as follows:

ADOPTION

2.01.060 Limited English Proficiency (LEP)*(Added)*

The Town recognizes that individuals with Limited English Proficiency are entitled to meaningful access to Town programs, services, and activities.

When appropriate, the Town shall make reasonable efforts to provide language assistance considering:

A. The number or proportion of LEP persons served;

B. The frequency of contact with LEP persons;

C. The importance of the program, service, activity, or information involved; and

D. The Town's available resources.

Language assistance may include qualified interpreters, telephone interpretation, translated notices, translated vital documents, or other appropriate communication methods.

SECTION 8: **ADOPTION** "2.01.070 Administration" of the Apple Valley Municipal Code is hereby *added* as follows:

ADOPTION

2.01.070 Administration*(Added)*

The Administrator Manager, or the Mayor's designee, shall administer this policy and shall:

A. Receive requests for reasonable accommodations;

B. Coordinate language assistance requests;

C. Receive and process civil rights complaints;

D. Maintain records necessary to demonstrate compliance with applicable federal and state civil rights requirements;

E. Coordinate responses to federal and state agency reviews, audits, and compliance inquiries;

F. Provide guidance and assistance to Town departments regarding implementation of this policy; and

G. Ensure required public notices, complaint procedures, and accessibility information are made available in accordance with applicable law.

Because the Town employs fewer than fifteen (15) full-time equivalent employees, it is not required under applicable federal regulations to designate a formal Civil Rights Coordinator. Accordingly, the Town Administrator, or the Mayor's designee, shall serve as the Town's point of contact for matters arising under this policy, including requests for reasonable accommodation, language assistance, and civil rights complaints.

If future staffing levels, applicable law, or the terms and conditions of a federal or state financial assistance award require designation of a formal Civil Rights Coordinator, the Town shall make such designation by administrative action or resolution, as appropriate.

SECTION 9: **ADOPTION** "2.01.080 Civil Rights Complaints" of the Apple Valley Municipal Code is hereby *added* as follows:

A D O P T I O N

2.01.080 Civil Rights Complaints*(Added)*

Any person who believes they have been excluded from participation in, denied benefits of, or otherwise subjected to unlawful discrimination by the Town may submit a written complaint to the Town.

Complaints should include:

A. The complainant's name and contact information;

B. A description of the alleged discrimination;

C. The date of the alleged action or occurrence;

D. The Town program, service, activity, facility, meeting, communication, or project involved;

E. The persons involved, if known; and

F. The requested resolution, if any.

The Town shall review the complaint, gather relevant information, and provide a written response when appropriate. Nothing in this policy limits an individual's right to file a complaint directly with the appropriate federal or state agency.

SECTION 10: **ADOPTION** "2.01.090 Public Notice" of the Apple Valley Municipal Code is hereby *added* as follows:

A D O P T I O N

2.01.090 Public Notice*(Added)*

The Town shall make available a public notice advising individuals of their nondiscrimination rights, the availability of reasonable accommodation and language assistance, complaint procedures, and Town contact information.

The notice may be posted on the Town website, included in meeting notices, displayed at Town facilities, and provided with federally funded projects as appropriate.

The Town may use the following notice:

"The Town of Apple Valley does not discriminate on the basis of race, color, national origin, disability, age, sex, or other protected status in its programs, services, or activities. Individuals needing language assistance, auxiliary aids, services, or other reasonable accommodations may contact the Town at (435) 877-1190 at least seventy-two (72) hours prior to the meeting or event, if possible."

SECTION 11: **ADOPTION** "2.01.100 Training" of the Apple Valley Municipal Code is hereby *added* as follows:

A D O P T I O N

2.01.100 Training*(Added)*

Town employees whose duties involve public interaction, administration of federal grants, procurement, permitting, utility services, or public meetings shall receive periodic training regarding this policy as determined appropriate by the Administrator Manager or Mayor's designee.

SECTION 12: **ADOPTION** "2.01.110 Record Retention" of the Apple Valley Municipal Code is hereby *added* as follows:

A D O P T I O N

2.01.110 Record Retention*(Added)*

The Town shall maintain records reasonably necessary to demonstrate compliance with applicable federal civil rights requirements, including complaint records, accommodation requests, language assistance requests, public notices, and related documentation, in accordance with applicable records retention schedules and grant requirements.

SECTION 13: **ADOPTION** "2.01.120 Construction And Future Requirements" of the Apple Valley Municipal Code is hereby *added* as follows:

A D O P T I O N

2.01.120 Construction And Future Requirements*(Added)*

This policy shall be interpreted to provide broad compliance with applicable federal civil rights laws governing recipients of federal financial assistance.

Should federal statutes, regulations, executive orders, or grant conditions be amended or expanded, this policy shall be interpreted to require compliance with those applicable requirements without requiring immediate amendment, provided such interpretation does not conflict with Utah law.

PASSED AND ADOPTED BY THE APPLE VALLEY COUNCIL
_______________________________.

	AYE	NAY	ABSENT	ABSTAIN
Mayor | Mike Farrar	_______	_______	_______	_______
Council Member | Kevin Sair	_______	_______	_______	_______
Council Member | Annie Spendlove	_______	_______	_______	_______
Council Member | Scott Taylor	_______	_______	_______	_______
Council Member | Richard Palmer	_______	_______	_______	_______

Attest

____
Jenna Vizcardo, Town Clerk, Apple Valley

Presiding Officer

____
Michael Farrar, Mayor, Apple Valley

Apple Valley, Utah

July 15, 2026

The Mayor and Town Council (the "Governing Body") of the Town of Apple Valley (the "Issuer") met in regular session at the Town Office, Apple Valley, Utah, at 6:00 o'clock P.M. on Wednesday, the 15th day of July, 2026, with the following members of the Governing Body present:

Mike Farrar	Mayor
Kevin Sair	Councilmember
Annie Spendlove	Councilmember
Scott Taylor	Councilmember
Richard Palmer	Councilmember

Also present:

Jenna Vizcardo	Town Clerk

Absent:

___________________	_____________

After the meeting had been duly called to order and after other matters not pertinent to this Parameters Resolution had been discussed, the Town Clerk presented to the Mayor and Town Council a Certificate of Compliance With Open Meeting Law with respect to this July 15, 2026, meeting.

STATE OF UTAH)
: SS.
COUNTY OF WASHINGTON)

I, JENNA VIZCARDO, the undersigned Town Clerk of the Town of Apple Valley, Washington County, Utah (the "Issuer"), do hereby certify, that I gave written notice of the agenda, date, time and place of the July 15, 2026, Regular Meeting held by the Mayor and Town Council (the "Governing Body") of the Town on July 14, 2026, not less than 24 hours in advance of the meeting. The public notice was given in compliance with the requirements of the Utah Open and Public Meetings Act, Section 52-4-202, Utah Code Annotated 1953, as amended, by:

(a) causing a Notice, in the form attached hereto as Schedule 1, to be posted at the Town's principal offices at least twenty-four (24) hours prior to the convening of the meeting;

(b) causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Town's official website at least twenty-four (24) hours prior to the convening of the meeting; and

(c) causing a copy of such Notice to be posted on the Utah Public Notice Website (http://pmn.utah.gov) at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2026 Annual Meeting Schedule for the Town (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Mayor and Town Council to be held during the year, by causing said Notice to be (i) posted in January __, 2026, at the principal office of said Governing Body, (ii) posted on the Utah Public Notice Website (http://pmn.utah.gov) and (iii) posted on the Town's official website.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed or imprinted hereon the official seal of the Issuer, this 15th day of July, 2026.

TOWN OF APPLE VALLEY

By_________________________
Town Clerk

(SEAL)

NOTICE OF AGENDA OF MEETING

* * * * * *

PLEASE TAKE NOTICE that the Mayor and Town Council of the Town of Apple Valley, Washington County, Utah, will hold a Regular Meeting on Wednesday, the 15th day of July, 2026, at its regular meeting place, the Town Office, Apple Valley, Utah, at the hour of 6:00 o'clock P.M.

The Agenda for the meeting consists, in part, of the following:

(1) Consideration for and adoption of a Parameters Resolution authorizing the issuance Parity Water Revenue Bonds of the Town of Apple Valley and calling of a public hearing to receive input with respect to the issuance of such Bonds and any potential impact to the private sector from the engineering and well rehabilitation work to address an emergency drought situation and the acquisition of the assets of Big Plains Water & Sewer Special Service District; and

(2) Any other business that may come before said meeting.

DATED this 14th day of July, 2026.

____
Town Clerk

Thereupon, after the conduct of other business not pertinent to the following, the following resolution was introduced in written form by the Mayor and, pursuant to motion duly made by _______________ and seconded by _______________, was adopted and approved by the following vote:

Yea: Mike Farrar
Kevin Sair
Annie Spendlove
Scott Taylor
Richard Palmer

Nay: None

The Resolution was thereupon signed by the Mayor, was attested and countersigned by the Town Clerk and was ordered recorded in the official records of the Issuer.

The Resolution is as follows:

TOWN OF APPLE VALLEY, WASHINGTON COUNTY, UTAH
RESOLUTION NO. R-2026-26

A RESOLUTION AUTHORIZING THE ISSUANCE OF PARITY WATER REVENUE BONDS (THE "BONDS") OF THE TOWN OF APPLE VALLEY, WASHINGTON COUNTY, UTAH (THE "ISSUER"), CALLING A PUBLIC HEARING AND ESTABLISHING A TIME, PLACE AND LOCATION FOR SAID PUBLIC HEARING TO RECEIVE INPUT FROM THE PUBLIC WITH RESPECT TO THE ISSUANCE OF BONDS AND ANY POTENTIAL ECONOMIC IMPACT TO THE PRIVATE SECTOR FROM THE ENGINEERING, WELL REHABILITATION AND ACQUISITION OF THE BIG PLAINS WATER AND SEWER SPECIAL SERVICE DISTRICT TO BE FUNDED BY THE BONDS; PROVIDING FOR A PLEDGE OF WATER REVENUES FOR THE PAYMENT OF THE BONDS; FIXING THE MAXIMUM PRINCIPAL AMOUNT OF THE BONDS; THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE; THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AND RELATED MATTERS.

WHEREAS subject to the limitations set forth herein, the Town of Apple Valley, Washington County, State of Utah, desires to issue its Parity Water Revenue Bonds (the “Bonds”) for paying all or part of the cost of the engineering and well rehabilitation work to address an emergency drought situation and the acquisition of the assets of Big Plains Water & Sewer Special Service District, including real property and water rights (the “Project”), and pay costs of issuance of the Bonds, pursuant to this Resolution, the DWB Master Resolution and the RD Master Resolution (collectively, the "Master Resolutions"), in substantially the form presented at the meeting at which this Resolution was adopted and which is attached hereto as Exhibit "B-1" and "B-2"; and

WHEREAS in order to allow for flexibility in setting the financial terms of the Bonds once costs of the Project are finally determined and to optimize debt service costs to the Issuer, the Governing Body of the Issuer desires to grant to the Mayor, in accordance with state law, the authority to approve the interest rates, principal amounts, terms, maturities, redemption features and purchase price at which the Bonds shall be sold and any changes with respect thereto from those terms which were before the Governing Body at the time of adoption of this Resolution, provided that such terms do not exceed the parameters set forth for such terms in Section 1 of this Resolution (the "Parameters"); and

WHEREAS the Issuer, Town of Apple Valley, considers it desirable and necessary and for the benefit of the Issuer to engineering, well rehabilitation and acquisition of the Project to be owned and operated by the Issuer, but does not have on hand money sufficient to pay for the Project; and

WHEREAS the revenues to be derived by the Issuer from the operation of the System (as hereinafter defined) have not been pledged or hypothecated in any manner or for any purpose and the Issuer desires to issue its Parity Water Revenue Bonds payable from such revenues in the manner for which provision is hereinafter made in order to pay all or part of the cost of the Project; and

WHEREAS the Utah Local Government Bonding Act, Sections 11-14-1 et seq., Utah Code Annotated, 1953, as amended, provides that, prior to issuing bonds an issuing entity must (i) give notice of its intent to issue such bonds and (ii) hold a public hearing to receive input from the public with respect to the issuance of such bonds and any potential economic impact to the private sector from the engineering, well rehabilitation and acquisition of the Project to be funded by the Bonds; and

WHEREAS the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing, including a notice of bonds to be issued, in compliance with the Act with respect to the Bonds; and

WHEREAS the Utah Drinking Water Board has offered to purchase Parity Water Revenue Bonds and on the general terms and conditions as set forth herein; and

WHEREAS the United States of America acting through the Department of Agriculture, Rural Utilities Service has offered to purchase Parity Water Revenue Bonds and on the general terms and conditions as set forth herein;

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Mayor and Town Council of the Town of Apple Valley, Washington County, Utah, as follows:

Section 1. The Mayor and Town Council (the "Governing Body") of the Town of Apple Valley, Washington County, Utah (the "Issuer"), hereby finds and determines that it is in the best interests of the residents within the Town for the Issuer to issue its Parity Water Revenue Bonds in the aggregate principal amounts of not to exceed $4,500,000 at interest rates not to exceed 4.0% per annum, to mature in not more than thirty-five (35) years from its date or dates, pursuant to a resolution to be adopted by the Governing Body authorizing and confirming the issuance and sale of the Bonds. Therefore, the Issuer hereby declares its intention to issue the Bonds according to the provisions of this Section. The Bonds are to be issued for the purpose of paying all or part of the cost of engineering and well rehabilitation work to address an emergency drought situation and the acquisition of the assets of Big Plains Water & Sewer Special Service District, including real property and water rights (the “Project”) of the Issuer.

The Issuer hereby declares its intention to issue the Bonds according to the provisions of this section; provided, however, that the Bonds shall only be issued by the Issuer after adoption of Master Resolutions by the Governing Body of the Issuer (the "Master Resolutions") setting forth the specific terms of the Bonds within the maximum terms herein provided.

The forms of Master Resolutions attached hereto as Exhibit “B-1" and “B-2" are in all respects hereby authorized and approved, and the Mayor and Town Clerk of the Issuer are hereby authorized and directed to execute and deliver the same on behalf of the Issuer.

Section 2. The form, terms and provisions of the Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption and number shall be as set forth in the Master Resolutions. The Mayor and Town Clerk of the Issuer are hereby authorized and directed to execute and seal the Bonds.

Section 3. The designated officials of the Issuer are authorized to make any alterations, changes or additions to the Master Resolutions and the Bonds or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Bonds (within the Parameters set by this Resolution), to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Governing Body or the provisions of the laws of the State of Utah or the United States.

Section 4. The Issuer shall hold a public hearing on August 19, 2026, to receive input from the public with respect to the issuance of the Bonds and any potential impact to the private sector from engineering and well rehabilitation work to address an emergency drought situation and the acquisition of the assets of Big Plains Water & Sewer Special Service District (the “Project”), to be funded by the Bonds, which hearing date shall be not less than fourteen (14) days after notice of the public hearing is (A) first published once a week for two consecutive weeks in the Spectrum, a newspaper of general circulation in the Issuer and (B) published on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended. The Issuer directs its officers and staff to publish a Notice of Public Hearing in substantially the following form:

NOTICE OF PUBLIC HEARING

PUBLIC NOTICE IS HEREBY GIVEN that on July 15, 2026, the Mayor and Town Council of the Town of Apple Valley (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Parity Water Revenue Bonds (the "Bonds") pursuant to the Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and to call a public hearing to receive input from the public with respect to the issuance of the Bonds.

The Issuer shall hold a public hearing on August 19, 2026, at the hour of 6:00 p.m. The location of the public hearing is in the Apple Valley Town Office, 1777 North Meadowlark Drive, Apple Valley, Utah. The purpose of the meeting is to receive input from the public with respect to the issuance of the Bonds and any potential economic impact to the private sector from the engineering and well rehabilitation work to address an emergency drought situation and the acquisition of the assets of Big Plains Water & Sewer Special Service District, including real property and water rights (the "Project") to be funded by the Parity Water Revenue Bonds in the amount not to exceed $4,500,000. All members of the public are invited to attend and participate.

DATED this 15th day of July, 2026.

/s/ Jenna Vizcardo
Town Clerk

[Publish once each week for two consecutive weeks.]

Section 5. The Issuer shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Issuer's principal offices for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the date of publication thereof. The Issuer directs its officers and staff to publish a Notice of Bonds to be Issued in substantially the following form:

NOTICE OF BONDS TO BE ISSUED

PUBLIC NOTICE IS HEREBY GIVEN that on July 15, 2026, the Mayor and Town Council of the Town of Apple Valley (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Parity Water Revenue Bonds (the "Bonds") pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended.

The Issuer intends to issue the Bonds in the principal amount of not to exceed $4,500,000, to bear interest at a rate not to exceed 4.0% per annum, to mature in not to more than 35 years from their date or dates, and to be sold at a price not less than 100% of the total principal amount thereof, plus accrued interest to the date of delivery. The Bonds will specify that any installment of principal and/or interest on the Bonds which shall not be paid when due shall bear interest at the rate of 18% per annum from the due date thereof until paid.

The Issuer intends to issue the Bonds for the purpose of (i) financing all or a portion of the cost of the engineering and well rehabilitation work to address an emergency drought situation; (ii) financing all or a portion of the cost of acquisition of the assets of Big Plains Water and Sewer Special Service District, including real property and water rights; and (iii) paying costs of issuing the Bonds.

OUTSTANDING BONDS SECURED BY THE SAME REVENUE

The Issuer currently has no outstanding bonds secured by the revenues from excise tax, which revenues are being pledged to secure the payment of the Bonds.

ESTIMATED TOTAL COST OF THE BONDS

Although the Issuer declared its intention to issue Bonds in a principal amount of up to $4,500,000 with interest at a rate not to exceed 4.0% per annum, the Issuer currently anticipates that the Bonds will be issued in the amounts of (1) $200,000 bearing no interest; (2) $1,488,000 bearing no interest; (3) $262,000 bearing interest at 1.0% per annum; (4) $1,990,227 bearing interest at 3.5% per annum; and (5) $256,319 bearing interest at 4.0% per annum.

NOTICE IS FURTHER GIVEN that a period of 30 days from and after the last date of publication of this Notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality or legality thereof for any cause whatsoever.

A copy of the Resolution is on file in the office of the Town Clerk in Apple Valley, Utah, where it may be examined during regular business hours of the Town Clerk from 9:00 a.m. to 3:00 p.m., Monday through Thursday.

DATED this 15th day of July, 2026.

/s/ Jenna Vizcardo
Town Clerk

[Publish one time only.]

* * * * * * * *

Section 6. For a period of thirty (30) days from and after publication of the Notice of Bonds to be Issued, any person in interest shall have the right to contest the legality of this Resolution or the Bonds hereby authorized. After such time, no one shall have any cause of action to contest the regularity, formality or legality of this Resolution or the Bonds for any cause whatsoever.

Section 7. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

PASSED AND APPROVED this 15th day of July, 2026.

TOWN OF APPLE VALLEY

By_______________________________
Mayor

ATTEST AND COUNTERSIGN:

By______________________________
Town Clerk

[SEAL]

After the conduct of other business not pertinent to the foregoing, it was moved and carried that the Governing Body adjourn.

TOWN OF APPLE VALLEY

By_______________________________
Mayor

ATTEST:

By_____________________________
Town Clerk

[SEAL]

STATE OF UTAH)
: ss.
COUNTY OF WASHINGTON)

I, JENNA VIZCARDO, the undersigned, do hereby certify that I am the duly qualified and acting Town Clerk of the Town of Apple Valley, Washington County, Utah (the "Issuer"). I further certify that the above and foregoing constitutes a true and correct copy of the minutes of a regular public meeting of the Mayor and Town Council of the Issuer, held on July 15, 2026, including a Resolution adopted at such meeting, together with exhibits and appendices attached thereto, as said minutes, resolution and appendices are recorded in the regular official book of minutes of the proceedings of the Governing Body kept in the office of the Town Clerk that said proceedings were duly had and taken as therein shown, that the meeting thereon shown was in all respects called, held and conducted in accordance with law, and that the persons therein named were present at said meeting, as therein shown.

I further certify and I caused a true and correct copy of the above-referenced resolution (including all exhibits and appendices attached thereto) to be filed in the office of the Town Clerk for examination by any interested person during the regular business hours of the office of the Town Clerk.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the Issuer, this 15th day of July, 2026.

____
Town Clerk

[SEAL]

EXHIBIT "B-1"

DWB MASTER RESOLUTION

[See Transcript Document No. ____]

EXHIBIT "B-2"

RD MASTER RESOLUTION

[See Transcript Document No. ____]

SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2

Notice of Annual Meetings

MASTER RESOLUTION

OF

APPLE VALLEY, WASHINGTON COUNTY, UTAH

AS ISSUER

DATED AS OF *, 2026

MASTER RESOLUTION

WHEREAS, the Town of Apple Valley, Washington County, State of Utah, considers it desirable and necessary and for the benefit of the Issuer to acquire, operate and maintain the Project (as hereinafter defined) to be owned and operated by the Issuer, but does not have on hand money sufficient to pay for the Project (as hereinafter defined); and

WHEREAS, pursuant to the provisions of a Resolution adopted on July 15, 2026 (the "Authorizing Resolution"), the Governing Board of the Town (the "Governing Board") has authorized and approved certain actions to be taken by the Town in connection with the financing of the Project, including the adoption of this Master Resolution and the issuance of the Series 2026 DWB Bonds hereunder; and

WHEREAS, it has been determined by the Town that the estimated amount necessary to finance the Project, including necessary expenses incidental thereto, will require the issuance, sale and delivery of the Series 2026A Bond in the principal amount of $200,000, the Series 2026B Bond in the principal amount of $1,488,000 and the Series 2026C Bond in the principal amount of $262,000 (collectively, the "Series 2026 DWB Bonds"), as hereinafter provided; and

WHEREAS, the Town has determined that the Series 2026 DWB Bonds shall be secured as provided herein and has ascertained and determined that the provisions herein contained for protecting and enforcing the rights and remedies of the registered owners of such Series 2026 DWB Bonds are reasonable, proper and in accordance with law, and that this Master Resolution is necessary to the performance of its duties and the execution of its powers under law, and does deem and determine all of the provisions herein contained to be reasonable and proper for the security of the registered owners of the Series 2026 DWB Bonds; and

WHEREAS, all acts and things required by law to make this Master Resolution a valid and binding instrument for the security of all Bonds duly issued hereunder have been done and performed, and the execution and delivery of this Master Resolution have been in all respects duly authorized; and

WHEREAS, the Series 2026 DWB Bonds in registered form are to be in substantially the appropriate form set forth in Sections 2.6, 3.6 and 4.6 and if issued as Exchange Bonds are to be in substantially the appropriate form set forth in Sections 2.8, 3.8 and 4.8, with appropriate variations, omissions and insertions as permitted or required by this Master Resolution; and

WHEREAS, all things necessary to make the Series 2026 DWB Bonds when authenticated by the Town and issued as in this Master Resolution provided, the valid, binding and legal obligations of the Town according to the import thereof, and to constitute this Master Resolution a valid assignment and pledge of the amounts pledged to the payment of the principal on the Series

2026 DWB Bonds, and to constitute this Master Resolution a valid assignment of the rights of the Town with respect to the Project have been done and performed and the creation, execution and delivery of this Master Resolution, and the creation, execution and issuance of the Series 2026 DWB Bonds, subject to the terms hereof, have in all respects been duly authorized:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Mayor and Town Council of the Town of Apple Valley, Washington County, Utah, as follows:

ARTICLE I

DEFINITIONS

As used in this Master Resolution, the following terms shall have the following meanings unless the context clearly indicates otherwise:

"Act" means the provisions of the Local Government Bonding Act of the State of Utah, Chapter 14, Title 11, Utah Code Annotated, 1953, as amended and the Registered Public Obligations Act of the State of Utah, Chapter 7, Title 15, Utah Code Annotated, 1953, as amended.

"Annual Bond Service Requirements" means the maximum amount required to be paid into the Bond Fund for payment of principal and interest, if any, on the Bond in any given Bond Fund Year.

"Annual Net Revenues" means the Net Revenues for any 12 consecutive calendar months.

"Bonds" or “Series 2026 DWB Bonds” shall mean the Parity Water Revenue Bond, Series 2026A (sometimes hereinafter referred to as the "Series 2026A Bond"), the Parity Water Revenue Bond, Series 2026B (sometimes hereinafter referred to as the “Series 2026B Bond”), and the Parity Water Revenue Bond, Series 2026C (sometimes hereinafter referred to as the “Series 2026C Bond”) of the Town of Apple Valley, Washington County, State of Utah, in aggregate principal amounts of $200,000, $1,488,000 and $262,000, authorized hereby and shall mean, alternately, interchangeably, or collectively, the single Fully Registered Bonds or the Serial Bonds issued in lieu of a Fully Registered Bond.

“Bond Documents” means this Master Resolution.

“Bondholder” means the person or persons in whose name or names a Bond shall be registered on the books of the Town kept for that purpose in accordance with provisions of this Master Resolution.

"Capital Facilities Replacement Fund" means an account into which shall be placed annual deposits representing 5% of the annual operating budget of the System, inclusive of debt service and depreciation.

"Delivery Date" means the date the Bond or Bonds are delivered to the initial purchaser and this date to be known on the Bond or Bonds as the issue date.

"Depository" or "Depository Bank" means a Qualified Depository (defined hereinafter).

"Drinking Water Board" means the State of Utah, Department of Environmental Quality, Drinking Water Board or any successor agency.

"Escrow Account" means an account to be held in escrow by the Escrow Agent pursuant to an Escrow Agreement to be entered into between the Issuer and the Drinking Water Board on the date of delivery of the Series 2026A Bond, said account to be used for the purpose of depositing the proceeds of the sale of the Series 2026A Bond as well as certain grant monies and supervising said proceeds pursuant to the terms of the Escrow Agreement.

"Escrow Agent" means the Utah State Treasurer, who shall so act pursuant to the terms of the Escrow Agreement hereinabove referred to.

"Escrow Agreement" means the Escrow by and among the Town, the Drinking Water Board, and the Escrow Agent.

"Executive Officer" means the Mayor of the Issuer.

"First Payment Date" means, as to the Series 2026A Bond, a payment of principal on ______1, 2027, as to the Series 2026B Bond, a payment of principal on October 1, 2027, and as to the Series 2026C Bond, a payment of principal and interest on May 1, 2027.

"Fully Registered Bond" means a single Fully Registered Bond in the denomination equal to the aggregate amount of the Bonds authorized herein.

"Future Parity Bonds" means any bonds hereafter issued by the Issuer on a parity with the Bond herein authorized pursuant to the conditions and restrictions set forth in Article VII hereof.

"Governing Body" means the Mayor and Town Council of the Issuer.

"Installment Amount" means the amount of each annual registered installment of principal and interest, if any, on the Bonds, as shown in the respective Repayment Schedules in the Bonds.

"Issue Amount" means the principal amount of the Bonds authorized to be issued hereunder which is the sum of $200,000 as to the Series 2026A Bond, $1,488,000 as to the Series 2026B Bond and the sum of $262,000 as to the Series 2026C Bond.

"Issuer" means the Town of Apple Valley, Washington County, Utah.

"Master Resolution" means this resolution providing for the issuance of a revenue bond payable from the Revenues of the System, as from time to time amended or supplemented in accordance with the provisions hereof.

"Net Revenues" means the Revenues remaining after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

"Outstanding" or "Outstanding Bonds" means any Bond which has been issued and delivered in accordance with the provisions hereof; but shall not include a Bond in lieu of which another Bond has been issued to replace a mutilated, lost, destroyed or stolen bond.

"Payment Date" means the 1st day of ________ in each year beginning with the year 2027 as to the Series 2026A Bond, the 1st day of October in each year beginning with the year 2027 as to the Series 2026B Bond, and the 1st day of may in each year beginning with the year 2027 as to the Series 2026C Bond.

"Payment Years" means the years in which an Installment Amount comes due, described as the years 2027 through 20__ as to the Series 2026A Bond, the years 2027 through 2044 as to the Series 2026B Bond and the years 2027 through 2048 as to the Series 2026C Bond.

"Permitted Investments" means those investments specified in Section 51-7-11, Utah Code Annotated, 1953, as amended.

"Pledged Revenues" means 100% of the Net Revenues hereinafter pledged to the payment of the Revenue Bonds.

"Project" means the engineering and well rehabilitation work to address an emergency drought situation and the acquisition of the assets of Big Plains Water and Sewer Special Service District, including real property and water rights, and in all other respects to pay the cost of foregoing including engineering and expenses and costs of and issuance of the bonds and to acquire and provide all appurtenant facilities therefor, together with all necessary or related work and improvements.

"Qualified Depository" means a depository institution constituting a "qualified depository" under Chapter 7 of Title 51, Utah Code Annotated 1953, as amended.

"Reserve Fund Installment" means an annual payment in an amount equal to 1/10th of the Reserve Fund Requirement.

"Reserve Fund Requirement" means an amount equal to the maximum annual installment of principal and interest.

"Revenues" means all income and revenue of any kind derived from the operation of the System including the proceeds of all connection charges not applied directly to the payment of the cost of improving or extending the system or of making connections thereto and all interest earned by and profits derived from the sale of investments made with the Revenues.

"Serial Bonds" means the registered $1000 denomination parity water revenue bonds which may be issued in exchange for the Fully Registered Bond.

"System" means the complete water system of the Issuer, including the Project and any other properties now or hereafter owned or operated by the Issuer relating to said system and as may hereafter be improved and extended, including specifically all properties of every nature owned by the Issuer and used or useful in the operation of said system, including real estate, personal and intangible properties, contracts, franchises, leases and choses in action, whether lying within or without the boundaries of the Issuer.

"Year" means the twelve-month period beginning on January 1st of each calendar year and ending on the next succeeding December 31st.

Except where the context otherwise requires, words importing the singular number shall include the plural and vice versa, and words importing the male gender shall include the female gender and vice versa.

ARTICLE II

TERMS AND PROVISIONS OF SERIES 2026A BOND

Section 2.1. Purpose and Authority.

(a) The Governing Body hereby finds, determines and declares that the Project to be acquired, constructed, improved and extended with the proceeds of the Series 2026A Bond is necessary for the proper operation of the System and is economically feasible, and the Revenues will be sufficient to retire the Series 2026A Bond.

(b) For the purpose of paying the cost of the Project, including the payment of all fees and expenses incident thereto and to the issuance of the Series 2026A Bond, the Series 2026A Bond shall be issued in the amount or amounts set forth on the Bond. The Series 2026A Bond shall be payable solely from the Revenues to be derived from the operation and ownership of the System, as more specifically provided herein, and, to the extent available, monies remaining in the Escrow Account as described in Section 5.1 upon completion of the Project.

Section 2.2. Parity Designation. The Series 2026A Bond is issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026B in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the “Series 2026B Bond”), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the “Series 2026C Bond”), its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the

"Series 2026D Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). Neither the Series 2026A Bond nor the Series 2026 Bonds shall be entitled to any priority one over the other in the application of the Net Revenues of the System pledged to the payment of the Series 2026A Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between the Series 2026A Bond or the Series 2026 Bonds in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

Section 2.3. Designation and Terms of the Series 2026A Bond. The Series 2026A Bond shall be designated as the "Parity Water Revenue Bond, Series 2026A," shall be dated as of the date of delivery to the Drinking Water Board, shall be issued as a single fully-registered bond, without coupons, in the denomination of the amount or amounts set forth on the Bond and shall be numbered R-1, the principal amount of which shall bear no interest and shall be in the denomination of the amount set out as the Total Principal Sum in the form of the Series 2026A Bond.

Any installment of principal which shall not be paid when due shall bear interest, to the extent permitted by law, at the rate of eighteen percent (18%) per annum from the date of maturity of such installment until that installment is paid.

Subject to prepayment of principal as herein provided, principal on the Series 2026A Bond shall be payable in the number of annual registered installments equal to the number of Payment Years, with no provision for any grace period as to the due date of such payments; provided, however, that the last such installment payment shall be in such amount as will pay the remaining principal due on the Series 2026A Bond on the date of such payment each in the amount of the Installment Amount, due on the Payment Date of each of the Payment Years. Each payment shall be first applied to any applicable interest accrued to the date of payment of that installment, then to principal. Principal of and interest, if any, on the Series 2026A Bond shall be payable in any coin or currency which, on the respective dates of payments, is legal tender for the payment of debts to the United States of America and, except as hereinafter otherwise provided, shall be made by check or draft mailed to the Office of the Drinking Water Board in Salt Lake City, Utah, or to its designee or to such other registered owner of the Series 2026A Bond as is shown on the registration books maintained by the Issuer at the close of business on the fifteenth day of the month next preceding each Payment Date at the address of such registered owner as it appears on such registration books or to such other address furnished in writing by such registered owner to the Issuer, and payment shall be endorsed thereon in the payment record attached thereto.

The single, Fully-Registered Bond may be exchanged for Serial Bonds in increments of $1000 at the option of the holder.

Section 2.4. Prepayment Provisions and Provisions Regarding Notation of Payments - Series 2026A Bond.

(a) The Series 2026A Bond shall be subject to prepayment at the option of the Issuer at any time in whole or in part in multiples of $1000 as to each bond plus accrued interest, if any, to the date of prepayment, and without premium. In the event of a partial prepayment, each installment payment due on the Payment Date of each Payment Year after such partial prepayment shall remain in the Installment Amount regardless of any such partial prepayment; provided that any such partial prepayment shall reduce the principal due on the Series 2026A Bond in inverse order of installment maturities; and provided further that the final payment on the Series 2026A Bond shall be fully sufficient to pay all principal remaining due thereon. With the exception of prepayments described in Section 5.1, each prepayment on the Series 2026A Bond shall be applied to any interest then due on the Series 2026A Bond and then to principal. Notice of any call for prepayment shall be given by registered mail not less than 30 days prior to the prepayment date to the State or to its designee, or to such other registered owner of the Series 2026A Bond as is shown on the registration books at the close of business on the fifteenth day next preceding the mailing of such prepayment notice at the registered owner's address as shown on such registration books or at such other address furnished in writing by such registered owner to the Issuer.

(b) In the event of a partial prepayment, such prepayment shall be made in the manner provided for herein for the payment of Installment Amounts (except that prepayments need not be made on Payment Dates) and endorsed on the Series 2026A Bond on the prepayment record attached thereto.

(c) If notice of prepayment shall have been given as aforesaid, the Series 2026A Bond or the portion thereof specified in said notice shall become due and payable at the prepayment price and on the prepayment date therein designated and if, on the prepayment date, money for the payment of the prepayment price of the Series 2026A Bond or the portion thereof to be prepaid shall be available for such prepayment on said date, then from and after the prepayment date, interest, if any, on the Series 2026A Bond or the portion thereof so called for prepayment shall cease to accrue and become payable.

(d) The registered owner of the Series 2026A Bond shall endorse any payment or prepayment of principal on the Series 2026A Bond upon the payment record or prepayment record attached to the Bond.

Section 2.5. Execution of Series 2026A Bond and Representations Relating to the Master Resolution. The Series 2026A Bond shall be executed on behalf of the Issuer by the manual signature of the Executive Officer and attested and countersigned by the manual signature of the Town Clerk. The Town Clerk shall impress or imprint the official seal of the Issuer on the Series 2026A Bond. All of the covenants, promises, statements, recitals, representations and agreements contained in the Series 2026A Bond and this Master Resolution are hereby considered and understood, and it is hereby ordered and declared that the covenants, promises, statements, recitals, representations and agreements therein and herein are covenants, promises, statements, recitals, representations and agreements of the Issuer.

Section 2.6. Form of Series 2026A Bond: The Series 2026A Bond shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF WASHINGTON
TOWN OF APPLE VALLEY

R-1

PARITY WATER REVENUE BOND, SERIES 2026A

Principal Sum	**Original Issue Date**
$200,000.00	**_______, 2026**

The Town of Apple Valley, Washington County, Utah (the "Issuer") for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the order of the registered owner hereof, the Total Principal Sum set forth above, bearing no interest and payable annually on October 1 of each year, beginning ________1, 2027, as set forth in the following Repayment Schedule:

Maturity Date October 1st	Principal Amount	Maturity Date _______1st	Principal Amount
2027	$	2042	$
2028		***	
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			

Any installment of principal hereof which shall not be paid when due shall bear interest at the rate of eighteen (18%) per cent per annum from the date of maturity of such installment until paid. This Bond is payable in lawful money of the United States of America by check or draft of the Issuer mailed to the State of Utah Department of Environmental Quality, Drinking Water Board, Salt Lake City, Utah, or its designee, or to such other registered owner hereof, as such registered owner is shown on the registration books maintained by the Issuer at the close of business on the fifteenth day of the month next preceding each installment payment date at the address of such registered owner as it appears on such registration books or to such other address as is furnished in writing by such registered owner to the Issuer. The registered owner of this Bond, by acceptance hereof, agrees that such registered owner shall endorse each payment received on the Payment Record attached hereto.

THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND SOLELY FROM THE REVENUES (THE "REVENUES") DERIVED FROM THE ISSUER'S CULINARY WATER SYSTEM ("SYSTEM") AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE MASTER RESOLUTION (AS HEREINAFTER DEFINED). THIS BOND IS NOT A DEBT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON INDEBTEDNESS. PURSUANT TO THE MASTER RESOLUTION, REVENUES FROM THE SYSTEM HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND.

This Bond is issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act (as hereinafter defined) and all other laws applicable thereto.

This Bond is also issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026B in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the “Series 2026B Bond”), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the "Series 2026C Bond"), its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the "Series 2026D Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). This Bond and the Series 2026 Bonds shall not be entitled to any priority one over the other in the application of the Net Revenues of the System (as defined in the Resolution described below) pledged to the payment of this Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or among this Bond and the Series 2026 Bonds in any rights provided in the Resolution authorizing the same for entitlement to payment or provisions made for payment.

This Bond is a special obligation of the Issuer and is the only one of an issue of a total series of fully-registered Parity Water Revenue Bond, designated as "Parity Water Revenue Bond, Series 2026A", in the aggregate principal amount of $200,000, dated as of the date set forth below and is issued under, by virtue of, in full conformity with and after full compliance with the Constitution and laws of the State of Utah, including particularly the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated, 1953, as amended, (collectively the "Act") and is issued under, secured by and entitled to the protection of the Master Resolution dated as of *, 2026, by the Town (which Master Resolution, as from time to time amended and supplemented, is hereinafter referred to as the "Master Resolution") and duly adopted by the Town, for the purpose of paying all or part of the cost of the engineering and well rehabilitation work to address an emergency drought situation (the "Project") including, without limitation, all fees and expenses reasonably incurred in connection therewith and with the issuance of such bonds as may be properly payable from the proceeds thereof. Principal and interest, if any, on this Bond is payable solely from the revenues, funds and other monies pledged or provided therefor under the terms of the Master Resolution.

This Bond is dated as of date of delivery and is duly issued under and by virtue of the Act and under and pursuant to the Master Resolution. A copy of the Master Resolution is on file at the office of the Town Clerk of the Issuer in Apple Valley, Utah, and reference to the Master Resolution and to the Act is made for a description of the pledge and covenants securing the Series 2026A Bond, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bond is issued and a statement of the rights, duties, immunities and obligations of the Issuer. Such pledge and other obligations of the Issuer under the Master Resolution may be discharged at or prior to the maturity or redemption of the Series 2026A Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Master Resolution.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

This Bond is transferable, as provided in the Master Resolution, only upon the books of the Issuer kept for that purpose at the office of the Town Clerk of the Issuer by the registered owner hereof in person or by his attorney duly authorized in writing. The Issuer may treat and consider the person in whose name this Series 2026A Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest, if any, payable hereon and for all other purposes whatsoever.

Subject to the provisions of the Master Resolution, the Series 2026A Bond is issuable in fully registered form, without coupons, in a denomination equal to the aggregate principal amount of the Series 2026A Bond or, upon exchange, in the denomination of $1000 and any integral multiple thereof.

This Bond is subject to redemption at any time at the option of the Issuer in whole or in part (if in part, in integral multiples of $1000) in inverse order of the due date of the principal installments hereon, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so redeemed, and without premium. The registered owner of this Series 2026A Bond, by acceptance hereof, agrees to endorse each such redemption on the Prepayment Record attached hereto.

Notice of redemption shall be given by the Issuer by registered mail, not less than 30 days nor more than 45 days prior to the redemption date, to the registered owner of this Bond, at his address as it appears on the bond registration books of the Issuer, or at such address as he may have filed with the Issuer for that purpose. Each notice of redemption shall state the redemption date and the principal amount to be redeemed.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Master Resolution.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah or by the Act or the Master Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the issue of the series of Bonds of which this Bond is a part, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

IN WITNESS WHEREOF, the Town of Apple Valley, Washington County, Utah, has caused this Bond to be signed by its Mayor and attested and countersigned by its Town Clerk and the official seal of the Town of Apple Valley, Washington County, Utah, to be impressed or imprinted hereon, all as of the ____ day of _______, 2026.

TOWN OF APPLE VALLEY

(DO NOT SIGN-FORM ONLY)
By_____________________________
Mayor

ATTEST AND COUNTERSIGN:

(DO NOT SIGN-FORM ONLY)
By____________________________
Town Clerk

(SEAL)

REGISTRATION CERTIFICATE

(No writing to be placed herein except by Bond Registrar.)

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
____________________	State of Utah, Dept of Environmental Quality Drinking Water Board Salt Lake City, Utah	____________________
____________________	____________________	____________________
____________________	____________________	____________________

PAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the bond to which this Payment Record is attached (the "Owner"), hereby certify that the Owner has received from the Town of Apple Valley, Washington County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of $200,000 to the Town of Apple Valley, Washington County, Utah, as referenced by the bond to which this Payment Record is attached, and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

As long as the State of Utah, Department of Environmental Quality, Drinking Water Board, Salt Lake City, Utah is the registered owner of the bond to which this Payment Record is attached, the Chairman of said Board or designee, shall sign below as the owner of such bond.

Date Due	Amount	Interest Paid	Principal Paid or Prepaid	Date Due	Remaining Unpaid Principal Balance	Name, Title and Signature of Owner or Authorized Officer Thereof

PREPAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the bond to which this Payment Record is attached (the "Owner"), hereby certify that the Owner has received from the Town of Apple Valley, Washington County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of $200,000 to the Town of Apple Valley, Washington County, Utah, as referenced by the bond to which this Prepayment Record is attached and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

As long as the State of Utah, Department of Environmental Quality, Drinking Water Board, is the registered owner of the Bond to which this Prepayment Record is attached, the Chairman of said Board shall sign below as the owner of such Bond.

Principal Due

Date	Amount	Payment	Principal Balance	Date Paid	Name, Title and Signature of Owner or Authorized Officer Thereof

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____
/___________________/

Insert Social Security or Other
Identifying Number of Assignee

____
(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the Town of Apple Valley, Washington County, Utah, and does hereby irrevocably constitute and appoint __________________________ attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ___________________ Signature: _____________________

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 2.7. Exchange of the Series 2026A Parity Water Revenue Bond for Serial (Exchange) Bonds. It is recognized that the Drinking Water Board may sell or otherwise transfer the Series 2026A Bond pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated, 1953, as amended, or otherwise. The Series 2026A Bond, may be exchanged at the office of the Issuer for a like aggregate principal amount of Serial Bonds in accordance with the provisions of this Section 2.7. Serial Bonds shall be substantially in the form set forth in Section 2.8 hereof and shall be in increments of $1000. Each Principal Installment on the Series 2026A Bond not previously paid or cancelled shall be represented by an equivalent principal amount of Serial Bonds, in authorized denominations and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Series 2026A Bond for Serial Bonds and the Issuer shall pay or cause to be paid all costs and other charges incident to such exchange.

Section 2.8. Form of Serial Bond. The Serial Bond shall be in substantially the following form:

REGISTERED **REGISTERED**

No. R-__ **$__________**

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF WASHINGTON
TOWN OF APPLE VALLEY

PARITY WATER REVENUE BOND, SERIES 2026A

	MATURITY	**DATED**
[SEE REVERSE SIDE	**DATE**	**DATE**
FOR ADDITIONAL		
PROVISIONS]	**_________1, ____**	**________, 20__**

Registered Owner:

Principal Amount: _______________________________________DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the Town of Apple Valley, Washington County, Utah (the "Issuer"), acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender hereof, the principal amount identified above, bearing no interest. If the principal amount of this Bond and any Interest is not paid when due, said principal and/or Interest shall bear interest at the rate of eighteen (18%) per annum from said due date until paid. Principal of and interest, if any, on this Bond shall be payable at the office of the registered owner. The principal of and interest, if any, on this Bond shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Payments received on this Bond shall be applied first to the payment of interest, if any, then to principal.

Interest, if any, on this Bond shall be mailed to the registered owner hereof at his address as shown on the records of the Issuer on January 1st of each year until the total principal amount of this Bond, plus all accrued interest hereon, is paid in full. In the event this Bond is exchanged for Serial Bonds as herein provided, interest will continue to accrue from January 1st previous to date of exchange and shall be payable commencing on the first January 1st following the dated date of said

THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND SOLELY FROM THE REVENUES (THE "REVENUES") DERIVED FROM THE ISSUER'S CULINARY WATER SYSTEM ("SYSTEM") AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE MASTER RESOLUTION (AS HEREINAFTER DEFINED). THIS BOND IS NOT A DEBT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON INDEBTEDNESS. PURSUANT TO THE MASTER RESOLUTION, REVENUES FROM THE SYSTEM HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART.

This Bond is also issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026B in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the "Series 2026B Bond"), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the “Series 2026C Bond”), its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the "Series 2026D Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). This Bond and the Series 2026 Bonds shall not be entitled to any priority one over the other in the application of the Net Revenues of the System (as defined in the Resolution described below) pledged to the payment of this Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or among this Bond and the Series 2026 Bonds in any rights provided in the Resolution authorizing the same for entitlement to payment or provisions made for payment.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act (as hereinafter defined) and all other laws applicable thereto.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE OR AT THE END HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah or by the Act or the Master Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the issue of the series of Bonds of which this Bond is a part, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Issuer.

IN WITNESS WHEREOF, the Town of Apple Valley, Washington County, Utah, has caused this Bond to be signed in its name and on its behalf by its Mayor and [a facsimile of] its corporate seal to be [imprinted] [impressed] hereon and attested and countersigned by its Town Clerk [(the signatures of said Mayor and Town Clerk being by facsimile), and said officials by the execution hereof do adopt as for their own proper signatures their facsimile signatures appearing on each of the Bonds], all as of the Issue Date specified above.

TOWN OF APPLE VALLEY

(FORM ONLY-DO NOT SIGN)
By______________________________
Mayor

ATTEST AND COUNTERSIGN:

(FORM ONLY-DO NOT SIGN)
By____________________________
Town Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Master Resolution and is one of the Parity Water Revenue Bond, Series 2026A, of the Town of Apple Valley, Washington County, Utah.

TOWN OF APPLE VALLEY
as Bond Registrar

By_____________________________
Town Clerk

Date of Registration and Authentication:

____

Bond Registrar and Paying Agent:

Town of Apple Valley, Washington County, Utah

[FORM OF REVERSE SIDE OF OR TO BE APPENDED TO THE BONDS]

This Bond is a special obligation of the Issuer and is one of an issue of a total series of fully-registered Parity Water Revenue Bonds, designated as "Parity Water Revenue Bonds, Series 2026A", in the aggregate principal amount of $_________ dated as of the date set forth below, issued under, by virtue of, in full conformity with and after full compliance with the Constitution and laws of the State of Utah, including particularly the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated 1953, as amended, and a Master Resolution duly adopted by the Mayor and Town Council of the Issuer (the "Governing Body") on _______, 2026, authorizing this Bond (the "Master Resolution"), for the purpose of paying all or part of the cost of the engineering and well rehabilitation work to address an emergency drought situation (the “Project”), including, without limitation, all fees and expenses reasonably incurred in connection therewith and with the issuance of such bonds as may be properly payable from the proceeds thereof. Principal of, premium, if any, and interest, if any, on this Bond is payable solely from the revenues, funds and other monies pledged or provided therefor under the terms of the Master Resolution.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The holder or owner of this

Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

The Bonds are dated as of _______________, 2026 and are duly issued under and by virtue of the Act and under and pursuant to the Master Resolution. A copy of the Master Resolution is on file at the office of the Town Clerk of the Issuer in Apple Valley, Utah, and reference to the Master Resolution and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bonds are issued and a statement of the rights, duties, immunities and obligations of the Issuer. Such pledge and other obligations of the Issuer under the Master Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Master Resolution.

This Bond is transferrable, as provided in the Master Resolution, only upon the books of the Issuer kept for that purpose at the office of the Town Clerk of the Issuer, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer in a form approved by the Issuer, duly executed by the registered owner or his duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of the same aggregate principal amount, series designation and maturity as the surrendered Bond, all as provided in the Master Resolution and upon the payment of the charges therein prescribed. The Issuer, the Trustee, and any paying agent may treat and consider the person in whose name this Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest, if any, payable hereon and for all other purposes whatsoever.

Subject to the provisions of the Master Resolution, the Bonds are issuable in fully registered form, without coupons, in the denomination of $1000 and any integral multiple thereof.

The Bonds are subject to redemption at any time at the option of the Issuer in whole or in part (if in part, in integral multiples of $1000) in inverse order of maturity upon notice given as hereinafter set forth, at a redemption price equal to the principal amount of each Bond or portion thereof to be so redeemed, and without premium.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the Master Resolution; provided, however, that subject to other applicable provisions of the Master Resolution, the portion of any Bond to be redeemed shall be in a principal amount equal to a denomination in which the Bond was authorized to be issued, and that in selecting Bonds for redemption, the Issuer shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $1000. If part but not all of a Bond in a denomination in excess of $1000 is to be redeemed, the registered owner thereof shall present and surrender such Bond to the Issuer, and the Issuer shall execute and authenticate and deliver to the registered owner thereof, without charge therefor, a Bond or Bonds of the same maturity for unredeemed balance of the principal amount of such Bond, all as more fully set forth in the Master Resolution.

Notice of redemption shall be given by the Issuer by registered mail, not less than 30 days nor more than 45 days prior to the redemption date, to the registered owner of this Bond, at his address as it appears on the bond registration books of the Issuer, or at such address as he may have filed with the Issuer for that purpose. Each notice of redemption shall state the redemption date and the principal amount and, if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds to be redeemed.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Master Resolution.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____
/___________________/

Insert Social Security or Other
Identifying Number of Assignee

____

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the Town of Apple Valley, Washington County, Utah, and does hereby irrevocably constitute and appoint _________________________ attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: __________________ Signature: ____________________

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

* * * * * * * *

Section 2.9. Provisions for the registration of the Bonds set forth in Article V shall be applicable to the Series 2026A Bond.

ARTICLE III

TERMS AND PROVISIONS OF SERIES 2026B BOND

Section 3.1. Purpose and Authority.

(a) The Governing Body hereby finds, determines and declares that the Project to be acquired with the proceeds of the Series 2026B Bond is necessary for the proper operation of the System and is economically feasible, and the Revenues will be sufficient to retire the Series 2026B Bond.

(b) For the purpose of paying the cost of the Project, the Series 2026B Bond shall be issued in the amount or amounts set forth on the Bond. The Series 2026B Bond shall be payable solely from the Revenues to be derived from the operation and ownership of the System, as more specifically provided herein.

Section 3.2. Parity Designation. The Series 2026B Bond is issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the “Series 2026A Bond”), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the “Series 2026C Bond”), its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the “Series 2026D Bond”), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the “Series 2026E Bond”) (collectively, the Series 2026 Bonds”). Neither the Series 2026B Bond nor the Series 2026 Bonds shall be entitled to any priority one over the other in the application of the Net Revenues of the System pledged to the payment of the Series 2026B Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between the Series 2026B Bond or the Series 2026 Bonds in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

Section 3.3. Designation and Terms of the Series 2026B Bond. The Series 2026B Bond shall be designated as the "Parity Water Revenue Bond, Series 2026B," shall be dated as of the date of delivery to the Drinking Water Board, shall be issued as a single fully-registered bond, without coupons, in the denomination of the amount or amounts set forth on the Bond and shall be numbered R-1, the principal amount of which shall bear no interest and shall be in the denomination of the amount set out as the Total Principal Sum in the form of the Series 2026B Bond.

Any installment of principal which shall not be paid when due shall bear interest, to the extent permitted by law, at the rate of eighteen percent (18%) per annum from the date of maturity of such installment until that installment is paid.

Subject to prepayment of principal as herein provided, principal on the Series 2026B Bond shall be payable in the number of annual registered installments equal to the number of Payment

Years, with no provision for any grace period as to the due date of such payments; provided, however, that the last such installment payment shall be in such amount as will pay the remaining principal due on the Series 2026B Bond on the date of such payment each in the amount of the Installment Amount, due on the Payment Date of each of the Payment Years. Each payment shall be first applied to any applicable interest accrued to the date of payment of that installment, then to principal. Principal of and interest on the Series 2026B Bond shall be payable in any coin or currency which, on the respective dates of payments, is legal tender for the payment of debts to the United States of America and, except as hereinafter otherwise provided, shall be made by check or draft mailed to the Office of the Drinking Water Board in Salt Lake City, Utah, or to its designee or to such other registered owner of the Series 2026B Bond as is shown on the registration books maintained by the Issuer at the close of business on the fifteenth day of the month next preceding each Payment Date at the address of such registered owner as it appears on such registration books or to such other address furnished in writing by such registered owner to the Issuer, and payment shall be endorsed thereon in the payment record attached thereto.

The single, Fully-Registered Bond may be exchanged for Serial Bonds in increments of $1000 at the option of the holder.

Section 3.4. Prepayment Provisions and Provisions Regarding Notation of Payments - Series 2026B Bond.

(a) The Series 2026B Bond shall be subject to prepayment at the option of the Issuer at any time in whole or in part in multiples of $1000 as to each bond plus accrued interest, if any, to the date of prepayment, and without premium. In the event of a partial prepayment, each installment payment due on the Payment Date of each Payment Year after such partial prepayment shall remain in the Installment Amount regardless of any such partial prepayment; provided that any such partial prepayment shall reduce the principal due on the Series 2026B Bond in inverse order of installment maturities; and provided further that the final payment on the Series 2026B Bond shall be fully sufficient to pay all principal remaining due thereon. With the exception of prepayments described in Section 5.2, each prepayment on the Series 2026B Bond shall be applied to any interest then due on the Series 2026B Bond and then to principal. Notice of any call for prepayment shall be given by registered mail not less than 30 days prior to the prepayment date to the State or to its designee, or to such other registered owner of the Series 2026B Bond as is shown on the registration books at the close of business on the fifteenth day next preceding the mailing of such prepayment notice at the registered owner's address as shown on such registration books or at such other address furnished in writing by such registered owner to the Issuer.

(b) In the event of a partial prepayment, such prepayment shall be made in the manner provided for herein for the payment of Installment Amounts (except that prepayments need not be made on Payment Dates) and endorsed on the Series 2026B Bond on the prepayment record attached thereto.

(c) If notice of prepayment shall have been given as aforesaid, the Series 2026B Bond or the portion thereof specified in said notice shall become due and payable at the prepayment price and on the prepayment date therein designated and if, on the prepayment date, money for the payment of the prepayment price of the Series 2026B Bond or the portion thereof to be prepaid shall be available for such prepayment on said date, then from and after the prepayment date, interest, if any, on the Series 2026B Bond or the portion thereof so called for prepayment shall cease to accrue and become payable.

(d) The registered owner of the Series 2026B Bond shall endorse any payment or prepayment of principal on the Series 2026B Bond upon the payment record or prepayment record attached to the Bond.

Section 3.5. Execution of Series 2026B Bond and Representations Relating to the Master Resolution. The Series 2026B Bond shall be executed on behalf of the Issuer by the manual signature of the Executive Officer and attested and countersigned by the manual signature of the Town Clerk. The Town Clerk shall impress or imprint the official seal of the Issuer on the Series 2026B Bond. All of the covenants, promises, statements, recitals, representations and agreements contained in the Series 2026B Bond and this Master Resolution are hereby considered and understood, and it is hereby ordered and declared that the covenants, promises, statements, recitals, representations and agreements therein and herein are covenants, promises, statements, recitals, representations and agreements of the Issuer.

Section 3.6. Form of Series 2026B Bond: The Series 2026B Bond shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF WASHINGTON
TOWN OF APPLE VALLEY

R-1

PARITY WATER REVENUE BOND, SERIES 2026B

Principal Sum	**Original Issue Date**
$1,488,000.00	**_______, 2026**

The Town of Apple Valley, Washington County, Utah (the "Issuer") for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the order of the registered owner hereof, the Total Principal Sum set forth above bearing no interest and payable annually on October 1 of each year, beginning October 1, 2027, as set forth in the following Repayment Schedule:

Maturity Date October 1st	Principal Amount	Maturity Date October 1st	Principal Amount
2027	$	2036	$
2028		2037	
2029		2038	
2030		2039	
2031		2040	
2032		2041	
2033		2042	
2034		2043	
2035		2044	

Any installment of principal hereof which shall not be paid when due shall bear interest at the rate of eighteen (18%) per cent per annum from the date of maturity of such installment until paid. This Bond is payable in lawful money of the United States of America by check or draft of the Issuer mailed to the State of Utah Department of Environmental Quality, Drinking Water Board, Salt Lake City, Utah, or its designee, or to such other registered owner hereof, as such registered owner is shown on the registration books maintained by the Issuer at the close of business on the fifteenth day of the month next preceding each installment payment date at the address of such registered owner as it appears on such registration books or to such other address as is furnished in writing by such registered owner to the Issuer. The registered owner of this Bond, by acceptance hereof, agrees that such registered owner shall endorse each payment received on the Payment Record attached hereto.

THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF, PREMIUM, IF ANY,

AND INTEREST, IF ANY, ON THIS BOND SOLELY FROM THE REVENUES (THE "REVENUES") DERIVED FROM THE ISSUER'S CULINARY WATER SYSTEM ("SYSTEM") AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE MASTER RESOLUTION (AS HEREINAFTER DEFINED). THIS BOND IS NOT A DEBT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON INDEBTEDNESS. PURSUANT TO THE MASTER RESOLUTION, REVENUES FROM THE SYSTEM HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND.

This Bond is issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act (as hereinafter defined) and all other laws applicable thereto.

This Bond is also issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the “Series 2026A Bond”), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the "Series 2026C Bond"), its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the "Series 2026D Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). This Bond and the Series 2026 Bonds shall not be entitled to any priority one over the other in the application of the Net Revenues of the System (as defined in the Resolution described below) pledged to the payment of this Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or among this Bond and the Series 2026 Bonds in any rights provided in the Resolution authorizing the same for entitlement to payment or provisions made for payment.

This Bond is a special obligation of the Issuer and is the only one of an issue of a total series of fully-registered Parity Water Revenue Bond, designated as "Parity Water Revenue Bond, Series 2026B", in the aggregate principal amount of $1,488,000, dated as of the date set forth below and is issued under, by virtue of, in full conformity with and after full compliance with the Constitution and laws of the State of Utah, including particularly the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated, 1953, as amended, (collectively the "Act") and is issued under, secured by and entitled to the protection of the Master Resolution dated as of *, 2026, by the Town (which Master Resolution, as from time to time amended and supplemented, is hereinafter referred to as the “Master Resolution”) and duly adopted by the Town, for the purpose of paying all or part of the cost of the acquisition of the assets of Big Plains Water and Sewer Special Service District, including real property and water rights (the "Project") including, without limitation, all fees and expenses reasonably incurred in connection therewith and with the issuance of such bonds as may be properly payable from the proceeds thereof. Principal and interest on this Bond is payable solely from the revenues, funds and other monies pledged or provided therefor under the terms of the Master Resolution.

This Bond is dated as of date of delivery and is duly issued under and by virtue of the Act and under and pursuant to the Master Resolution. A copy of the Master Resolution is on file at the office of the Town Clerk of the Issuer in Apple Valley, Utah, and reference to the Master Resolution and to the Act is made for a description of the pledge and covenants securing the Series 2026B Bond, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bond is issued and a statement of the rights, duties, immunities and obligations of the Issuer. Such pledge and other obligations of the Issuer under the Master Resolution may be discharged at or prior to the maturity or redemption of the Series 2026B Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Master Resolution.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

This Bond is transferable, as provided in the Master Resolution, only upon the books of the Issuer kept for that purpose at the office of the Town Clerk of the Issuer by the registered owner hereof in person or by his attorney duly authorized in writing. The Issuer may treat and consider the person in whose name this Series 2026B Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest, if any, payable hereon and for all other purposes whatsoever.

Subject to the provisions of the Master Resolution, the Series 2026B Bond is issuable in fully registered form, without coupons, in a denomination equal to the aggregate principal amount of the Series 2026B Bond or, upon exchange, in the denomination of $1000 and any integral multiple thereof.

This Bond is subject to redemption at any time at the option of the Issuer in whole or in part (if in part, in integral multiples of $1000) in inverse order of the due date of the principal installments hereon, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so redeemed, and without premium. The registered owner of this Series 2026B Bond, by acceptance hereof, agrees to endorse each such redemption on the Prepayment Record attached hereto.

Notice of redemption shall be given by the Issuer by registered mail, not less than 30 days nor more than 45 days prior to the redemption date, to the registered owner of this Bond, at his address as it appears on the bond registration books of the Issuer, or at such address as he may have filed with the Issuer for that purpose. Each notice of redemption shall state the redemption date and the principal amount to be redeemed.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Master Resolution.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah or by the Act or the Master Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the issue of the series of Bonds of which this Bond is a part, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

IN WITNESS WHEREOF, the Town of Apple Valley, Washington County, Utah, has caused this Bond to be signed by its Mayor and attested and countersigned by its Town Clerk and the official seal of the Town of Apple Valley, Washington County, Utah, to be impressed or imprinted hereon, all as of the ____ day of _______, 2026.

TOWN OF APPLE VALLEY

(DO NOT SIGN-FORM ONLY)
By_____________________________
Mayor

ATTEST AND COUNTERSIGN:

(DO NOT SIGN-FORM ONLY)
By_____________________________
Town Clerk

(SEAL)

REGISTRATION CERTIFICATE

(No writing to be placed herein except by Bond Registrar.)

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
____________________	State of Utah, Dept of Environmental Quality Drinking Water Board Salt Lake City, Utah	____________________
____________________	____________________	____________________
____________________	____________________	____________________

PAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the bond to which this Payment Record is attached (the "Owner"), hereby certify that the Owner has received from the Town of Apple Valley, Washington County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of $1,488,000 to the Town of Apple Valley, Washington County, Utah, as referenced by the bond to which this Payment Record is attached, and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

As long as the State of Utah, Department of Environmental Quality, Drinking Water Board, Salt Lake City, Utah is the registered owner of the bond to which this Payment Record is attached, the Chairman of said Board or designee, shall sign below as the owner of such bond.

Date Due	Amount	Interest Paid	Principal Paid or Prepaid	Date Due	Remaining Unpaid Principal Balance	Name, Title and Signature of Owner or Authorized Officer Thereof

PREPAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the bond to which this Payment Record is attached (the "Owner"), hereby certify that the Owner has received from the Town of Apple Valley, Washington County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of $1,488,000 to the Town of Apple Valley, Washington County, Utah, as referenced by the bond to which this Prepayment Record is attached and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

As long as the State of Utah, Department of Environmental Quality, Drinking Water Board, is the registered owner of the Bond to which this Prepayment Record is attached, the Chairman of said Board shall sign below as the owner of such Bond.

Principal Due

Date	Amount	Payment	Principal Balance	Date Paid	Name, Title and Signature of Owner or Authorized Officer Thereof

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____
/____________________/

Insert Social Security or Other
Identifying Number of Assignee

____

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the Town of Apple Valley, Washington County, Utah, and does hereby irrevocably constitute and appoint __________________________ attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ___________________ Signature: _____________________

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 3.7. Exchange of the Series 2026B Parity Water Revenue Bond for Serial (Exchange) Bonds. It is recognized that the Drinking Water Board may sell or otherwise transfer the Series 2026B Bond pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated, 1953, as amended, or otherwise. The Series 2026B Bond, may be exchanged at the office of the Issuer for a like aggregate principal amount of Serial Bonds in accordance with the provisions of this Section 3.7. Serial Bonds shall be substantially in the form set forth in Section 3.8 hereof and shall be in increments of $1000. Each Principal Installment on the Series 2026B Bond not previously paid or cancelled shall be represented by an equivalent principal amount of Serial Bonds, in authorized denominations and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Series 2026B Bond for Serial Bonds and the Issuer shall pay or cause to be paid all costs and other charges incident to such exchange.

Section 3.8. Form of Serial Bond. The Serial Bond shall be in substantially the following form:

REGISTERED **REGISTERED**

No. R-__ **$__________**

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF WASHINGTON
TOWN OF APPLE VALLEY

PARITY WATER REVENUE BOND, SERIES 2026B

[SEE REVERSE SIDE FOR ADDITIONAL PROVISIONS]	**MATURITY DATE**	**DATED DATE**
	October 1, ____	**________, 20__**

Registered Owner:

Principal Amount: ____DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the Town of Apple Valley, Washington County, Utah (the "Issuer"), acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender hereof, the principal amount identified above, bearing no interest. If the principal amount of this Bond is not paid when due, said principal shall bear interest at the rate of eighteen (18%) per annum from said due date until paid. Principal of and interest, if any, on this

Bond shall be payable at the office of the registered owner. The principal of and interest, if any, on this Bond shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Payments received on this Bond shall be applied first to the payment of interest, if any, then to principal.

Interest, if any, on this Bond shall be mailed to the registered owner hereof at his address as shown on the records of the Issuer on October 1st of each year until the total principal amount of this Bond, plus all accrued interest hereon, is paid in full. In the event this Bond is exchanged for Serial Bonds as herein provided, interest will continue to accrue from October 1st previous to date of exchange and shall be payable commencing on the first October 1st following the dated date of said Serial Bonds.

THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND SOLELY FROM THE REVENUES (THE "REVENUES") DERIVED FROM THE ISSUER'S CULINARY WATER SYSTEM ("SYSTEM") AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE MASTER RESOLUTION (AS HEREINAFTER DEFINED). THIS BOND IS NOT A DEBT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON INDEBTEDNESS. PURSUANT TO THE MASTER RESOLUTION, REVENUES FROM THE SYSTEM HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART.

This Bond is also issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the "Series 2026A Bond"), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the “Series 2026C Bond”), its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the "Series 2026D Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). This Bond and the Series 2026 Bonds shall not be entitled to any priority one over the other in the application of the Net Revenues of the System (as defined in the Resolution described below) pledged to the payment of this Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or among this Bond and the Series 2026 Bonds in any rights provided in the Resolution authorizing the same for entitlement to payment or provisions made for payment.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act (as hereinafter defined) and all other laws applicable thereto.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE OR AT THE END HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah or by the Act or the Master Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the issue of the series of Bonds of which this Bond is a part, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Issuer.

IN WITNESS WHEREOF, the Town of Apple Valley, Washington County, Utah, has caused this Bond to be signed in its name and on its behalf by its Mayor and [a facsimile of] its corporate seal to be [imprinted] [impressed] hereon and attested and countersigned by its Town Clerk [(the signatures of said Mayor and Town Clerk being by facsimile), and said officials by the execution hereof do adopt as for their own proper signatures their facsimile signatures appearing on each of the Bonds], all as of the Issue Date specified above.

TOWN OF APPLE VALLEY

(FORM ONLY-DO NOT SIGN)
By____________________________
Mayor

ATTEST AND COUNTERSIGN:

(FORM ONLY-DO NOT SIGN)
By____________________________
Town Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Master Resolution and is one of the Parity Water Revenue Bond, Series 2026B, of the Town of Apple Valley, Washington County, Utah.

TOWN OF APPLE VALLEY
as Bond Registrar

By_____________________________
Town Clerk

Date of Registration and Authentication:

____

Bond Registrar and Paying Agent:

Town of Apple Valley, Washington County, Utah

[FORM OF REVERSE SIDE OF OR TO BE APPENDED TO THE BONDS]

This Bond is a special obligation of the Issuer and is one of an issue of a total series of fully-registered Parity Water Revenue Bonds, designated as "Parity Water Revenue Bonds, Series 2026B", in the aggregate principal amount of $_________ dated as of the date set forth below, issued under, by virtue of, in full conformity with and after full compliance with the Constitution and laws of the State of Utah, including particularly the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated 1953, as amended, and a Master Resolution duly adopted by the Mayor and Town Council of the Issuer (the "Governing Body") on _______, 2026, authorizing this Bond (the "Master Resolution"), for the purpose of paying all or part of the cost of the acquisition of the assets of Big Plains Water and Sewer Special Service District, including real property and water rights (the “Project”), including, without limitation, all fees and expenses reasonably incurred in connection therewith and with the issuance of such bonds as may be properly payable from the proceeds thereof. Principal of, premium, if any, and interest, if any, on this Bond is payable solely from the revenues, funds and other monies pledged or provided therefor under the terms of the Master Resolution.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

The Bonds are dated as of _______________, 2026 and are duly issued under and by virtue of the Act and under and pursuant to the Master Resolution. A copy of the Master Resolution is on file at the office of the Town Clerk of the Issuer in Apple Valley, Utah, and reference to the Master Resolution and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bonds are issued and a statement of the rights, duties, immunities and obligations of the Issuer. Such pledge and other obligations of the Issuer under the Master Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Master Resolution.

This Bond is transferrable, as provided in the Master Resolution, only upon the books of the Issuer kept for that purpose at the office of the Town Clerk of the Issuer, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer in a form approved by the Issuer, duly executed by the registered owner or his duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of the same aggregate principal amount, series designation and maturity as the surrendered Bond, all as provided in the Master Resolution and upon the payment of the charges therein prescribed. The Issuer, the Trustee, and any paying agent may treat and consider the person in whose name this Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest, if any, payable hereon and for all other purposes whatsoever.

Subject to the provisions of the Master Resolution, the Bonds are issuable in fully registered form, without coupons, in the denomination of $1000 and any integral multiple thereof.

The Bonds are subject to redemption at any time at the option of the Issuer in whole or in part (if in part, in integral multiples of $1000) in inverse order of maturity upon notice given as hereinafter set forth, at a redemption price equal to the principal amount of each Bond or portion thereof to be so redeemed, and without premium.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the Master Resolution; provided, however, that subject to other applicable provisions of the Master Resolution, the portion of any Bond to be redeemed shall be in a principal amount equal to a denomination in which the Bond was authorized to be issued, and that in selecting Bonds for redemption, the Issuer shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $1000. If part but not all of a Bond in a denomination in excess of $1000 is to be redeemed, the registered owner thereof shall present and surrender such Bond to the Issuer, and the Issuer shall execute and authenticate and deliver to the registered owner thereof, without charge therefor, a Bond or Bonds of the same maturity for unredeemed balance of the principal amount of such Bond, all as more fully set forth in the Master Resolution.

Notice of redemption shall be given by the Issuer by registered mail, not less than 30 days nor more than 45 days prior to the redemption date, to the registered owner of this Bond, at his address as it appears on the bond registration books of the Issuer, or at such address as he may have filed with the Issuer for that purpose. Each notice of redemption shall state the redemption date and the principal amount and, if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds to be redeemed.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Master Resolution.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____
/___________________/

Insert Social Security or Other
Identifying Number of Assignee

____
(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the Town of Apple Valley, Washington County, Utah, and does hereby irrevocably constitute and appoint __________________________ attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ___________________ Signature: _____________________

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

* * * * * * * *

Section 3.9. Provisions for the registration of the Bonds set forth in Article V shall be applicable to the Series 2026B Bond.

ARTICLE IV

TERMS AND PROVISIONS OF SERIES 2026C BOND

Section 4.1. Purpose and Authority.

(a) The Governing Body hereby finds, determines and declares that the Project to be acquired with the proceeds of the Series 2026C Bond is necessary for the proper operation of the System and is economically feasible, and the Revenues will be sufficient to retire the Series 2026C Bond.

(b) For the purpose of paying the cost of the Project, the Series 2026C Bond shall be issued in the amount or amounts set forth on the Bond. The Series 2026C Bond shall be payable solely from the Revenues to be derived from the operation and ownership of the System, as more specifically provided herein.

Section 4.2. Parity Designation. The Series 2026C Bond is issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the "Series 2026A Bond"), its Parity Water Revenue Bond, Series 2026B Bond") in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the "Series 2026B Bond"), its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the "Series 2026D Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). Neither the Series 2026C Bond nor the Series 2026 Bonds shall be entitled to any priority one over the other in the application of the Net Revenues of the System pledged to the payment of the Series 2026C Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between the Series 2026C Bond or the Series 2026 Bonds in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

Section 4.3. Designation and Terms of the Series 2026C Bond. The Series 2026C Bond shall be designated as the "Parity Water Revenue Bond, Series 2026C," shall be dated as of the date of delivery to the Drinking Water Board, shall be issued as a single fully-registered bond, without coupons, in the denomination of the amount or amounts set forth on the Bond and shall be numbered R-1, the principal amount of which shall bear interest at the rate of 1.0% per annum and shall be in the denomination of the amount set out as the Total Principal Sum in the form of the Series 2026C Bond. Interest shall be payable on the same day as the due date for a payment of principal.

Any installment of principal and interest which shall not be paid when due shall bear interest, to the extent permitted by law, at the rate of eighteen percent (18%) per annum from the date of maturity of such installment until that installment is paid.

Subject to prepayment of principal as herein provided, principal on the Series 2026C Bond shall be payable in the number of annual registered installments equal to the number of Payment Years, with no provision for any grace period as to the due date of such payments; provided, however, that the last such installment payment shall be in such amount as will pay the remaining principal due on the Series 2026C Bond on the date of such payment each in the amount of the Installment Amount, due on the Payment Date of each of the Payment Years. Each payment shall be first applied to any applicable interest accrued to the date of payment of that installment, then to principal. Principal of and interest on the Series 2026C Bond shall be payable in any coin or currency which, on the respective dates of payments, is legal tender for the payment of debts to the United States of America and, except as hereinafter otherwise provided, shall be made by check or draft mailed to the Office of the Drinking Water Board in Salt Lake City, Utah, or to its designee or to such other registered owner of the Series 2026C Bond as is shown on the registration books maintained by the Issuer at the close of business on the fifteenth day of the month next preceding each Payment Date at the address of such registered owner as it appears on such registration books or to such other address furnished in writing by such registered owner to the Issuer, and payment shall be endorsed thereon in the payment record attached thereto.

The single, Fully-Registered Bond may be exchanged for Serial Bonds in increments of $1000 at the option of the holder.

Section 4.4. Prepayment Provisions and Provisions Regarding Notation of Payments - Series 2026C Bond.

(a) The Series 2026C Bond shall be subject to prepayment at the option of the Issuer at any time in whole or in part in multiples of $1000 as to each bond plus accrued interest, if any, to the date of prepayment, and without premium. In the event of a partial prepayment, each installment payment due on the Payment Date of each Payment Year after such partial prepayment shall remain in the Installment Amount regardless of any such partial prepayment; provided that any such partial prepayment shall reduce the principal due on the Series 2026C Bond in inverse order of installment maturities; and provided further that the final payment on the Series 2026C Bond shall be fully sufficient to pay all principal remaining due thereon. With the exception of prepayments described in Section 5.2, each prepayment on the Series 2026C Bond shall be applied to any interest then due on the Series 2026C Bond and then to principal. Notice of any call for prepayment shall be given by registered mail not less than 30 days prior to the prepayment date to the State or to its designee, or to such other registered owner of the Series 2026C Bond as is shown on the registration books at the close of business on the fifteenth day next preceding the mailing of such prepayment notice at the registered owner's address as shown on such registration books or at such other address furnished in writing by such registered owner to the Issuer.

(b) In the event of a partial prepayment, such prepayment shall be made in the manner provided for herein for the payment of Installment Amounts (except that prepayments need not be made on Payment Dates) and endorsed on the Series 2026C Bond on the prepayment record attached thereto.

(c) If notice of prepayment shall have been given as aforesaid, the Series 2026C

Bond or the portion thereof specified in said notice shall become due and payable at the prepayment price and on the prepayment date therein designated and if, on the prepayment date, money for the payment of the prepayment price of the Series 2026C Bond or the portion thereof to be prepaid shall be available for such prepayment on said date, then from and after the prepayment date, interest, if any, on the Series 2026C Bond or the portion thereof so called for prepayment shall cease to accrue and become payable.

(d) The registered owner of the Series 2026C Bond shall endorse any payment or prepayment of principal on the Series 2026C Bond upon the payment record or prepayment record attached to the Bond.

Section 4.5. Execution of Series 2026C Bond and Representations Relating to the Master Resolution. The Series 2026C Bond shall be executed on behalf of the Issuer by the manual signature of the Executive Officer and attested and countersigned by the manual signature of the Town Clerk. The Town Clerk shall impress or imprint the official seal of the Issuer on the Series 2026C Bond. All of the covenants, promises, statements, recitals, representations and agreements contained in the Series 2026C Bond and this Master Resolution are hereby considered and understood, and it is hereby ordered and declared that the covenants, promises, statements, recitals, representations and agreements therein and herein are covenants, promises, statements, recitals, representations and agreements of the Issuer.

Section 4.6. Form of Series 2026C Bond: The Series 2026C Bond shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF WASHINGTON
TOWN OF APPLE VALLEY

R-1

PARITY WATER REVENUE BOND, SERIES 2026C

THIS BOND HAS BEEN DESIGNATED BY THE AUTHORITY AND THE CITY FOR PURPOSES OF THE EXCEPTION CONTAINED IN SECTION 265(b)(3) OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, RELATING TO THE DEDUCTIBILITY OF A FINANCIAL INSTITUTION'S INTEREST EXPENSE ALLOCABLE TO TAX-EXEMPT INTEREST.

Principal Sum	**Interest Rate**	**Original Issue Date**
$262,000.00	**1.0%**	**_______, 2026**

The Town of Apple Valley, Washington County, Utah (the "Issuer") for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the order of the registered owner hereof, the Total Principal Sum set forth above, payable annually on May 1 of each year, beginning May 1, 2027, as set forth in the following

Repayment Schedule:

Maturity Date May 1st	Principal Amount	Interest Amount	Total Amount
2027	$	$	$
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			

To each installment of principal there shall be added interest accruing from the Original Issue Date, at the rate of One (1.0%) per cent per annum on the entire balance remaining due under this Bond. Interest shall be payable on the same day as the due date for a payment of principal.

Any installment of principal and interest hereof which shall not be paid when due shall bear interest at the rate of eighteen (18%) per cent per annum from the date of maturity of such installment until paid. This Bond is payable in lawful money of the United States of America by check or draft of the Issuer mailed to the State of Utah Department of Environmental Quality, Drinking Water Board, Salt Lake City, Utah, or its designee, or to such other registered owner hereof, as such registered owner is shown on the registration books maintained by the Issuer at the close of business on the fifteenth day of the month next preceding each installment payment date at the address of such registered owner as it appears on such registration books or to such other address as is furnished in writing by such registered owner to the Issuer. The registered owner of this Bond, by acceptance hereof, agrees that such registered owner shall endorse each payment received on the Payment Record attached hereto. Payments received on this Bond shall be applied first to the payment of interest payable and then to principal.

THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND SOLELY FROM THE REVENUES (THE "REVENUES") DERIVED FROM THE ISSUER'S CULINARY WATER SYSTEM ("SYSTEM") AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE MASTER RESOLUTION (AS HEREINAFTER DEFINED). THIS BOND IS NOT A DEBT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON INDEBTEDNESS. PURSUANT TO THE MASTER RESOLUTION, REVENUES FROM THE SYSTEM HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND.

This Bond is issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act (as hereinafter defined) and all other laws applicable thereto.

This Bond is also issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the “Series 2026A Bond”), its Parity Water Revenue Bond, Series 2026B Bond in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the "Series 2026B Bond"), its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the "Series 2026D Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). This Bond and the Series 2026 Bonds shall not be entitled to any priority one over the other in the application of the Net Revenues of the System (as defined in the Resolution described below) pledged to the payment of this Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or among this Bond and the Series 2026 Bonds in any rights provided in the Resolution authorizing the same for entitlement to payment or provisions made for payment.

This Bond is a special obligation of the Issuer and is the only one of an issue of a total series of fully-registered Parity Water Revenue Bond, designated as "Parity Water Revenue Bond, Series 2026C", in the aggregate principal amount of $262,000, dated as of the date set forth below and is issued under, by virtue of, in full conformity with and after full compliance with the Constitution and laws of the State of Utah, including particularly the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated, 1953, as amended, (collectively the "Act") and is issued under, secured by and entitled to the protection of the Master Resolution dated as of *, 2026, by the Town (which Master Resolution, as from time to time amended and supplemented, is hereinafter referred to as the “Master Resolution”) and duly adopted by the Town, for the purpose of paying all or part of the cost of the acquisition of the assets of Big Plains Water and Sewer Special Service District, including real property and water rights (the "Project") including, without limitation, all fees and expenses reasonably incurred in connection therewith and with the issuance of such bonds as may be properly payable from the proceeds thereof. Principal and interest on this Bond is payable solely from the revenues, funds and other monies pledged or provided therefor under the terms of the Master Resolution.

This Bond is dated as of date of delivery and is duly issued under and by virtue of the Act and under and pursuant to the Master Resolution. A copy of the Master Resolution is on file at the office of the Town Clerk of the Issuer in Apple Valley, Utah, and reference to the Master Resolution and to the Act is made for a description of the pledge and covenants securing the Series 2026C Bond, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bond is issued and a statement of the rights, duties, immunities and obligations of the Issuer. Such pledge and other obligations of the Issuer under the Master Resolution may be discharged at or prior to the maturity or redemption of the Series 2026C Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the Master Resolution.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

This Bond is transferable, as provided in the Master Resolution, only upon the books of the Issuer kept for that purpose at the office of the Town Clerk of the Issuer by the registered owner hereof in person or by his attorney duly authorized in writing. The Issuer may treat and consider the person in whose name this Series 2026C Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest, if any, payable hereon and for all other purposes whatsoever.

Subject to the provisions of the Master Resolution, the Series 2026C Bond is issuable in fully registered form, without coupons, in a denomination equal to the aggregate principal amount of the Series 2026C Bond or, upon exchange, in the denomination of $1000 and any integral multiple thereof.

This Bond is subject to redemption at any time at the option of the Issuer in whole or in part (if in part, in integral multiples of $1000) in inverse order of the due date of the principal installments hereon, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so redeemed, and without premium. The registered owner of this Series 2026C Bond, by acceptance hereof, agrees to endorse each such redemption on the Prepayment Record attached hereto.

Notice of redemption shall be given by the Issuer by registered mail, not less than 30 days nor more than 45 days prior to the redemption date, to the registered owner of this Bond, at his address as it appears on the bond registration books of the Issuer, or at such address as he may have filed with the Issuer for that purpose. Each notice of redemption shall state the redemption date and the principal amount to be redeemed.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Master Resolution.

In accordance with Section 265 of the 1986 Internal Revenue Code, the Issuer designates this Bond as an issue qualifying for the exception to the rule denying banks and other financial institutions the deduction for interest expenses allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of qualified tax-exempt obligations (other than private activity bonds as defined in Section 141 of the 1986 Internal Revenue Code) which will be issued by the Issuer and by any aggregated issuer during the current calendar year will not exceed $10,000,000. The total amount of obligations designated by the Issuer and all aggregated issuers for the current calendar year does not exceed $10,000,000.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah or by the Act or the Master Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the issue of the series of Bonds of which this Bond is a part, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

IN WITNESS WHEREOF, the Town of Apple Valley, Washington County, Utah, has caused this Bond to be signed by its Mayor and attested and countersigned by its Town Clerk and the official seal of the Town of Apple Valley, Washington County, Utah, to be impressed or imprinted hereon, all as of the ____ day of _______, 2026.

TOWN OF APPLE VALLEY

(DO NOT SIGN-FORM ONLY)
By_____________________________
Mayor

ATTEST AND COUNTERSIGN:

(DO NOT SIGN-FORM ONLY)
By_____________________________
Town Clerk

(SEAL)

REGISTRATION CERTIFICATE

(No writing to be placed herein except by Bond Registrar.)

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
____________________	State of Utah, Dept of Environmental Quality Drinking Water Board Salt Lake City, Utah	____________________
____________________	____________________	____________________
____________________	____________________	____________________

PAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the bond to which this Payment Record is attached (the "Owner"), hereby certify that the Owner has received from the Town of Apple Valley, Washington County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of $262,000 to the Town of Apple Valley, Washington County, Utah, as referenced by the bond to which this Payment Record is attached, and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

As long as the State of Utah, Department of Environmental Quality, Drinking Water Board, Salt Lake City, Utah is the registered owner of the bond to which this Payment Record is attached, the Chairman of said Board or designee, shall sign below as the owner of such bond.

Date Due	Amount	Interest Paid	Principal Paid or Prepaid	Date Due	Remaining Unpaid Principal Balance	Name, Title and Signature of Owner or Authorized Officer Thereof

PREPAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the bond to which this Payment Record is attached (the "Owner"), hereby certify that the Owner has received from the Town of Apple Valley, Washington County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of $262,000 to the Town of Apple Valley, Washington County, Utah, as referenced by the bond to which this Prepayment Record is attached and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

As long as the State of Utah, Department of Environmental Quality, Drinking Water Board, is the registered owner of the Bond to which this Prepayment Record is attached, the Chairman of said Board shall sign below as the owner of such Bond.

Principal Due

Date	Amount	Payment	Principal Balance	Date Paid	Name, Title and Signature of Owner or Authorized Officer Thereof

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____
/___________________/

Insert Social Security or Other
Identifying Number of Assignee

____
(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the Town of Apple Valley, Washington County, Utah, and does hereby irrevocably constitute and appoint __________________________ attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: ___________________ Signature: _____________________

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 4.7. Exchange of the Series 2026C Parity Water Revenue Bond for Serial (Exchange) Bonds. It is recognized that the Drinking Water Board may sell or otherwise transfer the Series 2026C Bond pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated, 1953, as amended, or otherwise. The Series 2026C Bond, may be exchanged at the office of the Issuer for a like aggregate principal amount of Serial Bonds in accordance with the provisions of this Section 4.7. Serial Bonds shall be substantially in the form set forth in Section 4.8 hereof and shall be in increments of $1000. Each Principal Installment on the Series 2026C Bond not previously paid or cancelled shall be represented by an equivalent principal amount of Serial Bonds, in authorized denominations and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Series 2026C Bond for Serial Bonds and the Issuer shall pay or cause to be paid all costs and other charges incident to such exchange.

Section 4.8. Form of Serial Bond. The Serial Bond shall be in substantially the following form:

REGISTERED **REGISTERED**

No. R-__ **$__________**

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF WASHINGTON
TOWN OF APPLE VALLEY

PARITY WATER REVENUE BOND, SERIES 2026C

[SEE REVERSE SIDE FOR ADDITIONAL PROVISIONS]	**INTEREST RATE**	**MATURITY DATE**	**DATED DATE**
	1.0%	**May 1, ____**	**________, 20__**

Registered Owner:

Principal Amount: ____DOLLARS

KNOW ALL MEN BY THESE PRESENTS that the Town of Apple Valley, Washington County, Utah (the "Issuer"), acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender hereof, the principal amount identified above, bearing interest at the rate of One (1.0%) percent per annum. If the principal amount of this Bond and any Interest is not paid when due, said principal and/or Interest shall bear interest at the rate of eighteen (18%) per annum from said due date until paid. Principal of and interest, if any, on this Bond shall be payable at the office of the registered owner. The principal of and interest, if any, on this Bond shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Payments received on this Bond shall be applied first to the payment of interest, if any, then to principal.

Interest on this Bond shall be mailed to the registered owner hereof at his address as shown on the records of the Issuer on May 1st of each year until the total principal amount of this Bond, plus all accrued interest hereon, is paid in full. In the event this Bond is exchanged for Serial Bonds as herein provided, interest will continue to accrue from May 1st previous to date of exchange and shall be payable commencing on the first May 1st following the dated date of said Serial Bonds.

THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND SOLELY FROM THE REVENUES (THE "REVENUES") DERIVED FROM THE ISSUER'S CULINARY WATER SYSTEM ("SYSTEM") AND OTHER FUNDS OF THE ISSUER PLEDGED THEREFOR UNDER THE TERMS OF THE MASTER RESOLUTION (AS HEREINAFTER DEFINED). THIS BOND IS NOT A DEBT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON INDEBTEDNESS. PURSUANT TO THE MASTER RESOLUTION, REVENUES FROM THE SYSTEM HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART.

This Bond is also issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the “Series 2026A Bond”), its Parity Water Revenue Bond, Series 2026B in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the "Series 2026B Bond"), its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the "Series 2026D Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). This Bond and the Series 2026 Bonds shall not be entitled to any priority one over the other in the application of the Net Revenues of the System (as defined in the Resolution described below) pledged to the payment of this Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or among this Bond and the Series 2026 Bonds in any rights provided in the Resolution authorizing the same for entitlement to payment or provisions made for payment.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act (as hereinafter defined) and all other laws applicable thereto.

THE TERMS AND PROVISIONS OF THIS BOND ARE CONTINUED ON THE REVERSE SIDE OR AT THE END HEREOF AND SUCH CONTINUED TERMS AND PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS THOUGH FULLY SET FORTH AT THIS PLACE.

In accordance with Section 265 of the 1986 Internal Revenue Code, the Issuer designates this Bond as an issue qualifying for the exception to the rule denying banks and other financial institutions the deduction for interest expenses allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of qualified tax-exempt obligations (other than private activity bonds as defined in Section 141 of the 1986 Internal Revenue Code) which will be issued by the Issuer and by any aggregated issuer during the current calendar year will not exceed $10,000,000. The total amount of obligations designated by the Issuer and all aggregated issuers for the current calendar year does not exceed $10,000,000.

It is hereby certified and recited that all conditions, acts and things required by the Constitution or statutes of the State of Utah or by the Act or the Master Resolution to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed and that the issue of the series of Bonds of which this Bond is a part, together with all other indebtedness of the Issuer, is within every debt and other limit prescribed by said Constitution and statutes.

This Bond shall not be valid until the Certificate of Authentication hereon shall have been manually signed by the Issuer.

IN WITNESS WHEREOF, the Town of Apple Valley, Washington County, Utah, has caused this Bond to be signed in its name and on its behalf by its Mayor and [a facsimile of] its corporate seal to be [imprinted] [impressed] hereon and attested and countersigned by its Town Clerk [(the signatures of said Mayor and Town Clerk being by facsimile), and said officials by the execution hereof do adopt as for their own proper signatures their facsimile signatures appearing on each of the Bonds], all as of the Issue Date specified above.

TOWN OF APPLE VALLEY

(FORM ONLY-DO NOT SIGN)
By______________________________
Mayor

ATTEST AND COUNTERSIGN:

(FORM ONLY-DO NOT SIGN)
By______________________________
Town Clerk

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Master Resolution and is one of the Parity Water Revenue Bond, Series 2026C, of the Town of Apple Valley, Washington County, Utah.

TOWN OF APPLE VALLEY
as Bond Registrar

By____________________________
Town Clerk

Date of Registration and Authentication:

____

Bond Registrar and Paying Agent:

Town of Apple Valley, Washington County, Utah

[FORM OF REVERSE SIDE OF OR TO BE APPENDED TO THE BONDS]

This Bond is a special obligation of the Issuer and is one of an issue of a total series of fully-registered Parity Water Revenue Bonds, designated as "Parity Water Revenue Bonds, Series 2026C", in the aggregate principal amount of $_________ dated as of the date set forth below, issued under, by virtue of, in full conformity with and after full compliance with the Constitution and laws of the State of Utah, including particularly the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated 1953, as amended, and a Master Resolution duly adopted by the Mayor and Town Council of the Issuer (the "Governing Body") on _______, 2026, authorizing this Bond (the "Master Resolution"), for the purpose of paying all or part of the cost of the acquisition of the assets of Big Plains Water and Sewer Special Service District, including real property and water rights (the "Project"), including, without limitation, all fees and expenses reasonably incurred in connection therewith and with the issuance of such bonds as may be properly payable from the proceeds thereof. Principal of, premium, if any, and interest, if any, on this Bond is payable solely from the revenues, funds and other monies pledged or provided therefor under the terms of the Master Resolution.

To the extent and in the respects permitted by the Master Resolution, the Master Resolution may be modified or amended by action on behalf of the Issuer taken in the manner and subject to the conditions and exceptions prescribed in the Master Resolution. The holder or owner of this Bond shall have no right to enforce the provisions of the Master Resolution or to institute action to enforce the pledge or covenants made therein or to take any action with respect to an event of default under the Master Resolution or to institute, appear in, or defend any suit or other proceeding with respect thereto, except as provided in the Master Resolution.

The Bonds are dated as of _______________, 2026 and are duly issued under and by virtue of the Act and under and pursuant to the Master Resolution. A copy of the Master Resolution is on file at the office of the Town Clerk of the Issuer in Apple Valley, Utah, and reference to the Master Resolution and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bonds are issued and a statement of the rights, duties, immunities and obligations of the Issuer. Such pledge and other obligations of the Issuer under the Master Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Master Resolution.

This Bond is transferrable, as provided in the Master Resolution, only upon the books of the Issuer kept for that purpose at the office of the Town Clerk of the Issuer, by the registered owner hereof in person or by his attorney duly authorized in writing, upon surrender hereof together with a written instrument of transfer in a form approved by the Issuer, duly executed by the registered owner or his duly authorized attorney, and thereupon the Issuer shall issue in the name of the transferee a new registered Bond or Bonds of the same aggregate principal amount, series designation and maturity as the surrendered Bond, all as provided in the Master Resolution and upon the payment of the charges therein prescribed. The Issuer, the Trustee, and any paying agent may treat and consider the person in whose name this Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest, if any, payable hereon and for all other purposes whatsoever.

Subject to the provisions of the Master Resolution, the Bonds are issuable in fully registered form, without coupons, in the denomination of $1000 and any integral multiple thereof.

The Bonds are subject to redemption at any time at the option of the Issuer in whole or in part (if in part, in integral multiples of $1000) in inverse order of maturity upon notice given as hereinafter set forth, at a redemption price equal to the principal amount of each Bond or portion thereof to be so redeemed, and without premium.

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the Master Resolution; provided, however, that subject to other applicable provisions of the Master Resolution, the portion of any Bond to be redeemed shall be in a principal amount equal to a denomination in which the Bond was authorized to be issued, and that in selecting Bonds for redemption, the Issuer shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by $1000. If part but not all of a Bond in a denomination in excess of $1000 is to be redeemed, the registered owner thereof shall present and surrender such Bond to the Issuer, and the Issuer shall execute and authenticate and deliver to the registered owner thereof, without charge therefor, a Bond or Bonds of the same maturity for unredeemed balance of the principal amount of such Bond, all as more fully set forth in the Master Resolution.

Notice of redemption shall be given by the Issuer by registered mail, not less than 30 days nor more than 45 days prior to the redemption date, to the registered owner of this Bond, at his address as it appears on the bond registration books of the Issuer, or at such address as he may have filed with the Issuer for that purpose. Each notice of redemption shall state the redemption date and the principal amount and, if less than all of the Bonds are to be redeemed, the distinctive numbers of the Bonds to be redeemed.

If notice of redemption shall have been given as aforesaid, the Bonds or portions thereof specified in said notice shall become due and payable at the applicable redemption price on the redemption date therein designated.

Except as otherwise provided herein and unless the context clearly indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Master Resolution.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

____
/______________________/

Insert Social Security or Other
Identifying Number of Assignee

____
(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the Town of Apple Valley, Washington County, Utah, and does hereby irrevocably constitute and appoint _____________________________ attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____________________ Signature: ________________________

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

* * * * * * * *

Section 4.9. Provisions for the registration of the Bonds set forth in Article V shall be applicable to the Series 2026C Bond.

ARTICLE V

SALE OF SERIES 2026A BOND; USE OF PROCEEDS; SYSTEM OF REGISTRATION

Section 5.1 Sale of Bond. The proceeds of the sale of the Series 2026A Bond shall be deposited at the time of sale in the Escrow Account as defined in Article I herein to be administered by the Escrow Agent. All monies so deposited in said fund shall be used solely for the purpose of acquiring the necessary property and constructing improvements, additions and extensions to the System, including any architectural, engineering, legal, fiscal agent and other expenses incidental thereto.

Section 5.2 Use of Proceeds. The proceeds from the issuance of the Series 2026B Bond and Series 2026C Bond shall be used to satisfy and discharge the outstanding indebtedness payable to the Bondholders by Big Plains Water and Sewer Special Service District. It is not anticipated that there will be any unexpended proceeds.

Section 5.3. Registration and Exchange of Bonds.

(a) This Article shall constitute a system of registration within the meaning and for the purpose of Chapter 7 of Title 15, Utah Code Annotated, 1953, as amended. The Issuer shall cause books for the registration and for the transfer of the Bonds to be kept at the office of its Town Clerk.

(b) Upon surrender for transfer of any of the Bonds at the office of the Issuer, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and duly executed by the registered owner or his attorney duly authorized in writing, the Town Clerk or other duly authorized official of the Issuer shall note the name of the transferee or transferees and the date of the transfer in the place provided on the back of the Bonds and shall affix his or her official signature thereon. The Town Clerk shall thereupon deliver the Bond or Bonds to the transferee and shall enter in the registration books of the Issuer the name and address of the transferee.

(c) The Issuer shall not be required to transfer any of the Bonds during the period from the fifteenth day of the month next proceeding any Payment Date on the Bonds to and including such Payment Date, nor to transfer the Bonds during a period of 15 days next preceding mailing of a notice of prepayment of any installment, or portion thereof, on the Bonds.

(d) The person in whose name the Bonds shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and the Issuer shall not be affected by any notice to the contrary. Payment of the principal of and interest on the Bonds shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds to the extent of the sum or sums so paid.

(e) No service charge shall be made by the Issuer for any transfer of the Bonds but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the Bonds.

(f) Prior to making any transfer of the Bonds as provided in this Section, the Town Clerk shall verify that the payment record and prepayment record attached to the Bonds have been accurately completed as of the date of such transfer and, if necessary, conform such payment record and prepayment record to accurately reflect all payments of principal on the Bonds, based on the records and information with respect to such Bonds maintained by the Issuer and the registered owner surrendering such Bonds.

Section 5.4. Mutilated, Lost, Destroyed or Stolen Bond. If any of the Bonds shall become mutilated, the Issuer, at the expense of the registered owner thereof, shall execute and deliver a new Bond of like tenor in exchange for the Bond so mutilated, but only upon surrender to the Treasurer of the Bond so mutilated, which Bond shall thereupon be cancelled by the Issuer. If the Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Issuer and if such evidence be satisfactory and given, the Issuer, at the expense of the registered owner thereof, shall execute and deliver a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if the entire principal amount of the Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same without surrender thereof). Any Bond issued under the provisions of this Section in lieu of a Bond alleged to be lost, destroyed or stolen shall constitute an additional contractual obligation of the Issuer and shall be equally and proportionately entitled to the benefits of this Master Resolution. The Issuer shall not be required to treat both the original Bond and the duplicate Bond as being Outstanding for the purpose of determining the principal amount of the Bond and Parity Bonds which may be issued under this Master Resolution or for the purpose of determining any percentage of the Bond or Parity Bonds Outstanding under this Master Resolution, but both the original and duplicate Bond shall be conformed by the Town Clerk to accurately reflect all payments of principal on the lost, destroyed or stolen Bond, based on the records and information with respect to such lost, destroyed or stolen Bond maintained by the Issuer and the registered owner of the Bond.

ARTICLE VI

FLOW OF FUNDS

Section 6.1. Pledge Effected by the Master Resolution.

(a) The Bonds are special obligations of the Issuer payable from and secured by the Revenues. There is hereby pledged for the payment of the principal of, prepayment premium, if any, and interest, if any, on the Bonds in accordance with its terms and the provisions of this Master Resolution, subject only to the provisions of this Master Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Master Resolution, (i) the proceeds of sale of the Bonds, (ii) the Revenues, and (iii) all funds established hereunder, including the investments, if any, thereof. Except as otherwise provided in this Section, the Bonds herein authorized shall enjoy complete priority of lien on the Revenues.

(b) In no event shall the Bond be deemed or construed to be a general indebtedness of the Issuer or payable from any funds of the Issuer other than those derived from the operation of the System.

Section 6.2. Establishment of Funds. The following funds are hereby established and confirmed:

(1) Revenue Fund, to be held by the Issuer;

(2) Series 2026 Bond Fund, to be held by the Issuer;

(3) Series 2026A Reserve Fund, to be held by the Issuer; and

(4) Series 2026B Reserve Fund, to be held by the Issuer; and

(5) Series 2026C Reserve Fund, to be held by the Issuer; and

(6) Capital Facilities Replacement Fund, to be held by the Issuer.

Section 6.3. Revenue Fund.

(a) There shall be deposited into the Revenue Fund, as received, the Revenues of the System. The Revenue Fund shall be deposited with the Depository and the monies credited to said Revenue Fund shall be expended only in the manner herein specified.

(b) Expenses of Maintenance and Operation shall be paid by the Issuer from time to time as they become due and payable and shall be a first charge on the Revenue Fund.

Section 6.4. Flow of Funds.

(a) After payment of Expenses of Maintenance and Operation then due the Issuer shall transfer, or cause the Depository to transfer, to the extent of monies available in the Revenue Fund, to the following funds in the following order the amounts set forth below:

(1) In the Bond Fund, (i) monthly so long as the Series 2026A Bond is outstanding, one-twelfth of the sum of the amount of principal falling due on the Series 2026A Bond on the next Payment Date; (i) monthly so long as the Series 2026B Bond is outstanding, one-twelfth of the sum of the amount of principal falling due on the Series 2026B Bond on the next Payment Date; (ii) monthly so long as the Series 2026C Bond is outstanding, one-twelfth of the sum of the amount of principal and interest falling due on the Series 2026C Bond on the next Payment Date.

(2) In the Reserve Funds for the Series 2026 DWB Bonds, on an annual basis, a sum equal to the Reserve Fund Installment for the Series 2026A Bond, so as to cause to be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement for the Series 2026A Bond not later than 10 years following the commencement of such annual transfers; (ii) a sum equal to the Reserve Fund Installment for the Series 2026B Bond, so as to cause to be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement for

the Series 2026B Bond not later than 10 years following the commencement of such annual transfers; and (iii) a sum equal to the Reserve Fund Installment for the Series 2026C Bond, so as to cause to be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement for the Series 2026C Bond not later than 10 years following the commencement of such annual transfers; provided, however, that if monies shall ever be paid out of the Reserve Funds, monies shall be deposited, in addition to other deposits required by this paragraph (2), into the Reserve Funds from available Revenues (after making all other payments of Expenses of Maintenance and Operation and deposits into the Bond Fund heretofore provided in this Section) to the extent necessary to cause the amount paid out to be replaced; and

(3) In the Capital Facilities Replacement Fund for the Series 2026 DWB Bonds, an annual deposit equal to 5% of the total operating budget of the System, provided, however, that the annual deposit pursuant to this resolution shall take into account and be reduced by any similar deposits required pursuant to the provisions of any Series 2026 DWB Bonds. The first installment shall be payable on the anniversary date of the issuance of the Series 2026 DWB Bonds hereunder and shall continue until the Series 2026 DWB Bonds are redeemed. For purposes of this provision, annual operating budget shall include debt service and depreciation.

If available Revenues in the Revenue Fund (after payment of Expenses of Maintenance and Operation and deposits into the Bond Fund) are not sufficient to allow the deposit of the full amount payable to all reserve funds, then those available revenues shall be allocated among the reserve funds on a pro rata basis, based upon the relative amount of the required installments then due as to each reserve fund. In addition, if amounts are subsequently withdrawn from the reserve funds as provided in Section 6.6, the Issuer shall thereafter make deposits from first available Revenues to the Reserve Fund created herein, in such amounts as is necessary to restore the amounts withdrawn; provided, however, that such deposits shall be made on a pro rata basis among said reserve funds until the amounts withdrawn have been fully restored.

(b) Amounts remaining in the Revenue Fund after payment of the amounts required by paragraphs (1) and (3) subsection (a) of this Section and not required to meet Expenses of Maintenance and Operation or used for remedying any deficiencies in the payments previously made to the funds herein established, may be used, at the option of the Issuer and to the extent permitted by law, (1) to purchase or prepay any Bond in accordance with the provisions hereof governing prepayment of the Bond authorized hereunder in advance of maturity or, in the case of Future Parity Bonds, in accordance with the provisions of the resolution authorizing such Future Parity Bonds governing prepayment of such Future Parity Bonds in advance of maturity, including payment of expenses in connection with such purchase or prepayment; (2) to pay the principal or prepayment price of and interest on any bonds, including general obligation or junior lien revenue bonds of the Issuer issued to acquire, construct, improve or extend the System; (3) to pay the costs of capital improvements to the System; and (4) for any other lawful purpose, including, without limitation, payment of other obligations of the Issuer.

Section 6.5. Bond Fund. Monies in the Bond Fund shall be used for the purpose of paying principal, prepayment premium, if any, and any applicable interest when due on the Bonds. The Bond Fund shall be kept on deposit with the Depository.

Section 6.6. Reserve Fund. In the event that the money on deposit in the 2026 Bond Fund on the final day of any month is less than the amount required to be in such Fund pursuant to Section 6.4(a)(1) hereof, then the Issuer shall cause any funds on deposit in the respective Reserve Fund to be immediately transferred by the Depository to such corresponding Bond Fund in the amount required to eliminate the deficiency in such Bond Fund(s). The Reserve Fund shall be kept on deposit with the Depository.

Section 6.7. Capital Facilities Replacement Fund. For so long as the Series 2026 DWB Bonds are outstanding, the amounts in the Capital Facilities Replacement Fund shall be kept on deposit with the Depository and may be applied from time to time by the Issuer solely for the purpose of paying costs and expenses relating to the construction and acquisition of additions, improvements and extensions to the System or to replace portions of the System which have become obsolete or no longer function properly or efficiently. The Capital Facilities Replacement Fund shall not serve as security for the payment of either principal, premium or interest on the Series 2026 DWB Bonds, and the Issuer shall not be obligated to obtain consent of any registered owner of the Series 2026 DWB Bonds to make disbursements from the Capital Facilities Replacement Fund for the purposes described in this Section 6.7; provided, however, that for so long as the Drinking Water Board is registered owner of the Series 2026 DWB Bonds, the Issuer shall make no disbursements from the Capital Facilities Replacement Fund unless and until the Issuer has given prior written notice to the Drinking Water Board setting forth the nature, purpose and amount of the proposed disbursement. Upon payment in full of the Series 2026 DWB Bonds, any amount remaining in the Capital Facilities Replacement Fund may be withdrawn by the Issuer and used for any lawful purpose of the Issuer.

Section 6.8. Investment of Funds. All money maintained on deposit with the Depository shall be held as special and not as general deposits, the beneficial interest in which shall be in the registered owners from time to time of the Bonds. All money so maintained on deposit with the Depository shall be secured to the fullest extent required or permitted by the laws of the State of Utah pertaining to the securing of public deposits. All or part of the money in the Bond Fund, in the Reserve Fund and in the Capital Facilities Replacement Fund shall be invested by the Depository, at the direction of the Issuer, in Permitted Investments, but any such investments so made shall always be such that the obligations mature or become optional for redemption in amounts and at times so as to assure the availability of the proceeds thereof when needed for the purpose for which such funds were created. Interest received on all such investments permitted hereunder shall be deposited in the Revenue Fund, except that at any time less than the required amount is on deposit in either the Bond Fund, the Reserve Fund or the Capital Facilities Replacement Fund, then interest attributable to such fund, respectively, shall be deposited into such fund. Whenever any money so invested from the Bond Fund, the Reserve Fund or the Capital Facilities Replacement Fund is needed for the purpose for which such fund was created, such investments, to the amount necessary, shall be liquidated by the Depository at the direction of the Issuer, and the proceeds thereof applied to the required purpose.

Section 6.9. Use of Funds When Reserves Sufficient to Pay Outstanding Bonds. Whenever there is sufficient available money in the Bond Funds and in the respective Reserve Fund to pay in full all principal and interest, if any, under these Bonds and all Bonds in accordance with their terms and the terms of this Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds, the money in such funds shall be used for such purpose and no other purpose but no additional payments need to be made into either fund unless necessary to replace monies lost or otherwise dissipated therefrom. If all payments of principal and interest under the Bonds authorized by this Resolution are fully paid before Series 2026 DWB Bonds are fully paid, all payments required under the Resolutions authorizing the Series 2026 DWB Bonds shall be paid into the Sinking and Reserve Funds until the Series 2026 DWB Bonds are satisfied in full or defeased.

ARTICLE VII

COVENANTS AND UNDERTAKINGS

Section 7.1. Punctual Payment. The Issuer will punctually pay or cause to be paid the principal, the prepayment premium, if any, and any applicable interest when due on the Bonds, in strict conformity with the terms of the Bonds and of this Master Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds, according to the true intent and meaning thereof. The Issuer agrees that there shall be no grace period as to the date of any payment required to be made pursuant to the terms of the Bond and of this Master Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds.

Section 7.2. Operation and Maintenance. The Issuer will cause the System to be operated continuously for the furnishing of System services to the inhabitants of the Issuer, to the extent practicable under conditions as they may from time to time exist, in an efficient and economical manner, and will at all times cause to be maintained, preserved and kept, the System, including all parts thereof and appurtenances thereto, in good repair, working order and condition, and in such manner that the operating efficiency thereof will be of high character. The Issuer will from time to time cause to be made all necessary and proper repairs and replacements so that the rights and security of the registered owners of the Bonds may be fully protected and preserved, and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Utah, including the making and collecting of sufficient rates, fees and charges as appropriate, for all services supplied by the System and the segregation and application of the Revenues of the System in the manner provided in this Master Resolution.

Section 7.3. Compliance with Contracts and Agreements; Maintenance of Revenues.

(a) The Issuer will comply with all terms, covenants and provisions, express or implied, of all contracts and agreements entered into by it for System use and services and all other contracts or agreements affecting or involving the System or the business of the Issuer with respect thereto, and will fix and collect rates, fees and charges, as appropriate for all services supplied by the System fully sufficient, after making due allowance for delinquencies in collection, to provide for the payment of the Expenses of Maintenance and Operation, to provide for the payment of all obligations payable from the Revenues of the System, including the Bonds, as and when the same become due and payable, and to establish the Bond Fund, Reserve Fund and Capital Facilities Replacement Fund and to make the deposits into the Bond Fund, the Reserve Fund and the Capital Facilities Replacement Fund as hereinabove required.

(b) In order to assure full and continuous performance of the covenants contained by sub-section (a) of this Section with a margin for contingencies and temporary unanticipated reduction in Revenues, the Issuer hereby covenants and agrees that it will, at all times while any of the Bonds shall be outstanding, continue in effect and establish, fix, prescribe and collect rates and charges for the sale or use of System services furnished by the Issuer which, together with any other income, are reasonably expected to yield Net Revenues equal to at least 1.25 times the aggregate annual debt service on all Series 2026 DWB Bonds issued hereunder, all Series 2026 RD Bonds and Future Parity Bonds which will be outstanding in the forthcoming year.

(c) If at any time the Revenues arising from such rates, fees and charges, as appropriate, shall not be sufficient to make all such payments promptly as herein required, the Issuer shall revise the rates, fees and charges, as appropriate, to the users of System services so that such deficiency will be remedied before the end of the next ensuing Year. If the Issuer shall fail to revise such charges as herein required, the registered owners of not less than ten percent (10%) in aggregate principal amount of the Outstanding Bonds, whether or not any of the Bonds shall then be in default, shall have authority, to the extent permitted by law, to bring an appropriate action in any court of competent jurisdiction to compel the Governing Body to carry out the provisions of this Section.

Section 7.4. Delinquencies; Single Billing.

(a) If any delinquent charge for System services, with applicable penalty and interest, is not paid in full within 60 days from the date on which the charge has become delinquent, the Issuer will, when appropriate and necessary to effect collection, cause all System services to be discontinued to the delinquent customers or premises, or forbid further use of such services by such customers or premises, to the extent permitted by law, until such delinquency, with penalties and interest has been paid in full. The Issuer further agrees in addition to the foregoing that it will do all things and exercise all remedies legally available to assure the prompt payment of all charges made for System services.

(b) The Issuer further covenants and agrees, to the extent permitted by law, that the Issuer will bill each customer receiving System services in a single bill, will refuse to accept payment for any of such services unless payment for the other services is also made, and if payment for any of such services is permitted to become delinquent and remain so for a period of 60 days, will treat such delinquency as provided in subsection (a) of this Section.

(c) If any customer or user of System services shall become delinquent for more than six months in the payment of his charges for such services, the Issuer agrees that, in addition to all of the remedies for which provision is made in this Master Resolution, the Issuer will proceed immediately, and it is hereby authorized to proceed, with a suit at law or in equity against such customer or user to recover the amount of any such delinquent charges, together with penalties and interest to the extent permitted by law.

Section 7.5. Consideration Required for Services. The Issuer will not permit System services to be supplied to any person, firm or corporation, public or private, or to any public agency or instrumentality including the Issuer without due consideration to be received in exchange therefor.

Section 7.6. Observance of Laws and Regulations; Permits, Licenses and Claims.

(a) The Issuer will well and truly keep, observe and perform all valid and lawful obligations or orders or regulations now and hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of Utah, or by any officer, board or commission having jurisdiction or control over the Issuer or the System or both, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Issuer, including its right to exist and carry on business, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired; provided, however, that the Issuer shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith.

(b) The Issuer shall at all times undertake reasonable efforts to perfect, and protect and maintain rights of any kind, all purchase contracts of any kind, and all permits, licenses and claims, necessary for the operation of the System.

Section 7.7. Payment of Taxes and Claims. The Issuer will, from time to time, duly pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon any of the properties of the System or upon the Revenues when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any such properties. The Issuer will keep the System and all parts thereof free from judgments, mechanics' and materialmen's liens (other than those arising by mere operation of law from the acquisition of the Project and other improvements to the System which are promptly discharged in due course) and free from all other liens, claims, demands and encumbrances of whatsoever prior nature or character, to the end that the priority of the lien of this Master Resolution on the Revenues may at all times be maintained and preserved, and free from any claim or liability which might embarrass or hamper the Issuer in conducting its business.

Section 7.8. Accounts and Reports.

(a) The Issuer will maintain and keep proper books of record and accounts separate and apart from all other records and accounts of the Issuer, in which there shall be made full and correct entries of all transactions relating to the System and the Revenues. Not later than 90 days after the close of each fiscal year, the Issuer will cause an audit of such books and accounts to be made by an independent public accountant, or state auditing official, if appropriate, showing the receipts of and disbursements made for the account of the System. Each such audit, in addition to whatever matter may be thought proper by the accountant to be included therein, shall include the following:

(1) A statement in detail of the income and expenditures of the System for such fiscal year;

(2) A balance sheet as of the end of such fiscal year;

(3) The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Master Resolution, and the accountant's recommendations for any change or improvements in the operation of the System;

(4) A list of the insurance policies and fidelity bonds in force at the end of such fiscal year, setting out as to each policy and bond that amount of the policy, the risks covered, the name of the insurer and the expiration date;

(5) The number and type or class, if applicable, of customers of the System, and the number of connections, if applicable, to the System;

(6) The amount of money in each of the funds created in Article VII hereof at the end of such fiscal year and the amount of money paid into and expended from each of said funds during such fiscal year;

(7) To the extent applicable, a statement of all schedules of rates in effect at the close of the fiscal year and the aggregate dollar amount billed for the System services during such fiscal year and the Revenues received from charges for System services by types or classes of customers, if applicable;

(8) A list of the official titles of the Executive Officer and the Town Clerk and members of the Governing Body, and the name of each person occupying said positions; and

(9) A general statement concerning any events or circumstances which might affect the financial status of the System.

All expenses incurred in the making of the audits required herein shall be regarded and paid as Expense of Maintenance and Operation. The Issuer further agrees to furnish a copy of each such audit to each Bondholder who shall request the same in writing. Any registered owner of any of the Bonds shall have the right to discuss with the accountant making the audit the contents of the audit and to ask for such additional information as he may reasonably require in connection with such audit. The Issuer agrees that said books of record and account herein referenced, and any and all other books, records and accounts of the Issuer relating to the System, shall at all reasonable times be open to inspection by any registered owner of any of the Bonds or their representatives duly authorized in writing, during normal business hours.

(b) The Issuer shall send a copy of each annual audit to the Drinking Water Board without prior request or any notice to do so by the State.

Section 7.9. Insurance and Fidelity Bonds.

(a) The Issuer agrees to procure and maintain, or cause to be procured and maintained, insurance on the System and public liability insurance in such amounts and against such risks as are usually insurable in connection with similar systems and as is usually carried by municipalities operating similar systems.

(b) The Issuer further agrees to procure and maintain, or cause to be procured and maintained, adequate fidelity insurance or bonds on the positions of Executive Officer, Town Clerk and on any other person or persons handling or responsible for funds of the Issuer related to the System.

(c) The provisions of this Section relating to the procurement and maintenance of insurance are subject to the condition that insurance of the type described herein is obtainable at reasonable rates and upon reasonable terms and conditions.

Section 7.10. Against Sale or Other Disposition of System Property Except Under Conditions. The Issuer will not sell, lease, encumber, alienate or in any manner dispose of the System or any substantial part thereof until all of the Bonds have been paid in full; provided, however, that nothing herein contained shall be construed to prevent disposal by the Issuer, upon prior written notice to the registered owners of the Bonds, of property which it deems has become inexpedient to use in connection with the System, when other property of equal value is substituted therefor.

Section 7.11. Against Competition with System Services. The Issuer, so far as it legally may, covenants and agrees that it will not operate or grant a franchise for the operation of any system competing with the System within the boundaries of the Issuer as long as any of the Bonds are Outstanding.

Section 7.12. The Issuer agrees, in accepting the proceeds of the Series 2026 DWB Bonds, to comply with all applicable state and federal regulations related to the Utah State Revolving Fund administered by the Drinking Water Board. These requirements include, but are not limited to, Title XIV of the Safe Drinking Water Act of 1996, OMB Circular A-133, the Utah Federal State Revolving Fund (SRF) Program (R309-705 of the Utah Administrative Code), the Utah Local Government Bonding Act, the Utah Money Management Act, the Utah Procurement Code and the

State of Utah Legal Compliance Audit Guide.

Section 7.13. Future Parity Bonds.

(a) The Issuer will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Revenues, unless such other bonds or obligations are made subordinate to the Bonds herein authorized; provided that at any time Future Parity Bonds may be authorized by resolution of the Governing Body if all the following conditions are met:

(1) The Issuer is in full compliance with all of the covenants and undertakings in connection with all Bonds of the Issuer then Outstanding and payable from the Revenues of the System;

(2) The Annual Net Revenues of the System for the 12 consecutive months ending with the calendar month next preceding the adoption by the Governing Body of the resolution authorizing the issuance and confirming the sale of the Future Parity Bonds, as shown by an audit rendered by an independent public accountant employed by the Issuer, when added to the estimated amount of the increase in such Annual Net Revenues for the first full twelve-month period in which the improvements, extensions, additions or betterments to the System to be acquired with the proceeds of the Future Parity Bonds will be in operation (such estimated amount to be evidenced by a certificate of an independent consulting engineer approved by the Governing Body of recognized skill and experience in the field of engineering matters related to the construction and maintenance of systems similar to the System), are equal to at least 1.25 times the maximum annual debt service on (i) all Series 2026 DWB Bonds and Future Parity Bonds then outstanding plus (ii) the Future Parity Bonds then proposed to be issued;

(3) If the Future Parity Bonds are to be issued solely for the purpose of refunding a portion of the Bonds then outstanding then, for the purpose of making the calculation required under the foregoing paragraph, the maximum annual debt service on the Outstanding Bonds in any future Year shall take into consideration only Bonds that will remain outstanding after the issuance of such Future Parity Bonds, provided that if before the issuance and delivery of such Future Parity Bonds all of the Bonds theretofore issued will have been retired, nothing herein contained shall limit or restrict the issuance of any such Future Parity Bonds;

(4) Future Parity Bonds may be issued only for the purpose of acquiring, constructing, improving or extending the System, or for the purpose of refunding any outstanding Bonds, or for any combination of such purposes;

(5) The resolution authorizing the issuance of such Future Parity Bonds shall provide that the last maturity date of the Future Parity Bonds shall not be earlier than the last maturity date of any Bonds theretofore issued and then outstanding and shall provide for fixed serial maturities or mandatory minimum sinking fund payments, of any combination

thereof, in such amounts as will be sufficient to provide for the payment or retirement of all such Future Parity Bonds on or before their respective maturity dates; and

(6) The payments required to be made into the various funds provided in Article VII hereof must be current at the time of the issuance of such Future Parity Bonds;

(b) A certificate evidencing compliance with the foregoing requirements of this Section signed by the Executive Officer and attested and countersigned by the Town Clerk shall be delivered to the State so long as it is the registered owner of any of the Bonds and to any other registered owner of any of the Bonds requesting a copy thereof, prior to the issuance of any Future Parity Bonds.

Section 7.14. Rights and Remedies of Bondholders.

(a) The registered owner of any outstanding Bonds from time to time shall be permitted the exercise of all rights and powers to which such registered owner is entitled under the Constitution and laws of the State of Utah.

(b) In addition to all other rights afforded by the Constitution and laws of the State of Utah, to the extent permitted by law, the Issuer agrees that the registered owner of any outstanding Bonds shall have the right (i) to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the officials of the Issuer to charge and collect rates for services supplied by the System sufficient to meet all requirements of this Master Resolution, and (ii) if any of the Bonds shall be permitted to default as to payment of principal, prepayment premium, if any, and interest thereon to apply to a court of competent jurisdiction to appoint a receiver for the System.

(c) Further, in the event of default the bondholder has the remedy to impose interest on the total outstanding principal balance of the Series 2026 DWB Bonds at the rate of 18% per annum until the default is cured.

Section 7.15. Master Resolution to Constitute Contract Between the Issuer and the Holders of the Bond. The provisions of this Master Resolution shall constitute a contract between the Issuer and the registered owners from time to time of the Bond. After the issuance of any such Bond, no change, variation or alteration in the provisions of this Master Resolution may be made, except as provided in Article IX hereof. The provisions of such contract shall be enforceable by appropriate proceedings to be taken by any of such registered owners either at law or in equity, to the extent permitted by law.

Section 7.16. Compliance with Resolution. The Issuer will not issue, or permit to be issued, any bonds or other obligations in any manner other than in accordance with the provisions of this Master Resolution and will not suffer or permit any default to occur under this Master Resolution, but will faithfully observe and perform all of the covenants, conditions and requirements hereof. The Issuer will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Master Resolution and for the better assuring and confirming to the registered owners of the Bonds of the rights, benefits and security provided in this Master Resolution. The Issuer for itself, its successors and assigns represents, covenants and agrees with the registered owners of the Bonds, as a material inducement to the purchase of the Bonds, that so long as any of the Bonds shall remain outstanding and the principal thereof, prepayment premium, if any, or interest thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in this Master Resolution and the Bonds.

Section 7.17. Power to Issue Bonds and Pledge Revenues and Funds; Power to Own the System and Collect Rates and Fees; Ownership of Project. The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to adopt this Master Resolution and to pledge the Revenues purported to be pledged by Resolution in the manner and to the extent provided herein. The Bonds and the provisions of this Master Resolution are and will be the valid and legally enforceable obligations of the Issuer in accordance with the terms of the Bonds and the terms of this Master Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues under this Master Resolution and all the rights of the registered owners of the Bonds under this Master Resolution against all claims and demands of all persons whomsoever. The Issuer has, and will have so long as any Bonds are outstanding, good, right and lawful power to acquire, construct, improve, extend and own the Project and the System and to fix and collect rates, fees and charges, as appropriate, in connection with the System. The Issuer will, so long as any Bonds are Outstanding, own and operate the Project.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF RESOLUTION

Section 8.1. Amendments Permitted. The registered owners of seventy-five percent (75%) in principal amount of the outstanding Bonds (not including any Bonds which may then be held or owned by or for the account of the Issuer), shall have the right from time to time to approve the adoption by the Governing Body of any amendment to this Master Resolution which may be deemed necessary or desirable by the Governing Body; provided, however, that nothing herein contained shall permit or be construed to permit the modification of the terms and conditions in this Master Resolution or in the Bonds so as to:

(1) Make any change in the maturity of the Bonds;

(2) Reduce the rate of interest borne by any of the Bonds;

(3) Reduce the amount of the principal payable on the Bonds;

(4) Modify the terms of payment of principal of, prepayment premium, if any, or interest on the Bonds or impose any conditions with respect to such payment;

(5) Affect the rights of the registered owners of less than all of the Bonds then Outstanding; and

(6) Make any change in the provisions of this Article.

Section 8.2. Notice of Proposed Amendment; Consent of Bondholders.

(a) If at any time the Governing Body shall have proposed an amendatory resolution, it shall cause the notice of the proposed adoption of such resolution to be sent by registered mail to the registered owners of the Bonds then Outstanding. No notice by publication shall be required.

(b) Whenever at any time within one year from the date of the mailing of said notice, there is filed in the office of the Town Clerk an instrument or instruments executed by the registered owners of at least seventy-five percent (75%) in principal amount of the Bonds then Outstanding, specifically consenting to and approving the adoption of the amendatory resolution; thereupon, but not otherwise, said resolution shall become effective and the provisions thereof binding upon the registered owners of all of the Bonds then outstanding and no registered owners of any Bond then outstanding, whether or not he shall have consented to or shall have revoked any consent as in this Article provided, subject to the limitations of the subsequent paragraph, shall have any right to object to the adoption of such amendatory resolution or to the operation of any of the terms and provisions thereof.

(c) Any consent given by the registered owners of a Bond pursuant to the provisions of this Article shall be irrevocable for a period of six months from the date of the mailing of the notice aforesaid and shall be conclusive and binding upon all future registered owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of mailing of such notice by the registered owners who gave such consent, or by a successor in title, by filing notice with the Governing Body in form satisfactory to the Governing Body of such revocation of consent, but such revocation shall not be effective if the registered owners of seventy-five percent (75%) in principal amount of the Bonds then Outstanding have prior to the attempted revocation consented to and approved the amendatory resolution.

(d) Proof of the execution of any such instrument of consent or the ownership by any person of such Bonds shall be conclusive, if made in the manner provided in this Article. The fact and date of the execution by any person of any such instrument of consent may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer authorized by law to take acknowledgment of deeds, certifying that the person signing such instrument of consent acknowledged to him/her the execution thereof.

(e) The amount and number of Bonds owned by any person executing any such instrument of consent and the date of his holding the same may be proved by a certificate executed by any bank, trust company or member of the New York Stock Exchange, showing that on the date therein mentioned such person had on deposit with or exhibited under the claim of ownership to such bank, trust company or member of the New York Stock Exchange the Bonds therein described.

The Governing Body may nevertheless in its discretion require further proof in cases where it deems further proof desirable.

ARTICLE IX

COVENANT AGAINST ARBITRAGE

Section 9.1. The Issuer covenants and agrees that, so long as the Bonds are outstanding, it will not take or omit to be taken, or permit to be taken or omitted to be taken, any action which will cause the interest on the bonds to be subject to federal income taxation. Without limiting the generality of the foregoing sentence, the Issuer in furtherance of the foregoing, covenants and agrees that it will not use or invest or cause to be used or invested any of the proceeds of the Bond in any manner which will cause the Bond to be an "arbitrage bond" within the meaning of Code Section 103 of the Internal Revenue Code as amended, and applicable regulations, including without limitations contained in an "Arbitrage Certificate" or other certificates of the Issuer delivered to the purchaser at the time of and in connection with the issuance and delivery of the Bond.

ARTICLE X

MISCELLANEOUS

Section 10.1. Discharge of Indebtedness. Any Bond and Future Parity Bonds shall not be deemed Outstanding when:

(1) It is cancelled because of payment or prepayment prior to maturity; or

(2) Cash funds for the payment or prepayment of such Bond or Parity Bond shall have been theretofore deposited with the Depository for such Bond or Parity Bond, respectively (whether upon or prior to maturity of or the prepayment date established for such Bond or Parity Bond); provided that if the Bond or Parity Bond is to be prepaid prior to maturity, notice of such prepayment shall have been given or waiver of such notice shall have been filed with the Issuer by the registered owner of the Bond or Parity Bond, respectively, to be prepaid and there shall have been deposited irrevocably and arrangements shall have been made with the Depository to assure payment of all fees and expenses of the Depository to become due on and prior to the maturity or prepayment date, with no monies to be invested in any investments but direct obligations of or obligations guaranteed by the United States of America, maturing and bearing interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due. Notwithstanding anything contained herein to the contrary, so long as the Government is the holder of any bonds, said bonds may not be defeased by the Issuer in violation of 7 CFR 1780.94(j)(4).

Section 10.2. Depository. The Depository hereunder shall be a Qualified Depository. If at any time the Depository hereunder shall cease to be a Qualified Depository, the Issuer shall, as soon as reasonably practicable, select a successor thereto who shall be a Qualified Depository.

Section 10.3. Resolution Not to be Construed to Make the Bond an Indebtedness of the Issuer. Nothing in this Master Resolution shall be construed in such a manner as to result in making the Bond an indebtedness of the Issuer, and if it shall ever be held by any court of competent jurisdiction that any or all of the provisions of this Master Resolution are invalid or that the enforcement of the provisions of this Master Resolution would make the Bond invalid or unenforceable, said provisions of this Master Resolution shall be considered to be null and void.

Section 10.4. Partial Invalidity. If any one or more articles, sections, paragraphs, clauses or provisions of this Master Resolution or the application thereof to any person or circumstances are held to be invalid by final decision in any court of competent jurisdiction, such invalidity shall not affect the other articles, sections, paragraphs, clauses and provisions of this Master Resolution which can be given effect without the article, section, paragraph, clause or provision so held to be invalid or the application of which is held to be invalid and shall not affect the application of such article, section, paragraph, clause or provision to other persons or circumstances and to this end the provisions of this Master Resolution are declared to be severable.

Section 10.5. Article and Section Headings. All references herein to "Articles", "Sections" and subdivisions are to the corresponding articles, sections or words of similar import refer to this Master Resolution as a whole and not to any particular Article, Section or subdivision hereof. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience or reference and shall not affect the meaning, construction or effect of this Master Resolution.

Section 10.6. Publication of Notice of Bonds to Be Issued. In accordance with the provisions of Section 11-14-316, Utah Code Annotated, 1953, as amended, the Town Clerk has heretofore caused "Notice of Bonds to be Issued" to be published one (1) time in the Spectrum, a newspaper having general circulation in Apple Valley, Utah, which is hereby confirmed and ratified.

Section 10.7. Conflicting Resolutions. All resolutions and parts thereof in conflict herewith and hereby repealed to the extent of such conflict.

Section 10.8. Effective Date. Immediately after its adoption, this Master Resolution shall be signed by the Mayor and the Town Clerk shall have the official seal of the Issuer impressed or imprinted hereon, shall be recorded in a book kept for that purpose and shall take immediate effect.

PASSED AND APPROVED this ____ day of __________, 2026.

TOWN OF APPLE VALLEY

By______________________________
Mayor

ATTEST AND COUNTERSIGN:

By______________________________
Town Clerk

[SEAL]

MASTER RESOLUTION

OF

TOWN OF APPLE VALLEY, WASHINGTON COUNTY, UTAH

AS ISSUER

DATED AS OF *, 2026

MASTER RESOLUTION

WHEREAS, the Town of Apple Valley, Washington County, State of Utah, considers it desirable and necessary and for the benefit of the Issuer to acquire, operate and maintain the Project (as hereinafter defined) to be owned and operated by the Issuer, but does not have on hand money sufficient to pay for the Project (as hereinafter defined); and

WHEREAS, pursuant to the provisions of a Resolution adopted on July 15, 2026 (the "Authorizing Resolution"), the Governing Body of the Town (the "Governing Body") has authorized and approved certain actions to be taken by the Town in connection with the financing of the Project, including the adoption this Master Resolution and the issuance of the Series 2026 RD Bonds hereunder; and

WHEREAS, it has been determined by the Town that the estimated amount necessary to finance the Project, including necessary expenses incidental thereto, will require the issuance, sale and delivery of the Series 2026D Bond in the principal amount of $1,990,227 and the Series 2026E Bond in the principal amount of $256,319 (collectively, the "Series 2026 RD Bonds"), as hereinafter provided; and

WHEREAS, the Town has determined that the Series RD 2026 Bonds shall be secured as provided herein and has ascertained and determined that the provisions herein contained for protecting and enforcing the rights and remedies of the registered owners of such Series 2026 RD Bonds are reasonable, proper and in accordance with law, and that this Master Resolution is necessary to the performance of its duties and the execution of its powers under law, and does deem and determine all of the provisions herein contained to be reasonable and proper for the security of the registered owners of the Series 2026 RD Bonds; and

WHEREAS, all acts and things required by law to make this Master Resolution a valid and binding instrument for the security of all Bonds duly issued hereunder have been done and performed, and the execution and delivery of this Master Resolution have been in all respects duly authorized; and

WHEREAS, the Series 2026 RD Bonds in registered form is to be in substantially the appropriate form set forth in Section 2.4 and 3.4, with appropriate variations, omissions and insertions as permitted or required by this Master Resolution; and

WHEREAS, all things necessary to make the Series 2026 RD Bonds when authenticated by the Town and issued as in this Master Resolution provided, the valid, binding and legal obligations of the Town according to the import thereof, and to constitute this Master Resolution a valid assignment and pledge of the amounts pledged to the payment of the principal on the Series 2026 RD Bonds, and to constitute this Master Resolution a valid assignment of the rights of the Town with respect to the Project have been done and performed and the creation, execution and delivery of this Master Resolution, and the creation, execution and issuance of the Series 2026 RD Bonds, subject to the terms hereof, have in all respects been duly authorized;

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Mayor and Town Council of the Town of Apple Valley, Washington County, Utah, as follows:

ARTICLE I

DEFINITIONS

As used in this Master Resolution, the following terms shall have the following meanings unless the context clearly indicates otherwise:

"Act" means the provisions of the Local Government Bonding Act of the State of Utah, Chapter 14, Title 11, Utah Code Annotated, 1953, as amended and the Registered Public Obligations Act of the State of Utah, Chapter 7, Title 15, Utah Code Annotated, 1953, as amended.

"Annual Bond Service Requirements" means the maximum amount required to be paid into the Bond Fund for payment of principal and interest, if any, on the Bond in any given Bond Fund Year.

"Annual Net Revenues" means the Net Revenues for any 12 consecutive calendar months.

"Bonds" or “Series 2026 RD Bonds” shall mean the Parity Water Revenue Bond, Series 2026D (sometimes hereinafter referred to as the "Series 2026D Bond") and the Parity Water Revenue Bond, Series 2026E (sometimes hereinafter referred to as the “Series 2026E Bond”) of the Town of Apple Valley, Washington County, State of Utah, in aggregate principal amounts of $1,990,227 and $256,319, authorized hereby and shall mean, alternately, interchangeably, or collectively, the single Fully Registered Bonds or the Serial Bonds issued in lieu of a Fully Registered Bond.

“Bond Documents” means this Master Resolution.

“Bondholder” means the person or persons in whose name or names a Bond shall be registered on the books of the Town kept for that purpose in accordance with provisions of this Master Resolution.

"Delivery Date" means the date the Series 2026 RD Bonds are delivered to the initial purchaser(s) and this date to be known on the Series 2026 RD Bonds as the issue date.

"Depository" or "Depository Bank" means a Qualified Depository (defined hereinafter).

"First Payment Date" means the date of first payment as provided on the Installment Payment Certificate found in the Parity Water Revenue Bond, Series 2026D and the Parity Water Revenue Bond, Series 2026E.

"Fully Registered Bond" means a single Fully Registered Bond in the denomination equal to the aggregate amount of the Bonds authorized herein.

"Future Parity Bonds" means any bonds hereafter issued by the Issuer on a parity with the Bond herein authorized pursuant to the conditions and restrictions set forth in Article VI hereof.

"Governing Body" means the Mayor and Town Council of the Issuer.

"Government" means the United States of America, acting through the Department of Agriculture, Rural Utilities Service and its agents.

"Installment Amount" means the amount of each monthly registered installment of principal and interest on the Series 2026 RD Bonds, as shown in the Repayment Schedules in each Bond.

"Issue Amount" means the principal amount of the Bonds authorized to be issued hereunder which, as to the Series 2026D Bond is the sum of 1,990,227 and as to the Series 2026E Bond is the sum of $256,319.

"Issuer" means the Town of Apple Valley, Washington County, Utah.

"Master Resolution" means this resolution providing for the issuance of revenue bonds payable from the Revenues of the System, as from time to time amended or supplemented in accordance with the provisions hereof.

"Net Revenues" means the Revenues remaining after provision has been made for the payment therefrom of Operation and Maintenance Expenses.

"Outstanding" or "Outstanding Bonds" means any Bond which has been issued and delivered in accordance with the provisions hereof; but shall not include a Bond in lieu of which another Bond has been issued to replace a mutilated, lost, destroyed or stolen bond.

"Payment Date" means with respect to the Series 2026D Bond the date specified in the Installment Payment Certificate at the end of the Series 2026D Bond and with respect to the Series 2026E Bond, the date specified in the Installment Payment Certificate at the end of the Series 2026E Bond.

"Payment Years" means from date of its delivery and until the year not more than twenty-nine (29) years from the date of issuance of the Series 2026 RD Bonds.

"Permitted Investments" means those investments specified in Section 51-7-11, Utah Code Annotated, 1953, as amended.

"Pledged Revenues" means 100% of the Net Revenues hereinafter pledged to the payment of the Revenue Bonds.

"Project" means the acquisition of the assets of Big Plains Water and Sewer Special Service District, including real property and water rights, and in all other respects to pay the cost of foregoing including engineering and expenses and costs of and issuance of the bonds and to acquire and provide all appurtenant facilities therefor, together with all necessary or related work and improvements.

"Qualified Depository" means a depository institution constituting a "qualified depository" under Chapter 7 of Title 51, Utah Code Annotated 1953, as amended.

"Reserve Fund Installment" means a monthly payment in an amount equal to 1/120th of the Reserve Fund Requirement as to the Series 2026 RD Bonds.

"Reserve Fund Requirement" means the amount equal to the maximum annual installment of principal and interest as to the Series 2026 RD Bonds.

"Revenues" means all income and revenue of any kind derived from the operation of the System including the proceeds of all connection charges not applied directly to the payment of the cost of improving or extending the system or of making connections thereto and all interest earned by and profits derived from the sale of investments made with the Revenues.

"Serial Bonds" means the registered $1000 denomination Parity Water revenue bonds which may be issued in exchange for the Fully Registered Bond.

"System" means the complete water system of the Issuer, including the Project and any other properties now or hereafter owned or operated by the Issuer relating to said system and as may hereafter be improved and extended, including specifically all properties of every nature owned by the Issuer and used or useful in the operation of said system, including real estate, personal and intangible properties, contracts, franchises, leases and choses in action, whether lying within or without the boundaries of the Issuer.

"Year" means the twelve-month period beginning on January 1st of each calendar year and ending on the next succeeding December 31st.

Except where the context otherwise requires, words importing the singular number shall include the plural and vice versa, and words importing the male gender shall include the female gender and vice versa.

ARTICLE II

TERMS AND PROVISIONS OF SERIES 2026D BOND

Section 2.1. Purpose and Authority.

(a) The Governing Body hereby finds, determines and declares that the Project to be acquired with the proceeds of the Series 2026D Bond is necessary for the proper operation of the System and is economically feasible, and the Revenues will be sufficient to retire the Series 2026D Bond.

(b) For the purpose of paying the cost of the Project, the Series 2026D Bond shall be issued in the amount or amounts set forth on the Bond. The Series 2026D Bond shall be payable solely from the Revenues to be derived from the operation and ownership of the System, as more specifically provided herein.

Section 2.2. Parity Designation. The Series 2026D Bond is issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the "Series 2026A Bond"), its Parity Water Revenue Bond, Series 2026B in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the "Series 2026B Bond"), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the "Series 2026C Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). Neither the Series 2026D Bond nor the Series 2026 Bonds shall be entitled to any priority one over the other in the application of the Net Revenues of the System pledged to the payment of the Series 2026D Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between the Series 2026D Bond or the Series 2026 Bonds in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

Section 2.3. Designation and Terms of the Series 2026D Bond.

(a) The Parity Water Revenue Bond, Series 2026D shall be known as the "Town of Apple Valley, Washington County, Utah, Parity Water Revenue Bond, Series 2026D" (the "Series 2026D Bond"), shall be dated as of the date of its delivery and shall be in the aggregate principal amount of $1,990,227. The principal amount of the Series 2026D Bond shall bear interest at the rate of not to exceed 3.5% per annum, from date until paid. Both principal and interest on the bond shall be payable in lawful money of the United States of America to the registered owner of any of the Bonds at the address of such owner shown on the registration books of the Issuer.

Principal and interest at the rate stated above shall be payable as provided in the forms of single bond set forth in Section 2.4 of this Master Resolution.

The Issuer hereby reserves the right, at its option, to prepay the principal amount of the Series 2026D Bond outstanding, in whole or, in the manner hereinafter provided, in part, at any time.

(b) Prepayments shall be made on the date, at the place and in the manner provided herein for making regularly scheduled installment payments and partial prepayments shall be in the amount of that portion of one or more of the next succeeding monthly installments which should be allocable to principal, as set forth in the Amortization Schedule referred to in the Bonds. No partial prepayment shall extend or postpone the due date of any subsequent monthly installment. Any prepayments shall be in the amount of principal being prepaid, together with accrued interest thereon to the date of prepayment and shall be made without penalty or additional interest or charges. All prepayments shall be applied to the last payments coming due under the Series 2026D Bond.

Notice of any prepayment of principal in the single Bond or of the call for redemption, if any, of the Serial Bonds shall be given as provided in the form of Bond set forth in Section 2.4 of this Master Resolution. Interest on any bond subject to prepayment or redemption shall cease to accrue as to the amount of principal being prepaid or redeemed after the date fixed for prepayment of redemption if notice has been properly given and funds (or securities in which such funds are invested) equal to the amount of prepayment of redemption price shall have been deposited at the place of payment at that time.

(c) Except as otherwise provided herein, every payment on the Series 2026D Bond shall be applied first to interest computed to the date of payment and then to principal.

The single Series 2026D Bond and each of any Serial Bonds issued as hereinafter prescribed shall contain a recital that they are issued under the authority of Chapter 11, Title 14, Utah Code Annotated, 1953, and the recital to such effect contained in the forms of bonds set forth in Section 2.4 hereof, is hereby approved. Such recital shall conclusively impart full compliance with all of the provisions of said chapters and the bonds shall be incontestable for any cause whatsoever after their delivery for value.

The sale of the Series 2026D Bond to the Government is hereby authorized and approved. The Government has requested, and the Governing Body has agreed, that the Issuer's obligations thereunder shall be represented in the form of a single, registered bond in the form provided in Section 2.4 hereof and the owner thereof shall have the right to convert the said single bond to serial bonds, with or without coupons, in registered form, at his own expense.

<u>Section 2.4</u>. <u>Form of Series 2026D Bond</u>. The single Parity Water Revenue Bond, Series 2026D, referred to in Section 2.1 hereof shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF WASHINGTON
TOWN OF APPLE VALLEY

PARITY WATER REVENUE BOND, SERIES 2026D

$1,990,227.00

* * * * * * * * * * * * * *

The Town of Apple Valley, Washington County, State of Utah (the "Issuer") for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the order of the registered owner hereof, Total Principal Sum set forth in the Treasurer's Certificate of Dates of Payment and Amount (hereinafter "Treasurer's Certificate") set forth at the end of this Bond but in no event more than a Maximum Principal Amount of ONE MILLION NINE HUNDRED NINETY THOUSAND TWO HUNDRED TWENTY-SEVEN ($1,990,227.00) DOLLARS, together with interest on the unpaid balance at the rate of Thee and one-half (3.5%) per cent annum. Interest shall accrue on the unpaid balance of the principal sum hereof from the date of this Bond. Payments of principal and interest shall be made by the Issuer as follows:

On the ____ day of the month following the date of this Bond and on the ____ day of each month thereafter, until the principal sum with interest thereon as aforesaid has been fully paid, the Issuer shall pay consecutive monthly Installments in the amount or amounts entered in the "Installment Payment Certificate" at the end of this Bond, which amount or amounts shall be sufficient to pay fully the principal sum and interest thereon within twenty-nine (29) years from the date of this Bond. Said amount or amounts shall be entered in the Installment Payment Certificate at the time of delivery of this Bond or at such time as the Amortization Schedule is determined in compliance with rules and regulations of the United States of America. At such time the Issuer also shall deliver to the holder a schedule showing the amounts of the monthly installment payments and the portions thereof allocable to principal and interest each month during the term of this Bond (hereinafter referred to as the "Amortization Schedule").

Except as otherwise provided herein, every payment on this Bond shall be applied first to interest computed to the date of payment and then to principal.

If less than the Maximum Principal Amount is advanced, the principal amount payable on the due date shall be the total unpaid principal sum set forth in the "Treasurer's Certificate". The Issuer shall pay the Installment Amounts on each Payment Date thereafter and liability of Issuer shall continue until the Total Principal Sum, together with accrued interest shall be paid in full, irrespective of the initial amount advanced by the Purchaser.

Both principal and interest on this Bond shall be payable in lawful money of the United States of America, to the registered owner hereof at the address of such owner shown on the registration books of the Issuer. Any holder of this Bond subsequent to its original holder is hereby placed on notice of all payments of both principal and interest made on this Bond prior to its transfer to him and all subsequent holders hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this Bond as of the date of transfer to them and hereby release the Issuer from all obligation as to all principal and interest paid by the Issuer prior to such date.

The Issuer hereby reserves the right, at its option, to prepay the principal amount outstanding, in whole or, in the manner hereinafter provided, in part, at any time.

Prepayments shall be made on the date, at the place and in the manner provided herein for making regularly scheduled Installment payments, and partial prepayments shall be in the amount of that portion of one or more of the next succeeding monthly Installments which would be allocable to principal, as set forth in the Amortization Schedule and shall be credited against the Installments last becoming due under this Bond. All prepayments shall be applied to the payments last coming due under the Bond and no partial prepayment shall be deemed to excuse, extend or postpone the requirement to pay any installment on the regular payment date. All prepayments shall be applied first to accrued interest and second to the last unpaid installments. Any prepayments shall be in the amount of principal being prepaid, together with accrued interest thereon to the date of prepayment, and shall be made without penalty or additional interest or charges.

Notice of any prepayment will be given not less than thirty (30) days prior to the prepayment date by publication of an appropriate notice one (1) time in a newspaper of general circulation in Salt Lake City, Utah, or, if this Bond is at such time registered, by mailing a copy thereof by registered or certified mail at least thirty (30) days prior to the prepayment date to the registered holder of this Bond at his address shown on the registered books and to the original purchaser of the Bond.

Interest on this Bond shall cease to accrue as to the amount of principal being prepaid after the date fixed for prepayment if notice has been properly given and funds (or securities in which such funds are invested) equal to the amount of prepayment have been deposited at the place of payment at that time.

This Bond is issued for the purpose of paying all or part of the cost of the acquisition of the assets of Big Plains Water and Sewer Special Service District, including real property and water rights (the "Project") including such legal, engineering and fiscal agent expenses reasonably incurred, under the authority of the Utah Local Government Bonding Act, Sections 11-14-1 through -27, Utah Code Annotated, 1953, as amended, and under and by virtue of and in full conformity with the Constitution and laws of the State of Utah and a Master Resolution duly adopted by the Issuer on *, 2026.

This Bond shall be registered as to principal and interest in the name of the initial purchaser and any subsequent purchasers in an appropriate book in the office of the Town Clerk of the Issuer, who shall be the Registrar. This Bond is transferable only by appropriate notation upon said book by the registered owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Issuer, duly executed by the registered owner or his attorney duly authorized in writing; thereupon, a new bond in the same form as this Bond shall be issued to and registered in the name of the transferee.

This Bond is also issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the “Series 2026A Bond”), its Parity Water Revenue Bond, Series 2026B in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the "Series 2026B Bond"), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the "Series 2026C Bond"), and its Parity Water Revenue Bond, Series 2026E in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026E Bond") (collectively, the Series 2026 Bonds"). This Bond and the Series 2026 Bonds shall not be entitled to any priority one over the other in the application of the Net Revenues of the System (as defined in the Resolution described below) pledged to the payment of this Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or among this Bond and the Series 2026 Bonds in any rights provided in the Resolution authorizing the same for entitlement to payment or provisions made for payment.

This Bond, upon the surrender thereof at the office of the Town Clerk, with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney may, at the option of the registered owner, and at its or his expense, be exchanged for Serial Bonds, fully registered in form in the aggregate principal amount then remaining unpaid, bearing the same interest rate, maturing annually on the anniversary date of the date of this Bond of each of the remaining years of the date of the original term of this Bond and dated as of the year during which the surrender and exchange is effected. Serial Bonds so issued shall be redeemable according to the provisions of the aforementioned Master Resolution of the Issuer pursuant to which the Bond is issued.

This Bond is a limited obligation of the Issuer and is payable solely from a special fund designated the "Town of Apple Valley, Washington County, Utah, Series 2026D Parity Water Revenue Bond Fund", into which special fund shall be deposited the Net Revenues to be derived from the system, including any future improvements, additions and extensions thereto. For a more particular description of said fund, the Revenues to be deposited therein and the nature and extent of the security afforded thereby, reference is made to the provisions of the aforementioned Master Resolution pursuant to which this Bond is issued and such fund has been established and will be maintained. This Bond shall constitute a lien upon all monies which from time to time are in the special fund herein pledged. This Bond does not now and shall never constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation nor a charge against the general credit or taxing powers of the Issuer.

The Issuer hereby covenants with the registered owner of this Bond to keep and perform all covenants and agreements contained in the Master Resolution of the Issuer authorizing the issuance of this Bond, and the Issuer will fix, establish, maintain and collect rates, fees or charges for service furnished by or through the System, including all extensions and improvements thereto hereafter constructed or acquired by the Issuer, sufficient to pay the principal and interest payments on this Bond as they fall due, provided said rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the revenues to be received for such service, and will set aside One Hundred (100%) per cent of the said Net Revenues to be derived from the System to pay the principal of and interest on this Bond, the Series 2026D Bond according to the payment terms hereinafter set forth and under the terms of the Master Resolution.

This Bond and any Bond issued in substitution therefor shall be registered in the name set forth in the Master Resolution of *, 2026, and in accordance with the Utah Registration of Public Obligations Act (Chapter 7, Title 15, Utah Code Annotated, 1953, as amended).

In accordance with Section 265 of the 1986 Internal Revenue Code, the Issuer designates this Bond as an issue qualifying for the exception to the rule denying banks and other financial institutions the deduction for interest expenses allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of qualified tax-exempt obligations (other than private activity bonds as defined in Section 141 of the 1986 Internal Revenue Code) which will be issued by the Issuer and by any aggregated issuer during the current calendar year will not exceed $10,000,000. The total amount of obligations designated by the Issuer and all aggregated issuers for the current calendar year does not exceed $10,000,000.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond do exist, have happened and have been done and that every requirement of law affecting the issue thereof has been duly complied with; that this Bond does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that One Hundred (100%) per cent of the Net Revenues to be derived from the operation of the System, including any future improvements, additions and extensions thereto, have been and are hereby pledged and will be set aside into said Special Fund by the Issuer to be used for the payment of the principal of and interest on this Bond authorized and issued pursuant to the Master Resolution aforementioned and that said percentage of the Net Revenues of the System are not pledged, hypothecated or anticipated in any way other than by the issue of this Bond.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its Town Clerk with the seal of said Issuer affixed, all as of this _____ day of_____________, 20__.

TOWN OF APPLE VALLEY

(DO NOT SIGN-FORM ONLY)
By___________________________
Mayor

COUNTERSIGNED:
(DO NOT SIGN - FORM ONLY)
Town Clerk

(SEAL)

TREASURER'S CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

I, the undersigned Treasurer of the Town of Apple Valley, Washington County, State of Utah, hereby certify that I have received from the original purchaser of this Bond the amount or amounts indicated below on the date of dates set forth opposite such amount(s); that the amount last inserted under the column, "Total Principal Sum" is the total amount received by the Town of Apple Valley, Washington County, Utah for the issuance of this Bond and that I have placed my signature in the space provided opposite such amount(s) to evidence receipt of same.

Amount of Payment	Date of Payment	Total Principal Sum	Treasurer's Signature
$______________	________________	$______________	________________
$______________	________________	$______________	________________
$______________	________________	$______________	________________
$______________	________________	$______________	________________

REGISTRATION CERTIFICATE

(No writing to be placed herein except by Bond Registrar)

This Bond shall be payable only to the order of the registered owner or his legal representative.

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
______________________	US Department of Agriculture Rural Utility Services	______________________
______________________	______________________	______________________
______________________	______________________	______________________
______________________	______________________	______________________

INSTALLMENT PAYMENT CERTIFICATE

The undersigned, Treasurer of the Issuer and duly authorized representative of the holder of this Bond, hereby certify that the amount(s) shown below are the monthly installment payments to be made on this Bond by the Issuer and will fully pay the Total Principal Sum and interest thereon within twenty-nine (29) years from the date of this Bond. The amount of the consecutive monthly installment of principal and interest shall be $___________ payable on the ____ day of each month beginning with the month of __________, 20__.

____
Treasurer of Issuer

____
Authorized Representative of Holder

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM- as tenants in common
TEN ENT- as tenants by the entireties
JT TEN- as joint tenants with rights of survivorship and not as tenants in common
UNIF GIFT MIN ACT- ______Custodian______Under Uniform Gifts to Minors Act _________
(Cust) (Minor) (State)

Additional abbreviations may also be used though not in the list above.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto ____

____
/____________________/

Insert Social Security or Other
Identifying Number of Assignee

____
(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the Town of Apple Valley, Washington County, Utah and does hereby irrevocably constitute and appoint _________________ attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: __________________ Signature: ____________________

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 2.5. Registration and Exchange of Bond.

(a) This Master Resolution shall constitute a system of registration within the meaning and for the purpose of Chapter 7, Title 25, Utah Code Annotated, 1953, as amended. The Issuer shall cause books for the registration and for the transfer of Bonds to be kept at the office of its Town Clerk.

(b) Upon the surrender for transfer of a Bond at the office of the Issuer, duly endorsed by or accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and duly executed by the registered owner or his attorney duly authorized in writing, the Town Clerk or other duly authorized official of the Issuer shall note the name of the transferees and the date of the transfer in the place provided on the back of a Bond and shall affix his or her official signature thereon. The Town Clerk shall thereupon deliver the Bond to the transferee and shall enter in the registration books of the Issuer the name and address of the transferee.

(c) The Issuer shall not be required to transfer the Bond during the period from the 15th day of the month next preceding any payment date on the Bond to and including such payment date, nor to transfer the Bond during a period of 15 days next preceding mailing of a notice of prepayment of any installment or portion thereof, on the Bond.

(d) The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and the issuer shall not be affected by any notice to the contrary. Payment of the principal of and interest on the Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the bond to the extent of the sum or sums so paid.

(e) No service charge shall be made by the Issuer for any transfer of the Bond.

(f) Prior to making any transfer of the Bond as provided in this Section, the Town Clerk shall verify that the payment record and prepayment record attached to the Bond have been accurately completed as of the date of such transfer and, if necessary, conform such payment record and prepayment record to accurately reflect all payments of principal on the Bond, based on the records and information with respect to such Bond maintained by the Issuer and the registered owner surrendering such Bond.

ARTICLE III

TERMS AND PROVISIONS OF SERIES 2026E BOND

Section 3.1. Purpose and Authority.

(a) The Governing Body hereby finds, determines and declares that the Project to be acquired with the proceeds of the Series 2026E Bond is necessary for the proper operation of the System and is economically feasible, and the Revenues will be sufficient to retire the Series 2026E Bond.

(b) For the purpose of paying the cost of the Project, the Series 2026E Bond shall be issued in the amount or amounts set forth on the Bond. The Series 2026E Bond shall be payable solely from the Revenues to be derived from the operation and ownership of the System, as more specifically provided herein.

Section 3.2. Parity Designation. The Series 2026E Bond is issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the "Series 2026A Bond"), its Parity Water Revenue Bond, Series 2026B in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the "Series 2026BBond"), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the "Series 2026C Bond"), and its Parity Water Revenue Bond, Series 2026D in the original principal amount of $1,990,227 payable to the USDA Rural Utilities Service (the "Series 2026D Bond") (collectively, the Series 2026 Bonds"). Neither the Series 2026E Bond nor the Series 2026 Bonds shall be entitled to any priority one over the other in the application of the Net Revenues of the System pledged to the payment of the Series 2026E Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between the Series 2026E Bond or the Series 2026 Bonds in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

Section 3.3. Designation and Terms of the Series 2026E Bond.

(a) The Parity Water Revenue Bond, Series 2026E shall be known as the "Town of Apple Valley, Washington County, Utah, Parity Water Revenue Bond, Series 2026E" (the "Series 2026E Bond"), shall be dated as of the date of its delivery and shall be in the aggregate principal amount of $256,319. The principal amount of the Series 2026E Bond shall bear interest at the rate of not to exceed 3.5% per annum, from date until paid. Both principal and interest on the bond shall be payable in lawful money of the United States of America to the registered owner of any of the Bonds at the address of such owner shown on the registration books of the Issuer.

Principal and interest at the rate stated above shall be payable as provided in the forms of single bond set forth in Section 3.4 of this Master Resolution.

The Issuer hereby reserves the right, at its option, to prepay the principal amount of the Series 2026E Bond outstanding, in whole or, in the manner hereinafter provided, in part, at any time.

(b) Prepayments shall be made on the date, at the place and in the manner provided herein for making regularly scheduled installment payments and partial prepayments shall be in the amount of that portion of one or more of the next succeeding monthly installments which should be allocable to principal, as set forth in the Amortization Schedule referred to in the Bonds. No partial prepayment shall extend or postpone the due date of any subsequent monthly installment. Any prepayments shall be in the amount of principal being prepaid, together with accrued interest thereon to the date of prepayment and shall be made without penalty or additional interest or charges. All prepayments shall be applied to the last payments coming due under the Series 2026E Bond.

Notice of any prepayment of principal in the single Bond or of the call for redemption, if any, of the Serial Bonds shall be given as provided in the form of Bond set forth in Section 3.4 of this Master Resolution. Interest on any bond subject to prepayment or redemption shall cease to accrue as to the amount of principal being prepaid or redeemed after the date fixed for prepayment of redemption if notice has been properly given and funds (or securities in which such funds are invested) equal to the amount of prepayment of redemption price shall have been deposited at the place of payment at that time.

(c) Except as otherwise provided herein, every payment on the Series 2026E Bond shall be applied first to interest computed to the date of payment and then to principal.

The single Series 2026E Bond and each of any Serial Bonds issued as hereinafter prescribed shall contain a recital that they are issued under the authority of Chapter 11, Title 14, Utah Code Annotated, 1953, and the recital to such effect contained in the forms of bonds set forth in Section 3.4 hereof, is hereby approved. Such recital shall conclusively impart full compliance with all of the provisions of said chapters and the bonds shall be incontestable for any cause whatsoever after their delivery for value.

The sale of the Series 2026E Bond to the Government is hereby authorized and approved. The Government has requested, and the Governing Body has agreed, that the Issuer's obligations thereunder shall be represented in the form of a single, registered bond in the form provided in Section 3.4 hereof and the owner thereof shall have the right to convert the said single bond to serial bonds, with or without coupons, in registered form, at his own expense.

<u>Section 3.4</u>. <u>Form of Series 2026E Bond</u>. The single Parity Water Revenue Bond, Series 2026E, referred to in Section 3.1 hereof shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF WASHINGTON
TOWN OF APPLE VALLEY

PARITY WATER REVENUE BOND, SERIES 2026E

$256,319.00

* * * * * * * * * * * * * *

The Town of Apple Valley, Washington County, State of Utah (the "Issuer") for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the order of the registered owner hereof, Total Principal Sum set forth in the Treasurer's Certificate of Dates of Payment and Amount (hereinafter "Treasurer's Certificate") set forth at the end of this Bond but in no event more than a Maximum Principal Amount of TWO HUNDRED FIFTY-SIX THOUSAND THREE HUNDRED NINETEEN ($256,319.00) DOLLARS, together with interest on the unpaid balance at the rate of Thee and one-half (3.5%) per cent annum. Interest shall accrue on the unpaid balance of the principal sum hereof from the date of this Bond. Payments of principal and interest shall be made by the Issuer as follows:

On the ____ day of the month following the date of this Bond and on the ____ day of each month thereafter, until the principal sum with interest thereon as aforesaid has been fully paid, the Issuer shall pay consecutive monthly Installments in the amount or amounts entered in the "Installment Payment Certificate" at the end of this Bond, which amount or amounts shall be sufficient to pay fully the principal sum and interest thereon within twenty-nine (29) years from the date of this Bond. Said amount or amounts shall be entered in the Installment Payment Certificate at the time of delivery of this Bond or at such time as the Amortization Schedule is determined in compliance with rules and regulations of the United States of America. At such time the Issuer also shall deliver to the holder a schedule showing the amounts of the monthly installment payments and the portions thereof allocable to principal and interest each month during the term of this Bond (hereinafter referred to as the "Amortization Schedule").

Except as otherwise provided herein, every payment on this Bond shall be applied first to interest computed to the date of payment and then to principal.

If less than the Maximum Principal Amount is advanced, the principal amount payable on the due date shall be the total unpaid principal sum set forth in the "Treasurer's Certificate". The Issuer shall pay the Installment Amounts on each Payment Date thereafter and liability of Issuer shall continue until the Total Principal Sum, together with accrued interest shall be paid in full, irrespective of the initial amount advanced by the Purchaser.

Both principal and interest on this Bond shall be payable in lawful money of the United States of America, to the registered owner hereof at the address of such owner shown on the registration books of the Issuer. Any holder of this Bond subsequent to its original holder is hereby placed on notice of all payments of both principal and interest made on this Bond prior to its transfer to him and all subsequent holders hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this Bond as of the date of transfer to them and hereby release the Issuer from all obligation as to all principal and interest paid by the Issuer prior to such date.

The Issuer hereby reserves the right, at its option, to prepay the principal amount outstanding, in whole or, in the manner hereinafter provided, in part, at any time.

Prepayments shall be made on the date, at the place and in the manner provided herein for making regularly scheduled Installment payments, and partial prepayments shall be in the amount of that portion of one or more of the next succeeding monthly Installments which would be allocable to principal, as set forth in the Amortization Schedule and shall be credited against the Installments last becoming due under this Bond. All prepayments shall be applied to the payments last coming due under the Bond and no partial prepayment shall be deemed to excuse, extend or postpone the requirement to pay any installment on the regular payment date. All prepayments shall be applied first to accrued interest and second to the last unpaid installments. Any prepayments shall be in the amount of principal being prepaid, together with accrued interest thereon to the date of prepayment, and shall be made without penalty or additional interest or charges.

Notice of any prepayment will be given not less than thirty (30) days prior to the prepayment date by publication of an appropriate notice one (1) time in a newspaper of general circulation in Salt Lake City, Utah, or, if this Bond is at such time registered, by mailing a copy thereof by registered or certified mail at least thirty (30) days prior to the prepayment date to the registered holder of this Bond at his address shown on the registered books and to the original purchaser of the Bond.

Interest on this Bond shall cease to accrue as to the amount of principal being prepaid after the date fixed for prepayment if notice has been properly given and funds (or securities in which such funds are invested) equal to the amount of prepayment have been deposited at the place of payment at that time.

This Bond is issued for the purpose of paying all or part of the cost of the acquisition of the assets of Big Plains Water and Sewer Special Service District, including real property and water rights (the "Project") including such legal, engineering and fiscal agent expenses reasonably incurred, under the authority of the Utah Local Government Bonding Act, Sections 11-14-1 through -27, Utah Code Annotated, 1953, as amended, and under and by virtue of and in full conformity with the Constitution and laws of the State of Utah and a Master Resolution duly adopted by the Issuer on *, 2026.

This Bond shall be registered as to principal and interest in the name of the initial purchaser and any subsequent purchasers in an appropriate book in the office of the Town Clerk of the Issuer, who shall be the Registrar. This Bond is transferable only by appropriate notation upon said book by the registered owner hereof in person or by his attorney duly authorized in writing, by the surrender of this Bond, together with a written instrument of transfer satisfactory to the Issuer, duly executed by the registered owner or his attorney duly authorized in writing; thereupon, a new bond in the same form as this Bond shall be issued to and registered in the name of the transferee.

This Bond is also issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2026A in the original principal amount of $200,000 payable to the Utah Drinking Water Board (the “Series 2026A Bond”), its Parity Water Revenue Bond, Series 2026B in the original principal amount of $1,488,000 payable to the Utah Drinking Water Board (the "Series 2026B Bond"), its Parity Water Revenue Bond, Series 2026C in the original principal amount of $262,000 payable to the Utah Drinking Water Board (the "Series 2026C Bond"), and its Parity Water Revenue Bond, Series 2026D in the original principal amount of $256,319 payable to the USDA Rural Utilities Service (the "Series 2026D Bond") (collectively, the Series 2026 Bonds"). This Bond and the Series 2026 Bonds shall not be entitled to any priority one over the other in the application of the Net Revenues of the System (as defined in the Resolution described below) pledged to the payment of this Bond and the Series 2026 Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or among this Bond and the Series 2026 Bonds in any rights provided in the Resolution authorizing the same for entitlement to payment or provisions made for payment.

This Bond, upon the surrender thereof at the office of the Town Clerk, with a written instrument of transfer duly executed by the registered owner or his duly authorized attorney may, at the option of the registered owner, and at its or his expense, be exchanged for Serial Bonds, fully registered in form in the aggregate principal amount then remaining unpaid, bearing the same interest rate, maturing annually on the anniversary date of the date of this Bond of each of the remaining years of the date of the original term of this Bond and dated as of the year during which the surrender and exchange is effected. Serial Bonds so issued shall be redeemable according to the provisions of the aforementioned Master Resolution of the Issuer pursuant to which the Bond is issued.

This Bond is a limited obligation of the Issuer and is payable solely from a special fund designated the "Town of Apple Valley, Washington County, Utah, Series 2026E Parity Water Revenue Bond Fund", into which special fund shall be deposited the Net Revenues to be derived from the system, including any future improvements, additions and extensions thereto. For a more particular description of said fund, the Revenues to be deposited therein and the nature and extent of the security afforded thereby, reference is made to the provisions of the aforementioned Master Resolution pursuant to which this Bond is issued and such fund has been established and will be maintained. This Bond shall constitute a lien upon all monies which from time to time are in the special fund herein pledged. This Bond does not now and shall never constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation nor a charge against the general credit or taxing powers of the Issuer.

The Issuer hereby covenants with the registered owner of this Bond to keep and perform all covenants and agreements contained in the Master Resolution of the Issuer authorizing the issuance of this Bond, and the Issuer will fix, establish, maintain and collect rates, fees or charges for service furnished by or through the System, including all extensions and improvements thereto hereafter constructed or acquired by the Issuer, sufficient to pay the principal and interest payments on this Bond as they fall due, provided said rates must be reasonable rates for the type, kind and character of the service rendered, and will collect and account for the revenues to be received for such service, and will set aside One Hundred (100%) per cent of the said Net Revenues to be derived from the System to pay the principal of and interest on this Bond, the Series 2026E Bond according to the payment terms hereinafter set forth and under the terms of the Master Resolution.

This Bond and any Bond issued in substitution therefor shall be registered in the name set forth in the Master Resolution of *, 2026, and in accordance with the Utah Registration of Public Obligations Act (Chapter 7, Title 15, Utah Code Annotated, 1953, as amended).

In accordance with Section 265 of the 1986 Internal Revenue Code, the Issuer designates this Bond as an issue qualifying for the exception to the rule denying banks and other financial institutions the deduction for interest expenses allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of qualified tax-exempt obligations (other than private activity bonds as defined in Section 141 of the 1986 Internal Revenue Code) which will be issued by the Issuer and by any aggregated issuer during the current calendar year will not exceed $10,000,000. The total amount of obligations designated by the Issuer and all aggregated issuers for the current calendar year does not exceed $10,000,000.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond do exist, have happened and have been done and that every requirement of law affecting the issue thereof has been duly complied with; that this Bond does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that One Hundred (100%) per cent of the Net Revenues to be derived from the operation of the System, including any future improvements, additions and extensions thereto, have been and are hereby pledged and will be set aside into said Special Fund by the Issuer to be used for the payment of the principal of and interest on this Bond authorized and issued pursuant to the Master Resolution aforementioned and that said percentage of the Net Revenues of the System are not pledged, hypothecated or anticipated in any way other than by the issue of this Bond.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its Town Clerk with the seal of said Issuer affixed, all as of this _____ day of_____________, 20__.

TOWN OF APPLE VALLEY

(DO NOT SIGN-FORM ONLY)
By___________________________
Mayor

COUNTERSIGNED:
(DO NOT SIGN - FORM ONLY)
Town Clerk

(SEAL)

TREASURER'S CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

I, the undersigned Treasurer of the Town of Apple Valley, Washington County, State of Utah, hereby certify that I have received from the original purchaser of this Bond the amount or amounts indicated below on the date of dates set forth opposite such amount(s); that the amount last inserted under the column, "Total Principal Sum" is the total amount received by the Town of Apple Valley, Washington County, Utah for the issuance of this Bond and that I have placed my signature in the space provided opposite such amount(s) to evidence receipt of same.

Amount of Payment	Date of Payment	Total Principal Sum	Treasurer's Signature
$_______________	________________	$_______________	________________
$_______________	________________	$_______________	________________
$_______________	________________	$_______________	________________
$_______________	________________	$_______________	________________

REGISTRATION CERTIFICATE

(No writing to be placed herein except by Bond Registrar)

This Bond shall be payable only to the order of the registered owner or his legal representative.

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
______________________	US Department of Agriculture Rural Utility Services	______________________
______________________	______________________	______________________
______________________	______________________	______________________
______________________	______________________	______________________

INSTALLMENT PAYMENT CERTIFICATE

The undersigned, Treasurer of the Issuer and duly authorized representative of the holder of this Bond, hereby certify that the amount(s) shown below are the monthly installment payments to be made on this Bond by the Issuer and will fully pay the Total Principal Sum and interest thereon within twenty-nine (29) years from the date of this Bond. The amount of the consecutive monthly installment of principal and interest shall be $__________ payable on the ____ day of each month beginning with the month of __________, 20__.

____
Treasurer of Issuer

____
Authorized Representative of Holder

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM- as tenants in common
TEN ENT- as tenants by the entireties
JT TEN- as joint tenants with rights of survivorship and not as tenants in common
UNIF GIFT MIN ACT- ______Custodian______Under Uniform Gifts to Minors Act _________
(Cust) (Minor) (State)

Additional abbreviations may also be used though not in the list above.

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto ____

____
/____________________/

Insert Social Security or Other
Identifying Number of Assignee

____
(Please Print or Typewrite Name and Address of Assignee)

the within Bond of the Town of Apple Valley, Washington County, Utah and does hereby irrevocably constitute and appoint _________________ attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: __________________ Signature: ____________________

Signature Guaranteed:

____

NOTICE: Signature(s) must be guaranteed by a member firm of The New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 3.5. Registration and Exchange of Bond.

(a) This Master Resolution shall constitute a system of registration within the meaning and for the purpose of Chapter 7, Title 25, Utah Code Annotated, 1953, as amended. The Issuer shall cause books for the registration and for the transfer of Bonds to be kept at the office of its Town Clerk.

(b) Upon the surrender for transfer of a Bond at the office of the Issuer, duly endorsed by or accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and duly executed by the registered owner or his attorney duly authorized in writing, the Town Clerk or other duly authorized official of the Issuer shall note the name of the transferees and the date of the transfer in the place provided on the back of a Bond and shall affix his or her official signature thereon. The Town Clerk shall thereupon deliver the Bond to the transferee and shall enter in the registration books of the Issuer the name and address of the transferee.

(c) The Issuer shall not be required to transfer the Bond during the period from the 15th day of the month next preceding any payment date on the Bond to and including such payment date, nor to transfer the Bond during a period of 15 days next preceding mailing of a notice of prepayment of any installment or portion thereof, on the Bond.

(d) The person in whose name the Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and the issuer shall not be affected by any notice to the contrary. Payment of the principal of and interest on the Bond shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the bond to the extent of the sum or sums so paid.

(e) No service charge shall be made by the Issuer for any transfer of the Bond.

(f) Prior to making any transfer of the Bond as provided in this Section, the Town Clerk shall verify that the payment record and prepayment record attached to the Bond have been accurately completed as of the date of such transfer and, if necessary, conform such payment record and prepayment record to accurately reflect all payments of principal on the Bond, based on the records and information with respect to such Bond maintained by the Issuer and the registered owner surrendering such Bond.

ARTICLE IV

USE OF PROCEEDS; SYSTEM OF REGISTRATION

Section 4.1. Use of Proceeds. The proceeds from the issuance of the Series 2026 RD Bonds shall be used to satisfy and discharge the outstanding indebtedness payable to the Bondholders by Big Plains Water and Sewer Special Service District. It is not anticipated that there will be any unexpended proceeds.

Section 4.2. Registration and Exchange of Bonds.

(a) This Article shall constitute a system of registration within the meaning and for the purpose of Chapter 7 of Title 15, Utah Code Annotated, 1953, as amended. The Issuer shall cause books for the registration and for the transfer of the Series 2026 RD Bonds to be kept at the office of its Town Clerk.

(b) Upon surrender for transfer of any of the Series 2026 RD Bonds at the office of the Issuer, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Issuer and duly executed by the registered owner or his attorney duly authorized in writing, the Town Clerk or other duly authorized official of the Issuer shall note the name of the transferee or transferees and the date of the transfer in the place provided on the back of the Series 2026 RD Bonds and shall affix his or her official signature thereon. The Town Clerk shall thereupon deliver the Series 2026 RD Bonds to the transferee and shall enter in the registration books of the Issuer the name and address of the transferee.

(c) The Issuer shall not be required to transfer any of the Bonds during the period from the fifteenth day of the month next proceeding any Payment Date on the Bonds to and including such Payment Date, nor to transfer the Bonds during a period of 15 days next preceding mailing of a notice of prepayment of any installment, or portion thereof, on the Bonds.

(d) The person in whose name the Bonds shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and the Issuer shall not be affected by any notice to the contrary. Payment of the principal of and interest on the Bonds shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Bonds to the extent of the sum or sums so paid.

(e) No service charge shall be made by the Issuer for any transfer of the Bonds but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer of the Bonds.

(f) Prior to making any transfer of the Bonds as provided in this Section, the Town Clerk shall verify that the payment record and prepayment record attached to the Bonds have been accurately completed as of the date of such transfer and, if necessary, conform such payment record and prepayment record to accurately reflect all payments of principal on the Bonds, based on the records and information with respect to such Bonds maintained by the Issuer and the registered owner surrendering such Bonds.

Section 4.3. Mutilated, Lost, Destroyed or Stolen Bond. If any of the Bonds shall become mutilated, the Issuer, at the expense of the registered owner thereof, shall execute and deliver a new Bond of like tenor in exchange for the Bond so mutilated, but only upon surrender to the Treasurer of the Bond so mutilated, which Bond shall thereupon be cancelled by the Issuer. If the Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Issuer and if such evidence be satisfactory and given, the Issuer, at the expense of the registered owner thereof, shall execute and deliver a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if the entire principal amount of the Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same without surrender thereof). Any Bond issued under the provisions of this Section in lieu of a Bond alleged to be lost, destroyed or stolen shall constitute an additional contractual obligation of the Issuer and shall be equally and proportionately entitled to the benefits of this Master Resolution. The Issuer shall not be required to treat both the original Bond and the duplicate Bond as being Outstanding for the purpose of determining the principal amount of the Bond and Parity Bonds which may be issued under this Master Resolution or for the purpose of determining any percentage of the Bond or Parity Bonds Outstanding under this Master Resolution, but both the original and duplicate Bond shall be conformed by the Town Clerk to accurately reflect all payments of principal on the lost, destroyed or stolen Bond, based on the records and information with respect to such lost, destroyed or stolen Bond maintained by the Issuer and the registered owner of the Bond.

ARTICLE V

FLOW OF FUNDS

Section 5.1. Pledge Effected by the Master Resolution.

(a) The 2026 RD Bonds are special obligations of the Issuer payable from and secured by the Revenues. There is hereby pledged for the payment of the principal of, prepayment premium, if any, and interest on the Bonds in accordance with its terms and the provisions of this Master Resolution, subject only to the provisions of this Master Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in this Master Resolution, (i) the proceeds of sale of the Bonds, (ii) the Revenues, and (iii) all funds established hereunder, including the investments, if any, thereof. Except as otherwise provided in this Section, the Bonds herein authorized shall enjoy complete priority of lien on the Revenues.

(b) In no event shall the Bonds be deemed or construed to be a general indebtedness of the Issuer or payable from any funds of the Issuer other than those derived from the operation of the System.

<u>Section 5.2</u>. <u>Establishment of Funds</u>. The following funds are hereby established and confirmed:

(1) Revenue Fund, to be held by the Issuer;

(2) Series 2026 RD Bonds Fund, to be held by the Issuer;

(3) Series 2026D Reserve Fund, to be held by the Issuer; and

(4) Series 2026E Reserve Fund, to be held by the Issuer; and

(5) Short Lived Assets Replacement Reserve Fund, to be held by the Issuer.

<u>Section 5.3</u>. <u>Revenue Fund</u>.

(a) There shall be deposited into the Revenue Fund, as received, the Revenues of the System. The Revenue Fund shall be deposited with the Depository and the monies credited to said Revenue Fund shall be expended only in the manner herein specified.

(b) Expenses of Maintenance and Operation shall be paid by the Issuer from time to time as they become due and payable and shall be a first charge on the Revenue Fund.

<u>Section 5.4</u>. <u>Flow of Funds</u>.

(a) After payment of Expenses of Maintenance and Operation then due the Issuer shall transfer, or cause the Depository to transfer, to the extent of monies available in the Revenue Fund, to the following funds in the following order the amounts set forth below:

(1) In the Bond Fund, (i) monthly so long as the Series 2026 RD Bonds are outstanding, one-twelfth of the sum of the amount of principal and interest falling due on the Series 2026 RD Bonds on the next Payment Date.

(2) In the Short Lived Assets Replacement Reserve Fund for the Series 2026 RD Bonds, an annual deposit of $__________. The first installment shall be payable on the month next following the month in which the Series 2026 RD Bonds is issued hereunder and shall continue until the Series 2026 RD Bonds is redeemed.

(3) In the Reserve Fund for the Series 2026 Bonds, (i) beginning the month next following the month in which the Series 2026D Bond is issued hereunder, a sum equal to the Reserve Fund Installment for the Series 2026D Bond, so as to cause to be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement for the Series 2026D Bond not later than 120 months following the commencement of such monthly transfers; and (ii) beginning the month next following the month in which the Series 2026E Bond is issued hereunder, a sum equal to the Reserve Fund Installment for the

Series 2026E Bond, so as to cause to be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement for the Series 2026E Bond not later than 120 months following the commencement of such monthly transfers; provided, however, that if monies shall ever be paid out of the Reserve Funds, monies shall be deposited, in addition to other deposits required by this paragraph (2), into the Reserve Funds from available Revenues (after making all other payments of Expenses of Maintenance and Operation and deposits into the Bond Fund heretofore provided in this Section) to the extent necessary to cause the amount paid out to be replaced.

(b) Amounts remaining in the Revenue Funds after payment of the amounts required by paragraphs (a)(1), (a)(2) and (a)(3) subsection (a) of this Section and not required to meet Expenses of Maintenance and Operation or used for remedying any deficiencies in the payments previously made to the funds herein established, may be used, at the option of the Issuer and to the extent permitted by law, (1) to purchase or prepay any Bond in accordance with the provisions hereof governing prepayment of the Bond authorized hereunder in advance of maturity or, in the case of Future Parity Bonds, in accordance with the provisions of the resolution authorizing such Future Parity Bonds governing prepayment of such Future Parity Bonds in advance of maturity, including payment of expenses in connection with such purchase or prepayment; (2) to pay the principal or prepayment price of and interest on any bonds, including general obligation or junior lien revenue bonds of the Issuer issued to acquire, construct, improve or extend the System; (3) to pay the costs of capital improvements to the System; and (4) for any other lawful purpose, including, without limitation, payment of other obligations of the Issuer.

Section 5.5. Bond Fund. Monies in the Bond Fund shall be used for the purpose of paying principal, prepayment premium, if any, and any applicable interest when due on the Bonds. The Bond Fund shall be kept on deposit with the Depository.

Section 5.6. Reserve Funds. In the event that the money on deposit in the 2026 Bond Fund on the final day of any month is less than the amount required to be in such Fund pursuant to Section 5.4(a)(1) hereof, then the Issuer shall cause any funds on deposit in the respective Reserve Funds to be immediately transferred by the Depository to such corresponding Bond Fund in the amount required to eliminate the deficiency in such Bond Fund. The Reserve Funds shall be kept on deposit with the Depository.

Section 5.7. Short Lived Assets Replacement Reserve Fund. For so long as the Series 2026 RD Bonds are outstanding, the amounts in the Short Lived Assets Replacement Reserve Fund shall be kept on deposit with the Depository and may be applied from time to time by the Issuer solely for the purpose of paying costs and expenses relating to short-lived assets. The Short Lived Assets Replacement Reserve Fund shall not serve as security for the payment of either principal or interest on the Series 2026 RD Bonds, and the Issuer shall not be obligated to obtain consent of any registered owner of the Series 2026 Bonds to make disbursements from the Short Lived Assets Replacement Reserve Fund for the purposes described in this Section 5.7; provided, however, that for so long as the Government is registered owner of the Series 2026 RD

Bonds, the Issuer shall make no disbursements from the Short Lived Assets Replacement Reserve Fund unless and until the Issuer has given prior written notice to the Government setting forth the nature, purpose and amount of the proposed disbursement. Upon payment in full of the Series 2026 Bonds, any amount remaining in the Short Lived Assets Replacement Reserve Fund may be withdrawn by the Issuer and used for any lawful purpose of the Issuer.

Section 5.8. Investment of Funds. All money maintained on deposit with the Depository shall be held as special and not as general deposits, the beneficial interest in which shall be in the registered owners from time to time of the Bonds. All money so maintained on deposit with the Depository shall be secured to the fullest extent required or permitted by the laws of the State of Utah pertaining to the securing of public deposits. All or part of the money in the Bond Fund, in the Reserve Funds and in the Short Lived Assets Replacement Reserve Fund shall be invested by the Depository, at the direction of the Issuer, in Permitted Investments, but any such investments so made shall always be such that the obligations mature or become optional for redemption in amounts and at times so as to assure the availability of the proceeds thereof when needed for the purpose for which such funds were created. Interest received on all such investments permitted hereunder shall be deposited in the Revenue Funds, except that at any time less than the required amount is on deposit in either the Bond Fund, the Reserve Funds or the Short Lived Assets Replacement Reserve Fund, then interest attributable to such fund, respectively, shall be deposited into such fund. Whenever any money so invested from the Bond Fund, the Reserve Funds or the Short Lived Assets Replacement Reserve Fund is needed for the purpose for which such fund was created, such investments, to the amount necessary, shall be liquidated by the Depository at the direction of the Issuer, and the proceeds thereof applied to the required purpose.

Section 5.9. Use of Funds When Reserves Sufficient to Pay Outstanding Bonds. Whenever there is sufficient available money in the Bond Fund and in the respective Reserve Fund to pay in full all principal and interest under these Bonds and all Bonds in accordance with their terms and the terms of this Master Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds, the money in such funds shall be used for such purpose and no other purpose but no additional payments need to be made into either fund unless necessary to replace monies lost or otherwise dissipated therefrom.

Section 5.10. Mandatory Redemption. Pursuant to the provisions of 7 U.S.C. §1983(3), USDA reserves the right to require the redemption of the entire unpaid amounts then due under the Bond.

ARTICLE VI

COVENANTS AND UNDERTAKINGS

Section 6.1. Punctual Payment. The Issuer will punctually pay or cause to be paid the principal, the prepayment premium, if any, and any applicable interest when due on the Bonds, in strict conformity with the terms of the Bonds and of this Master Resolution or, in the case of

Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds, according to the true intent and meaning thereof. The Issuer agrees that there shall be no grace period as to the date of any payment required to be made pursuant to the terms of the Bond and of this Master Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds.

Section 6.2. Operation and Maintenance. The Issuer will cause the System to be operated continuously for the furnishing of System services to the inhabitants of the Issuer, to the extent practicable under conditions as they may from time to time exist, in an efficient and economical manner, and will at all times cause to be maintained, preserved and kept, the System, including all parts thereof and appurtenances thereto, in good repair, working order and condition, and in such manner that the operating efficiency thereof will be of high character. The Issuer will from time to time cause to be made all necessary and proper repairs and replacements so that the rights and security of the registered owners of the Bonds may be fully protected and preserved, and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Utah, including the making and collecting of sufficient rates, fees and charges as appropriate, for all services supplied by the System and the segregation and application of the Revenues of the System in the manner provided in this Master Resolution.

Section 6.3. Compliance with Contracts and Agreements; Maintenance of Revenues.

(a) The Issuer will comply with all terms, covenants and provisions, express or implied, of all contracts and agreements entered into by it for System use and services and all other contracts or agreements affecting or involving the System or the business of the Issuer with respect thereto, and will fix and collect rates, fees and charges, as appropriate for all services supplied by the System fully sufficient, after making due allowance for delinquencies in collection, to provide for the payment of the Expenses of Maintenance and Operation, to provide for the payment of all obligations payable from the Revenues of the System, including the Bonds, as and when the same become due and payable, and to establish the Bond Fund, the Reserve Funds and the Short Lived Assets Replacement Reserve Fund and to make the deposits into the Bond Fund, the Reserve Funds and the Short Lived Assets Replacement Reserve Fund as hereinabove required.

(b) In order to assure full and continuous performance of the covenants contained by sub-section (a) of this Section with a margin for contingencies and temporary unanticipated reduction in Revenues, the Issuer hereby covenants and agrees that it will, at all times while any of the Bonds shall be outstanding, continue in effect and establish, fix, prescribe and collect rates and charges for the sale or use of System services furnished by the Issuer which, together with any other income, are reasonably expected to yield Net Revenues equal to at least 1.20 times the aggregate annual debt service on all Series 2026 RD Bonds issued hereunder, all Series 2026 DWB Bonds, and Future Parity Bonds which will be outstanding in the forthcoming year.

(c) If at any time the Revenues arising from such rates, fees and charges, as appropriate, shall not be sufficient to make all such payments promptly as herein required, the Issuer shall revise the rates, fees and charges, as appropriate, to the users of System services so that such deficiency will be remedied before the end of the next ensuing Year. If the Issuer shall fail to revise such charges as herein required, the registered owners of not less than ten percent (10%) in aggregate principal amount of the Outstanding Bonds, whether or not any of the Bonds shall then be in default, shall have authority, to the extent permitted by law, to bring an appropriate action in any court of competent jurisdiction to compel the Governing Body to carry out the provisions of this Section, provided, however, that the foregoing provision shall not apply to the Government and, accordingly, the Government shall have the authority within its discretion to bring an appropriate action in any court of competent jurisdiction to compel the Governing Body to carry out the provisions of this Section.

Section 6.4. Delinquencies; Single Billing.

(a) If any delinquent charge for System services, with applicable penalty and interest, is not paid in full within 60 days from the date on which the charge has become delinquent, the Issuer will, when appropriate and necessary to effect collection, cause all System services to be discontinued to the delinquent customers or premises, or forbid further use of such services by such customers or premises, to the extent permitted by law, until such delinquency, with penalties and interest has been paid in full. The Issuer further agrees in addition to the foregoing that it will do all things and exercise all remedies legally available to assure the prompt payment of all charges made for System services.

(b) The Issuer further covenants and agrees, to the extent permitted by law, that the Issuer will bill each customer receiving System services in a single bill, will refuse to accept payment for any of such services unless payment for the other services is also made, and if payment for any of such services is permitted to become delinquent and remain so for a period of 60 days, will treat such delinquency as provided in subsection (a) of this Section.

(c) If any customer or user of System services shall become delinquent for more than six months in the payment of his charges for such services, the Issuer agrees that, in addition to all of the remedies for which provision is made in this Master Resolution, the Issuer will proceed immediately, and it is hereby authorized to proceed, with a suit at law or in equity against such customer or user to recover the amount of any such delinquent charges, together with penalties and interest to the extent permitted by law.

Section 6.5. Consideration Required for Services. The Issuer will not permit System services to be supplied to any person, firm or corporation, public or private, or to any public agency or instrumentality including the Issuer without due consideration to be received in exchange therefor.

Section 6.6. Observance of Laws and Regulations; Permits, Licenses and Claims.

(a) The Issuer will well and truly keep, observe and perform all valid and lawful obligations or orders or regulations now and hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of Utah, or by any officer, board or commission having jurisdiction or control over the Issuer or the System or both, as a condition of the continued enjoyment of any and every right, privilege or franchise now owned or hereafter acquired by the Issuer, including its right to exist and carry on business, to the end that such rights, privileges and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired; provided, however, that the Issuer shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith.

(b) The Issuer shall at all times undertake reasonable efforts to perfect, and protect and maintain rights of any kind, all purchase contracts of any kind, and all permits, licenses and claims, necessary for the operation of the System.

Section 6.7. Payment of Taxes and Claims. The Issuer will, from time to time, duly pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon any of the properties of the System or upon the Revenues when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any such properties. The Issuer will keep the System and all parts thereof free from judgments, mechanics' and materialmen's liens (other than those arising by mere operation of law from the construction of the Project and other improvements to the System which are promptly discharged in due course) and free from all other liens, claims, demands and encumbrances of whatsoever prior nature or character, to the end that the priority of the lien of this Master Resolution on the Revenues may at all times be maintained and preserved, and free from any claim or liability which might embarrass or hamper the Issuer in conducting its business.

Section 6.8. Accounts and Reports.

(a) The Issuer will maintain and keep proper books of record and accounts separate and apart from all other records and accounts of the Issuer, in which there shall be made full and correct entries of all transactions relating to the System and the Revenues. Not later than 90 days after the close of each fiscal year, the Issuer will cause an audit of such books and accounts to be made by an independent public accountant, or state auditing official, if appropriate, showing the receipts of and disbursements made for the account of the System. Each such audit, in addition to whatever matter may be thought proper by the accountant to be included therein, shall include the following:

(1) A statement in detail of the income and expenditures of the System for such fiscal year;

(2) A balance sheet as of the end of such fiscal year;

(3) The accountant's comments regarding the manner in which the Issuer has

carried out the requirements of this Master Resolution, and the accountant's recommendations for any change or improvements in the operation of the System;

(4) A list of the insurance policies and fidelity bonds in force at the end of such fiscal year, setting out as to each policy and bond that amount of the policy, the risks covered, the name of the insurer and the expiration date;

(5) The number and type or class, if applicable, of customers of the System, and the number of connections, if applicable, to the System;

(6) The amount of money in each of the funds created in Article III hereof at the end of such fiscal year and the amount of money paid into and expended from each of said funds during such fiscal year;

(7) To the extent applicable, a statement of all schedules of rates in effect at the close of the fiscal year and the aggregate dollar amount billed for the System services during such fiscal year and the Revenues received from charges for System services by types or classes of customers, if applicable;

(8) A list of the official titles of the Mayor and the Town Clerk and members of the Governing Body, and the name of each person occupying said positions; and

(9) A general statement concerning any events or circumstances which might affect the financial status of the System.

All expenses incurred in the making of the audits required herein shall be regarded and paid as Expense of Maintenance and Operation. The Issuer further agrees to furnish a copy of each such audit to each Bondholder who shall request the same in writing. Any registered owner of any of the Bonds shall have the right to discuss with the accountant making the audit the contents of the audit and to ask for such additional information as he may reasonably require in connection with such audit. The Issuer agrees that said books of record and account herein referenced, and any and all other books, records and accounts of the Issuer relating to the System, shall at all reasonable times be open to inspection by any registered owner of any of the Bonds or their representatives duly authorized in writing, during normal business hours.

(b) The Issuer shall send a copy of each annual audit to the Government without prior request or any notice to do so by the State.

Section 6.9. Insurance and Fidelity Bonds.

(a) The Issuer agrees to procure and maintain, or cause to be procured and maintained, insurance on the System and public liability insurance in such amounts and against such risks as are usually insurable in connection with similar systems and as is usually carried by municipalities operating similar systems. Such insurance coverage shall include, but not necessarily be limited to the following: (i) vehicle coverage, (ii) workers' compensation, (iii) to the extent applicable, national flood insurance; and (iv) real property insurance.

(b) The Issuer further agrees to procure and maintain, or cause to be procured and maintained, fidelity insurance or bonds on the positions of Mayor, Town Clerk and on any other person or persons handling or responsible for funds of the Issuer related to the System. So long as the Bond is outstanding, the coverage shall be in an amount not less than the combined total of the annual debt service of all bonds then held by the Bondholders.

(c) The provisions of this Section relating to the procurement and maintenance of insurance are subject to the condition that insurance of the type described herein is obtainable at reasonable rates and upon reasonable terms and conditions.

(d) The Bondholder shall be registered as an additional or other insured on the insurance coverage required herein and entitled to all notices issued to the insured or relating to the policies and coverage.

Section 6.10. Against Sale or Other Disposition of System Property Except Under Conditions. The Issuer will not sell, lease, encumber, alienate or in any manner dispose of the System or any substantial part thereof until all of the Bonds have been paid in full; provided, however, that nothing herein contained shall be construed to prevent the sale, lease or other disposition by the Issuer, upon prior written notice and consent of the registered owners of the Bonds, of property which it deems has become inexpedient to use in connection with the System, when other property of equal value is substituted therefor.

Section 6.11. Against Competition with System Services. The Issuer, so far as it legally may, covenants and agrees that it will not operate or grant a franchise for the operation of any system competing with the System within the boundaries of the Issuer as long as any of the Bonds are Outstanding.

Section 6.12. Issuer Independence Covenant. Notwithstanding any provision in the (1) prepayment schedule; (2) reserve clauses; or (3) disposition of revenues exceeding debt service and fulfillment of all reserves, as partial consideration for the Loan Resolution (Form FmHA 1942-47 required by the United States of America), Issuer covenants and agrees to refinance the unpaid balance, in whole or in part, of the Series 2026 RD Bonds upon the request of the bondholder thereof if at any time it appears to the bondholder that the Issuer is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and period of time as required by Section 333(c) of the Consolidated Farm and Rural Development Act [7 U.S.C. 1983(c)].

Section 6.13. Future Parity Bonds.

(a) The Issuer will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Revenues, unless such other bonds or obligations are made subordinate to the Bonds herein authorized; provided that at any time Future Parity Bonds may be authorized by resolution of the Governing Body if all the following conditions are met:

(1) The Issuer is in full compliance with all of the covenants and undertakings in connection with all Bonds of the Issuer then Outstanding and payable from the Revenues of the System;

(2) The Annual Net Revenues of the System for the 12 consecutive months ending with the calendar month next preceding the adoption by the Governing Body of the resolution authorizing the issuance and confirming the sale of the Future Parity Bonds, as shown by an audit rendered by an independent public accountant employed by the Issuer, when added to the estimated amount of the increase in such Annual Net Revenues for the first full twelve-month period in which the improvements, extensions, additions or betterments to the System to be acquired with the proceeds of the Future Parity Bonds will be in operation (such estimated amount to be evidenced by a certificate of an independent consulting engineer approved by the Governing Body of recognized skill and experience in the field of engineering matters related to the construction and maintenance of systems similar to the System), are equal to at least 1.20 times the maximum annual debt service on (i) all Series 2026 RD Bonds and Future Parity Bonds then outstanding plus (ii) the Future Parity Bonds then proposed to be issued, unless waived or modified by the written consent of bondholders representing 75% of the then outstanding principal indebtedness, and the Town has USDA consent;

(3) If the Future Parity Bonds are to be issued solely for the purpose of refunding a portion of the Bonds then outstanding then, for the purpose of making the calculation required under the foregoing paragraph, the maximum annual debt service on the Outstanding Bonds in any future Year shall take into consideration only Bonds that will remain outstanding after the issuance of such Future Parity Bonds, provided that if before the issuance and delivery of such Future Parity Bonds all of the Bonds theretofore issued will have been retired, nothing herein contained shall limit or restrict the issuance of any such Future Parity Bonds;

(4) Future Parity Bonds may be issued only for the purpose of acquiring, constructing, improving or extending the System, or for the purpose of refunding any outstanding Bonds, or for any combination of such purposes;

(5) The resolution authorizing the issuance of such Future Parity Bonds shall provide that the last maturity date of the Future Parity Bonds shall not be earlier than the last maturity date of any Bonds theretofore issued and then outstanding and shall provide for fixed serial maturities or mandatory minimum sinking fund payments, of any combination thereof, in such amounts as will be sufficient to provide for the payment or retirement of all such Future Parity Bonds on or before their respective maturity dates;

(6) The payments required to be made into the various funds provided in Article III hereof must be current at the time of the issuance of such Future Parity Bonds;

(7) Notwithstanding the above, no future parity bonds or indebtedness to be secured by the Pledged Revenues or incurred for the operation of the Project shall be issued or incurred with out the prior written consent of the Bondholder.

Section 6.14. Rights and Remedies of Bondholders.

(a) The registered owner of any outstanding Bonds from time to time shall be permitted the exercise of all rights and powers to which such registered owner is entitled under the Constitution and laws of the State of Utah.

(b) In addition to all other rights afforded by the Constitution and laws of the State of Utah, to the extent permitted by law, the Issuer agrees that the registered owner of any outstanding Bonds shall have the right (i) to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the officials of the Issuer to charge and collect rates for services supplied by the System sufficient to meet all requirements of this Master Resolution, and (ii) if any of the Bonds shall be permitted to default as to payment of principal, prepayment premium, if any, and interest thereon to apply to a court of competent jurisdiction to appoint a receiver for the System.

(c) Further, in the event of default the bondholder has the remedy to impose interest on the total outstanding principal balance of the Series 2026 RD Bonds at the rate of 18% per annum until the default is cured.

Section 6.15. Master Resolution to Constitute Contract Between the Issuer and the Holders of the Bond. The provisions of this Master Resolution shall constitute a contract between the Issuer and the registered owners from time to time of the Bond. After the issuance of any such Bond, no change, variation or alteration in the provisions of this Master Resolution may be made, except as provided in Article V hereof. The provisions of such contract shall be enforceable by appropriate proceedings to be taken by any of such registered owners either at law or in equity, to the extent permitted by law.

Section 6.16. Compliance with Resolution. The Issuer will not issue, or permit to be issued, any bonds or other obligations in any manner other than in accordance with the provisions of this Master Resolution and will not suffer or permit any default to occur under this Master Resolution, but will faithfully observe and perform all of the covenants, conditions and requirements hereof. The Issuer will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Master Resolution and for the better assuring and confirming to the registered owners of the Bonds of the rights, benefits and security provided in this Master Resolution. The Issuer for itself, its successors and assigns represents, covenants and agrees with the registered owners of the Bonds, as a material inducement to the purchase of the Bonds, that so long as any of the Bonds shall remain outstanding and the principal thereof, prepayment premium, if any, or interest thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in this Master Resolution and the Bonds.

Section 6.17. Power to Issue Bonds and Pledge Revenues and Funds; Power to Own the System and Collect Rates and Fees; Ownership of Project. The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to adopt this Master Resolution and to pledge the Revenues purported to be pledged by this Master Resolution in the manner and to the extent provided herein. The Bonds and the provisions of this Master Resolution are and will be the valid and legally enforceable obligations of the Issuer in accordance with the terms of the Bonds and the terms of this Master Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues under this Master Resolution and all the rights of the registered owners of the Bonds under this Master Resolution against all claims and demands of all persons whomsoever. The Issuer has, and will have so long as any Bonds are outstanding, good, right and lawful power to acquire, construct, improve, extend and own the Project and the System and to fix and collect rates, fees and charges, as appropriate, in connection with the System. The Issuer will, so long as any Bonds are Outstanding, own and operate the Project.

ARTICLE VII

MODIFICATION OR AMENDMENT OF RESOLUTION

Section 7.1. Amendments. So long as USDA is the holder of all or any portion of the Bond, any amendment to this Master Resolution, the Bond or related documents shall require the written consent of USDA.

ARTICLE VIII

COVENANT AGAINST ARBITRAGE

Section 8.1. The Issuer covenants and agrees that, so long as the Bonds are outstanding, it will not take or omit to be taken, or permit to be taken or omitted to be taken, any action which will cause the interest on the bonds to be subject to federal income taxation. Without limiting the generality of the foregoing sentence, the Issuer in furtherance of the foregoing, covenants and agrees that it will not use or invest or cause to be used or invested any of the proceeds of the Bond in any manner which will cause the Bond to be an "arbitrage bond" within the meaning of Code Section 103 of the Internal Revenue Code as amended, and applicable regulations, including without limitations contained in an "Arbitrage Certificate" or other certificates of the Issuer delivered to the purchaser at the time of and in connection with the issuance and delivery of the Bond.

ARTICLE IX

NO DEFEASANCE

Section 9.1. Discharge of Indebtedness. Any Bond and Future Parity Bonds shall not be deemed Outstanding when:

(1) It is cancelled because of payment or prepayment prior to maturity; or

(2) Cash funds for the payment or prepayment of such Bond or Parity Bond shall have been theretofore deposited with the Depository for such Bond or Parity Bond, respectively (whether upon or prior to maturity of or the prepayment date established for such Bond or Parity Bond); provided that if the Bond or Parity Bond is to be prepaid prior to maturity, notice of such prepayment shall have been given or waiver of such notice shall have been filed with the Issuer by the registered owner of the Bond or Parity Bond, respectively, to be prepaid and there shall have been deposited irrevocably and arrangements shall have been made with the Depository to assure payment of all fees and expenses of the Depository to become due on and prior to the maturity or prepayment date, with no monies to be invested in any investments but direct obligations of or obligations guaranteed by the United States of America, maturing and bearing interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due. Notwithstanding anything contained herein to the contrary, so long as the Government is the holder of any bonds, said bonds may not be defeased by the Issuer in violation of 7 CFR 1780.94(j)(4).

ARTICLE X

MISCELLANEOUS

Section 10.1. Depository. The Depository hereunder shall be a Qualified Depository. If at any time the Depository hereunder shall cease to be a Qualified Depository, the Issuer shall, as soon as reasonably practicable, select a successor thereto who shall be a Qualified Depository.

Section 10.2. Resolution Not to be Construed to Make the Bond an Indebtedness of the Issuer. Nothing in this Master Resolution shall be construed in such a manner as to result in making the Bond an indebtedness of the Issuer, and if it shall ever be held by any court of competent jurisdiction that any or all of the provisions of this Master Resolution are invalid or that the enforcement of the provisions of this Master Resolution would make the Bond invalid or unenforceable, said provisions of this Master Resolution shall be considered to be null and void.

Section 10.3. Partial Invalidity. If any one or more articles, sections, paragraphs, clauses or provisions of this Master Resolution or the application thereof to any person or circumstances are held to be invalid by final decision in any court of competent jurisdiction, such invalidity shall not affect the other articles, sections, paragraphs, clauses and provisions of this Master Resolution which can be given effect without the article, section, paragraph, clause or provision so held to be invalid or the application of which is held to be invalid and shall not affect the application of such article, section, paragraph, clause or provision to other persons or circumstances and to this end the provisions of this Master Resolution are declared to be severable.

Section 10.4. Article and Section Headings. All references herein to "Articles", "Sections" and subdivisions are to the corresponding articles, sections or words of similar import refer to this Master Resolution as a whole and not to any particular Article, Section or subdivision hereof. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience or reference and shall not affect the meaning, construction or effect of this Master Resolution.

Section 10.5. Publication of Notice of Bonds to Be Issued. In accordance with the provisions of Section 11-14-316, Utah Code Annotated, 1953, as amended, the Town Clerk has heretofore caused "Notice of Bonds to be Issued" to be published one (1) time in the Messenger, a newspaper having general circulation in Manti, Utah, which is hereby confirmed and ratified.

Section 10.6. Conflicting Resolutions. All resolutions and parts thereof in conflict herewith and hereby repealed to the extent of such conflict.

Section 10.7. Effective Date. Immediately after its adoption, this Master Resolution shall be signed by the Mayor and the Town Clerk shall have the official seal of the Issuer impressed or imprinted hereon, shall be recorded in a book kept for that purpose and shall take immediate effect.

PASSED AND APPROVED this _____ day of __________, 2026.

TOWN OF APPLE VALLEY

By______________________________
Mayor

ATTEST AND COUNTERSIGN:

By______________________________
Town Clerk

[SEAL]

Item 6.

Town of Apple Valley
Disbursement Listing
SBSU Operating - 06/01/2026 to 06/30/2026

Payee Name	Reference Number	Payment Date	Payment Amount	Void Date	Void Amount	Source
Superior Technical Solutions LLC	EFT06012026	06/01/2026	$825.50			Purchasing
Google LLC	EFT612026	06/01/2026	$377.18			Purchasing
KC Contracting	6647	06/02/2026	$2,600.00			Purchasing
XPress Bill Pay	XBP572026	06/02/2026		06/02/2026	$446.09	Purchasing
Chase Paymentech	EFT0609026	06/03/2026	$355.30			Purchasing
Chase Paymentech	EFT692026	06/03/2026	$27.89			Purchasing
Carbonite	EFT06042026	06/04/2026	$95.99			Purchasing
XPress Bill Pay	EFT692026	06/05/2026	$428.92			Purchasing
Pride Investments	6649	06/08/2026	$207.58			Purchasing
Amazon.com	EFT06082026	06/08/2026	$25.97			Purchasing
Spencer, Tanaka	6650	06/09/2026	$142.16			Paycheck
State of Utah	6651	06/09/2026	$25.00			Purchasing
James R Weeks	6652	06/09/2026	$537.50			Purchasing
Revco Leasing	6653	06/09/2026	$302.51			Purchasing
Amazon Capital Services	6654	06/09/2026	$812.97			Purchasing
South Central Communications	6655	06/09/2026	$556.23			Purchasing
AT&T Mobility	6656	06/09/2026	$47.00			Purchasing
Buck's Ace Hardware	6657	06/09/2026	$207.66			Purchasing
Pelorus Methods, Inc.	6658	06/09/2026	$2,000.00			Purchasing
Scholzen Products	6659	06/09/2026	$2,580.36			Purchasing
Shums Coda	6660	06/09/2026	$7,960.00			Purchasing
Southwest Utah Public Health Dept.	6661	06/09/2026	$90.00			Purchasing
Amazon.com	EFT692026	06/09/2026	$19.48			Purchasing
AT&T and Affilliates	EFT06102026	06/10/2026	$59.25			Purchasing
Bourgeois, Jeremy	6662	06/11/2026	$91.87			Purchasing
Buck's Ace Hardware	6663	06/11/2026	$48.16			Purchasing
Dexterous Drywall - Cody Lane Stubbs	6664	06/11/2026	$2,051.00			Purchasing
Paxton, Ryan and Brooke	6665	06/11/2026	$2,344.81			Purchasing
Republic Services #233	6666	06/11/2026	$646.20			Purchasing
State Bank of Southern Utah	EFT06112026	06/11/2026	$76.75			Purchasing
State Bank of Southern Utah	EFT06112026	06/11/2026	$315.27			Purchasing
State Bank of Southern Utah	EFT06112026	06/11/2026	$1,889.96			Purchasing
State Bank of Southern Utah	EFT06122026	06/11/2026	$763.41			Purchasing
State Bank of Southern Utah	EFT60112026	06/11/2026	$8.37			Purchasing
Payroll	0612261200	06/12/2026	$14,801.53			Paycheck
State Bank of Southern Utah	EFT06122026	06/12/2026	$960.66			Purchasing
USDA Rural Development	EFT06122026	06/12/2026	$1,269.00			Purchasing
USDA Rural Development	EFT06122026	06/12/2026	$9,271.00			Purchasing
Internal Revenue Service	EFTPS0612202	06/12/2026	$3,403.23			Payroll
Utah Retirement Systems	URS06122026	06/12/2026	$2,470.16			Payroll
Birch Systems Inc.	6667	06/16/2026	$1,745.00			Purchasing
Utah Valley University	6668	06/16/2026	$10.00			Purchasing
Washington County Solid Waste	6669	06/16/2026	$5,956.42			Purchasing
Adobe	EFT06162026	06/16/2026	($13.72)			Purchasing
Adobe	EFT06162026	06/16/2026	$22.74			Purchasing
Adobe	EFT06162026	06/16/2026	$22.81			Purchasing
State Bank of Southern Utah	EFT06162026	06/16/2026	$9.87			Purchasing
State Bank of Southern Utah	EFT06162026	06/16/2026	$384.43			Purchasing
Rocky Mountain Power	EFT06182026	06/18/2026	$2,597.20			Purchasing
Zoom Video Communications Inc.	EFT06182026	06/18/2026	$15.99			Purchasing
Cluff Drilling and Pump	6670	06/22/2026	$7,400.00			Purchasing
Zion Custom Containers	6671	06/22/2026	$4,300.00			Purchasing
Birch Systems Inc.	6672	06/22/2026	$1,300.00			Purchasing
Crushing Screening Service	6673	06/22/2026	$500.00			Purchasing
Jessop, Nathan	6674	06/22/2026	$200.00			Purchasing
Shums Coda	6675	06/22/2026	$4,337.50			Purchasing
Zoom Video Communications Inc.	EFT06222026	06/22/2026	$6.00			Purchasing
BIG ROCK HOMES LLC	6678	06/23/2026	$137.67			Purchasing
Scholzen Products	6679	06/23/2026	$711.78			Purchasing
Payroll	0626261200	06/26/2026	$1,109.13			Paycheck
Payroll	0626261200	06/26/2026	$16,723.35			Paycheck
Spencer, Tanaka	6676	06/26/2026	$364.60			Paycheck
Fralish, Lee W	6677	06/26/2026	$92.35			Paycheck
Internal Revenue Service	EFTPS0626202	06/26/2026	$4,477.85			Payroll
Utah Retirement Systems	URS06242026	06/26/2026	$2,706.83			Payroll
Payroll	0629261200	06/29/2026		06/29/2026	$453.51	Paycheck
Cluff Drilling and Pump	6680	06/29/2026	$27,550.00			Purchasing
Farrar, CPA	6681	06/29/2026	$412.50			Purchasing
Hursts Weed and Lawn	6682	06/29/2026	$1,610.00			Purchasing
Snow Caldwell Beckstrom& Wilbanks, P	6683	06/29/2026	$522.50			Purchasing
Sunrise Engineering Inc.	6684	06/29/2026	$4,950.00			Purchasing
Payroll	0630261200	06/30/2026	$453.51			Paycheck
Internal Revenue Service	EFTPS0629202	06/30/2026	$75.94			Payroll
			$151,388.08		**$899.60**	

Numbers will change slightly after year-end adjustments.

Item 7.

Town of Apple Valley

Operational Budget Report
10 General Fund - 07/01/2025 to 06/30/2026
100.00% of the fiscal year has expired

	Prior YTD	Current Period	Current YTD	Annual Budget	Percent Used
Change In Net Position					
Revenue:					
Taxes					
3110 General Property Taxes-Current	172,665.31	2,283.12	176,833.42	195,000.00	90.68%
3120 Prior Year's Taxes-Delinquent	0.00	0.00	(667.15)	0.00	0.00%
3130 General Sales and Use Taxes	210,222.90	18,231.92	220,217.09	204,325.00	107.78%
3140 Energy and Communication Taxes	55,840.46	3,313.29	55,232.32	45,000.00	122.74%
3150 RAP Tax	18,837.28	2,024.18	20,885.67	18,000.00	116.03%
3160 Transient Taxes	23,604.40	2,130.34	22,086.72	18,000.00	122.70%
3180 Fuel Tax Refund	0.00	0.00	937.63	0.00	0.00%
3190 Highway/Transit Tax	19,842.99	1,700.06	20,018.98	17,100.00	117.07%
Total Taxes	**501,013.34**	**29,682.91**	**515,544.68**	**497,425.00**	**103.64%**
Licenses and permits					
3210 Business Licenses	19,915.76	0.00	17,320.00	10,500.00	164.95%
3221 Building Permits-Fee	42,643.87	2,467.26	63,295.38	45,000.00	140.66%
3222 Building Permits-Non Surcharge	13,886.29	2,240.61	29,906.02	7,750.00	385.88%
3224 Building Permits Surcharge	58.57	3.70	86.92	100.00	86.92%
3225 Animal Licenses	543.11	0.00	910.00	500.00	182.00%
Total Licenses and permits	**77,047.60**	**4,711.57**	**111,518.32**	**63,850.00**	**174.66%**
Intergovernmental revenue					
3343 EMS Medical Supply Reimbursements	0.00	2,283.63	2,283.63	0.00	0.00%
3356 Class "C" Road Allotment	136,113.08	0.00	139,934.71	112,000.00	124.94%
3358 Liquor Control Profits	1,484.69	0.00	1,905.98	1,100.00	173.27%
Total Intergovernmental revenue	**137,597.77**	**2,283.63**	**144,124.32**	**113,100.00**	**127.43%**
Charges for services					
3230 Special Event Permit	8,150.00	0.00	11,400.00	1,000.00	1,140.00%
3410 Clerical Services	344.20	0.00	1,038.91	400.00	259.73%
3416 Other Interdepartmental Charges	47,000.00	0.00	3,003.75	0.00	0.00%
3431 Zoning and Subdivision Fees	59,367.22	900.00	70,376.90	20,000.00	351.88%
3440 Solid Waste	65,322.52	6,215.84	70,191.22	51,000.00	137.63%
3440.5 Paperless Bill Credit	(3,398.42)	(442.50)	(5,314.50)	(3,000.00)	177.15%
3441 Storm Drainage	51,352.11	4,525.46	53,012.78	49,000.00	108.19%
3461 GRAMA Requests	22.62	0.00	0.00	100.00	0.00%
3470 Park and Recreation Fees	0.00	0.00	225.00	100.00	225.00%
3481 Sale of Cemetery Lots	0.00	600.00	600.00	0.00	0.00%
3482 Cemetery Perpetual Care	0.00	300.00	300.00	0.00	0.00%
3489 Other Cemetery Revenue	0.00	4,230.00	4,230.00	0.00	0.00%
3615 Late Charges/Other Fees	551.88	599.12	3,329.47	1,000.00	332.95%
Total Charges for services	**228,712.13**	**16,927.92**	**212,393.53**	**119,600.00**	**177.59%**
Fines and forfeitures					
3510 Fines	7,885.40	0.00	6,939.77	5,000.00	138.80%
Total Fines and forfeitures	**7,885.40**	**0.00**	**6,939.77**	**5,000.00**	**138.80%**
Interest					
3610 Interest Earnings	58,317.45	52.69	52,536.13	45,000.00	116.75%
Total Interest	**58,317.45**	**52.69**	**52,536.13**	**45,000.00**	**116.75%**
Miscellaneous revenue					
3375 Lease Revenue	5.00	0.00	0.00	0.00	0.00%
3640 Sale of Capital Assets	0.00	0.00	4,500.00	20,000.00	22.50%
3690 Sundry Revenue	6,182.26	210.60	(3,899.18)	5,000.00	-77.98%
3692 Fire Department Fundraisers/Donations	0.00	0.00	100.00	0.00	0.00%
3697 Park Department Fundraisers	270.00	0.00	0.00	0.00	0.00%
3801.1 Impact fees - Fire	27,292.00	844.00	9,284.00	6,800.00	136.53%
3801.3 Impact fees - Roadways	23,940.00	2,660.00	29,260.00	24,600.00	118.94%
3801.6 Impact fees - Storm Water	73,255.61	2,897.33	8,813.20	31,000.00	28.43%
3801.7 Impact fees - Parks, Trails, OS	6,525.00	725.00	7,975.00	6,600.00	120.83%
3801.91 Commercial Impact Fees - Storm Water	4,328.69	0.00	(4,328.69)	5,000.00	-86.57%
3801.92 Commercial Impact Fees - Transportation	18,101.72	0.00	13,622.12	15,000.00	90.81%
3801.93 Commercial Impact Fees - Fire/EMS	58,178.02	0.00	58,595.41	60,000.00	97.66%
Total Miscellaneous revenue	**218,078.30**	**7,336.93**	**123,921.86**	**174,000.00**	**71.22%**
Total Revenue:	**1,228,651.99**	**60,995.65**	**1,166,978.61**	**1,017,975.00**	**114.64%**
Expenditures:					
General government					
Council					

Town of Apple Valley
Operational Budget Report
10 General Fund - 07/01/2025 to 06/30/2026
100.00% of the fiscal year has expired

	Prior YTD	Current Period	Current YTD	Annual Budget	Percent Used
4111.110 Council/PC Salaries and Wages	6,986.98	1,900.00	9,346.60	13,000.00	71.90%
4111.130 Council/PC Employee benefits	1,177.59	217.77	1,293.38	1,000.00	129.34%
4111.610 Council Donations and Discretionary Spending	0.00	0.00	19.93	5,000.00	0.40%
Total Council	**8,164.57**	**2,117.77**	**10,659.91**	**19,000.00**	**56.10%**
Administrative					
4141.110 Admin Salaries and Wages	117,173.07	9,410.38	87,731.06	80,800.00	108.58%
4141.130 Admin Employee Benefits	22,942.33	1,991.46	15,187.29	10,000.00	151.87%
4141.140 Admin Employee Retirement - GASB 68	12,209.64	531.17	7,171.75	5,500.00	130.40%
4141.210 Admin Dues, Subs & Memberships	12,517.68	149.81	13,467.86	11,000.00	122.44%
4141.220 Admin Public Notices	1,434.41	0.00	(52.75)	100.00	-52.75%
4141.230 Admin Training	639.89	0.00	100.00	1,000.00	10.00%
4141.240 Admin Office/Administrative Expense	21,045.59	3,539.52	36,060.82	15,000.00	240.41%
4141.241 Sales Tax Paid (In Error/ Refundable)	0.00	0.00	92.04	0.00	0.00%
4141.245 Sponsored/ Donated	0.00	0.00	927.52	0.00	0.00%
4141.250 Admin Equipment Expenses	20,281.16	522.34	14,944.52	13,000.00	114.96%
4141.260 Admin Building & Ground Maintenance	12,659.14	496.13	7,117.81	4,500.00	158.17%
4141.270 Admin Utilities	17,006.05	1,290.81	17,214.38	18,000.00	95.64%
4141.280 Admin Telephone and Internet	5,409.64	556.23	6,635.15	5,000.00	132.70%
4141.290 Admin Postage	3,450.36	0.00	2,937.22	3,700.00	79.38%
4141.320 Admin Engineering Fees	6,155.90	0.00	3,717.35	1,000.00	371.74%
4141.330 Admin Legal Fees	38,141.69	1,437.50	61,055.98	80,000.00	76.32%
4141.335 Prior Year Legal Fees	0.00	0.00	50,000.00	50,000.00	100.00%
4141.340 Admin Accounting & Auditing	36,425.00	1,212.50	40,571.37	30,000.00	135.24%
4141.350 Admin Building/Zoning/Planning Fees	32,223.05	4,337.50	50,104.50	27,000.00	185.57%
4141.390 Admin Bank Service Charges	135.00	42.00	134.00	200.00	67.00%
4141.410 Admin Insurance	14,723.09	0.00	12,869.15	16,000.00	80.43%
4141.490 Admin Travel Reimbursements	2,270.93	0.00	782.67	2,000.00	39.13%
4141.500 Admin Weed Abatement	2,415.00	1,610.00	1,785.00	0.00	0.00%
4141.610 Bad Debt Expense	(20.00)	0.00	0.00	0.00	0.00%
4141.740 Admin Capital Outlay	0.00	0.00	6,950.12	0.00	0.00%
4170 Elections	0.00	0.00	1,455.90	1,500.00	97.06%
Total Administrative	**379,238.62**	**27,127.35**	**438,960.71**	**375,300.00**	**116.96%**
Total General government	**387,403.19**	**29,245.12**	**449,620.62**	**394,300.00**	**114.03%**
Public safety					
Police					
4210.110 Police Salaries & Wages/Contract	11,763.16	0.00	15,000.00	30,000.00	50.00%
Total Police	**11,763.16**	**0.00**	**15,000.00**	**30,000.00**	**50.00%**
Fire					
4220.110 Fire Salaries & Wages	62,186.98	7,812.16	81,093.48	70,000.00	115.85%
4220.130 Fire Employee Benefits	7,463.92	414.02	11,910.53	12,000.00	99.25%
4220.135 Fire Employee Retirement - GASB 68	10,588.58	954.61	11,659.84	11,100.00	105.04%
4220.150 Fire Contract Expense	3,492.00	0.00	7,020.00	4,000.00	175.50%
4220.210 Fire Dues, Subscriptions & Memberships	2,124.74	0.00	235.00	1,800.00	13.06%
4220.230 Fire Travel, Mileage & Cell	1,775.44	0.00	350.00	600.00	58.33%
4220.240 Fire Office & Other Expenses	2,634.11	141.02	1,212.54	2,000.00	60.63%
4220.250 Fire Equipment Maintenance & Repairs	165,282.46	0.00	9,481.72	8,000.00	118.52%
4220.255 Fire Improvements	1,260.00	0.00	0.00	0.00	0.00%
4220.260 Fire Rent Expense	6,000.00	0.00	6,000.00	6,000.00	100.00%
4220.360 Fire Training	1,352.04	0.00	1,300.12	2,100.00	61.91%
4220.450 Fire Small Equip/Supplies	13,302.61	0.00	10,260.65	15,000.00	68.40%
4220.455 EMS Medical Supplies	2,214.68	0.00	1,513.27	3,000.00	50.44%
4220.460 Fire Supplies-Fundraisers	0.00	0.00	0.00	500.00	0.00%
4220.465 Fire Gear	8,910.08	0.00	9,271.51	10,000.00	92.72%
4220.480 Fire Mitigation MOU Expenditures	0.00	0.00	0.00	15,000.00	0.00%
4220.560 Fire Equipment Fuel	3,662.75	0.00	3,803.13	2,500.00	152.13%
4220.740 Fire Capital Outlay	22,231.25	0.00	6,578.72	0.00	0.00%
Total Fire	**314,481.64**	**9,321.81**	**161,690.51**	**163,600.00**	**98.83%**
Total Public safety	**326,244.80**	**9,321.81**	**176,690.51**	**193,600.00**	**91.27%**
Highways and public improvements					
Highways					
4410.110 Road Wages and Contract Labor	3,366.50	0.00	422.50	3,000.00	14.08%
4410.130 Road Employee Benefits	256.41	0.00	32.20	200.00	16.10%
4410.275 Road Improvements	850.00	0.00	0.00	0.00	0.00%
4410.450 Road Department Supplies	1,453.35	140.76	7,038.62	1,000.00	703.86%

Town of Apple Valley
Operational Budget Report
10 General Fund - 07/01/2025 to 06/30/2026
100.00% of the fiscal year has expired

	Prior YTD	Current Period	Current YTD	Annual Budget	Percent Used
4410.810 Road Principal	36,000.00	0.00	37,000.00	36,000.00	102.78%
4410.820 Road Interest	27,243.41	0.00	26,375.00	27,275.00	96.70%
4415.110 Public Works Wages and Contract Labor	67,917.50	3,607.50	55,467.76	52,500.00	105.65%
4415.130 Public Works Employee Benefits	8,627.44	1,275.60	12,276.46	7,500.00	163.69%
4415.140 Public Works Employee Retirement - GASB 68	7,340.82	448.93	7,759.32	4,750.00	163.35%
4415.450 Public Works Supplies	7,739.35	31.99	9,998.70	6,000.00	166.65%
4415.550 Public Works Equipment Maintenance	4,264.64	0.00	11,119.80	3,000.00	370.66%
4415.560 Public Works Equipment Fuel	5,383.44	0.00	5,735.13	2,000.00	286.76%
4415.570 Public Works Travel, Mileage, Cell	0.00	0.00	0.00	500.00	0.00%
4415.615 Storm Drainage Improvements	5,805.60	0.00	6,900.00	15,000.00	46.00%
4415.740 Public Works Capital Outlay	65,922.30	0.00	0.00	0.00	0.00%
Total Highways	**242,170.76**	**5,504.78**	**180,125.49**	**158,725.00**	**113.48%**
Sanitation					
4420.460 Solid Waste Service	66,131.10	6,630.26	71,105.94	51,000.00	139.42%
Total Sanitation	**66,131.10**	**6,630.26**	**71,105.94**	**51,000.00**	**139.42%**
Total Highways and public improvements	**308,301.86**	**12,135.04**	**251,231.43**	**209,725.00**	**119.79%**
Parks, recreation, and public property					
Parks					
4540.110 Park/Rec Wages and Contract Labor	3,355.50	0.00	179.50	2,000.00	8.98%
4540.130 Park/Rec Employee Benefits	255.75	0.00	13.62	200.00	6.81%
4540.250 Park/Rec Department Expenses	678.59	0.00	150.00	1,000.00	15.00%
4540.460 Park/Rec Community Events Supplies	1,304.74	38.95	586.28	4,000.00	14.66%
4540.745 Park Improvements	1,641.07	0.00	0.00	0.00	0.00%
Total Parks	**7,235.65**	**38.95**	**929.40**	**7,200.00**	**12.91%**
Cemetery					
4590.460 Cemetery Supplies and Equipment	0.00	0.00	3,888.22	0.00	0.00%
Total Cemetery	**0.00**	**0.00**	**3,888.22**	**0.00**	**0.00%**
Total Parks, recreation, and public property	**7,235.65**	**38.95**	**4,817.62**	**7,200.00**	**66.91%**
Transfers					
4804 Transfer to Fund Balance	0.00	0.00	0.00	79,150.00	0.00%
4807 Transfer to Assigned Balance - Fire Impact Fees	0.00	0.00	0.00	(69,700.00)	0.00%
4809 Transfer to Assigned Balance - Roadway Impact Fee	0.00	0.00	0.00	(60,400.00)	0.00%
4810 Transfer to Assigned Balance -Storm Water Imp Fee	0.00	0.00	0.00	(64,000.00)	0.00%
4811 Transfer to Assigned Balance - Parks & Rec Fees	0.00	0.00	0.00	(43,400.00)	0.00%
Total Transfers	**0.00**	**0.00**	**0.00**	**(158,350.00)**	**0.00%**
Total Expenditures:	**1,029,185.50**	**50,740.92**	**882,360.18**	**646,475.00**	**136.49%**
Total Change In Net Position	**199,466.49**	**10,254.73**	**284,618.43**	**371,500.00**	**76.61%**

Town of Apple Valley
Operational Budget Report
51 Water Operations Fund - 07/01/2025 to 06/30/2026
100.00% of the fiscal year has expired

	Prior YTD	Current Period	Current YTD	Annual Budget	Percent Used
Income or Expense					
Income from Operations:					
Operating income					
5140 Water sales	590,311.58	58,987.30	609,918.80	670,000.00	91.03%
5150 Water standby fees	42,673.84	3,450.00	41,878.72	32,000.00	130.87%
5310 Connection fees	8,620.00	0.00	14,975.83	6,700.00	223.52%
5410 Late penalties and fees	4,638.65	0.00	691.04	3,000.00	23.03%
5490 Other operating income	(571.59)	252.00	1,511.55	2,250.00	67.18%
Total Operating income	**645,672.48**	**62,689.30**	**668,975.94**	**713,950.00**	**93.70%**
Operating expense					
6010 Clerical Contractor labor	258.28	0.00	0.00	300.00	0.00%
6011 Town Payroll Services	47,000.00	0.00	3,000.00	3,000.00	100.00%
6013 Water Salaries and Wages	61,154.00	15,607.61	190,111.78	228,300.00	83.27%
6014 Water Benefits	20,853.12	3,866.47	39,626.05	32,500.00	121.93%
6014.5 Water Employee Retirement - GASB 68	0.00	1,957.66	21,815.96	20,250.00	107.73%
6023 Travel	0.00	0.00	46.40	500.00	9.28%
6024 Training	1,332.76	0.00	4,612.18	1,200.00	384.35%
6025 Books/Subscriptions/Memberships	4,612.00	0.00	2,056.25	4,000.00	51.41%
6030 Office supplies and expenses	2,767.35	157.50	3,147.98	3,000.00	104.93%
6031 Sponsored/ Donated Water	0.00	168.48	423.72	0.00	0.00%
6032 Postage	0.00	0.00	159.93	200.00	79.97%
6035 Bank service charges	2.50	0.00	10.00	100.00	10.00%
6040 Professional service	1,842.30	0.00	9,713.75	15,000.00	64.76%
6043 Accounting & Audit fees	12,350.00	0.00	10,047.18	10,000.00	100.47%
6044 Water test	7,558.54	90.00	2,595.00	5,000.00	51.90%
6045 Legal fees	17,706.50	0.00	9,490.00	20,000.00	47.45%
6050 Water System maintenance and repairs	19,339.33	2,737.95	42,685.59	15,000.00	284.57%
6051 Water System equipment	5,302.10	0.00	2,817.30	12,000.00	23.48%
6052 Well maintenance and repairs	23,544.59	4,300.00	11,495.15	20,000.00	57.48%
6053 Tank maintenance and repairs	434.23	9.59	11,755.33	11,000.00	106.87%
6054 Hydrant Testing & Maintenance	29.18	0.00	1,746.25	0.00	0.00%
6060 Water Equipment Costs Other than Fuel	6,737.32	1,734.00	14,905.89	1,000.00	1,490.59%
6061 Water Equipment Fuel	4,915.22	0.00	3,756.21	6,000.00	62.60%
6067 Utilities	24,053.07	3,733.38	27,510.25	20,000.00	137.55%
6068 Telephone & Internet	106.26	59.25	716.94	0.00	0.00%
6070 Water Dept Insurance	9,154.86	0.00	11,416.98	12,000.00	95.14%
6095 Depreciation expense	157,448.50	13,446.02	160,832.22	165,000.00	97.47%
Total Operating expense	**428,502.01**	**47,867.91**	**586,494.29**	**605,350.00**	**96.89%**
Total Income from Operations:	**217,170.47**	**14,821.39**	**82,481.65**	**108,600.00**	**75.95%**
Non-Operating Items:					
Non-operating income					
5510 Grants	35,200.00	0.00	0.00	0.00	0.00%
5511 Federal grant revenue - pipeline	3,457,252.30	0.00	23,819.97	0.00	0.00%
5520 Impact fees	71,152.00	0.00	106,201.85	90,000.00	118.00%
5610 Interest income	53,128.97	5.89	30,331.81	12,000.00	252.77%
5680 Contributed capital revenue	13,470.00	0.00	0.00	0.00	0.00%
5690 Sundry Revenue	500.00	0.00	13,422.85	500.00	2,684.57%
Total Non-operating income	**3,630,703.27**	**5.89**	**173,776.48**	**102,500.00**	**169.54%**
Non-operating expense					
6080 Interest expense	85,467.37	6,682.11	83,769.65	83,110.00	100.79%
Total Non-operating expense	**85,467.37**	**6,682.11**	**83,769.65**	**83,110.00**	**100.79%**
Total Non-Operating Items:	**3,545,235.90**	**(6,676.22)**	**90,006.83**	**19,390.00**	**464.19%**
Total Income or Expense	**3,762,406.37**	**8,145.17**	**172,488.48**	**127,990.00**	**134.77%**

Town of Apple Valley

WATER USAGE ANALYSIS

	COMPARABLE ACCTS			TOTAL SYSTEM		
	2024/2025	2023/2024	Over/ (Under)	2024/2025	2023/2024	Over/ (Under)
JUL 2024	5,636,140	4,175,649	1,460,491	8,878,424	5,479,963	3,398,461
AUG	5,668,974	5,186,555	482,419	6,948,130	6,109,615	838,515
SEP	5,312,309	3,383,692	1,928,617	6,979,299	3,797,812	3,181,487
OCT	4,579,587	4,317,647	261,940	5,271,210	4,543,937	727,273
NOV	2,732,446	3,051,942	(319,496)	3,062,903	3,157,262	(94,359)
DEC	2,557,924	2,496,641	61,283	2,785,854	2,524,351	261,503
JAN 2025	2,021,606	1,929,335	92,271	2,958,671	2,217,125	741,546
FEB	2,135,835	1,628,010	507,825	2,668,605	1,648,950	1,019,655
MAR	2,259,604	2,204,640	54,964	3,479,383	2,530,120	949,263
APR	4,352,473	3,847,822	504,651	4,705,353	4,124,592	580,761
MAY	6,299,814	6,147,165	152,649	6,819,479	6,512,172	307,307
JUNE	7,325,980	6,882,997	442,983	7,670,940	7,313,637	357,303
FY2025 SUBTOTALS	50,882,692	45,252,095	5,630,597	62,228,251	49,959,536	12,268,715
	2025/2026	2024/2025	Over/ (Under)	2025/2026	2024/2025	Over/ (Under)
JUL 2025	9,396,900	8,198,934	1,197,966	10,378,670	8,652,204	1,726,466
AUG	6,847,030	6,257,214	589,816	7,169,566	6,800,544	369,022
SEP	5,034,777	5,888,649	(853,872)	5,699,327	6,734,429	(1,035,102)
OCT	4,124,813	4,516,150	(391,337)	4,712,513	5,077,500	(364,987)
NOV	2,516,390	2,504,533	11,857	2,878,660	2,938,073	(59,413)
DEC	2,604,090	2,477,014	127,076	2,921,830	2,700,644	221,186
JAN 2026	1,973,560	2,063,501	(89,941)	2,169,880	2,864,171	(694,291)
FEB	2,011,540	2,099,255	(87,715)	2,226,330	2,571,286	(344,956)
MAR	3,387,490	2,257,789	1,129,701	3,717,903	3,392,842	325,061
APR	4,719,197	4,311,773	407,424	5,530,854	4,493,753	1,037,101
May	6,988,773	6,120,934	867,839	8,047,833	6,608,349	1,439,484
JUNE	7,113,580	7,415,080	(301,500)	8,286,370	7,430,970	855,400
FY2026 SUBTOTALS	56,718,140	54,110,826	2,607,314	63,739,736	60,264,765	3,474,971

Comparable Accounts: Had usage in both years
Total System: All usage

TOWN COUNCIL HEARING AND MEETING

1777 N Meadowlark Dr, Apple Valley
Wednesday, June 17, 2026 at 6:00 PM

MINUTES

CALL TO ORDER, PLEDGE OF ALLEGIANCE, PRAYER

The Town Council meeting was called to order by Mayor Farrar at 6:00 PM. The Pledge of Allegiance and an invocation were offered.

ROLL CALL, PRESENT

Mayor Michael Farrar
Council Member Kevin Sair
Council Member Annie Spendlove
Council Member Scott Taylor
Council Member Richard Palmer

DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest were disclosed.

MAYOR'S TOWN UPDATE & REPORTS, RECOMMENDATIONS, AND ANNOUNCEMENTS

The Mayor provided updates regarding Town projects, including the completion and readiness of the new cemetery, progress on the million-gallon water tank project, efforts to improve Gooseberry roads, ongoing impact fee studies, transportation planning, and work on the Merritt Well.

PUBLIC COMMENTS: 3 MINUTES EACH - DISCRETION OF MAYOR FARRAR

1. Parks and Recreation Survey.

   The Mayor indicated that public comment on the Parks and Recreation Survey would be reopened following presentation of the survey results.

PUBLIC HEARING

2. Ordinance O-2026-14, Repeal and Replace Title 14.13 Cemeteries.

   The Mayor opened the public hearing for Ordinance O-2026-14, which proposed repealing and replacing Title 14.13 Cemeteries. The Mayor explained that the ordinance would simplify the Town's cemetery regulations and better align them with current cemetery operations. No public comments were received. The public hearing was closed.

3. Resolution R-2026-20, Water Rate Increase - Amend Title 01.20.010 Residential of Appendix A Schedule Of Water Rates, Fees, And Charges.

   The public hearing was opened regarding proposed amendments to residential water rates. The Mayor indicated that a detailed explanation would be provided during the discussion and action portion of the meeting. No public comments were received, and the hearing was closed.

4. Resolution R-2026-18, Amending the Town Fee Schedule relating to Water Rates, Solid Waste Fees, Boundary Adjustments, Master Development Agreements, Water Agreements, and Other Agreements requiring Legal, Engineering, or Administrative Review and Establishing After-The-Fact Fees.

The public hearing was opened concerning amendments to the Town fee schedule, including water rates, solid waste fees, boundary adjustments, development agreements, and after-the-fact fees. No public comments were received, and the hearing was closed.

DISCUSSION AND ACTION

5. Parks and Recreation Survey results.

The Mayor presented the results of a Parks and Recreation survey that received approximately 45 verified responses. Survey participants identified walking and biking trails, restroom facilities, shade trees, landscaping, neighborhood parks, and community gathering spaces as top priorities. Cedar Point was frequently identified as an area lacking recreational amenities.

Council Members, staff, and members of the public discussed potential recreational improvements, including:

- Multi-use walking, biking, and equestrian trail systems.
- Connections between Cedar Point and other areas of town through trails.
- Safe crossings or underpasses beneath Highway 59.
- Outdoor fitness stations along trails.
- Community parks, playgrounds, picnic areas, and fishing ponds.
- Pickleball courts, basketball courts, soccer fields, BMX tracks, skate parks, and other youth recreation facilities.
- Equestrian facilities and rodeo grounds.
- Community gardens and petting zoo concepts.
- Archery and shooting range opportunities.
- Preservation of access to public lands and existing trail networks.

Public comments emphasized maintaining access for horseback riders and off-road recreation users, providing recreational opportunities for youth, and pursuing projects that could be implemented in phases as funding becomes available.

The Mayor and staff explained that future recreational improvements would largely depend on impact fee revenue, grants, land acquisition, and coordination with the Bureau of Land Management. No formal action was required on the survey results.

6. Ordinance-O-2026-15, Zone Change from Open Space Transition Zone (OST) to Agricultural 20 Acres Zone (AG-20) for parcel AV-1361-B , AV-1361-C.

*Planning Commission recommended approval on June 10, 2026.

The Council considered a request to rezone two parcels from Open Space Transition (OST) to Agricultural 20 Acres (AG-20). The applicant proposed dividing approximately 60 acres into three 20-acre agricultural lots for family use and future development. The Planning Commission had recommended approval.

MOTION: Council Member Sair motioned that we approve Ordinance-O-2026-15, Zone Change from Open Space Transition Zone to Agricultural 20 Acres Zone (AG-20) for parcels AV-1361-B and AV-1361-C. Planning Commission recommended approval on June 10, 2026.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

7. Ordinance O-2026-16, Zone Change from Open Space Transition Zone (OST) to Agricultural 5 Acres Zone (AG-5) for parcel AV-1378-G.

   *Planning Commission recommended approval on June 10, 2026.

   The Council considered a request to rezone a parcel from Open Space Transition (OST) to Agricultural 5 Acres (AG-5). The applicant sought the flexibility to divide the property into five-acre parcels in the future. The Planning Commission had recommended approval.

MOTION: Council Member Sair motioned we approve Ordinance O-2026-16, Zone Change from Open Space Transition Zone to Agricultural 5 Acres Zone (AG-5) for parcel AV-1378-G. Planning Commission recommended approval on June 10, 2026.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

8. Ordinance O-2026-14, Repeal and Replace Title 14.13 Cemeteries.

   The Council discussed the proposed cemetery ordinance, noting that it simplified regulations and better aligned with the Town’s current cemetery operations.

MOTION: Council Member Sair motioned we approve Ordinance O-2026-14, Repeal and Replace Title 14.13 Cemeteries.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

9. Resolution R-2026-20, Water Rate Increase - Amend Title 01.20.010 Residential of Appendix A Schedule Of Water Rates, Fees, And Charges.

   The Mayor presented and read a memorandum into the record regarding the proposed water rate adjustment. The memorandum is attached hereto as Exhibit A and incorporated by reference. The Mayor explained that water conservation efforts and reduced consumption had reduced water system revenues while operational expenses remained significant. The proposed amendment would restore upper-tier water rates to previously adopted levels and primarily affect high-volume water users. The Council reviewed information regarding water system revenues, expenses, debt obligations, infrastructure needs, and recommendations contained in the Town's Culinary Water Master Plan and guidance from the Utah Division of Drinking Water and other state agencies.

MOTION: Council Member Taylor moved we approve Resolution R-2026-20, Water Rate Increase - Amend Title 01.20.010 Residential of Appendix A Schedule Of Water Rates, Fees, And Charges.
SECOND: The motion was seconded by Council Member Sair.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

10. Resolution R-2026-18, Amending the Town Fee Schedule relating to Water Rates, Solid Waste Fees, Boundary Adjustments, Master Development Agreements, Water Agreements, and Other Agreements requiring Legal, Engineering, or Administrative Review and Establishing After-The-Fact Fees.

    The Council reviewed proposed fee schedule changes, including:

    - A $1.50 monthly increase in residential solid waste fees to offset increased costs charged by Washington County.
    - Increased after-the-fact fees for permits and licenses obtained after work or operations had commenced.
    - New cost-recovery provisions for master development agreements, water agreements, and other projects requiring significant legal, engineering, or administrative review.
    - Boundary adjustment fees related to lot line adjustments.

MOTION: Council Member Taylor moved we approve Resolution R-2026-18, Amending the Town Fee Schedule relating to Water Rates, Solid Waste Fees, Boundary Adjustments, Master Development Agreements, Water Agreements, and Other Agreements requiring Legal, Engineering, or Administrative Review and Establishing After-The-Fact Fees.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

11. Resolution R-2026-19, Adopt Fiscal Year (FY) 2027 Tentative Budget and establish June 30th at 6pm for public hearing date where the public can comment on the tentative budget.

The Council reviewed the proposed Fiscal Year 2027 tentative budget. Staff explained that the budget would be available for public review before final adoption and that a public hearing would be held on June 30, 2026.

MOTION: Council Member Sair motioned we approve Resolution R-2026-19, Adopt Fiscal Year 2027 Tentative Budget and establish June 30th at 6pm for public hearing date where the public can comment on the tentative budget.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

12. Resolution R-2026-22, Approving an Intergovernmental Cooperative Agreement by and between The Town of Colorado City, Arizona and Town of Apple Valley, Utah for Police Services.

The Mayor presented the proposed Intergovernmental Cooperative Agreement between the Town of Colorado City, Arizona and the Town of Apple Valley, Utah for police services. The Mayor explained that the proposal originated from concerns regarding dispatch coordination and emergency response communications between multiple dispatch agencies. Discussion included the Town's current arrangement for supplemental patrol services through the Washington County Sheriff's Office, associated costs, and challenges related to citation revenue distribution and court processing.

The Mayor reported that the proposed agreement would provide law enforcement response services for calls within Apple Valley, improve dispatch coordination, and establish targeted traffic enforcement along State Route 59. The Mayor stated that the agreement would focus on traffic safety concerns, including speeding, unsafe passing, and other hazardous driving behaviors that have generated significant public concern. The Mayor noted that the proposed arrangement would initially provide part-time highway enforcement and emergency response services, with the potential to expand services in the future if warranted.

Council discussion included the cost of the agreement, anticipated benefits to public safety, improved local coordination, and the ability to address traffic-related concerns on State Route 59. Council Members expressed support for pursuing a local law enforcement partnership and improving roadway safety.

MOTION: Council Member Sair motioned we approve Resolution R-2026-22, Approving an Intergovernmental Cooperative Agreement by and between The Town of Colorado City, Arizona and Town of Apple Valley, Utah for Police Services.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

13. Resolution R-2026-21, Approving an Interlocal Cooperation Agreement for Justice Court Services between Hildale City and Apple Valley.

The Council considered an interlocal cooperation agreement with Hildale City for justice court services. The agreement would provide a revised structure for handling citations and court-related expenses.

MOTION: Council Member Taylor moved we approve Resolution R-2026-21, Approving an Interlocal Cooperation Agreement for Justice Court Services between Hildale City and Apple Valley.
SECOND: The motion was seconded by Council Member Sair.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

14. Formally accept a donation in the amount of $4,230.00. These funds were received from the gold coin that the Council previously authorized the Mayor to redeem. It is unknown who originally donated the gold coin.

    The Council formally accepted $4,230 in funds generated from the redemption of a gold coin previously authorized for liquidation. The original donor of the coin remains unknown. The funds had been designated for cemetery improvements.

MOTION: Council Member Sair motioned to formally accept a donation in the amount of $4,230.00. These funds were received from the gold coin that the Council previously authorized the Mayor to redeem. It is unknown who originally donated the gold coin.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

15. Donation for Town Council Approval.

    The Council considered a donation related to concrete work performed at the fire station. The contractor provided labor and materials at a significantly reduced cost, resulting in an estimated donation value of approximately $10,000.

MOTION: Council Member Taylor moved to approve the Donation for Town Council Approval.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

16. Consideration of Updated URS Tier 2 Public Safety Retirement System Pickup Election.

The Council reviewed an increase in retirement contributions associated with the Fire Chief's public safety retirement plan. The Mayor recommended that the Town continue covering the increased amount due to the Fire Chief's contributions and responsibilities.

MOTION: Council Member Taylor moved to approve the Consideration of Updated URS Tier 2 Public Safety Retirement System Pickup Election.
SECOND: The motion was seconded by Council Member Sair.
VOTE: Mayor Farrar called for a vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

CONSENT AGENDA

17. Minutes: May 20, 2026 - Town Council Hearing and Meeting.
18. April 2026 Water Disbursement Listing.
19. May 2026 Disbursement Listing.
20. Fiscal Year 2026 through May 2026 Budget Report.
21. May 2026 Water Usage Comparison.

The Council reviewed the Consent Agenda, including:

- Minutes of the May 20, 2026 Town Council Hearing and Meeting.
- April 2026 Water Disbursement Listing.
- May 2026 Disbursement Listing.
- Fiscal Year 2026 through May 2026 Budget Report.
- May 2026 Water Usage Comparison.

MOTION: Council Member Spendlove motioned to approve the Consent Agenda.
SECOND: The motion was seconded by Council Member Taylor.
VOTE: Mayor Farrar called for a vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

REQUEST FOR A CLOSED SESSION: IF NECESSARY

No closed session was requested.

ADJOURNMENT

MOTION: Council Member Sair motioned to adjourn.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

Meeting adjourned at 7:31 pm.

Date Approved: ____________________

Approved BY: ______________________
Mayor | Mike Farrar

Attest BY: ____________________
Recorder | Jenna Vizcardo

Exhibit A

Town of Apple Valley UTAH EST 2004

Mayor: Michael Farrar Council Members: Kevin Sair – Annie Spendlove – Scott Taylor – Richard Palmer

1777 North Meadowlark Drive, Apple Valley, Utah 84737
Phone: 435-877-1190 Fax: 435-877-1192
www.applevalleyut.gov

MAYOR'S MEMORANDUM

TO: Apple Valley Town Council
FROM: Mayor Michael Farrar
DATE: June 17, 2026
SUBJECT: Water Rate Adjustment Justification

As the Town of Apple Valley transitions operation of the public water system from the Big Plains Water Special Service District to the newly established Apple Valley Water Department, Town officials have undertaken a review of the system's operational needs, maintenance requirements, and financial sustainability.

During this transition process, staff identified operational challenges and costs associated with the continued delivery of reliable culinary water service. These include water system losses, ongoing maintenance requirements, infrastructure replacement needs, regulatory compliance obligations, emergency repair preparedness, debt and the establishment of appropriate operational and capital reserves.

Based on information provided by staff and system operators, the current rate structure may not generate sufficient revenue to adequately support the long-term operation, maintenance, repair, and replacement of water system infrastructure while maintaining appropriate reserves for unexpected expenditures and future capital improvements.

If you remember back in October of 2025 as a town council, we voted to approve an upper tier level water rate reduction. We did this in hopes of being able to cut some cost, reduce expenses in the budget and have enough water system revenue to cover the yearly expenditures. On paper it looked like it might work. We felt it was worth trying. However, after fiscal year 2026 coming to an end we have seen that the numbers didn't go as planned and we will need additional revenue to cover water system expenses.

I wanted to share some quantitative analysis I used to develop the proposed rate increases. The annual water system revenue for 2025 fiscal year was $725k. For 2026 fiscal year we are looking at about $650k. We have been able to lower our annual operating expense down to about $700k. That leaves us short about $50k to cover our annual operating expenses. Increasing these upper tier levels of water usage back to where they originally were last year before we lowered the top tier rates would affect approximately 40 customers of our approximate 450 water connections and generate an estimated additional annual amount of $40k.

Some other information that was utilized in my quantitative analysis is the AV water system has a debt of about $4million dollars. Tiered rates are utilized to promote water conservation. I also compared the tiered rates to other nearby cities/towns (St. George, Leeds, Hurricane, Hilldale, Colorado City) and even with the increase our tiered rates will be lower than other neighboring cities/towns. This rate increase also puts us in line with the with the recommended rates addressed in the Culinary Water Masterplan performed by Sunrise Engineering in July of 2023 as well as recommendations by the Utah State Division of Drinking Water.

The proposed water rate adjustment is intended to better align water system revenues with the actual costs of providing service, preserve the financial stability of the utility, and ensure the Town's ability to maintain a safe and reliable water supply for current and future customers.

The Town Council is asked to consider the proposed rate adjustment in light of these operational and financial considerations and determine whether the revised rate structure is in the best interest of the water system and its customers.

Respectfully submitted,

Michael Farrar
Mayor
Town of Apple Valley

SPECIAL TOWN COUNCIL HEARING AND MEETING

1777 N Meadowlark Dr, Apple Valley
Tuesday, June 30, 2026 at 6:00 PM

MINUTES

CALL TO ORDER, PLEDGE OF ALLEGIANCE, PRAYER

The Town Council meeting was called to order by Mayor Farrar at 6:00 PM. The Pledge of Allegiance and an invocation were offered.

ROLL CALL, PRESENT

Mayor Michael Farrar
Council Member Kevin Sair
Council Member Annie Spendlove
Council Member Scott Taylor
Council Member Richard Palmer

DECLARATION OF CONFLICTS OF INTEREST

No conflicts of interest were disclosed.

MAYOR'S TOWN UPDATE & REPORTS, RECOMMENDATIONS, AND ANNOUNCEMENTS

1. State of the Town Address

   The Mayor provided a comprehensive update regarding the Town's ongoing water supply emergency and the actions taken to stabilize the municipal water system. The Mayor explained that, following previous discussions regarding drilling a replacement well, the Town instead contracted with a well drilling company to rehabilitate the existing Merritt Well. The rehabilitation successfully restored the well to service, although it was not producing at its previous capacity. The Mayor reported that operational testing indicated irrigation from a nearby agricultural pivot significantly affected water levels in the Merritt Well. After the irrigation pivot was temporarily shut down in coordination with the farmer, water levels recovered substantially, leading the Town to conclude that irrigation pumping was contributing to the immediate decline in available groundwater. The Mayor emphasized that the agricultural operator had obtained the necessary state approvals, had complied with applicable regulations, and had cooperated with the Town throughout the emergency. The Mayor stated that the broader issue was believed to result from prolonged drought conditions combined with groundwater studies that no longer reflected current conditions.

   The Mayor described the emergency measures taken to stabilize the water system, including maximizing storage tank levels, requesting voluntary water conservation from residents, temporarily taking the Gregersen Well out of service for rehabilitation, and rehabilitating the well to improve production. These efforts increased available water production and stabilized the municipal water supply.

   The Mayor explained that Utah's groundwater permitting process limited the Town's authority to restrict neighboring groundwater use and discussed ongoing coordination with state agencies, water officials, neighboring property owners, and the agricultural operator regarding the irrigation well. The Mayor stated that the Town continued pursuing all available legal and administrative options to protect the municipal water supply.

The Mayor reviewed the Town's long-term strategy to improve water reliability. The Town had secured approximately $2 million in federal funding, subject to applicable grant requirements, to develop additional municipal water sources. The Mayor explained that the funding would be used in conjunction with the updated U.S. Geological Survey (USGS) aquifer study to identify potential well locations, develop additional municipal wells on separate aquifers if feasible, construct connecting pipelines, and improve redundancy within the Town's water system. The Mayor also reported that construction of the Town's new one-million-gallon water storage tank remained scheduled to begin in August.

The Mayor informed the Council that a local state of emergency had been declared to qualify the Town for emergency assistance, expedite state agency support, and accelerate completion of the updated aquifer study. The Mayor explained that future well locations would be determined using geological data, well logs, aquifer studies, water quality testing, engineering analysis, and coordination with property owners for necessary easements.

The Mayor stated that water conservation would become an ongoing priority due to continued drought conditions and advised that a formal water conservation plan was being developed. While voluntary conservation remained the preferred approach, mandatory restrictions and enforcement could become necessary if water conditions worsened.

The Mayor announced that, due to statewide drought conditions and elevated wildfire risk, fireworks would not be permitted within Apple Valley during the Independence Day holiday. The Mayor explained that the decision was based on public safety concerns and advised that law enforcement agencies would actively enforce the prohibition.

Council Members expressed support for protecting the Town's water resources, encouraging residents to work with state representatives regarding groundwater management, and continuing efforts to improve the Town's long-term water reliability.

During the discussion, the Mayor also informed attendees that the Town had recently been served with litigation related to a previously discussed development matter and stated that the Town intended to continue protecting the community's water resources and interests through the appropriate legal process.

PUBLIC COMMENTS: 3 MINUTES EACH - DISCRETION OF MAYOR FARRAR

Members of the public asked questions regarding the water emergency, including irrigation wells, groundwater conditions, future well development, water rights, municipal growth, conservation efforts, water quality, communication methods, and future water availability. The Mayor responded by explaining the Town's emergency operations, groundwater conditions, legal limitations under state law, coordination with state agencies, infrastructure planning, and ongoing emergency response efforts. The Mayor also addressed questions regarding a temporary sulfur odor in the water, explaining that it resulted from recently accessed groundwater, met state drinking water standards, and was expected to diminish over time.

PUBLIC HEARING

2. Resolution R-2026-24, Adopting the Fiscal Year 2027 Budget.

   Mayor Farrar opened the public hearing. No public comments. Mayor Farrar closed the public hearing.

DISCUSSION AND ACTION

3. Resolution R-2026-24, Adopting the Fiscal Year 2027 Budget.

   The Mayor stated that no changes had been made to the tentative Fiscal Year 2027 Budget following its previous presentation and public review, and no comments had been received during the public hearing.

MOTION: Council Member Sair moved to approve Resolution R-2026-24, Adopting the Fiscal Year 2027 Budget.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

4. Resolution R-2026-23, Declaring a Water Supply Emergency and Authorizing Emergency Expenditures.

The Mayor presented Resolution R-2026-23 declaring a water supply emergency and authorizing emergency expenditures associated with the Town's water system. The Mayor explained that the original emergency response included plans to drill a replacement well; however, rehabilitation of the existing Merritt Well eliminated the need for a new well. Emergency expenditures instead included rehabilitation of the Merritt and Gregersen Wells, pump and motor work, well rehabilitation services, a shipping container necessary to facilitate access to the well site, and other associated emergency costs. Additional invoices from the electrical contractor and SCADA contractor remained outstanding, with total emergency expenditures estimated to remain below $150,000.

The Mayor reported that the Town had applied for available state emergency funding assistance but acknowledged that reimbursement was uncertain. The proposed resolution would authorize emergency expenditures of up to $200,000 related to the water emergency.

Council Member Sair asked for clarification regarding the source of funding for the emergency expenditures and whether the authorization was intended to be temporary. The Mayor explained that the authorization applied to the current emergency, acknowledged exceeding the Mayor's normal purchasing authority due to the urgency of the situation, and stated that the matter was being brought before the Council for formal approval as soon as practical.

Council discussion confirmed that the authorization was intended to address the current emergency while maintaining Council oversight of future expenditures.

MOTION: Council Member Taylor moved to approve Resolution R-2026-23, Declaring a Water Supply Emergency and Authorizing Emergency Expenditures.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a Roll Call vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

REQUEST FOR A CLOSED SESSION: IF NECESSARY

The Mayor determined that a closed session was not necessary.

ADJOURNMENT

MOTION: Council Member Sair moved to adjourn the meeting.
SECOND: The motion was seconded by Council Member Palmer.
VOTE: Mayor Farrar called for a vote:

Council Member Taylor - Aye
Council Member Sair - Aye
Mayor Farrar - Aye
Council Member Spendlove - Aye
Council Member Palmer - Aye

The vote was unanimous and the motion carried.

Date Approved: ____________________

Approved BY: _____________________
Mayor | Mike Farrar

Attest BY: ____________________
Recorder | Jenna Vizcardo