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.

Section 2.4. Form of Series 2026D Bond. 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.

Section 3.4. Form of Series 2026E Bond. 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.

Section 5.2. Establishment of Funds. 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.

Section 5.3. 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 5.4. 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 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]