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

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 12, 2026

NEW ISSUE–Book-Entry Only | **Rating: S&P "AA"**
(See "RATING" herein)

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes. The Series 2026 Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. See "TAX MATTERS" in this Official Statement.

HURRICANE CITY, UTAH
$5,600,000*
SALES TAX REVENUE BONDS
SERIES 2026

Dated: Date of Initial Delivery | **Due: March 1, as shown herein**

The $5,600,000* Sales Tax Revenue Bonds, Series 2026 are issued as fully registered bonds by Hurricane City, Utah, and when initially issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, which will act as securities depository for the Series 2026 Bonds. Purchases of the Series 2026 Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Owners of the Series 2026 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2026 Bonds. Interest on the Series 2026 Bonds is payable on March 1 and September 1 of each year, commencing September 1, 2026, by Zions Bancorporation, National Association, as Paying Agent, all as more fully described herein. So long as DTC or its nominee is the registered owner of the Series 2026 Bonds, payments of the principal of and interest on such Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See "THE SERIES 2026 BONDS–Book-Entry Only System" herein.

The Series 2026 Bonds are subject to optional [and sinking fund redemption] prior to maturity. See "THE SERIES 2026 BONDS—Redemption Provisions" herein.

The proceeds of the Series 2026 Bonds will be used by the City for the purpose of (a) financing the construction of a community swimming pool and all related improvements and (b) paying costs of issuance of the Series 2026 Bonds.

The Series 2026 Bonds are special, limited obligations of the City, payable solely from the Revenues, moneys, securities and certain funds and accounts pledged therefor in the Indenture between the City and Zions Bancorporation, National Association, as Trustee. The Revenues consist primarily of the Pledged Sales and Use Taxes, as discussed herein. No assurance can be given that the Revenues will remain sufficient for the payment of the principal of and interest on the Series 2026 Bonds and the City is limited by Utah law in its ability to increase the rate of the Pledged Sales and Use Taxes. See "RISK FACTORS" herein. The Series 2026 Bonds do not constitute a general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State of Utah or any other agency or other political subdivision or entity of the State of Utah. The City will not mortgage or grant any security interest in the improvements financed with the proceeds of the Series 2026 Bonds or any portion thereof to secure payment of the Series 2026 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Series 2026 Bonds will be awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on Wednesday, February 25, 2026, as set forth in the Official Notice of Bond Sale, dated February 12, 2026.

Zions Public Finance is acting as Municipal Advisor to the City.

The Series 2026 Bonds are offered when, as and if issued by the City and received by the successful bidder, subject to the approval of their legality by Gilmore & Bell, P.C., Salt Lake City, Utah, Bond Counsel to the City. Certain matters relating to disclosure will be passed upon for the City by Gilmore & Bell, P.C., Salt Lake City, Utah, disclosure counsel to the City. Certain legal matters will be passed upon for the City by Dayton Hall, Esq., City Attorney. Zions Public Finance Inc. has acted as municipal advisor to the City in connection with the issuance of the Series 2026 Bonds. It is expected that the Series 2026 Bonds, in book-entry only form, will be available for delivery to the Purchaser through the facilities of DTC or its agent on or about March 11, 2026.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. This Official Statement is dated __________, 2026, and the information contained herein speaks only as of that date.

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* Preliminary; subject to change.

HURRICANE CITY, UTAH

$5,600,000*
SALES TAX REVENUE BONDS, SERIES 2026

MATURITIES, AMOUNTS, INTEREST RATES AND PRICES/YIELDS

Due (March 1)	Principal Amount*	Interest Rate	Yield	Price	CUSIP†
2027	$175,000				
2028	180,000				
2029	190,000				
2030	195,000				
2031	205,000				
2032	215,000				
2033	230,000				
2034	240,000				
2035	250,000				
2036	265,000				
2037	280,000				
2038	290,000				
2039	305,000				
2040	320,000				
2041	335,000				
2042	355,000				
2043	370,000				
2044	385,000				
2045	400,000				
2046	415,000				

[$__________ _____% Term Bond maturing March 1, 20___; Price _____%; CUSIP __________]

* Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of The American Bankers Association. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Series 2026 Bonds. Neither the City nor the Trustee is responsible for the selection or use of such CUSIP numbers, and no representation is made as to its correctness on the Series 2026 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions including but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026 Bonds.

No dealer, broker, salesman or any other person has been authorized by the City to give any information or to make any representations, other than those contained in this Official Statement, in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon. This Official Statement does not constitute an offer or solicitation of an offer to buy nor shall there be any sale of the Series 2026 Bonds by any person in any jurisdiction in which it is unlawful for such offer, solicitation or sale.

The information set forth herein has been obtained from the City, DTC, and other sources that are believed to be reliable. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City, or in any other information contained herein since the date hereof.

The yields at which the Series 2026 Bonds are offered to the public may vary from the initial reoffering yields on the inside front cover page of this Official Statement. In connection with this offering, the Purchaser may engage in transactions that stabilize, maintain or otherwise affect market prices of the Series 2026 Bonds. Such transactions, if commenced, may be discontinued at any time.

The Official Statement should be considered in its entirety. No one factor should be considered more or less important than another by reason of its position in this Official Statement. Where statutes, ordinances, reports or other documents are referred to in this Official Statement, reference should be made to those documents for more complete information regarding their subject matter.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Forward-looking statements are included in the Official Statement under the captions "INTRODUCTION," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "SOURCES AND USES OF FUNDS," "FINANCIAL INFORMATION REGARDING HURRICANE CITY," and "RISK FACTORS." The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

THE SERIES 2026 BONDS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE. THE SERIES 2026 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The City maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2026 Bonds.

HURRICANE CITY, UTAH

$5,600,000*
SALES TAX REVENUE BONDS, SERIES 2026

147 North 870 West
Hurricane, Utah 84737
(435) 635-2811

MAYOR AND CITY COUNCIL

Clark Fawcett	Mayor
Drew Ellerman	Council Member
Lynn Excell	Council Member
David Imlay	Council Member
Joseph Prete	Council Member
Amy Werrett	Council Member

CITY ADMINISTRATION

Kaden DeMille	City Manager
Dayton Hall	City Attorney
Cindy Beteag	City Recorder
Paige Chapman	City Finance Manager

TRUSTEE, PAYING AGENT & REGISTRAR

Zions Bancorporation, National Association
One South Main Street, 12th Floor
Salt Lake City, Utah 84133
(801) 844-5428

MUNICIPAL ADVISOR

Zions Public Finance, Inc.
One South Main Street, 18th Floor
Salt Lake City, Utah 84133
(801) 844-7375

BOND COUNSEL & DISCLOSURE COUNSEL

Gilmore & Bell, P.C.
15 West South Temple, Suite 1400
Salt Lake City, Utah 84101
(801) 364-5080

* Preliminary; subject to change.

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OFFICIAL STATEMENT
RELATING TO

HURRICANE CITY, UTAH

$5,600,000*
SALES TAX REVENUE BONDS, SERIES 2026

INTRODUCTION

This Official Statement, including the cover page, introduction, and appendices, provides information in connection with the issuance and sale by the Hurricane City, Utah (the "City") of its $5,600,000* Sales Tax Revenue Bonds, Series 2026 (the "Series 2026 Bonds"), initially issued in book-entry form only. This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2026 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used herein and not otherwise defined are defined in "APPENDIX C—FORM OF GENERAL INDENTURE."

See also the following appendices attached hereto: "APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF HURRICANE CITY WITH INDEPENDENT AUDITORS' REPORT FOR FISCAL YEAR ENDED JUNE 30, 2025"; "APPENDIX B—DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY AND WASHINGTON COUNTY"; "APPENDIX C—FORM OF GENERAL INDENTURE"; "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING"; "APPENDIX E—FORM OF OPINION OF BOND COUNSEL"; and "APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM."

The City

The City is situated approximately eleven miles east of St. George, in Washington County, Utah. The City was incorporated in 1912. The City had 24,753 residents according to the 2024 estimate of the U.S. Census Bureau.

Authorization and Purpose of the Series 2026 Bonds

The Series 2026 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), and other applicable provisions of law; (ii) a resolution adopted by the City Council on November 20, 2025 (the "Resolution") which provides for the issuance of the Series 2026 Bonds; and (iii) a General Indenture of Trust dated as of March 1, 2026 (the "General Indenture"), as supplemented by a First Supplemental Indenture of Trust dated as of March 1, 2026 (the "First Supplemental Indenture," and together with the General Indenture, the "Indenture"), each by and between the City and Zions Bancorporation, National Association, as trustee (the "Trustee").

Proceeds of the Series 2026 Bonds will be used by the City to (i) finance the construction of a community swimming pool and all related improvements (the "Series 2026 Project"), and (ii) pay the costs of issuing the Series 2026 Bonds. See "THE SERIES 2026 PROJECT" and "ESTIMATED SOURCES AND USES OF FUNDS," herein.

Security and Sources of Payment

The Series 2026 Bonds are special, limited obligations of the City, payable solely from and secured solely by a pledge of the hereinafter defined Revenues, monies, securities and certain funds and accounts pledged therefor

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* Preliminary; subject to change.

in the Indenture. "Revenues" consist primarily of the sales and use tax revenues (the "Pledged Sales and Use Taxes") received by City under Title 59, Chapter 12, Part 2 of the Utah Code (the "Local Sales and Use Tax Act").

No assurance can be given that the Revenues will remain sufficient for the payment of the principal or interest on the Series 2026 Bonds and the City is limited by Utah law in its ability to increase the rate of the Pledged Sales and Use Taxes. See "RISK FACTORS" herein. The Series 2026 Bonds do not constitute a general obligation indebtedness, a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in the improvements financed with the proceeds of the Series 2026 Bonds or any portion thereof to secure payment of the Series 2026 Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" herein.

The Pledged Sales and Use Taxes for fiscal year 2025 were $7,602,426 and provide projected coverage of approximately 17* times the estimated maximum annual debt service requirement for the Series 2026 Bonds, assuming that annual Pledged Sales and Use Taxes over the life of the Series 2026 Bonds are maintained at the fiscal year 2025 amount. See "RISK FACTORS" herein for additional information.

Initial Bonds; Additional Bonds

The Series 2026 Bonds are the initial Series of Bonds under the Indenture. The City may issue Additional Bonds or other obligations payable on a parity with the Series 2026 Bonds upon complying with certain requirements set forth in the Indenture. Such Additional Bonds issued under the Indenture together with the Series 2026 Bonds are sometimes collectively referred to herein as the "Bonds." See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Bonds" below.

State Pledge of Nonimpairment

In accordance with Section 11-14-307 of the Act, the State pledges that it will not alter, impair or limit the taxes comprising the Pledged Sales and Use Taxes in a manner that reduces the amounts to be rebated to or collected by the City until obligations secured by such taxes, together with applicable interest, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision shall be made by law for the protection of the holders of such obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—State Pledge of Nonimpairment" and "RISK FACTORS" herein.

However, the City notes that the State's pledge of non-impairment under Section 11-14-307 of the Act has not been interpreted by a court of law and, therefore, the City cannot predict the extent that such provision would (i) be upheld under constitutional or other legal challenge, (ii) protect the current rates and collection of the Pledged Sales and Use Taxes, or (iii) impact any other aspect of Pledged Sales and Use Taxes.

Redemption

The Series 2026 Bonds are subject to optional [and sinking fund] redemption prior to maturity. See "THE SERIES 2026 BONDS—Redemption Provisions" herein.

Registration, Denominations, Manner of Payment

The Series 2026 Bonds are issuable only as fully registered bonds without coupons and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Series 2026 Bonds. Purchases of Series 2026 Bonds will be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants. Beneficial Owners of the Series 2026 Bonds will not be

* Preliminary; subject to change.

entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2026 Bonds.

Principal of and interest on the Series 2026 Bonds (interest payable March 1 and September 1 of each year, commencing September 1, 2026) are payable by Zions Bancorporation, National Association, as paying agent (the "Paying Agent"), to the registered owners of the Series 2026 Bonds. So long as DTC is the registered owner, it will, in turn, remit such principal and interest to its Participants, for subsequent disbursements to the Beneficial Owners of the Series 2026 Bonds, as described under "THE SERIES 2026 BONDS—Book-Entry Only System" herein.

Tax Status

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes, and is not an item of tax preference for purposes of the federal alternative minimum tax. The Series 2026 Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that the interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes.

See "TAX MATTERS" in this Official Statement. Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the Series 2026 Bonds.

Public Sale/Electronic Bid

The Series 2026 Bonds will be awarded pursuant to competitive bidding received by means of the PARITY® electronic bid submission system on Wednesday, February 25, 2026, as set forth in the Official Notice of Bond Sale, dated February 12, 2026.

Conditions of Delivery, Anticipated Date, Manner and Place of Delivery

The Series 2026 Bonds are offered, subject to prior sale, when, as and if issued and received by the Purchaser, subject to approval of legality by Gilmore & Bell, P.C., Bond Counsel to the City, and certain other conditions. Certain matters relating to disclosure will be passed upon for the City by Gilmore & Bell, P.C., Salt Lake City, Utah, disclosure counsel to the City. Certain legal matters will be passed upon for the City by Dayton Hall, Esq., City Attorney. Zions Public Finance, Inc. has acted as municipal advisor to the City in connection with the issuance of the Series 2026 Bonds. It is expected that the Series 2026 Bonds, in book-entry only form, will be available for delivery to DTC or its agent on or about March 11, 2026.

Continuing Disclosure

The City will execute a Continuing Disclosure Undertaking for the benefit of the beneficial owners of the Series 2026 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. See "CONTINUING DISCLOSURE" and "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Basic Documentation

The "basic documentation," which includes the Resolution, the Indenture and other documentation, authorizing the issuance of the Series 2026 Bonds and establishing the rights and responsibilities of the City and other parties to the transaction, may be obtained from the "contact persons" as indicated herein.

Contact Persons

The chief contact person for the City concerning the Series 2026 Bonds is:

Kaden DeMille, City Manager
Hurricane City
147 North 870 West
Hurricane, Utah 84737
(435) 635-2811
kaden@hurricane.utah.gov

The chief contact person for the City's Municipal Advisor concerning the Series 2026 Bonds is:

Mark Anderson, Vice President
Zions Public Finance
One South Main Street 18th Floor
Salt Lake City Utah 84133
(801) 844-7377
mark.anderson@zionsbancorp.com

THE SERIES 2026 BONDS

General

The Series 2026 Bonds will be dated as of their date of delivery and except as otherwise provided in the Indenture, shall bear interest from said date. Interest on the Series 2026 Bonds will be payable semiannually on March 1 and September 1 of each year commencing September 1, 2026. The Series 2026 Bonds are issued as fully registered bonds in denominations of $5,000 or any integral multiple thereof.

The Series 2026 Bonds shall bear interest at the rates and shall mature in each of the years as described on the inside cover page hereof. Interest on the Series 2026 Bonds will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

Interest on the Series 2026 Bonds will be payable by check or draft mailed by the Paying Agent to the Registered Owner thereof (initially DTC) as of the Regular Record Date. Principal of and premium, if any, on the Series 2026 Bonds will be payable at the principal corporate trust office of Zions Bancorporation, National Association, as Trustee and Paying Agent, or its successor upon presentation of the Series 2026 Bonds by the Registered Owners or their duly authorized agents on or after the date of maturity or redemption.

Redemption Provisions

Optional Redemption. The Series 2026 Bonds maturing on or prior to March 1, 2036, are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on or after March 1, 2037, are subject to redemption at the option of the City on March 1, 2036, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the City, at a redemption price equal to 100% of the principal amount of the Series 2026 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.

[Mandatory Sinking Fund Redemption. The Series 2026 Bonds maturing on March 1, 20___, are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund Redemption Date (March 1)	Mandatory Sinking Fund Redemption Amount

____

* Final Maturity Date

Upon redemption of any Series 2026 Bonds maturing on March 1, 20___, other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2026 Bonds maturing on March 1, 20___, respectively, in such order of mandatory sinking fund date as shall be directed by the City.]

Notice of Redemption. In the event any of the Series 2026 Bonds are to be redeemed, the Registrar shall cause notice of redemption to be mailed by first class mail, postage prepaid, to all Registered Owners of Series 2026 Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least 30 days but not more than 60 days prior to the date fixed for redemption.

In addition to the foregoing, further notice of any redemption of Series 2026 Bonds shall be given by the Trustee, simultaneously with or shortly after the mailed notice to Registered Owners, by posting such notice to the MSRB's Electronic Municipal Market Access website or its successors. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

If at the time of mailing of any notice of optional redemption there is not on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice will state that such redemption will be conditioned upon receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Bonds to be redeemed and that if such moneys will not have been so received said notice will be of no force and effect and the City will not be required to redeem such Bonds. In the event that such moneys are not so received, the redemption will not be made and the Trustee will within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

Partially Redeemed Fully Registered Bonds. If fewer than all of a Series 2026 Bond of any one maturity is called for redemption, the particular units of the Bond to be redeemed will be selected by the Trustee by lot in such manner as the Trustee, in its discretion, may deem fair and appropriate. In case any Series 2026 Bond shall be redeemed in part only, upon the presentation of such Series 2026 Bond for such partial redemption, the City will execute and the Trustee will authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the City, a Series 2026 Bond or Bonds of the same interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Series 2026 Bond. A portion of any Series 2026 Bond of a denomination of more than $5,000 to be redeemed will be in the principal amount of $5,000 or an integral multiple thereof and in selecting portions of such Series 2026 Bonds for redemption, the Trustee will treat each such Series 2026 Bond as representing that number of Series 2026 Bonds of $5,000 denomination which is obtained by dividing the principal amount of such Series 2026 Bonds by $5,000.

Book-Entry Only System

The Series 2026 Bonds originally will be issued solely in book-entry form to The Depository Trust Company ("DTC"), New York, New York, or its nominee, Cede & Co., to be held in DTC's book-entry system. So long as such Series 2026 Bonds are held in the book-entry only system, DTC or its nominee will be the registered owner or Holder of such Series 2026 Bonds for all purposes of the Series 2026 Bonds and this Official Statement. Purchases of beneficial ownership interests in the Series 2026 Bonds may be made in denominations described above. For a description of the book-entry only system for the Series 2026 Bonds, see "APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM" herein.

Registration, Transfer and Exchange

In the event that the book-entry-only system has been terminated, the Series 2026 Bonds, upon surrender thereof at the principal corporate trust office of the Trustee with a written instrument of transfer satisfactory to the Trustee, duly executed by the person in whose name it is registered or his duly authorized attorney, may be exchanged for an equal aggregate principal amount of Series 2026 Bonds of the same series, designation, interest rate, and maturity and of any other authorized denominations.

For every such exchange or transfer of the Series 2026 Bonds, the Trustee may make a charge sufficient to reimburse it for any tax or governmental charge required to be paid with respect to such exchange or transfer of the Series 2026 Bonds, but may impose no other charge therefor.

The City and the Trustee shall not be required to issue, transfer, or exchange any Series 2026 Bond after the Regular Record Date with respect to any redemption of such Series 2026 Bond or during a period from and including any Regular Record Date with respect to any interest payment date to and including such interest payment date. The Regular Record Date, for each Interest Payment Date, is the fifteenth day immediately preceding each interest payment date.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Series 2026 Bonds are special, limited obligations of the City, payable solely by a pledge and assignment of the Revenues and moneys on deposit in the funds and accounts (other than the Rebate Fund) established under the Indenture. The Series 2026 Bonds do not constitute a general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State or any other agency or other political subdivision or entity or the State. The City will not mortgage or grant any security interest in the improvements financed or refinanced with the proceeds of the Series 2026 Bonds or any portion thereof to secure payments of the Series 2026 Bonds.

Pledged Sales and Use Taxes

The Local Sales and Use Tax Act provides that each city and town in the State may levy a local sales and use tax of up to 1.00% on the purchase price of taxable goods and services. Although local governments may elect to levy sales and use taxes at rates less than 1.00%, various provisions of the Local Sales and Use Tax Act encourage them to levy these taxes at the rate of 1.00%. The City currently levies sales and use taxes at the full rate of 1.00%. The legislative intent contained in the Local Sales and Use Tax Act is to provide an additional source of revenues to municipalities that is to be used to finance their capital outlay requirements and to service their bonded indebtedness. See "RISK FACTORS—Uncertainty of Economic Activity and Pledged Sales and Use Tax Revenues" and "—Legislative Changes to Sales Tax Statutes," herein.

The local sales and use tax is levied in addition to a statewide sales and use tax (the "Statewide Tax") which is currently imposed at a rate of 4.85% of the purchase price of taxable goods and services (except that only 1.75% is levied on unprepared food and food ingredients and sales of natural gas, electricity and fuel oil for residential use are taxed at a statewide rate of 2.00%). The taxable transactions and the exemptions under the Local Sales and Use Tax Act conform to those of the statewide sales and use tax.

Sales tax is imposed on the amount paid or charged for sales of tangible personal property in the State and for services rendered in the State for the repair, renovation or installation of tangible personal property. Use tax is imposed on the amount paid or charged for the use, storage or other consumption of tangible personal property in the State, including services for the repair, renovation or installation of such tangible personal property. Sales and use taxes also apply to leases and rentals of tangible personal property if the tangible personal property is in the State, the lessee takes possession in the State or the tangible personal property is stored, used or otherwise consumed in the State.

In addition to the sales and use taxes described above, counties and cities in the State are authorized to impose sales and use taxes to fund a public transportation system, for zoo, art and parks purposes and at the option of the county for general fund purposes of the county, which sales and use taxes do not constitute Pledged Sales and Use Taxes. Washington County (the "County") currently imposes sales and use taxes to fund transportation infrastructure, zoo, art and parks purposes, and for general fund purposes of the County. None of these taxes are pledged as a component of Pledged Sales and Use Taxes. The total sales and use tax imposed in the City (other than certain specialty taxes, including a motor vehicle rental tax, a transient room tax, and a tourism restaurant tax imposed by the County) is 6.75%.

Local sales and use taxes, including the Pledged Sales and Use Tax Revenues, are collected by the Utah State Tax Commission and distributed on a monthly basis to each county, city and town. The distributions are based on a formula, which provides that (1) 50% of sales tax collections will be distributed on the basis of the population of the local government and (2) 50% of sales tax collections will be distributed on the basis of the point of sale (the "50/50 Distribution"). The 50/50 Distribution formula is subject to the provision that certain qualifying cities and towns are eligible to receive a minimum tax revenue distribution (the "Minimum Distribution") if such amount is greater than the 50/50 Distribution. Changes to such formula have been and continue to be under discussion and the City cannot predict whether the State Legislature will make any such adjustments. See "RISK FACTORS—Legislative Changes to Sales Tax Statutes," herein.

A sales and use tax due and unpaid constitutes a debt due from the vendor and may be collected, together with interest, penalty, and costs, by appropriate judicial proceeding within three years after the vendor is delinquent. Furthermore, if a sales and use tax is not paid when due and if the vendor has not followed the procedures to object to a notice of deficiency, the Utah State Tax Commission may issue a warrant directed to the sheriff of any county commanding him or her to levy upon and sell the real and personal property of a delinquent taxpayer found within such county for the payment of the tax due. The amount of the warrant shall have the force and effect of an execution against all personal property of the delinquent taxpayer and shall become a lien upon the real property of the delinquent taxpayer in the same manner as a judgment duly rendered by any district court.

Historical Sales Tax Revenues

A historical summary of the Pledged Sales and Use Tax Revenues for the last ten fiscal years is shown below.

Historical Summary of Sales Tax Revenues

Fiscal Year Ended June 30	Sales Tax Revenues	Percent Change from Prior Year
2025	$7,602,426	8.13%
2024	7,030,745	8.20
2023	6,497,831	7.71
2022	6,032,433	24.56
2021	4,842,880	25.15
2020	3,869,519	10.53
2019	3,500,946	8.53
2018	3,225,726	14.58
2017	2,815,288	8.87
2016	2,585,826	8.75

(Source: Utah State Tax Commission.)

The Largest Sales Tax Payers in the City

State law prohibits disclosure of information relating to specific payors of the sales and use taxes in the City. However, with respect to the specific sources of sales and use taxes in the City in fiscal year 2025, the top ten taxpayers combined accounted for approximately 37.58% of all applicable sales occurring within the City. Such taxpayers primarily include retail and construction related businesses. The City also receives local sales tax revenues from a statewide distribution of sales and use taxes. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Pledged Sales and Use Taxes" above.

Debt Service Coverage

As shown above, the Pledged Sales and Use Taxes for fiscal year 2025 were $7,602,426 and provide projected coverage of approximately 17* times the estimated maximum annual debt service requirement for the Series 2026 Bonds, assuming that annual Pledged Sales and Use Taxes over the life of the Series 2026 Bonds are maintained at the fiscal year 2025 amount. See "RISK FACTORS" herein.

Flow of Funds

In order to secure timely payment of the principal of and interest on the Series 2026 Bonds, the City has pledged and assigned to the Trustee the Revenues and all moneys in certain funds and accounts established by the Indenture. The Indenture establishes a Construction Fund, Bond Fund, Revenue Fund, Debt Service Reserve Fund, and certain other funds and accounts.

All Revenues shall be accounted for by the City separate and apart from all other moneys of the City.

So long as any Bonds are Outstanding, as a first charge and lien on the Revenues, the City shall, at least semi-annually and at least fifteen days before each Interest Payment Date, transfer from the Revenue Fund to the Trustee for deposit into the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the City need not allocate to the Revenue Fund to pay interest on the Bonds); plus

(ii) one-half of the Principal and premium, if any, falling due in the current fiscal year, and in any event, an amount sufficient to pay the Principal and premium on the next succeeding Principal payment date established for the Bonds; plus

(iii) one-half of the Sinking Fund Installments, if any, falling due in the current fiscal year, and in any event, an amount sufficient to pay the Sinking Fund Installments on the next succeeding Sinking Fund Installment payment date (for deposit to the Sinking Fund Account within the Bond Fund);

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of, premium, if any, and interest on the Bonds promptly on each such date as the same become due and payable.

As a second charge and lien on the Revenues, the City shall on or before fifteen days prior to each Interest Payment Date replenish or repay, as applicable, the Debt Service Reserve Fund and/or the Reserve Instrument Fund as required by the Indenture.

Subject to making the foregoing deposits, the City may use the balance of the Revenues accounted for in the Revenue Fund for any of the following (i) redemption of Bonds; (ii) refinancing, refunding, or advance refunding of any Bonds; or (iii) for any other lawful purpose.

No Debt Service Reserve

There is no Debt Service Reserve Requirement for the Series 2026 Bonds and consequently no Account in the Debt Service Reserve Fund will be funded with respect to the Series 2026 Bonds.

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* Preliminary; subject to change.

Additional Bonds

No additional indebtedness, bonds or notes of the City secured by a pledge of the Revenues senior to the pledge of Revenues for the payment of the Bonds will be created or incurred without the prior written consent of the Owners of 100% of the Outstanding Bonds. In addition, no Additional Bonds or other indebtedness, bonds or notes of the City payable on a parity with the Bonds out of Revenues shall be created or incurred, unless the following requirements have been met:

(a) No Event of Default shall have occurred and be continuing under the Indenture on the date of authentication of any Additional Bonds. This provision will not preclude the issuance of Additional Bonds if (i) the issuance of such Additional Bonds otherwise complies with the provisions of the Indenture and (ii) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof; and

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the Revenues for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 200% of the sum of (x) the maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Additional Bonds or other indebtedness to be outstanding plus (y) the average annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of such Additional Bonds, provided, however, that such coverage test set forth above shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued under the Indenture and (ii) the maximum Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining maximum Aggregate Annual Debt Service for the Bonds being refunded therewith; and

(c) All payments required by the Indenture to be made into the Bond Fund must have been made in full, and there must be on deposit in each account of the Debt Service Reserve Fund (taking into account any Reserve Instrument coverage) the full amount required to be accumulated therein at the time of issuance of the Additional Bonds; and

(d) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued under the Indenture or other obligations of the City (including the funding of necessary reserves and the payment of costs of issuance), (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance), and/or (iii) any other lawful purpose of the City.

THE SERIES 2026 PROJECT

Proceeds from the Series 2026 Bonds will be used to finance the construction of a new community swimming pool and all related improvements. It is anticipated that construction on the Series 2026 Project will commence in January of 2026 and be completed in June of 2027. Project costs are currently estimated at $16,074,209. Approximately $6,000,000 from Series 2026 Bond proceeds will be used on the Series 2026 Project and the remaining costs will be paid from City funds and donations that it has set aside for the Series 2026 Project.

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SOURCES AND USES OF FUNDS

The estimated sources and uses of funds for the Series 2026 Bonds are as follows:

Sources of Funds

Principal Amount	$__________
[Net] Reoffering Premium	__________
TOTAL	$__________

Uses of Funds

Deposit to Series 2026 Construction Account	$__________
Purchaser's Discount	__________
Costs of Issuance (1)	__________
TOTAL	$__________

(1) Costs of Issuance include legal, municipal advisor, rating agency and Trustee fees, and other costs and expenses related to the issuance of the Series 2026 Bonds.

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DEBT SERVICE SCHEDULE

The following table sets forth the estimated debt service schedule for the Series 2026 Bonds.

Payment Date	Principal*	Interest	Fiscal Total
September 1, 2026	-		
March 1, 2027	$175,000		
September 1, 2027	-		
March 1, 2028	180,000		
September 1, 2028	-		
March 1, 2029	190,000		
September 1, 2029	-		
March 1, 2030	195,000		
September 1, 2030	-		
March 1, 2031	205,000		
September 1, 2031	-		
March 1, 2032	215,000		
September 1, 2032	-		
March 1, 2033	230,000		
September 1, 2033	-		
March 1, 2034	240,000		
September 1, 2034	-		
March 1, 2035	250,000		
September 1, 2035	-		
March 1, 2036	265,000		
September 1, 2036	-		
March 1, 2037	280,000		
September 1, 2037	-		
March 1, 2038	290,000		
September 1, 2038	-		
March 1, 2039	305,000		
September 1, 2039	-		
March 1, 2040	320,000		
September 1, 2040	-		
March 1, 2041	335,000		
September 1, 2041	-		
March 1, 2042	355,000		
September 1, 2042	-		
March 1, 2043	370,000		
September 1, 2043	-		
March 1, 2044	385,000		
September 1, 2044	-		
March 1, 2045	400,000		
September 1, 2045	-		
March 1, 2046	415,000		
Total	$5,600,000*		

* Preliminary; subject to change.
(Source: The Municipal Advisor.)

HURRICANE CITY

General Information

The City is situated about eleven miles east of St. George, Washington County, Utah. The City was incorporated in 1912. The City had 24,753 residents according to the 2024 estimate of the U.S. Census Bureau.

Form of Government

State statutes detail the functions to be performed by municipalities. Title 10 of Utah Code, generally sets out laws to provide for the incorporation, organization, and classification of cities and towns based upon population. Cities of the fourth class, such as the City, are those with fewer than 30,000 and greater than 10,000 inhabitants.

The City is currently governed by a Mayor and City Council consisting of six persons, elected at large by voters in the City. A measure of continuity is provided in the City Council by the election of the councilmembers to four-year overlapping terms. Duties of the councilmembers include the responsibility for all City affairs in general. The City Council must approve and may revise the budget of any City department or elected official. The City Council serves as the legislative body of the City and appropriates funds for the various City functions. The City Council is the tax levying body, determining the necessary City property tax levy each year. The City Council also licenses and regulates businesses, exhibitions, and recreation within the City area. Other appointed officials are the City Manager, City Attorney, City Recorder and Treasurer.

Current members serving as Mayor, City Council and City administration and their respective years in office are as follows:

Office	Person	Years of Service	Expiration Of Term
Mayor	Clark Fawcett	(1)	December 2029
Councilmember	David Imlay	(2)	December 2029
Councilmember	Lynn Excell	(3)	December 2029
Councilmember	Drew Ellerman	2	December 2027
Councilmember	Joseph Prete	4	December 2027
Councilmember	Amy Werrett	(4)	December 2027
City Manager	Kaden DeMille	17	Appointed
City Attorney	Dayton Hall	3	Appointed
City Recorder	Cindy Beteag	13	Appointed
City Finance Manager	Paige Chapman	4	Appointed

(1) Mr. Fawcett has served the City for 40 years. He is serving his first term as Mayor, having previously served as Councilmember for the past two years. Prior to becoming a Councilmember, he was the City Manager and City Recorder for 37 years.
(2) Mr. Imlay is serving his first term as a Councilmember. Prior to being elected to the City Council in 2025, he served for 17 years as the City's Power Director.
(3) Mr. Excell is serving his first term as Councilmember. Prior to being elected to the City Council in 2025, he served for 29 years as the City's Police Chief.
(4) Ms. Werrett was selected in February 2026 to fill the mid-term vacancy on the City Council created when Mr. Fawcett was elected Mayor.

Employee Workforce and Retirement System

The City currently employs approximately 141 full-time employees, 50 part-time employees, and 133 seasonal employees for a total employment of approximately 324 employees.

The City is a member of the Utah State Retirement Systems ("URS Systems"). The URS Systems are multiple-employer, cost-sharing defined benefit pension plans. The URS Systems cover substantially all eligible public employees of the State and education employees as well as participating local government entities. The City records a liability and expense equal to its proportionate share of the collective net pension liability and expense of the URS Systems due to the implementation of the Government Accounting Standards Board's Statement 68, Accounting and Financial Reporting for Pensions ("GASB 68"). The City does not offer any other post-employment benefits.

See "APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF HURRICANE CITY WITH INDEPENDENT AUDITORS' REPORT FOR FISCAL YEAR ENDED JUNE 30, 2025—Notes to the Financial Statements—Note 9. Pension Plans."

FINANCIAL INFORMATION REGARDING HURRICANE CITY

Fund Structure; Accounting Basis

The accounts of the City are organized on the basis of funds or groups of accounts, each of which is considered to be a separate accounting entity. The operations of each fund or account group are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures or expenses. The various funds are grouped by type in the combined financial statements.

Revenues and expenditures are recognized using the modified accrual basis of accounting in all governmental funds. Revenues are recognized in the accounting period in which they become both measurable and available. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues on cost-reimbursement grants are accrued when the related expenditures are incurred.

In proprietary funds, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred.

Budget and Appropriation Process

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Utah Cities (the "Fiscal Procedures Act"). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the general fund, special revenue funds, debt service funds and capital improvement funds. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures. Under the Fiscal Procedures Act, the total of anticipated revenues must equal the total of appropriated expenditures.

On or before the first regular meeting of the City Council of the City in May of each year, the budget officer is required to submit to the City Council tentative budgets for all funds for the fiscal year commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budgets. The budget officer and mayor may revise the budget requests submitted by the heads of City departments, but must file these submissions with the City Council together with the tentative budget. The budget officer is required to estimate in the tentative budget the revenue from non-property tax sources available for each fund and the revenue from general property taxes required by each fund. The tentative budget is then tentatively adopted by the City Council, with any amendments or revisions that the City Council deems advisable prior to the public hearing on the tentative budget. After public notice and hearing, the tentative budget is adopted by the City Council, subject to further amendment or revisions by the City Council prior to adoption of the final budget.

Prior to June 22 in each year, the final budgets for all funds are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund in excess of the estimated expendable revenue of such fund. The adopted final budget is subject to amendment by the City Council during the fiscal year. However, in order to increase the budget total of any fund, public notice and hearing must be provided. Intra- and inter- department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act.

The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the City Council for the succeeding tax year.

Financial Controls

The City utilizes a computerized financial accounting system which includes a system of budgetary controls. State law requires budgets to be controlled by individual departments with oversight from the finance department. These controls are such that a requisition will not be entered into the purchasing system unless the department has obtained budgetary approval through the appropriation process, which includes legislative approval through the City Council and the purchase order process that goes through three levels of City Finance Department approval.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Risk financing activities are accounted for in various operating funds, with unallocated or City-wide activities being accounted for in the general fund. The City maintains insurance for general liability, auto liability, and employee dishonesty through Utah Local Government's Insurance Trust. Worker's compensation coverage is carried through the State Worker's Compensation Fund.

Investment of Funds

<u>Investment of Operating Funds; The Utah Money Management Act</u>. The Utah Money Management Act, Title 51, Chapter 7, Utah Code Annotated 1953, as amended (the "Money Management Act"), governs the investment of all public funds held by public treasurers in the State. It establishes criteria for investment of public funds with an emphasis on safety, liquidity, yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The Money Management Act provides a limited list of approved investments including qualified in-state and permitted out-of-state financial institutions, approved government agency securities and investments in corporate securities carrying "top credit ratings." The Money Management Act also provides for pre-qualification of broker dealers by requiring that broker dealers agree in writing to comply with the Money Management Act and certify that they have read and understand the Money Management Act. The Money Management Act establishes the Money Management Council (the "Money Management Council") to exercise oversight of public deposits and investments. The law requires all securities to be delivered versus payment to the public treasurer's safekeeping bank. It requires diversification of investments, especially in securities of corporate issuers. Not more than 5% of the portfolio may be invested with any one issuer. Investments in mortgage pools and mortgage derivatives or any security making unscheduled periodic principal payments are prohibited. The Money Management Act also defines the State's prudent investor rules. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all of the provisions of the Money Management Act for all City operating funds. The City has no investments in derivative or leveraged securities. For fiscal year 2025, all of City investment funds were invested in the Utah Public Treasurers' Investment Fund (the "Utah Treasurers' Fund"), as discussed herein.

<u>The Utah Public Treasurers' Investment Fund</u>. The Utah Treasurers' Fund is a public treasurers' investment fund, established in 1981, and is managed by the Treasurer of the State of Utah. The Utah Treasurers' Fund invests to ensure safety of principal, liquidity and a competitive rate of return on short-term investments. All moneys transferred to the Utah Treasurers' Fund are promptly invested in securities authorized by the Money Management Act. Safe-keeping and audit controls for all investments owned by the Utah Treasurers' Fund must comply with the Money Management Act.

All investments in the Utah Treasurers' Fund must comply with the Money Management Act and rules of the Money Management Council. The Utah Treasurers' Fund invests primarily in money market securities including time certificates of deposit, top rated commercial paper, treasuries and certain agencies of the U.S. Government. The maximum weighted average adjusted life of the portfolio, by policy, is not to exceed 90 days. The maximum final maturity of any security purchased by the Utah Treasurers' Fund is limited to three years, except for a maximum maturity of five years is allowed for treasury or agency securities whose rate adjusts at least annually.

By law, investment transactions are conducted only through certified dealers, qualified depositories or directly with issuers of the securities. All securities purchased are delivered via payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the Utah Treasurers' Fund are completely segregated from securities owned by the State. The State has no claim on assets owned by the Utah Treasurers' Fund except for any investment of State moneys in the Utah Treasurers' Fund. Deposits are not insured or otherwise guaranteed by the State.

Securities in the Utah Treasurers' Fund include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the U.S. Government. These short-term securities must be rated "first tier" ("A-1," "P1," for short-term investments and "A" or better for long-term investments) by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Service, Inc. or S&P Global. These securities represent limited risks to governmental institutions investing with the Utah Treasurers' Fund. Variable rate securities in the Utah Treasurers' Fund must have an index or rate formula that has a correlation of at least 94% of the effective Federal Funds rate.

Investment activity of the State Treasurer in the management of the Utah Treasurers' Fund is reviewed monthly by the Money Management Council and is audited by the State Auditor.

See "APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF HURRICANE CITY WITH INDEPENDENT AUDITORS' REPORT FOR FISCAL YEAR ENDED JUNE 30, 2025—Notes to the Financial Statements, Note 4–Deposits and Investments."

Moneys from the sale of obligations issued by the City or pledged to the payment therefor are also on deposit in funds and accounts of the City. Investment policies regarding such moneys are governed by the specific instruments pursuant to which such obligations were issued.

Sources of General Fund Revenues

Set forth herein are brief descriptions of the various sources of revenues available to the City's general fund. The percentage of total general fund revenues represented by each source is based on the City's audited financial statements for the fiscal year ended June 30, 2025.

Taxes: Approximately 67.8% of general fund revenues are from taxes (of this amount, approximately 29% are from property taxes, 57% from sales and use taxes, and 14% from franchise and energy taxes).

Intergovernmental Revenue: Approximately 9.6% of general fund revenues are from state shared revenues.

Licenses and Permits: Approximately 5.8% of general fund revenues are from licenses and permits.

Fines and Forfeitures: Approximately 2.9% of general fund revenues are collected from fines and forfeitures.

Charges for Services: Approximately 8.9% of general fund revenues are from charges for services.

Investment Earnings: Less than 3.8% of general fund revenues are from investment income.

Other Revenue: Approximately 1.2% of general fund revenues are from miscellaneous revenues, including contributions and donations.

Five-Year Financial Summaries

The following tables set forth a summary of certain financial information regarding the City and have been extracted from the City's audited basic financial statements for the fiscal years ended June 30, 2021 through June 30, 2025. The following summaries are unaudited.

HURRICANE CITY
Statement of Net Position—Governmental and Business-Type Activities
(This summary has not been audited.)

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
ASSETS:					
Cash & cash equivalents	$99,693,002	$68,185,648	$51,919,380	$54,313,862	$48,415,371
Receivables (net)	11,993,490	8,468,891	7,026,401	6,109,929	5,534,766
Leases receivable	8,396	28,162	47,439	66,241	–
Inventory	2,006,971	1,538,829	1,569,454	1,235,996	1,101,028
Prepaid expense	159,394	166,083	14,509	91,481	225,314
Restricted assets:					
Cash & cash equivalents	5,155,207	6,384,643	8,013,633	7,004,784	3,838,913
Capital assets not being depreciated					
Net pension asset	–	–	–	2,534,902	–
Land & water rights	13,233,653	13,233,653	13,233,653	11,513,358	8,444,209
Water stock	2,590,135	2,263,197	2,262,227	1,960,541	1,960,541
Construction in progress	31,884,308	25,497,175	19,117,905	10,694,561	5,692,770
Capital assets (net)					
Improvements	17,064,836	10,474,264	8,689,118	9,172,082	9,661,971
Plant & equipment	8,826,904	10,267,402	10,694,560	11,039,538	10,088,023
Right to use leased equipment	270,333	376,497	381,682	463,474	–
Irrigation pond	6,512	6,773	7,034	7,295	7,556
Water tank	6,565,013	6,713,015	6,873,083	6,264,486	6,403,567
Buildings	7,146,897	7,469,731	7,591,447	7,802,482	8,094,108
Distribution system	79,749,769	65,908,342	53,094,143	44,369,786	38,618,506
Infrastructure	65,488,327	47,178,502	36,974,637	31,104,296	32,692,248
Total assets	351,843,147	274,160,807	227,510,305	205,749,094	180,778,891
DEFERRED OUTFLOWS					
Related to pensions	2,652,232	2,728,306	1,992,345	1,321,494	1,102,156
Total deferred outflows	2,652,232	2,728,306	1,992,345	1,321,494	1,102,156
LIABILITIES:					
Accounts payable	16,008,667	11,138,131	11,113,830	10,764,159	7,900,963
Unearned revenue	1,110,395	1,068,653	154,555	316,075	84,192
Interest payable	63,655	63,424	67,787	74,447	79,660
Noncurrent liabilities:					
Due within one year	1,267,954	825,766	774,291	738,758	627,005
Due in more than one year	17,690,837	5,641,400	6,345,497	6,427,846	6,658,361
Net pension liability	2,696,313	2,297,129	1,776,852	–	848,054
Total liabilities	38,837,821	21,034,503	20,232,812	18,321,285	16,198,235
DEFERRED INFLOWS					
Related to leases	8,452	27,484	46,516	65,548	0
Related to pensions	34,524	24,152	60,418	4,417,899	2,257,146
Property taxes levied for future year	3,940,968	3,595,077	3,316,758	3,001,217	2,688,403
Total deferred inflows	3,983,944	3,646,713	3,423,692	7,484,664	4,945,549
NET POSITION					
Net investment in capital assets	227,456,464	183,897,546	153,568,926	127,469,484	114,566,019
Restricted for:					
Debt service	412,843	417,376	416,090	413,507	413,233
Capital projects	14,070,732	15,440,874	16,226,616	17,735,953	17,215,177
Legal restrictions	537,310	513,046	482,296	464,035	412,296
Other purposes	15,587,766	13,318,738	9,848,691	7,064,682	5,434,842
Unrestricted	53,608,499	38,620,318	25,303,527	28,116,978	22,695,696
Total net position	$311,673,614	$252,207,898	$205,846,146	$181,264,639	$160,737,263

(Source: Information extracted from the City's 2021-2025 audited basic financial statements. This summary is unaudited.)

HURRICANE CITY
Statement of Revenues, Expenditures and Changes in Fund Balance–General Fund
(This summary has not been audited.)

	Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
REVENUES:					
Taxes	$14,247,420	$13,182,211	$12,204,111	$11,053,260	$9,434,478
Licenses & permits	1,223,200	1,166,790	916,384	1,378,740	1,272,838
Intergovernmental revenue	2,008,588	1,756,346	1,668,832	1,478,208	1,380,921
Charges for services	1,878,824	1,690,553	1,433,076	1,331,343	1,215,803
Fines & forfeitures	618,326	532,930	463,081	506,669	448,425
Contributions & donations	47,227	110,013	64,224	28,589	75,021
Investment earnings	792,527	746,337	469,782	51,858	30,368
Other revenues	182,616	193,951	234,263	121,627	122,323
Total revenue	20,998,728	19,379,131	17,453,753	15,950,294	13,980,177
EXPENDITURES:					
General government	2,398,931	2,391,532	2,320,706	1,848,855	1,706,360
Public safety	7,396,773	7,607,780	7,216,055	5,551,111	4,657,886
Highways/public works	2,686,170	2,264,341	1,642,412	1,284,519	1,479,418
Parks and recreation	3,566,175	3,449,049	3,246,762	2,778,120	2,434,103
Total expenditures	16,048,049	15,712,702	14,425,935	11,462,605	10,277,767
Excess (deficiency) of revenue over (under) expenditures	4,950,679	3,666,429	3,027,818	4,487,689	3,702,410
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	7,292	34,443	950	–	120,315
Transfers from (to) other funds	(5,567,566)	(2,350,410)	(1,077,162)	(3,702,344)	(3,247,937)
Total other financing sources (uses)	(5,560,274)	(2,315,967)	(1,076,212)	(3,702,344)	(3,127,622)
Net change in fund balances	(609,595)	1,350,462	1,951,606	785,345	574,788
Fund balances - beginning of year	7,809,388	6,458,926	4,507,320	3,721,975	3,147,187
Fund balances - end of year	$7,199,793	$7,809,388	$6,458,926	$4,507,320	$3,721,975

(Source: Information extracted from the City's 2021-2025 audited basic financial statements. This summary is unaudited.)

Outstanding Obligations of the City

(as of March 1, 2026)

Outstanding Sales Tax Revenue Bonds

Series	Purpose	Original Amount	Final Maturity Date	Balance Outstanding
2026[1]	Parks & Recreation	$5,600,000*	March 1, 2046*	$5,600,000*

(1) For purposes of this Official Statement, the Series 2026 Bonds are considered issued and outstanding.
* Preliminary; subject to change.

Outstanding Water Revenue Bonds

Series	Purpose	Original Amount	Final Maturity Date	Balance Outstanding
2025	System improvements	$12,665,000	December 1, 2058	$12,191,000
2022	System improvements	703,000	December 1, 2039	666,000
2017	Water tank	3,015,000	March 1, 2037	1,920,000
			Total	$14,777,000

Outstanding Lease Revenue Bonds[1]

Series	Purpose	Original Amount	Final Maturity Date	Balance Outstanding
2013	Refunding	$3,358,000	September 1, 2038	$638,000
2010	Community Center	2,465,000	September 1, 2030	750,000
			Total	$1,388,000

(1) Issued by the Municipal Building Authority of the Hurricane City, Utah (the "Authority"). The Authority was created to acquire projects for the City pursuant to the Local Building Authority Act, Title 17D, Chapter 2, Utah Code Annotated 1953, as amended. The Authority has no assets except for those purchased with the lease revenue bonds described above. The Authority's debt does not constitute legal debt within the meaning of any constitutional or statutory limitation of the City. The Authority entered into an annual lease with the City that may be terminated by the City in any year and lease payments by the City may be made only from funds that are annually budgeted and appropriated by the City for such purposes. The lease revenue bonds of the Authority are secured by an assignment of the lease payments made by the City and a security interest in the project financed by such bonds.

Future Financing Plans

The City does not have any plans to issue Additional Bonds under the Indenture in the next three years, but reserves the right to do so as the City's capital needs require. Within the next two years, the City anticipates issuing approximately $25 to $30 million in lease revenue bonds for the construction of a new City administration building and police department building and approximately $5 million in electric revenue bonds for substation and transmission line infrastructure.

No Defaulted Bonds

The City has never failed to pay principal and interest when due on its outstanding bonded indebtedness or other obligations.

Other Financial Considerations

The City has a lease purchase agreement for its public works building outstanding as of June 30, 2025, in the amount $367,950 and having a final maturity of March 15, 2029. The City has two outstanding notes payable. The first note financed an airport hangar and as of June 30, 2025, is outstanding in the aggregate principal amount of $41,513. The second note financed an office building for the City parks department and as of June 30, 2025, is outstanding in the aggregate principal amount of $80,598. The City has also entered into two lease agreements to finance the acquisition and use of golf carts. The total present value of the future minimum lease payments of such capital leases as of June 30, 2025, was $ 291,283. See "APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS OF HURRICANE CITY WITH INDEPENDENT AUDITORS' REPORT FOR FISCAL YEAR ENDED JUNE 30, 2025—Notes to the Financial Statements, Note 6–Long-Term Liabilities" and "–Note 7–Leases" herein.

RISK FACTORS

The purchase of the Series 2026 Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Series 2026 Bonds should make an independent evaluation of all of the information presented in this Official Statement in order to make an informed investment decision. Certain of these risks are described below; however, it is not intended to be a complete representation of all the possible risks involved:

Series 2026 Bonds are Limited Obligations

The Series 2026 Bonds are special limited obligations of the City, payable solely from the Revenues, moneys, securities and funds pledged therefor in the Indenture. The Revenues consist primarily of the Pledged Sales and Use Taxes. The Series 2026 Bonds do not constitute a general obligation indebtedness nor are they secured by a pledge of the ad valorem taxing power or the full faith and credit of the City, and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in the improvements refinanced with the proceeds of the Series 2026 Bonds or any portion thereof to secure payment of the Series 2026 Bonds.

Limitation on Increasing Rates for Pledged Sales and Use Taxes

The City currently levies the maximum rate allowed under State law for the Pledged Sales and Taxes. No assurance can be given that the Pledged Sales and Use Taxes will remain sufficient for the payment of the principal or interest on the Series 2026 Bonds and the City is limited by State law in its ability to increase the rate of such taxes.

Uncertainty of Economic Activity and Sales Tax Revenues

The amount of Pledged Sales and Use Taxes to be collected by the City is dependent on several factors beyond the control of the City, including, but not limited to, the state of the United States economy and the economy of the State and the City. Any one or more of these factors could result in the City receiving less Pledged Sales and Use Taxes than anticipated. During periods in which economic activity declines, Pledged Sales and Use Taxes are likely to fall as compared to an earlier year. In addition, Pledged Sales and Use Taxes are dependent on the volume of the transactions subject to the tax. From time to time, proposals have been made by the Utah State Legislature (the "State Legislature") to add or remove certain types of purchases from the sales tax. Also, Pledged Sales and Use Taxes are contingent on the ability to identify, enforce and collect taxes on purchases made through the Internet and other non-traditional means. The City cannot predict what impact these issues may have on the Pledged Sales and Use Taxes it receives.

Legislative Changes to Sales Tax Statutes

The State Legislature has authority to alter the statutes under which the City derives its various sales and use tax revenues, including specifically the Pledged Sales and Use Taxes. From time to time proposals are discussed and introduced to change these statutes, including changes that could significantly reduce the amount of Pledged Sales and Use Taxes the City receives. This can be done by, among other things, expanding or diminishing the sales tax base, reducing rates or altering the formula by which the tax revenues are allocated among the counties, cities and towns within the State.

The City cannot predict whether the State Legislature will change the sales and use tax base, rates, and/or distribution methods, including changes that could affect Pledged Sales and Use Taxes at some point in the future. Consequently, no assurance can be given that the Revenues from Pledged Sales and Use Taxes will remain sufficient for the payment of the principal or interest on the Bonds, and the City is limited by State law in its ability to increase the rate of such taxes.

No Reserve Fund Requirement for the Series 2026 Bonds

Pursuant to the Indenture, each Series of Bonds may be secured by a separate subaccount in the Debt Service Reserve Fund. Upon the issuance of the Series 2026 Bonds there will be no funding of a subaccount of the Debt Service Reserve Fund with respect to the Series 2026 Bonds.

Cybersecurity

The risk of cyberattacks against commercial enterprises, including those operated for a governmental purpose, has become more prevalent in recent years. A cyberattack could cause the informational systems of the City to be compromised and could limit operational capacity, for short or extended lengths of time and could bring about the release of sensitive and private information. Additionally, other potential negative consequences include data loss or compromise, diversion of resources to prevent future incidences and reputational damage. To mitigate this risk, the City has taken steps to increase cyber-awareness among employees and instituted regular training. It has also engaged outside experts to actively monitor computers and keep its system up-to-date and has secure, redundant storage onsite, as well as system backups stored securely, offsite. The City believes it has made all reasonable efforts to ensure that any such attack is not successful and that the information systems of the City are secure. However, there can be no assurance that a cyberattack will not occur in a manner resulting in damage to the City's information systems or other challenges. The City has insurance coverage for cyber-related risk.

Natural Disasters and Infectious Disease Outbreak

The City, like communities in the State, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the City which could result in a decrease in retail sales thereby reducing the amount of Pledged Sales and Use Taxes available to pay debt service on the Series 2026 Bonds. The City may also be subject to local, national, or global outbreaks of infectious disease, such as COVID-19. The City cannot predict what impact future infectious disease outbreaks will ultimately have on future collections of the Pledged Sales and Use Taxes and City operations.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the Series 2026 Bonds. This summary is based upon laws, regulations, rulings and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the Series 2026 Bonds as a capital asset, tax-exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the Series 2026 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the Series 2026 Bonds.

Opinion of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law currently existing as of the issue date of the Series 2026 Bonds:

Federal Tax Exemption. The interest on the Series 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the Series 2026 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

Bond counsel's opinions are provided as of the date of the original issue of the Series 2026 Bonds, subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Series 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2026 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the Series 2026 Bonds.

No Bank-Qualification. The Series 2026 Bonds are not "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code.

State of Utah Tax Exemption. The interest on the Series 2026 Bonds is exempt from State of Utah individual income taxes.

No Other Opinion. Bond Counsel is expressing no opinion regarding other federal, state or local tax consequences arising with respect to the Series 2026 Bonds but has reviewed the discussion under the heading "TAX MATTERS."

Other Tax Consequences

Original Issue Discount. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a Series 2026 Bond over its issue price. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2026 Bond during any accrual period generally equals (1) the issue price of that Series 2026 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that Series 2026 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that Series 2026 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that Series 2026 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.

Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a Series 2026 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a Series 2026 Bond is the sum of all payments on the Series 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a Series 2026 Bond is generally the first price at which a substantial amount of the Series 2026 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the Series 2026 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the Series 2026 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the Series 2026 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.

Sale, Exchange, or Retirement of Series 2026 Bonds. Upon the sale, exchange, or retirement (including redemption) of a Series 2026 Bond, an owner of the Series 2026 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange, or retirement of the Series 2026 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the Series 2026 Bond. To the extent a Series 2026 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Series 2026 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the Series 2026 Bonds, and to the proceeds paid on the sale of the Series 2026 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the Series 2026 Bonds should be aware that ownership of the Series 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the Series 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of Series 2026 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the Series 2026 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the Series 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

NO DEFAULTED BONDS

The City has never failed to pay principal and interest when due on its outstanding bonded indebtedness or any other obligations.

INDEPENDENT AUDITORS

The basic financial statements of the City as of June 30, 2025, and for the year then ended, contained in APPENDIX A to this Official Statement, have been audited by HintonBurdick, PLLC ("HintonBurdick"), independent auditors, as set forth in their report included in "APPENDIX A" hereto. HintonBurdick has not been asked to consent to the use of its name, audited financial statements and report in this Official Statement. The City notes that HintonBurdick recently merged with Squire & Company, P.C. and HintonBurdick operates under that name as of January 1, 2026.

CONTINUING DISCLOSURE

The City will execute a continuing disclosure undertaking (the "Continuing Disclosure Undertaking") pursuant to which the City will send certain information annually and provide notice of certain events to the MSRB pursuant to the requirements of Section (b)(5) of the Rule. See "APPENDIX D" attached hereto and incorporated herein by reference for a form of the Continuing Disclosure Undertaking that will be executed and delivered by the City.

The City reports that within the past five years, it has complied in all material respects with its previous disclosure undertakings.

A failure by the City to comply with the Continuing Disclosure Undertaking will not constitute a default under the Indenture and beneficial owners of the Series 2026 Bonds are limited to the remedies described in the Continuing Disclosure Undertaking. See "APPENDIX D—FORM OF CONTINUING DISCLOSURE

UNDERTAKING—Default." A failure by the City to comply with the Continuing Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2026 Bonds and their market price.

RATING

S&P Global Ratings ("S&P") has assigned a municipal bond rating of "AA" to the Series 2026 Bonds.

Any explanation of the significance of this ratings should be obtained from the rating agency furnishing the same. There is no assurance that the rating given to the Series 2026 Bonds will be maintained for any period of time or that a rating may not be lowered or withdrawn entirely by a rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the Series 2026 Bonds.

LITIGATION

A non-litigation certificate issued by the City Attorney, dated the date of closing, will be provided stating, among other things, that to the best of his knowledge, after due inquiry, no action, suit, proceeding, inquiry, or any other litigation or investigation at law or in equity, before or by any court, public board or body, has been served on the City or is threatened, challenging the creation, organization, or existence of the City or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale, or delivery of the Series 2026 Bonds, or directly or indirectly contesting or affecting the proceedings or the authority by which the Series 2026 Bonds are issued or the validity of the Series 2026 Bonds or the issuance thereof.

MUNICIPAL ADVISOR

The City has engaged Zions Public Finance, Inc., Salt Lake City, Utah (the "Municipal Advisor"), to provide financial recommendations and guidance to the City with respect to preparation for sale of the Series 2026 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors relating to the sale of the Series 2026 Bonds. The Municipal Advisor has read and participated in the drafting of certain provisions of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of the Official Statement or any other matters related to the Official Statement. Municipal Advisor fees are contingent upon the sale and delivery of the Series 2026 Bonds.

LEGAL MATTERS

The authorization and issuance of the Series 2026 Bonds is subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the City. Certain legal matters will be passed upon for the City by Dayton Hall, Esq., City Attorney. The approving opinion of Bond Counsel will be delivered with the Series 2026 Bonds. A copy of the form of the opinion of Bond Counsel is set forth in "APPENDIX E" of this Official Statement.

MISCELLANEOUS

All quotations from and summaries and explanations of the Utah Constitution, statutes, programs, laws of the State of Utah, court decisions, and the Indenture, which are contained herein, do not purport to be complete, and reference is made to said Constitution, statutes, programs, laws, court decisions, and the Indenture for full and complete statements of their respective provisions.

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, is intended as such and not as representations of fact.

This Preliminary Official Statement is in a form "deemed final" by the City for purposes of Rule 15c2-12 of the Securities and Exchange Commission.

The appendices attached hereto are an integral part of this Official Statement and should be read in conjunction with the foregoing material.

The delivery of the Official Statement has been duly authorized by the City.

HURRICANE CITY, UTAH

APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF HURRICANE CITY WITH INDEPENDENT AUDITORS' REPORT FOR FISCAL YEAR ENDED JUNE 30, 2025

CITY OF HURRICANE, UTAH

FINANCIAL STATEMENTS

For the Fiscal Year Ended June 30, 2025

With Report of

Certified Public Accountants

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Table of Contents (Continued)

INTRODUCTORY SECTION

The comprehensive Annual Financial Report of Hurricane City, Utah for the fiscal year ended June 30, 2025, is submitted herewith.

ACCOUNTING SYSTEM

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the liability is incurred. Accounting records for the City's utilities and other enterprise funds are maintained on an accrual basis.

GENERAL GOVERNMENTAL FUNCTIONS

Revenues for general governmental functions totaled $20,998,728 for 2024-25, an increase of $1,619,597 compared with $19,379,131 from fiscal year 2023-24. Sales tax increased about 7.83% and property tax increased 10.59%. The following revenue sources are shown compared to fiscal year 2023-24.

REVENUE SOURCE	2024-25	2023-24	Increase (Decrease)
Property Taxes and Penalties	$4,120,922	$3,726,222	$394,700
Sales Tax	$8,081,198	$7,494,182	$587,016
Franchise & Energy Taxes	$2,045,300	$1,961,807	$83,492
License and Permits	$1,223,200	$1,166,790	$56,410
Intergovernmental Revenue	$2,008,588	$1,756,346	$252,242
Charges and Services	$839,914	$778,500	$61,414
Fines and Forfeitures	$618,326	$532,930	$85,396
Sale of Capital Assets			$0
Contributions and Donations	$47,227	$110,013	($62,786)
Recreation & Events	$1,038,910	$912,053	$126,857
Interest & Financing	$792,527	$746,337	$46,190
Other	$182,616	$193,951	($11,335)
Transfers			$0
Total Revenues	$20,998,728	$19,379,131	$1,619,597

Taxable value of real and personal property for 2025 is $4,175,466,839 representing a $212,792,423 increase in value which is a 5.37% increase from the preceding year. This increase is the result of residential, commercial, and industrial growth and property value adjustments. The Certified tax rate for 2025 decreased to .000861% from 2024’s .0009%.

Expenditures for general governmental purposes totaled $16,048,049 which was $355,347 more than in 2023-2024. Highways and Public Infrastructure had the highest increase at $421,829. Public Safety had a decrease of $191,007, due to staffing shortages; Parks & Recreation saw an increase of $117,126; and General Government was up $7,399.

Levels of expenditure for major functions of the city with a comparison to the preceding year are shown in the following tabulation. General Government includes Mayor and City Council, Judicial, Attorney, Clerk, Treasurer, Human Resources, Non-Departmental, Buildings and Grounds, Planning and Zoning, and Administrative Services expenses; Public Safety includes Police Services, Inspection and Animal Control; Highways and Public Improvements includes Highways General, B&C Roads, Airport and Parks & Recreation includes Parks, Recreation, Swimming Pool, Community Center, Events, Peach Days and Cemetery.

FUNCTION	2024-25	2023-24	Increase (Decrease)
General Government	$2,398,931	$2,391,532	$7,399
Public Safety	$7,396,773	$7,587,780	($191,007)
Highways & Public Imp.	$2,686,170	$2,264,341	$421,829
Parks, Recreation	$3,566,175	$3,449,049	$117,126
Capital Outlay			$0
Transfer to Other Funds			$0
Total	$16,048,049	$15,692,702	$355,347

Enterprise Funds include Electric utilities, Water utilities, Pressurized Irrigation, Golf Course, Municipal Building Authority and Drainage. The five largest Enterprise funds are shown below.

	Electric	Water	Pressurized Irrigation	Drainage	Golf
Revenues	$25,232,975	$8,841,827	$6,643,014	$5,779,962	$4,378,251
Expenses	$18,646,258	$6,917,528	$880,421	$523,321	$2,764,449
Inc before contributions/transfers	$6,586,717	$1,924,299	$5,762,593	$5,256,641	$1,613,802

The Electric fund had a net income increase compared with last year. This is due to the increase in utility rates to help future net income get into the positive after fiscal year 2023 had a negative net income. The Water department has also kept increasing the water rates to match the increase in the cost of water purchases, which has allowed this fund to remain in the positive for net income. The Golf fund has had an exceptional few years due to an increase in demand for play time. Pressurized Irrigation and Drainage Funds show a substantial net income due to major infrastructure grants received by the City.

INDEPENDENT AUDIT

Utah State Law requires an annual audit to be made of the books of accounts, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the auditors' report has been included in this presentation.

EMPLOYEES RETIREMENT SYSTEM

Hurricane City participates in the Utah State Retirement system which covers all City, County, and State employees. In 2011 the State created a two-tier system. Those employees who had service credit before the change are on Tier 1, and new hires after that date are on Tier 2. The Tier 2 system requires more years to retire, and the system is a combination defined benefit and defined contribution plan whereas Tier 1 is only a defined benefit plan. The City contributes 16.97% of each salary for the tier 1 employees and 15.19% for Tier 2 employees in the State Retirement System. The Police Department participates in the Public Safety Branch of the Utah State Retirement system. The City contributes 33.54% for the employees in Tier 1, and 30.06% for employees in Tier 2 of the Public Safety System. The City's contribution for the year ending June 30, 2025, was $2,356,072. This includes the Employees' voluntary contributions to the state 401K plan which all employees are eligible to participate in.

CLOSING STATEMENT

The preparation of this report could not have been completed without the efficient and dedicated services of the accounting staff of Hinton Burdick PLLC. I would also like to thank the members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,

Paige C. Chapman
Finance Manager

FINANCIAL SECTION

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HINTONBURDICK
CPAs & ADVISORS

Independent Auditors' Report

The Honorable Mayor and
Members of the City Council
Hurricane, UT 84737

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hurricane City, Utah, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Hurricane City, Utah's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hurricane City, Utah, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Hurricane City, Utah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Hurricane City, Utah's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Hurricane City, Utah's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Hurricane City, Utah's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Hurricane City, Utah's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparisons for the general fund and special revenue fund, and schedules related to pensions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hurricane City, Utah's basic financial statements. The nonmajor fund combining financial statements, and capital asset schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor fund combining financial statements and capital asset schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2025 on our consideration of Hurricane City, Utah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Hurricane City, Utah's internal control over financial reporting and compliance.

HintonBurdick, PLLC

St. George, Utah
December 5, 2025

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Hurricane, Utah
Management's Discussion and Analysis
For the Year Ended June 30, 2025

This section of Hurricane City's (the City) annual financial report presents our discussion and analysis of the City's financial performance during the fiscal year that ended on June 30, 2025. Please read it in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2025, by 23.58%, $311,673,614 (net position). Of this amount, $59,658,715 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- Total net position increased by $59,465,716. Of this amount, $25,859,146 relates to contributions of capital assets (infrastructure, utility systems, etc.). Restricted net position increased by $918,617 and unrestricted increased by $14,988,181.
- As of the close of the current fiscal year, the governmental funds reported a combined ending fund balance of $47,096,085, which is an increase of $7,802,112 from the prior year. Approximately 13.81% (or $6,503,089 of this total amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was $6,503,089 or approximately 30.09% of total general fund expenditures.
- For the current fiscal year, general fund revenues exceeded general fund expenditures by $4,950,679 before interfund transfers and other financings sources and uses and by ($609,595) after interfund transfers and other financing sources and uses.
- Total long-term debt (excluding net pension liability and compensated absences) increased by $11,841,219 during the current fiscal year.

Overview of Financial Statements

This annual report consists of three parts—management's discussion and analysis (this section), the basic financial statements and the required and other supplementary information. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements:
  - The government funds statements tell how general government services like public safety were financed in the short term as well as what remains for future spending.
  - Proprietary fund statements offer short and long-term financial information about the activities the government operates like businesses.

The financial statements also include notes that explain some of the information in the financial statements and provide additional details. The statements are followed by sections of required and other supplementary information that further explain and support the information in the financial statements.

Government-wide financial statements. The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the government's assets (and deferred outflows of resources) and liabilities (and deferred inflows of resources). All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed. Net position—essentially the difference between the City's assets (and deferred outflows) and liabilities (and deferred inflows)—is one way to measure the City's financial health or position.

- Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the City, one should consider additional non-financial factors such as changes in the City's property tax base and the condition of the City's roads.

The government-wide financial statements of the City are divided into two categories:

- *Governmental activities*—Most of the City's basic services are included here, such as public safety, streets and highways, parks, recreation and general administration. Property taxes, sales taxes, energy taxes, franchise taxes, state grants and impact fees finance most of these activities.
- *Business-type activities*—The City charges fees to customers to help it cover the costs of services it provides. The City's water, electric and golf activities (among others) are included here.

Fund financial statements. The fund financial statements provide more detailed information about the City's most significant *funds*—not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources (revenues) and uses (expenditures) of funding for particular purposes.

- Some funds are required by state law and by bond covenants.
- The City Council establishes other funds to control and manage resources for particular purposes.

The City has three types of funds:

- *Governmental funds*—Most of the City's basic services are included in governmental funds, which focus on (1) how *cash* and *other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at the year-end that are available for spending. Consequently, the governmental funds statements provide a detailed, short-term view that help one determine whether there are financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided that explains the relationship (or differences) between them.
- *Proprietary funds*—Services for which the City charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information. In fact, the City's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities, but provide more detail and additional information, such as cash flows.
- *Fiduciary funds*—Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds *are* not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Assets (and deferred outflows of resources) exceed liabilities (and deferred inflows of resources) by $311,673,614 at the close of the fiscal year. By far the largest portion of Hurricane City's net position, (68.91% for governmental activities and 73.10% for business-type activities) reflects its investment in capital assets (i.e. land, infrastructure, buildings, equipment) less any related debt used to acquire those assets that is still outstanding. Hurricane City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Hurricane City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Hurricane City's Net Position

	Governmental activities		Business-type activities		Total	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Current and other assets	$ 58,189,372	$ 48,520,556	$ 60,827,088	$ 36,251,700	$ 119,016,460	$ 84,772,256
Capital assets	103,240,932	87,318,391	129,585,755	102,070,160	232,826,687	189,388,551
Total assets	161,430,304	135,838,947	190,412,843	138,321,860	351,843,147	274,160,807
Deferred outflows of resources	2,066,382	2,122,622	585,850	605,684	2,652,232	2,728,306
Long-term liabilities outstanding	3,146,405	2,351,327	18,508,699	6,412,968	21,655,104	8,764,295
Other liabilities	6,739,612	5,218,800	10,443,105	7,051,407	17,182,717	12,270,207
Total liabilities	9,886,017	7,570,127	28,951,804	13,464,375	38,837,821	21,034,502
Deferred inflows of resources	3,967,866	3,613,867	16,078	32,846	3,983,944	3,646,713
Net position:						
Net investment in capital assets	103,118,821	87,027,395	124,337,643	96,870,151	227,456,464	183,897,546
Restricted	21,532,075	23,409,326	9,076,576	6,280,708	30,608,651	29,690,034
Unrestricted	24,991,907	16,340,854	28,616,592	22,279,464	53,608,499	38,620,318
Total net position	$ 149,642,803	$ 126,777,575	$ 162,030,811	$ 125,430,323	$ 311,673,614	$ 252,207,898

Percentage of Net Position

Net Postion Type	Governmental Activities	Business-Type Activities	Total
Net investment in captial assets	68.91%	76.74%	72.92%
Restricted net position	14.39%	5.60%	11.77%
Unrestricted net position	16.70%	17.66%	15.31%
Total net position	100.00%	100.00%	100.00%

An additional portion of Hurricane City's governmental net position (14.39% and 5.60%, respectively) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, $53,608,499 (16.70% and 17.66%, respectively), may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Hurricane City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities.

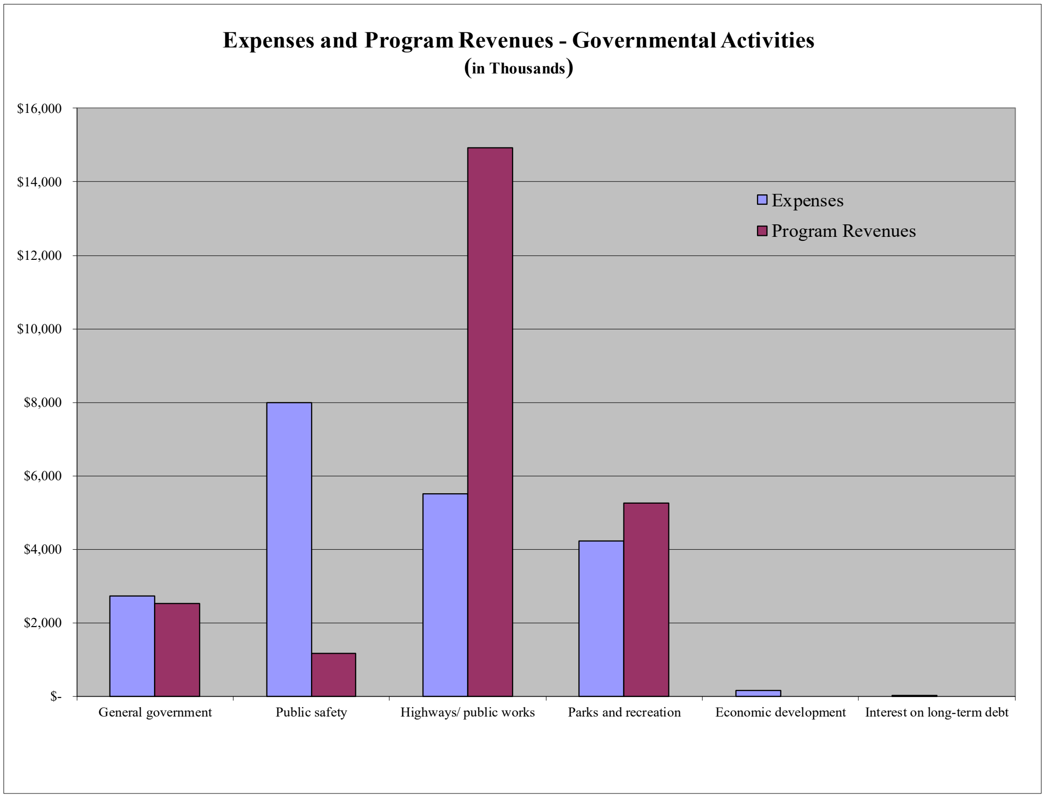
Governmental activities. Governmental activities increased Hurricane City's net position by $22,865,228. See below table for details.

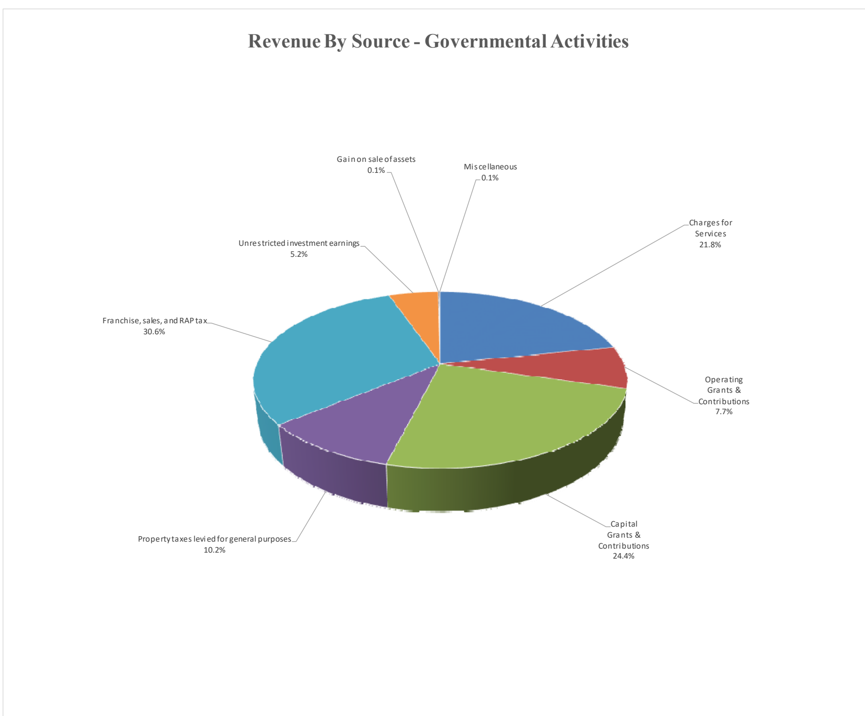
Business-type activities. Business-type activities increased Hurricane City's net position by $36,600,488. See below table for details.

Hurricane City's Changes in Net Position

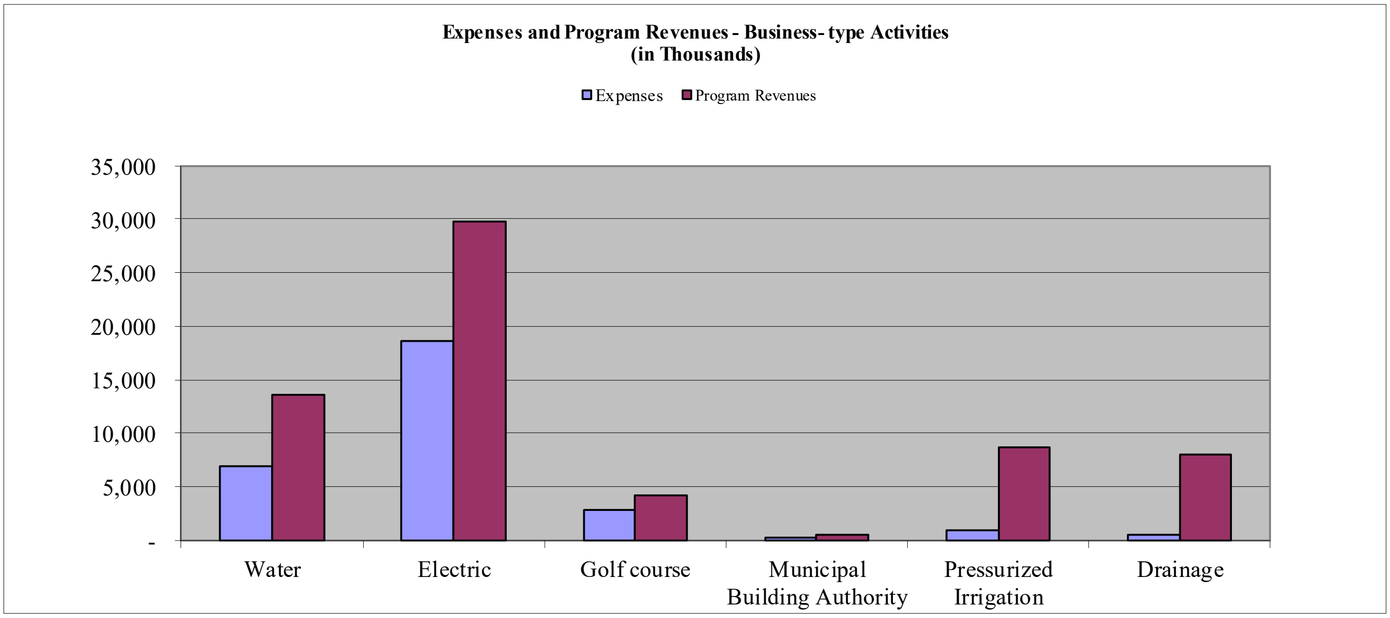
	Governmental activities		Business-type activities		Total	
	6/30/2025	6/30/2024	6/30/2025	6/30/2024	6/30/2025	6/30/2024
Revenues:						
Program revenues:						
Charges for services	$ 9,664,892	$ 7,115,217	$ 34,526,734	$ 30,640,421	$ 44,191,626	$ 37,755,638
Operating grants and contributions	3,397,233	2,374,848	-	-	3,397,233	2,374,848
Capital grants and contributions	10,838,763	12,185,640	30,350,472	20,064,185	41,189,235	32,249,825
General revenues:						
Taxes	18,092,948	16,785,387	-	-	18,092,948	16,785,387
Unrestricted investment earnings	2,286,502	2,088,915	1,715,678	1,430,495	4,002,180	3,519,410
Gain on sale of assets	38,167	95,052	-	-	38,167	95,052
Other	32,731	236,980	-	-	32,731	236,980
Total revenues	44,351,236	40,882,039	66,592,884	52,135,101	110,944,120	93,017,140
Expenses:						
General government	2,724,392	2,550,632	-	-	2,724,392	2,550,632
Public safety	8,003,138	7,518,876	-	-	8,003,138	7,518,876
Highways/ public works	5,512,683	4,347,237	-	-	5,512,683	4,347,237
Parks and recreation	4,234,077	4,132,661	-	-	4,234,077	4,132,661
Economic development	163,888	210,297	-	-	163,888	210,297
Interest on long-term debt	14,730	5,688	-	-	14,730	5,688
Water	-	-	6,917,528	5,728,179	6,917,528	5,728,179
Electric	-	-	18,646,258	18,143,527	18,646,258	18,143,527
Golf course	-	-	2,764,449	2,632,264	2,764,449	2,632,264
Municipal Building Authority	-	-	308,008	317,133	308,008	317,133
Pressurized Irrigation	-	-	880,421	621,480	880,421	621,480
Drainage	-	-	523,321	447,415	523,321	447,415
Total expenses	20,652,908	18,765,391	30,039,985	27,889,998	50,692,893	46,655,389
Change in net position before transfers	23,698,328	22,116,648	36,552,899	24,245,103	60,251,227	46,361,751
Transfers	(220,000)	-	220,000	-	-	-
Change in net position	23,478,328	22,116,648	36,772,899	24,245,103	60,251,227	46,361,751
Net position, beginning	126,777,575	104,660,927	125,430,323	101,185,220	252,207,898	205,846,147
Restatement for adoption of GASB 101	(613,100)	-	(172,411)	-	(785,511)	-
Net position, ending	$ 149,642,803	$ 126,777,575	$ 162,030,811	$ 125,430,323	$ 311,673,614	$ 252,207,898

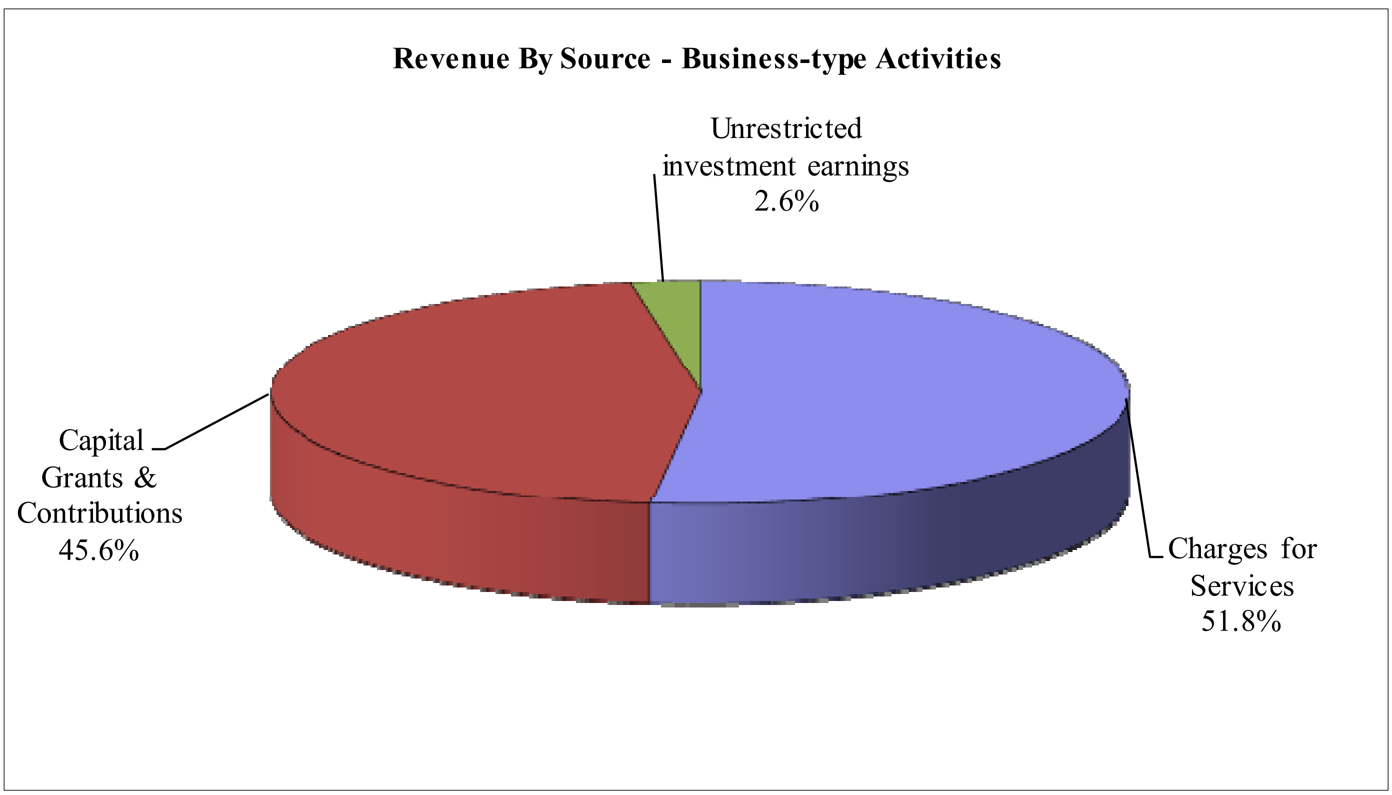
The following graphs compare program expenses and program revenues and provide a breakdown of revenues by source for all governmental activities:





The following graph compares program expenses and program revenues for all business-type activities:





Financial Analysis of the Government's Funds

As noted earlier, Hurricane City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of Hurricane City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Hurricane City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, governmental funds reported a combined ending fund balance of \$47,096,085, an increase of \$7,802,112 from the prior year; \$6,503,089 or approximately 13.81% of the fund balance constitutes *unassigned* fund balance, which is available for spending at the City's discretion. The remainder of the fund balance is *nonspendable* (\$159,394), *restricted* (\$25,967,339), and *assigned* (\$14,466,263).

The general fund is the chief operating fund of Hurricane City. At the end of the current fiscal year, *unassigned* fund balance of the general fund was \$6,503,089 or approximately 90.32% of the total fund balance of \$7,199,793.

The special revenue fund has a fund balance of \$13,026,182, all of which is restricted for transportation related improvements.

All other governmental funds (capital projects funds, special revenue fund, and debt service funds) have a total fund balance of \$22,598,008, which is restricted, nonspendable and assigned for various purposes related to capital outlay and other purposes.

Proprietary funds. Hurricane City's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail.

The combined unrestricted net position for the enterprise funds totaled \$28,616,592 at the end of the fiscal year. All of the enterprise funds experienced increases in total net position for the current fiscal year.

General Fund Budgetary Highlights

The general fund budget was amended during the year. The general fund budget was originally \$20,031,927 and was amended to \$22,412,058 a 11.88% increase. These increases were needed because of grants and increased revenues unknown at the time the budget was adopted.

Capital Asset and Debt Administration

Capital assets. Hurricane City's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to \$227,456,464 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, utility systems, infrastructure (i.e. roads, and sidewalks), autos and trucks and machinery and equipment.

Hurricane City's Capital Assets
(net of depreciation)

	Governmental Activities	Business type Activities	Total
Water Stock	$0	$2,590,135	$2,590,135
Land & Water Rights	$8,879,301	$4,354,352	$13,233,653
Improvements	$16,429,981	$634,855	$17,064,836
Buildings	$1,255,319	$5,888,926	$7,144,245
Infrastructure	$65,488,327	$86,323,947	$151,812,274
Right to Use Leased Equip	$0	$270,333	$270,333
Plant, Property, & Equipment	$1,978,042	$6,848,862	$8,826,904
Construction in Progress	$9,209,962	$22,674,346	$31,884,308
Total	$103,240,932	$129,585,756	$232,826,688

Additional information on the City's capital assets can be found in the footnotes to the financial report and also the supplemental section.

Long-term debt. At fiscal year-end, the City had $18,035,224 in outstanding debt (excluding net pension liability and compensated absences)—an increase of $11,841,219 over the last fiscal year—as shown in the below table. More detailed information about the City's long-term debt (and other long-term liabilities) is presented in the notes to the financial statements.

Hurricane City's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Leases Payable	$0	$0	$291,283	$396,153	$291,283	$396,153
Notes Payable	$122,111	$168,996	$0	$0	$122,111	$168,996
Revenue Bonds	$0	$122,000	$17,621,830	$5,506,856	$17,621,830	$5,628,856
Total Outstanding Debt	$122,111	$290,996	$17,913,113	$5,903,009	$18,035,224	$6,194,005

Next Year's Budget and Rates and Economic Factors

- The City added 582 single-family homes during the Fiscal Year 2024-2025, which is an increase of 184 homes or 46.23% compared to last year. Population growth based on these factors is estimated to have added 1,571 residents to the City. Sales tax derived from commercial growth is an integral part of Hurricane City's tax base and a necessary component to keeping property taxes low. The City Council continues to focus on economic development. Attracting new commercial development is critical to maintaining a healthy tax base.

- The unemployment rate for the County (of which Hurricane City is the third-largest city) was 3.6% for the month ended September 2025 compared with a state unemployment rate of 3.4% and a national rate of 4.4% (Source: Utah Department of Workforce Services).

- There were no major policy changes for the 2025 fiscal year that started on July 1, 2024, and ended on June 30, 2025. The budget was approved without a property tax rate increase. After careful consideration of all revenue sources and conservative forecasts for future revenues, the general fund budget was presented to the City Council as being funded within the scope of anticipated revenues. The budget as adopted will continue the significant work that has come to be expected by our citizens as we strive to meet their needs and fulfill our commitments to provide high-quality services to all those who live in or visit our community.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the resources it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Manager, 147 N 870 W, Hurricane City, Utah, 84737.

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BASIC FINANCIAL STATEMENTS

CITY OF HURRICANE, UTAH
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	$ 48,918,530	$ 50,774,472	$ 99,693,002
Receivables (net of allowance)	5,005,269	6,988,221	11,993,490
Leases receivable	-	8,396	8,396
Inventory	-	2,006,971	2,006,971
Prepaid expense	159,394	-	159,394
Internal balances	291,450	(291,450)	-
Restricted assets:			
Temporarily restricted:			
Cash and cash equivalents	3,814,729	1,340,478	5,155,207
Capital assets not being depreciated:			
Land and water rights	8,879,301	4,354,352	13,233,653
Water stock	-	2,590,135	2,590,135
Construction in progress	9,209,962	22,674,346	31,884,308
Capital assets (net of accumulated depreciation):			
Improvements	16,429,981	634,855	17,064,836
Plant and equipment	1,978,042	6,848,862	8,826,904
Right to use leased equipment	-	270,333	270,333
Irrigation pond	-	6,512	6,512
Water tank	-	6,565,013	6,565,013
Buildings	1,255,319	5,891,578	7,146,897
Distribution system	-	79,749,769	79,749,769
Infrastructure	65,488,327	-	65,488,327
Total assets	161,430,304	190,412,843	351,843,147
Deferred Outflows of Resources			
Deferred outflows related to pensions	2,066,382	585,850	2,652,232
Total deferred outflows of resources	2,066,382	585,850	2,652,232
Liabilities			
Accounts payable and other current liabilities	6,586,165	9,422,502	16,008,667
Unearned revenue	151,710	958,685	1,110,395
Interest payable	1,737	61,918	63,655
Noncurrent liabilities:			
Due within one year	86,909	1,181,045	1,267,954
Due in more than one year	958,770	16,732,067	17,690,837
Net pension liability	2,100,726	595,587	2,696,313
Total liabilities	9,886,017	28,951,804	38,837,821
Deferred Inflows of Resources			
Deferred inflows related to leases	-	8,452	8,452
Deferred inflows related to pensions	26,898	7,626	34,524
Property taxes levied for future year	3,940,968	-	3,940,968
Total deferred inflows of resources	3,967,866	16,078	3,983,944
Net Position			
Net investment in capital assets	103,118,821	124,337,643	227,456,464
Restricted for:			
Debt service	27,839	385,004	412,843
Capital projects	5,379,160	8,691,572	14,070,732
Legal restrictions	537,310	-	537,310
Other purposes	15,587,766	-	15,587,766
Unrestricted	24,991,907	28,616,592	53,608,499
Total net position	$ 149,642,803	$ 162,030,811	$ 311,673,614

The accompanying notes are an integral part of the financial statements.

CITY OF HURRICANE, UTAH
Statement of Activities
For the Year Ended June 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 2,724,392	$ 2,346,271	$ 37,040	$ 155,542	$ (185,539)	$ -	$ (185,539)
Public safety	8,003,138	1,132,906	42,913	-	(6,827,319)	-	(6,827,319)
Highways/ public works	5,512,683	2,531,081	1,718,569	10,683,221	9,420,188	-	9,420,188
Parks and recreation	4,234,077	3,654,634	1,598,711	-	1,019,268	-	1,019,268
Economic development	163,888	-	-	-	(163,888)	-	(163,888)
Interest on long-term debt	14,730	-	-	-	(14,730)	-	(14,730)
Total governmental activities	20,652,908	9,664,892	3,397,233	10,838,763	3,247,980	-	3,247,980
Business-type activities:							
Water	6,917,528	6,407,276	-	7,180,466	-	6,670,214	6,670,214
Electric	18,646,258	22,083,066	-	7,774,851	-	11,211,659	11,211,659
Golf course	2,764,449	4,197,989	-	-	-	1,433,540	1,433,540
Municipal Building Authority	308,008	482,779	-	-	-	174,771	174,771
Pressurized Irrigation	880,421	767,952	-	7,985,165	-	7,872,696	7,872,696
Drainage	523,321	587,672	-	7,409,990	-	7,474,341	7,474,341
Total business-type activities	30,039,985	34,526,734	-	30,350,472	-	34,837,221	34,837,221
General Revenues:							
Taxes:							
Property taxes levied for general purposes					4,540,258	-	4,540,258
Franchise taxes					2,524,071	-	2,524,071
General sales taxes and highway sales taxes					10,351,614	-	10,351,614
RAP tax					677,005	-	677,005
Unrestricted investment earnings					2,286,502	1,715,678	4,002,180
Gain on sale of assets					38,167	-	38,167
Miscellaneous					32,731	-	32,731
Transfers					(220,000)	220,000	-
Total general revenues & transfers					20,230,348	1,935,678	22,166,026
Change in net position					23,478,328	36,772,899	60,251,227
Net position - beginning, as previously reported					126,777,575	125,430,323	252,207,898
Restatement for adoption of GASB 101					(613,100)	(172,411)	(785,511)
Net position - beginning, as restated					125,551,375	125,257,912	250,809,287
Net position - ending					$ 149,642,803	$ 162,030,811	$ 311,673,614

The accompanying notes are an integral part of the financial statements.

CITY OF HURRICANE, UTAH
Balance Sheet
Governmental Funds
June 30, 2025

	General	Special Revenue	Capital Project Fund Parks Impact	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 7,228,729	$ 14,406,481	$ 4,758,217	$ 22,525,103	$ 48,918,530
Receivables	1,520	-	-	442,268	443,788
Due from other governments	4,375,159	-	-	186,322	4,561,481
Due from other funds	291,450	-	-	-	291,450
Prepaid expenses	159,394	-	-	-	159,394
Restricted cash and cash equivalents	3,814,729	-	-	-	3,814,729
Total assets	$ 15,870,981	$ 14,406,481	$ 4,758,217	$ 23,153,693	$ 58,189,372
Liabilities					
Accounts payable	$ 1,097,326	$ 1,380,299	$ 486,115	$ 141,241	$ 3,104,981
Accrued liabilities	188,255	-	-	-	188,255
Customer deposits	3,276,438	-	-	-	3,276,438
Court funds held	16,491	-	-	-	16,491
Unearned revenue	151,710	-	-	-	151,710
Total liabilities	4,730,220	1,380,299	486,115	141,241	6,737,875
Deferred Inflows of Resources					
Property taxes levied for future year	3,940,968	-	-	-	3,940,968
Unavailable revenue - special assessment	-	-	-	414,444	414,444
Total deferred inflows of resources	3,940,968	-	-	414,444	4,355,412
Fund Balances					
Nonspendable:					
Prepaids	159,394	-	-	-	159,394
Restricted for:					
Debt service	-	-	-	27,839	27,839
Capital outlay	-	-	4,272,102	5,542,322	9,814,424
Other	537,310	13,026,182	-	2,561,584	16,125,076
Assigned	-	-	-	14,466,263	14,466,263
Unassigned	6,503,089	-	-	-	6,503,089
Total fund balances	7,199,793	13,026,182	4,272,102	22,598,008	47,096,085
Total liabilities, deferred inflows of resources, and fund balances	$ 15,870,981	$ 14,406,481	$ 4,758,217	$ 23,153,693	$ 58,189,372

The accompanying notes are an integral part of the financial statements.

CITY OF HURRICANE, UTAH
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
June 30, 2025

Amounts reported for governmental activities in the statement of net position are different because:		
Total fund balances - governmental funds		$ 47,096,085
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Governmental capital assets	$ 149,503,880	
Accumulated depreciation	(46,262,948)	
		103,240,932
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds payable	-	
Notes payable	(122,111)	
Net pension liability	(2,100,726)	
Compensated absences	(923,568)	
Accrued interest payable	(1,737)	
		(3,148,142)
Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds.		
Deferred outflows	2,066,382	
Deferred inflows	(26,898)	
		2,039,484
Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.		414,444
Total net position - governmental activities		$ 149,642,803

The accompanying notes are an integral part of the financial statements.

CITY OF HURRICANE, UTAH
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General	Special Revenue	Formerly nonmajor Capital Project Fund Parks Impact	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes	$ 14,247,420	$ 2,749,188	$ -	$ 1,096,341	$ 18,092,949
Licenses, permits and fees	1,223,200	-	-	-	1,223,200
Intergovernmental revenue	2,008,588	964,829	1,500,000	149,726	4,623,143
Charges for services	1,878,824	-	-	1,755	1,880,579
Fines and forfeitures	618,326	-	-	-	618,326
Impact fees	-	-	2,769,286	1,742,000	4,511,286
Contributions and donations	47,227	-	-	86,761	133,988
Investment earnings	792,527	593,621	189,966	710,388	2,286,502
Other revenues	182,616	2,439	-	609,933	794,988
Total revenues	20,998,728	4,310,077	4,459,252	4,396,904	34,164,961
Expenditures					
Current:					
General government	2,398,931	-	-	10,599	2,409,530
Public safety	7,396,773	-	-	165,000	7,561,773
Highways/ public works	2,686,170	103,490	-	221,462	3,011,122
Parks and recreation	3,566,175	-	4,500	72,516	3,643,191
Economic development	-	-	-	163,888	163,888
Debt service:					
Principal	-	-	122,000	11,851	133,851
Interest	-	-	2,879	-	2,879
Capital outlay:					
Street construction	-	2,784,952	-	2,119,118	4,904,070
Parks and recreation	-	-	4,047,579	255,219	4,302,798
Public safety	-	-	-	47,914	47,914
Total expenditures	16,048,049	2,888,442	4,176,958	3,067,567	26,181,016
Excess (deficiency) of revenues over (under) expenditures	4,950,679	1,421,635	282,294	1,329,337	7,983,945
Other Financing Sources (Uses)					
Sale of capital assets	7,292	-	-	30,875	38,167
Operating transfers in	-	-	-	5,540,279	5,540,279
Operating transfers out	(5,567,566)	-	-	(192,713)	(5,760,279)
Total other financing sources and uses	(5,560,274)	-	-	5,378,441	(181,833)
Net change in fund balances	(609,595)	1,421,635	282,294	6,707,778	7,802,112
Fund balances, beginning of year, as previously stated	7,809,388	11,604,547	-	19,880,038	39,293,973
Adjustment - changes from nonmajor to major fund	-	-	3,989,808	(3,989,808)	-
Fund balances -beginning of year, as adjusted	7,809,388	11,604,547	3,989,808	15,890,230	39,293,973
Fund balances, end of year	$ 7,199,793	$ 13,026,182	$ 4,272,102	$ 22,598,008	$ 47,096,085

The accompanying notes are an integral part of the financial statements.

CITY OF HURRICANE, UTAH
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds To the Statement of Activities
For the Year Ended June 30, 2025

Amounts reported for governmental activities in the statement of activities are different because:		
Net change in fund balances - total governmental funds		$ 7,802,112
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlay and depreciation expense in the current period.		
Capital Outlay	$ 9,044,273	
Depreciation Expense	(3,804,953)	
		5,239,320
Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.		10,683,221
Repayment of long-term debt (e.g. bonds, notes) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		168,885
Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured six months before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.		
Pension contributions	(683,789)	
Pension expense	305,885	
		(377,904)
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		(37,306)
Change in net position of governmental activities		$ 23,478,328

The accompanying notes are an integral part of the financial statements.

CITY OF HURRICANE, UTAH
Statement of Net Position
Proprietary Funds
June 30, 2025

	Water Fund	Electric Fund	Golf Fund
Assets			
Current assets:			
Cash and cash equivalents	$ 17,642,028	$ 21,473,292	$ 5,648,837
Receivables, net of allowance of $15,186	470,802	2,605,161	15,800
Leases receivable	-	-	-
Inventory	-	1,924,985	81,986
Due from other governments	-	-	-
Total current assets	18,112,830	26,003,438	5,746,623
Noncurrent assets:			
Restricted cash and cash equivalents	333,725	843,524	-
Capital assets:			
Water stock	2,306,799	-	-
Land, improvements and water rights	576,406	532,650	557,651
Plant and equipment	1,948,124	18,392,189	1,286,456
Right to use leased equipment	-	-	591,716
Irrigation pond	-	-	13,029
Water tank	7,701,732	-	-
Intangible plant	-	36,780	-
Buildings	2,483,583	577,644	286,098
Construction in progress	2,135,725	4,771,524	-
Distribution system	47,061,900	27,903,654	-
Less: Accumulated depreciation/amortization	(12,505,977)	(18,456,568)	(1,982,163)
Total noncurrent assets	52,042,017	34,601,397	752,787
Total assets	70,154,847	60,604,835	6,499,410
Deferred Outflows of Resources			
Deferred outflows related to pensions	152,056	289,161	144,633
Liabilities			
Current liabilities:			
Accounts payable	832,343	3,906,090	116,578
Accrued liabilities	120,589	272,819	207,060
Customer deposits	111,950	843,524	-
Due to other funds	-	-	-
Interest payable	34,259	2,143	-
Unearned revenue	-	958,685	-
Current portion of noncurrent liabilities	135,000	-	110,819
Total current liabilities	1,234,141	5,983,261	434,457
Noncurrent liabilities:			
Leases payable	-	-	291,283
Bonds payable	8,771,130	-	-
Net pension liability	154,583	293,967	147,037
Less current portion of noncurrent liabilities	(135,000)	-	(110,819)
Total noncurrent liabilities	8,790,713	293,967	327,501
Total liabilities	10,024,854	6,277,228	761,958
Deferred Inflows of Resources			
Deferred inflows related to leases	-	-	-
Deferred inflows related to pensions	1,979	3,764	1,883
Total deferred inflows of resources	1,979	3,764	1,883
Net Position			
Net investment in capital assets	49,540,162	33,757,873	461,504
Restricted for debt service	221,775	-	-
Restricted for capital outlay	5,061,986	3,450,153	-
Unrestricted	5,456,147	17,404,978	5,418,698
Total net position	$ 60,280,070	$ 54,613,004	$ 5,880,202

The accompanying notes are an integral part of the financial statements.

Pressurized Irrigation Fund	Drainage Fund	Nonmajor Enterprise Funds	Totals 2025
$ 4,459,491	$ 1,071,598	$ 479,226	$ 50,774,472
150,012	52,618	-	3,294,393
-	-	8,396	8,396
-	-	-	2,006,971
2,244,426	1,449,402	-	3,693,828
6,853,929	2,573,618	487,622	59,778,060
-	-	163,229	1,340,478
283,336	-	-	2,590,135
1,720,295	45,000	1,480,000	4,912,002
-	645,912	-	22,272,681
-	-	-	591,716
-	-	1,488,592	1,501,621
-	-	-	7,701,732
-	-	-	36,780
-	-	6,260,665	9,607,990
9,769,032	5,997,282	-	22,673,563
8,502,292	14,619,183	-	98,087,029
(1,170,636)	(2,567,991)	(3,706,159)	(40,389,494)
19,104,319	18,739,386	5,686,327	130,926,233
25,958,248	21,313,004	6,173,949	190,704,293
-	-	-	585,850
1,806,218	1,204,314	1,017	7,866,560
-	-	-	600,468
-	-	-	955,474
291,450	-	-	291,450
6,660	686	18,170	61,918
-	-	-	958,685
-	-	935,226	1,181,045
2,104,328	1,205,000	954,413	11,915,600
-	-	-	291,283
6,765,000	-	2,085,699	17,621,829
-	-	-	595,587
-	-	(935,226)	(1,181,045)
6,765,000	-	1,150,473	17,327,654
8,869,328	1,205,000	2,104,886	29,243,254
-	-	8,452	8,452
-	-	-	7,626
-	-	8,452	16,078
18,401,319	18,739,386	3,437,399	124,337,643
-	-	163,229	385,004
178,164	1,269	-	8,691,572
(1,490,563)	1,367,349	459,983	28,616,592
$ 17,088,920	$ 20,108,004	$ 4,060,611	$ 162,030,811

CITY OF HURRICANE, UTAH
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Water Fund	Electric Fund	Golf Fund	Pressurized Irrigation Fund
Operating revenues:				
Charges for services	$ 6,394,395	$ 21,559,493	$ 4,197,989	$ 767,952
Lease revenue	-	-	-	-
Other revenues	12,881	523,573	-	-
Total operating revenues	6,407,276	22,083,066	4,197,989	767,952
Operating expenses:				
Purchased power	-	13,120,281	-	-
Power generation	-	73,719	-	-
Rent	647	-	3,262	5,155
Administration	221,020	189,186	82,347	37,648
Salaries and wages	731,071	1,295,470	779,043	-
Payroll taxes	64,348	113,043	68,179	-
Employee benefits	316,323	505,204	305,509	-
Distribution system repairs and maintenance	461,916	30,983	64,958	44,095
Repairs and maintenance	-	230,947	96,589	73,694
Tools expense	723	17,116	41	-
Office expense	-	17,447	822	-
Gasoline	27,412	19,285	21,180	-
Insurance	28,229	84,182	15,795	4,950
Depreciation	1,137,844	974,372	139,934	126,285
Telephone	6,017	8,355	8,707	-
Utilities	586,661	1,014	50,935	28,395
Office supplies	13,909	7,685	4,683	-
Special department supplies	-	51,573	460,379	-
Professional services	418,163	218,083	13,112	14,543
Trustee fees	-	-	-	-
Advertising	-	-	21,306	-
Franchise payment	-	1,215,776	-	-
Travel and training	9,339	16,716	3,886	-
Miscellaneous	773,252	244,851	6,124	-
Sales tax	-	-	243,755	-
Fertilizer and chemicals	25,129	-	71,584	-
Postage and freight	19,951	33,400	-	6,500
Credit card expense	49,500	107,153	100,731	16,500
Assessments	-	-	-	23,018
Remote meter reading	-	15,842	-	-
Tree trimming	-	54,575	-	-
Water costs	1,940,841	-	181,994	486,490
Total operating expenses	6,832,295	18,646,258	2,744,855	867,273
Operating income (loss)	(425,019)	3,436,808	1,453,134	(99,321)
Nonoperating revenues (expenses):				
Connection and impact fees	1,913,034	2,317,007	-	193,688
Interest income	521,517	832,902	180,262	77,926
Grant revenue	-	-	-	5,603,448
Interest expense and fiscal charges	(85,233)	-	(19,594)	(13,148)
Total nonoperating revenues (expenses)	2,349,318	3,149,909	160,668	5,861,914
Income before contributions and transfers	1,924,299	6,586,717	1,613,802	5,762,593
Capital contributions	5,267,432	5,457,844	-	2,188,029
Transfers from other funds	-	-	-	-
Change in net position	7,191,731	12,044,561	1,613,802	7,950,622
Net position, beginning of year, as previously stated	53,149,011	42,640,845	4,305,737	-
Restatement for adoption of GASB 101	(60,672)	(72,402)	(39,337)	-
Adjustment - change from nonmajory to major fund	-	-	-	9,138,298
Adjustment - change from major to nonmajor fund	-	-	-	-
Net position - beginning of year as adjusted	53,088,339	42,568,443	4,266,400	9,138,298
Total net position, end of year	$ 60,280,070	$ 54,613,004	$ 5,880,202	$ 17,088,920

The accompanying notes are an integral part of the financial statements.

Drainage Fund	Municipal Building Authority	Nonmajor Enterprise Funds	Totals 2025
$ 587,672	$ -	$ -	$ 33,507,501
-	-	482,779	482,779
-	-	-	536,454
587,672	-	482,779	34,526,734
-	-	-	13,120,281
-	-	-	73,719
-	-	-	9,064
23,743	-	5,470	559,414
-	-	-	2,805,584
-	-	-	245,570
-	-	-	1,127,036
7,560	-	-	609,512
71,655	-	1,200	474,085
-	-	-	17,880
-	-	-	18,269
409	-	-	68,286
7,265	-	59,085	199,506
278,005	-	170,716	2,827,156
-	-	-	23,079
-	-	1,626	668,631
-	-	-	26,277
1,914	-	-	513,866
89,085	-	-	752,986
-	-	6,292	6,292
-	-	-	21,306
-	-	-	1,215,776
-	-	-	29,941
20,685	-	-	1,044,912
-	-	-	243,755
-	-	-	96,713
6,500	-	-	66,351
16,500	-	-	290,384
-	-	-	23,018
-	-	-	15,842
-	-	-	54,575
-	-	-	2,609,325
523,321	-	244,389	29,858,391
64,351	-	238,390	4,668,343
190	-	-	4,423,919
44,920	-	58,151	1,715,678
5,147,180	-	-	10,750,628
-	-	(63,619)	(181,594)
5,192,290	-	(5,468)	16,708,631
5,256,641	-	232,922	21,376,974
2,262,620	-	-	15,175,925
-	-	220,000	220,000
7,519,261	-	452,922	36,772,899
-	3,607,689	21,727,041	125,430,323
-	-	-	(172,411)
12,588,743	-	(21,727,041)	-
-	(3,607,689)	3,607,689	-
12,588,743	-	3,607,689	125,257,912
$ 20,108,004	$ -	$ 4,060,611	$ 162,030,811

CITY OF HURRICANE, UTAH
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Water Fund	Electric Fund
Cash flows from operating activities:		
Cash received from customers, service fees	$ 6,382,471	$ 22,162,302
Cash received from customers, capacity fees and other	12,881	523,573
Cash paid to suppliers	(4,752,029)	(15,747,220)
Cash paid to employees	(1,080,446)	(2,805,086)
Net cash provided by operating activities	562,877	4,133,569
Cash flows from noncapital financing activities:		
Transfers (to) from other funds	-	-
Net cash provided (used) by noncapital financing activities	-	-
Cash flows from capital and related financing activities:		
Principal payments on long-term debt	(130,000)	-
Proceeds from issuance of long-term debt	6,603,000	-
Interest paid	(87,400)	-
Purchase of capital assets	(961,811)	(320,413)
Proceeds from state and federal grants	-	-
Connection and impact fees	1,913,034	2,317,007
Net cash provided (used) by capital and related financing activities:	7,336,823	1,996,594
Cash flows from investing activities:		
Interest on investments	512,089	832,902
Net increase (decrease) in cash and cash equivalents	8,411,789	6,963,065
Cash and cash equivalents, including restricted cash, beginning of year, restated	9,563,964	15,353,752
Cash and cash equivalents, including restricted cash, end of year	$ 17,975,753	$ 22,316,817
Reconciliation of operating income to net cash provided by operating activities:		
Net operating income (loss)	$ (425,019)	$ 3,436,808
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation/amortization	1,137,844	974,372
Pension expense	26,935	54,443
Changes in operating assets and liabilities:		
(Increase) Decrease in receivables	(11,924)	(355,876)
(Increase) Decrease in inventory	-	(466,209)
Increase (Decrease) in accounts payable	(169,320)	477,158
Increase (Decrease) in accrued liabilities	4,361	(945,812)
Increase (Decrease) in unearned revenue	-	958,685
Net cash provided by operating activities	$ 562,877	$ 4,133,569
Supplemental Schedule of Non-cash Investing and Financing Activities:		
Capital contributions	$ 5,267,432	$ 5,457,844

The accompanying notes are an integral part of the financial statements.

Golf Fund	Pressurized Irrigation Fund	Drainage Fund	Nonmajor Enterprise Funds	Totals 2025
$ 4,185,515	$ 700,004	$ 583,819	$ 483,513	$ 34,497,624
-	-	-	-	536,454
(1,440,515)	(736,221)	(257,221)	(72,807)	(23,006,013)
(1,041,186)	-	-	-	(4,926,718)
1,703,814	(36,217)	326,598	410,706	7,101,347
-	-	-	220,000	220,000
-	-	-	220,000	220,000
(104,870)	-	-	(411,832)	(646,702)
-	6,062,000	-	-	12,665,000
(19,594)	(7,155)	-	(65,980)	(180,129)
(36,728)	(6,051,744)	(4,866,150)	-	(12,236,846)
-	4,219,663	3,697,778	-	7,917,441
-	193,688	190	-	4,423,919
(161,192)	4,416,452	(1,168,182)	(477,812)	11,942,683
180,262	77,926	44,920	58,151	1,706,250
1,722,884	4,458,161	(796,664)	211,045	20,970,280
3,925,953	1,330	1,868,263	431,410	31,144,672
$ 5,648,837	$ 4,459,491	$ 1,071,599	$ 642,455	$ 52,114,952
$ 1,453,134	$ (99,321)	$ 64,351	$ 238,390	$ 4,668,343
139,934	126,285	278,005	170,716	2,827,156
26,348	-	-	-	107,726
(12,474)	(67,948)	(3,853)	734	(451,341)
(1,933)	-	-	-	(468,142)
13,608	4,767	(11,905)	866	315,174
85,197	-	-	-	(856,254)
-	-	-	-	958,685
$ 1,703,814	$ (36,217)	$ 326,598	$ 410,706	$ 7,101,347
$ -	$ 2,188,029	$ 2,262,620	$ -	$ 15,175,925

CITY OF HURRICANE, UTAH
Statement of Net Position
Fiduciary Funds
June 30, 2025

	Dixie Springs SID No Commitment Debt Custodial Fund
Assets	
Current assets:	
Restricted cash and cash equivalents	$ 552,576
Total Assets	552,576
Liabilities	
Current liabilities:	
Prepayments	8,073
Total liabilities	8,073
Net Position	
Restricted for:	
Property owners	544,503
Total Net Position	$ 544,503

The accompanying notes are an integral part of the financial statements.

CITY OF HURRICANE, UTAH
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Dixie Springs SID No Commitment Debt Custodial Fund
Additions	
Contributions	$ 31,943
Interest income	18,813
Total additions	50,756
Deductions	
Administrative expenses	10,000
Total Deductions	10,000
Net Increase (decrease) in fiduciary net position	40,756
Net position - beginning	503,747
Net position - ending	$ 544,503

The accompanying notes are an integral part of the financial statements.

NOTE 1. Summary of Significant Accounting Policies

Description of government-wide financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting entity

The City of Hurricane, Utah (the City) is a municipal corporation governed by an elected mayor and five-member governing council (council). The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The City currently has no discretely presented component units and one blended component unit – the Redevelopment Agency. See note 14 for additional information regarding this Agency.

Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the Redevelopment Agency Fund by the Golf Fund and Pressurized Irrigation Fund for the lease of the golf course and irrigation pond. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds, including its fiduciary fund. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

NOTE 1. Summary of Significant Accounting Policies, Continued

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The **Special Revenue Fund** is used to account for the proceeds from the ¼% sales tax passed by the City voters to be used for transportation-related improvements.

The **Parks Impact Capital Projects Fund** is used to account for the fees received and the expenditures made from Park impact fees. Expenditures are made for capital improvements to existing parks and acquisition of new park property and facilities.

The City reports the following major proprietary funds:

The **Water Fund** is used to account for the provision of water services to the residents of the City.

The **Electric Utilities Fund** is used to account for the provision of electricity to the residents of the City.

The **Golf Course Fund** is used to account for the operation and maintenance of the City's golf course.

The **Pressurized Irrigation Fund** is used to support the expansion, maintenance, and improvement of the city's secondary water system, primarily to convert flood irrigation to more efficient sprinkler systems, conserve Virgin River water rights, and meet future development needs.

The **Drainage Fund** is used for the management, maintenance, repair, and installation of the city's storm drainage infrastructure and related services.

Additionally, the City reports the following fund type:

The **Dixie Springs SID No Commitment Debt Custodial Fund** is used to account for funds collected from property owners in the Dixie Springs Special Improvement District for the payment of no-commitment special assessment bonds.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

NOTE 1. Summary of Significant Accounting Policies, Continued

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to compensated absences, and claims and judgments are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Property taxes, room taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

NOTE 1. Summary of Significant Accounting Policies, Continued

The proprietary funds are reported using the *economic resources measurement focus* and the accrual basis of accounting. The Dixie Springs SID no commitment debt custodial fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

Deposits and Investments

Cash includes cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to" or "due from other funds." All trade accounts receivable in the enterprise funds are shown net of an allowance for uncollectibles. Due to the nature of the accounts receivable in governmental type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

Inventories and prepaid items

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories of the business type activities are valued at the lower of FIFO cost or market. Market is considered as replacement cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. For Governmental funds, capital assets are defined by the City as assets with an individual cost of more than $5,000 and an estimated useful life in excess of three years. For proprietary funds the capital asset cost threshold is $300. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed in Leases section below. Donated capital assets are recorded at estimated acquisition value at the date of

NOTE 1. Summary of Significant Accounting Policies, Continued

donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment are depreciated/amortized using the straight-line method over the following estimated useful lives:

Building and improvements	40 years
Distribution system and improvements	20 to 50 years
Plant and equipment	5 to 10 years
Infrastructure	20 years
Intangibles: Right to use leased assets	6 years

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is pension related items reported on the government-wide and proprietary fund statement of net position. See footnote 9 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, which qualify for reporting in this category. Accordingly, the first item, *unavailable revenue,* is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes levied for a future year and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities statement of net position reports deferred inflows of resources from property taxes levied for a future year. The second item is deferred amounts related to leases reported in the fund and government-wide financial statements. The third item is pension related items reported on the government-wide and proprietary fund statement of net position. See footnote 9 for more information.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1. Summary of Significant Accounting Policies, Continued

Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Manager is authorized to assign amounts to a specific purpose in accordance with the City's budget policy. The City Manager and council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

NOTE 1. Summary of Significant Accounting Policies, Continued

Minimum Fund Balance

Utah Code 10-6-116(4) indicates that only the "fund balance in excess of 5% of total revenues of the general fund may be utilized for budget purposes." The remaining 5% must be maintained as a minimum fund balance.

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Taxes

Property taxes are collected by the Washington County Treasurer and remitted to the City in three installments: July, December, and March. Taxes are levied and are due and payable on November 1 and delinquent after November 30 of each year at which time they become liens if not paid. An accrual of uncollected current and prior year's property taxes has not been made, as the amounts are not material in relationship to the financial statements taken as a whole.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

Compensated Absences

The City recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee) during or upon separation from employment. Based on the criteria listed, three types of leave qualify for liability recognition for compensated absences – vacation, comp time, and sick leave. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation and Comp Time
The City's policy permits employees to accumulate earned but unused vacation and Comp Time benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave
The City's policy permits employees to accumulate earned but unused sick leave up to a maximum of 120 days. Upon retirement, an employee may be eligible to receive a payout of ¼ of the employee's final hourly pay rate multiplied by the number of hours accumulated. A liability for the estimated value of sick leave that will be used by employees as time off, until retirement, is included in the liability for compensated absences.

NOTE 1. Summary of Significant Accounting Policies, Continued

Leases

Lessee: the City recognizes lease liabilities with an initial, individual value of $5,000 or more. At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with longterm debt on the statement of net position.

Lessor: The City is a lessor for a noncancellable lease of a building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

NOTE 1. Summary of Significant Accounting Policies, Continued

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

New Pronouncements

For the year ended June 30, 2025, the City implemented the provisions of GASB Statement No. 101, *Compensated Absences*, which provides updated recognition and measurement guidance for compensated absences. Implementation of this new statement resulted in a restatement of beginning net position in the government-wide financial statements (see Note 15).

NOTE 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 27.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 29.

NOTE 3. Stewardship, Compliance, and Accountability

Budgets and Budgetary Accounting

The City Council observes the following procedures in establishing the budgetary data reflected in the financial statements:

(1) Prior to the first meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Budgets are required for the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects funds, and the Enterprise Funds.

(2) Public hearings are conducted to obtain taxpayer comments.

(3) Prior to June 22, the budget is legally enacted through passage of an ordinance.

(4) The City Manager is authorized to transfer budgeted amounts within departments; however, to transfer budgeted amounts between departments requires City Council approval. Any revisions that alter the total expenditures of any fund must be approved through public hearing by the City Council and can be made at any time during the fiscal year.

Budgets for the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Funds are prepared on the modified accrual method of accounting. Budgets for the Enterprise Funds are prepared on the accrual basis of accounting. Control is maintained at the function level. (i.e. Public Safety, Highways and Public Improvements, etc.) All appropriations lapse at year-end. Utah State law requires budgets to be prepared and reported on for the General Fund and major Special Revenue Funds. The budget was amended during the current fiscal year.

NOTE 4. Deposits and Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah code*, Section 51, chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Custodial Credit Risk

For deposits, this is the risk that in the event of a bank failure, the City's deposit may not be returned to it. The City does not have a formal policy for custodial credit risk. As of June 30, 2025, $4,012,630 of the City's bank balance of $4,262,630 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Investments

The Money Management Act defines the types of securities authorized as appropriate investment for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier' by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; the Utah Public Treasurer's Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

NOTE 4. Deposits and Investments, Continued

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of June 30, 2025, the City had the following investments, ratings, and maturities:

Investment Type	Fair Value	Credit Rating (1)	Weighted Average Maturity (2)
State of Utah Public Treasurer's Investment Fund	$ 94,276,186	N/A	66.13
Total Fair Value	$ 94,276,186		

(1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.
(2) Interest Rate Risk is estimated using the weighted average days to maturity.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act.

NOTE 4. Deposits and Investments, Continued

Fair value measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2025:

- PTIF of $94,276,186 are valued using amortized cost (Level 2 inputs).

Restricted assets at June 30, 2025 consisted of the following:

	Governmental Activities	Business-type Activities
Restricted cash		
Flag and scholarship trust	$ 14,133	$ -
Cemetery perpetual care	524,159	-
General fund customer deposits	3,276,438	-
Water fund customer deposits	-	111,950
Electric fund customer deposits	-	843,524
Debt reserves requirements	-	385,005
Total	$ 3,814,729	$ 1,340,478

NOTE 5. Capital Assets

Capital asset activity for the year ended June 30, 2025 was as follows:

Governmental Activities:

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Capital assets, not being depreciated:				
Land	$ 8,879,301	$ -	$ -	$ 8,879,301
Construction in progress	17,316,724	8,955,722	(17,062,484)	9,209,962
Total capital assets, not being depreciated:	26,196,025	8,955,722	(17,062,484)	18,089,263
Capital assets, being depreciated:				
Improvements	16,735,637	7,142,641	-	23,878,278
Plant and equipment	9,123,883	100,858	-	9,224,741
Buildings	2,079,774	-	-	2,079,774
Infrastructure	75,641,067	20,590,757	-	96,231,824
Total capital assets, being depreciated:	103,580,361	27,834,256	-	131,414,617
Less accumulated depreciation for:				
Improvements	(6,921,580)	(526,717)	-	(7,448,297)
Plant and equipment	(6,323,969)	(922,730)	-	(7,246,699)
Buildings	(749,881)	(74,574)	-	(824,455)
Infrastructure	(28,462,565)	(2,280,932)	-	(30,743,497)
Total accumulated depreciation	(42,457,995)	(3,804,953)	-	(46,262,948)
Total capital assets, being depreciated, net	61,122,366	24,029,303	-	85,151,669
Governmental activities capital assets, net	$ 87,318,391	$ 32,985,025	$ (17,062,484)	$ 103,240,932

Depreciation expense was charged to the functions/programs of the City as follows:

Depreciation expense was charged to the functions/programs of the City as follows:

Governmental Activities:

General government	$ 248,729
Public safety	642,786
Highways	2,376,160
Parks and recreation	537,278
Total depreciation expense - governmental activities	$ 3,804,953

NOTE 5. Capital Assets, Continued

Business Type Activities:

	Balance 6/30/2024	Additions	Deletions	Balance 6/30/2025
Capital assets not being depreciated:				
Water stock	$ 2,263,197	$ 326,938	$ -	$ 2,590,135
Land and water rights	4,354,352	-	-	4,354,352
Construction in progress	8,180,451	15,185,486	(691,591)	22,674,346
Total capital assets, not being depreciated	14,798,000	15,512,424	(691,591)	29,618,833
Capital assets being depreciated:				
Improvements	2,046,244	-	-	2,046,244
Plant and equipment	22,170,878	101,016	-	22,271,894
Right to use leased equipment	591,717	-	-	591,717
Irrigation pond	13,029	-	-	13,029
Water tank	7,701,732	-	-	7,701,732
Intangible plant	36,780	-	-	36,780
Buildings	9,607,991	-	-	9,607,991
Distribution system	82,731,410	15,420,900	(65,280)	98,087,030
Total capital assets, being depreciated	124,899,781	15,521,916	(65,280)	140,356,417
Less accumulated depreciation for:				
Improvements	(1,386,036)	(25,353)	-	(1,411,389)
Plant and equipment	(14,703,389)	(719,643)	-	(15,423,032)
Right to use leased equipment	(215,220)	(106,164)	-	(321,384)
Irrigation pond	(6,256)	(261)	-	(6,517)
Water tank	(988,717)	(154,036)	6,034	(1,136,719)
Intangible plant	(36,780)	-	-	(36,780)
Buildings	(3,468,153)	(248,260)	-	(3,716,413)
Distribution system	(16,823,070)	(1,579,474)	65,283	(18,337,261)
Total accumulated depreciation	(37,627,621)	(2,833,191)	71,317	(40,389,495)
Total capital assets, being depreciated, net	87,272,160	12,688,725	6,037	99,966,922
Business-type activities capital assets, net	$ 102,070,160	$ 28,201,149	$ (685,554)	$ 129,585,755

NOTE 6. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2025.

Long-Term Debt	Date of Issue	Interest Rate	Original Amount of Issue	Restated** June 30, 2024	Additions	Retirements	June 30, 2025	Current Portion
Governmental Activities								
Direct Placement Bonds Payable:								
Sales Tax Revenue Bonds, Series 2015	7/6/2015	2.36%	$ 1,100,000	$ 122,000	$ -	$ (122,000)	$ -	
Total direct placement bonds payable				122,000	-	(122,000)	-	-
Total Bonds Payable				122,000	-	(122,000)	-	-
Notes payable:								
Note Payable for Airport Hangar	12/10/2009	6.47-7.20%	131,000	50,268	-	(8,755)	41,513	9,522
Note Payable for Parks Department Office Building	4/27/2017	3.27%	353,000	118,728	-	(38,130)	80,598	39,387
Total notes payable				168,996	-	(46,885)	122,111	48,909
				-		-	-	-
Other Liabilities								
Compensated absences*				886,262	37,306	*	923,568	38,000
Net pension liability				1,787,170	1,645,750	(1,332,194)	2,100,726	-
Total governmental long-term liabilities				$ 2,964,428	$ 1,683,056	$ (1,501,079)	$ 3,146,405	$ 86,909

*The change in compensated absences liability is presented as a net change
**Restated for the implementation of GASB 101

NOTE 6. Long-Term Liabilities, Continued

Long-Term Debt	Date of Issue	Interest Rate	Original Amount of Issue	June 30, 2024	Additions	Retirements	June 30, 2025	Current Portion
Business-Type Activities								
Public Offerings Bonds:								
Water Revenue Bonds, Series 2017	4/4/2017	2.5-4%	$ 3,015,000	$ 2,185,000	$ -	$ (130,000)	$ 2,055,000	$ 135,000
Total public offering bonds payable				2,185,000	-	(130,000)	2,055,000	135,000
Direct Placement Bonds Payable:								
Water Revenue Bonds, Series 2025 (Pressurized Irrigation)	3/25/2025	0.00%	6,062,000	-	6,062,000	-	6,062,000	226,876
Water Revenue Bonds, Series 2025 (Culinary Water)	3/25/2025	0.00%	6,603,000	-	6,603,000	-	6,603,000	247,124
Water Revenue Bonds, Series 2022	12/15/2022	1.00%	703,000	703,000	-	-	703,000	37,000
MBA Lease Revenue Refunding Bonds, Series 2013 A&B	4/5/2013	2.75-3.72%	3,358,000	1,033,000	-	(195,000)	838,000	200,000
MBA Lease Revenue Bonds, Series 2010	2/11/2010	3.29%	2,465,000	1,017,000	-	(131,000)	886,000	136,000
MBA Lease Revenue Bonds, Series 2019	3/27/2019	2.79%	850,000	453,781	-	(85,831)	367,950	88,226
Total direct placement bonds payable				3,206,781	12,665,000	(411,831)	15,459,950	935,226
Deferred Amounts:								
Issuance Premiums				122,558	-	(9,428)	113,130	-
Issuance Discounts				(7,483)	-	1,233	(6,250)	-
Total deferred amounts				115,075	-	(8,195)	106,880	-
Total bonds payable				5,506,856	12,665,000	(550,026)	17,621,830	1,070,226
Lease Payable								
Lease Payable for Golf Carts				396,153		(104,870)	291,283	110,819
Total leases payable				396,153	-	(104,870)	291,283	110,819
Other Liabilities								
Net pension liability				509,959	462,470	(376,842)	595,587	-
Total business-type long-term liabilities				$ 6,412,968	$ 13,127,470	$ (1,031,738)	$ 18,508,700	$ 1,181,045

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations.

For governmental activities, compensated absences and net pension liabilities are generally liquidated through the General Fund.

NOTE 6. Long-Term Liabilities, Continued

The City's outstanding bonds from direct placements related to governmental activities are $0. The sales tax revenue and excise tax revenue bonds are secured by excise tax and sales tax revenues, respectively. The bond contains a provision that in an event of default (i.e. failure to pay principal or interest payments when due or failure to remedy after notice given of failure to perform or observe covenants, agreements, or conditions contained in the indenture or bond), principal of all outstanding bond and the interest accrued thereon become immediately due and payable.

The City's outstanding bonds from direct placements related to business activities are $15,459,950. The water revenue bonds are secured by net water system revenues and the electric revenue bonds are secured by electric fund revenues. The direct placement water revenue bonds contain a provision that in the event of default that the bond holders may pursue by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the bonds then outstanding. The direct placement MBA bonds contain provisions in the event of default the bonds will bear interest at the default rate of 18% per annum until the event of default is cured.

The City's outstanding direct borrowing note's payables related to the governmental activities for the parks department office building and hanger are secured with the collateral of the office building and hanger. The agreement contains a provision that in the event of default the bank may take ownership of the property and the City is liable for all remaining payments under the agreement and is responsible for reasonable attorney and other fees.

The City has no unused lines of credit at June 30, 2025.

The following is a summary of bond transactions of the City for the year ended June 30, 2025:

Bonds Payable at July 1, 2024	$ 5,513,781
New Bonds Issued	12,665,000
Bonds Retired	(663,831)
Bonds Payable at June 30, 2025	$ 17,514,950

NOTE 6. Long-Term Liabilities, Continued

Fiscal Year Ended 30-Jun	Direct Placement Municipal Building Authority Bonds Series 2010		Direct Placement Municipal Building Authority Bonds Series 2013		Direct Placement Municipal Building Authority Bonds Series 2019	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	$ 136,000	$ 26,912	$ 200,000	$ 20,295	$ 88,226	$ 10,266
2027	140,000	22,372	207,000	14,699	90,687	7,804
2028	145,000	17,684	212,000	8,938	93,218	5,274
2029	150,000	12,831	219,000	3,011	95,819	2,673
2030	155,000	7,814	-	-	-	-
2031	160,000	2,632	-	-	-	-
Total	$ 886,000	$ 90,245	$ 838,000	$ 46,943	$ 367,950	$ 26,017

Fiscal Year Ended 30-Jun	Direct Placement Water Revenue Bonds Series 2025		52%	Direct Placement Water Revenue Bonds Series 2025		48%
	Principal	Interest		Principal	Interest	
2026	$ 247,124	$ -		$ 226,876	$ -	
2027	247,124	-		226,876	-	
2028	247,124	-		226,876	-	
2029	247,124	-		226,876	-	
2030	247,124	-		226,876	-	
2031-2035	1,238,225	-		1,136,775	-	
2036-2040	1,376,385	-		1,263,615	-	
2041-2045	1,376,385	-		1,263,615	-	
2046-2050	1,376,385	-		1,263,615	-	
Total	$ 6,603,000	$ -		$ 6,062,000	$ -	

NOTE 6. Long-Term Liabilities, Continued

Fiscal Year Ended 30-Jun	Public Offering Water Revenue Bonds Series 2017		Public Offering Water Revenue Bonds Series 2022	
	Principal	Interest	Principal	Interest
2026	$ 135,000	$ 82,200	$ 37,000	$ 7,030
2027	140,000	76,800	37,000	6,660
2028	150,000	71,200	37,000	6,290
2029	155,000	65,200	38,000	5,920
2030	160,000	59,000	38,000	5,540
2031-2035	900,000	193,800	251,000	20,830
2036-2040	415,000	25,000	265,000	8,010
2041-2045	-	-	-	-
2046-2050	-	-	-	-
Total	$ 2,055,000	$ 573,200	$ 703,000	$ 60,280

Fiscal Year Ended 30-Jun	Note Payable - Direct Borrowing Airport Hangar		Note Payable - Direct Borrowing Parks Department Office Building	
	Principal	Interest	Principal	Interest
2026	$ 9,522	$ 2,567	$ 39,387	$ 2,299
2027	10,148	1,941	41,211	475
2028	10,816	1,273	-	-
2029	11,027	936	-	-
	$ 41,513	$ 6,717	$ 80,598	$ 2,774

NOTE 7. Leases

Lease Receivable

The City leases office space to a third party. The lease is for 61 months and the City will receive monthly payments of $1,687. The City recognized $19,032 in lease revenue and $478 in interest revenue during the current fiscal year related to this lease. As of June 30, 2025, the City's receivable for lease payments was $8,396. Also, the City has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2025, the balance of the deferred inflow of resources was $8,452.

Lease Payable

The City entered into a six-year lease agreement as lessee for the acquisition and use of golf carts. An initial lease liability was recorded in the amount of $490,738. As of June 30, 2025, the value of the lease liability was $238,777. The City is required to make monthly principal and interest payments of $7,285. The lease has an estimated incremental borrowing interest rate of 6%.

The City entered into a six-year lease agreement as lessee for the acquisition and use of golf carts. An initial lease liability was recorded in the amount of $146,218. As of June 30, 2025, the value of the lease liability was $52,506. The City is required to make monthly principal and interest payments of $2,280. The lease has an estimated incremental borrowing interest rate of 4%.

The future principal and interest lease payments as of June 30, 2025, were as follows:

Fiscal Year Ended 30-Jun	Lease Payable Golf Carts		Lease Payable Golf Carts	
	Principal	Interest	Principal	Interest
2026	$ 85,092	$ 12,012	$ 25,727	$ 1,633
2027	90,342	6,762	26,779	581
2028	63,343	1,392	-	-
Total	$ 238,777	$ 20,166	$ 52,506	$ 2,214

NOTE 8. Interfund Transactions and Balances

Individual fund receivable and payable balances at June 30, 2025 were:

	Due from:	
Due to:	Pressurized Irrigation	Total
General Fund	291,450	$ 291,450
Total	$ 291,450	$ 291,450

Interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2025, consisted of the following:

	Transfer In:	Transfer Out:
General Fund	$ -	$ 5,567,566
Redevelopment Agency Capital Project Fund	-	192,713
Airport Fund	237,000	-
Building Remodel Capital Project Fund	4,892,761	-
Capital Equipment Fund	192,713	
Equipment Capital Project Fund	217,805	-
Municipal Building Authority Fund	220,000	-
	$ 5,760,279	$ 5,760,279

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9. Pension Plans

General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following pension trust funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost-sharing, public employee retirement systems;
- Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer cost sharing public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost-sharing, public employee retirement systems;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters Systems) is a multiple employer, cost-sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

NOTE 9. Pension Plans, Continued

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

Summary of Benefits by System

System	Final average salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5% or 4% depending upon employer
Firefighters System	Highest 3 years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 2020 2.00% per year July 2020 to present	Up to 2.5%

** Actuarial reductions are applied*
*** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.*

NOTE 9. Pension Plans, Continued

Contribution Rate Summary

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2025, are as follows:

	Tier 1 - DB System			Tier 2 - DB Hybrid System				Tier 2 - 401(k) Option			
	EE	ER	ER 401(k)	Tier 2 Fund	EE	ER	ER 401(k)	Tier 2 Fund	EE	ER	ER 401(k)
Noncontributory System											
15 Local Government	-	16.97	-	111	0.70	15.19	-	211	-	5.19	10.00
Public Safety System Noncontributory											
43 Other Div A 2.5% COLA	-	33.54	-	122	4.73	25.33	-	222	-	11.33	14.00
Firefighters Retirement System											
31 Other Division A	15.05	1.61	-	132	4.73	14.08	-	232	-	0.08	14.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 415,453	$ -
Public Safety System	441,570	-
Tier 2 Public Employees System	526,979	-
Tier 2 Public Safety and Firefighter	273,778	24,269
Tier 2 DC Only System	25,871	51,124
Tier 2 DC Public Safety and Firefighter System	25,385	-
Total Contributions	$ 1,709,036	$ 75,393

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

NOTE 9. Pension Plans, Continued

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the City reported a net pension liability of $2,694,966 and a net pension asset of $0.

	(Measurement Date): December 31, 2024				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2023	Change (Decrease)
Noncontributory System	$ -	$ 971,223	0.3062717%	0.3139473%	-0.0076756%
Public Safety System	-	1,287,972	0.8323991%	0.8764722%	-0.0440731%
Tier 2 Public Employees System	-	328,640	0.1101936%	0.1144542%	-0.0042606%
Tier 2 Public Safety and Firefighter	-	107,130	0.2368620%	0.2459381%	-0.0090761%
	$ -	$ 2,694,966			

The net pension asset and liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2025, the City recognized pension expense of $2,193,842.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 921,743	$ 7,893
Changes in assumptions	250,180	1,716
Net difference between projected and actual earnings on pension plan investments	543,407	-
Changes in proportion and differences between contributions and proportionate share of contributions	58,362	24,901
Contributions subsequent to the measurement date	877,215	-
Total	$ 2,650,907	$ 34,510

NOTE 9. Pension Plans, Continued

$877,215 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2025	$ 739,616
2026	$ 928,058
2027	$ (177,456)
2028	2,183
2029	$ 96,166
Thereafter	$ 150,614

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, we recognized pension expense of $886,161.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 578,709	$ -
Changes in assumptions	80,338	-
Net difference between projected and actual earnings on pension plan investments	292,548	-
Changes in proportion and differences between contributions and proportionate share of contributions	34	1,432
Contributions subsequent to the measurement date	205,958	-
Total	$ 1,157,587	$ 1,432

$205,958 reported as deferred outflows of resources related pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pensions liability in the upcoming fiscal year.

NOTE 9. Pension Plans, Continued

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31		Deferred Outflows (Inflows) of Resources
2025	$	555,797
2026		534,784
2027		(118,706)
2028		(21,677)
2029		-
Thereafter		-

Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, we recognized pension expense of $794,468.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

		Deferred Outflows of Resources		Deferred Inflows of Resources
Differences between expected and actual experience	$	136,101	$	-
Changes in assumptions		-		-
Net difference between projected and actual earnings on pension plan investments		222,910		-
Changes in proportion and differences between contributions and proportionate share of contributions		-		15,259
Contributions subsequent to the measurement date		230,298		-
Total	$	589,310	$	15,259

$230,298 reported as deferred outflows of resources related pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pensions liability in the upcoming fiscal year.

NOTE 9. Pension Plans, Continued

Other amounts reported as deferred outflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2025	$ 134,301
2026	316,405
2027	(90,542)
2028	(16,413)
2029	-
Thereafter	-

<u>Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources</u>

For the year ended June 30, 2025, we recognized pension expense of $358,829

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 142,074	$ 2 ,264
Changes in assumptions	109,762	34
Net difference between projected and actual earnings on pension plan investments	21,005	-
Changes in proportion and differences between contributions and proportionate share of contributions	51,232	3,604
Contributions subsequent to the measurement date	286,081	-
Total	$ 610,153	$ 5,902

$286,081 reported as deferred outflows of resources related pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pensions liability in the upcoming fiscal year.

NOTE 9. Pension Plans, Continued

Other amounts reported as deferred outflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2025	$ 37,780
2026	58,442
2027	25,241
2028	31,090
2029	73,630
Thereafter	91,987

Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2025, we recognized pension expense of $154,383.

At June 30, 2025, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 64,858	$ 5,629
Changes in assumptions	60,080	1 ,682
Net difference between projected and actual earnings on pension plan investments	6,944	-
Changes in proportion and differences between contributions and proportionate share of contributions	7,097	4 ,606
Contributions subsequent to the measurement date	154,877	-
Total	$ 293,857	$ 11,917

$154,877 reported as deferred outflows of resources related pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

NOTE 9. Pension Plans, Continued

Other amounts reported as deferred outflows of resources related to pensions, will be recognized in pension expense as follows:

Year Ended December 31	Deferred Outflows (Inflows) of Resources
2025	$ 11,738
2026	18,427
2027	6,551
2028	9,182
2029	22,536
Thereafter	58,628

Actuarial assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.5 - 9.5 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study for the period ending December 31, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

NOTE 9. Pension Plans, Continued

Asset Class	Target Asset Allocation	Expected Return Arithmetic Basis: Real Return Arithmetic Basis	Long-Term Expected Portfolio Real Rate of Return
Equity securities	35%	7.01%	2.45%
Debt securities	20%	2.54%	0.51%
Real assets	18%	5.45%	0.98%
Private equity	12%	10.05%	1.21%
Absolute return	15%	4.36%	0.65%
Cash and cash equivalents	0%	0.49%	0.00%
Totals	100%		5.80%
Inflation			2.50%
Expected arithmetic nominal return			8.30%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate: The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

NOTE 9. Pension Plans, Continued

System		1% Decrease (5.85%)		Discount Rate (6.85%)		1% Increase (7.85%)
Noncontributory System	$	4,107,476	$	971,223	$	(1,659,078)
Public Safety System		3,956,837		1,287,972		(889,779)
Tier 2 Public Employees System		981,569		328,640		(179,274)
Tier 2 Public Safety and Firefighter		365,303		107,130		(99,284)
Total	$	9,411,186	$	2,694,966	$	(2,827,415)

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Hurricane City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- * Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30th were as follows:

401(k) Plan		**2025**		**2024**		**2023**
Employer Contributions	$	172,869	$	212,921	$	198,021
Employee Contributions	$	130,580	$	87,367	$	87,414
457 Plan						
Employer Contributions	$	56,627	$	70,214	$	76,253
Employee Contributions	$	89,367	$	51,514	$	60,731
Roth IRA Plan						
Employer Contributions		N/A		N/A		N/A
Employee Contributions	$	64,267	$	57,006	$	48,581

NOTE 10. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Risk financing activities are accounted for in various operating funds, with unallocated or City-wide activities being accounted for in the general fund. The City maintains insurance for general liability, auto liability, and employee dishonesty through Utah Local Government's Insurance Trust. Worker's compensation coverage is carried through the State Worker's Compensation Fund.

NOTE 11. Individual Fund Disclosures

Segment Information

For information on the enterprise funds, see the proprietary funds' financial statements in the fund financial statements and the combining financial statements in the supplementary section.

NOTE 12. Sewer and Garbage Contracts

Sewer and garbage disposal services are provided to the residents of the City by the Ash Creek Special Service District and the Washington County Solid Waste Special Service District, respectively. The City bills for these services as part of its utility billings. Revenues collected less administrative fees paid to the City are remitted to the Districts each month. Amounts due to these entities, if any, are included with accounts payable in the respective fund's balance sheet.

NOTE 13. Tax Abatements

Under City Council approval, the City entered into tax abatement agreements with local businesses for the purpose of attracting businesses within their jurisdiction.

The City currently has agreements with two businesses to reimburse the portion of assessed property taxes on the appreciation of their building since the business moved into the building. For the fiscal year ended June 30, 2025, the City abated property taxes totaling $158,528.

NOTE 14. Redevelopment Agency

The redevelopment agency was set up by the City and is reported in these financial statements as a blended component unit. The Redevelopment Agency has three project areas. Areas #1 and #2 were used to develop Sky Mountain Golf Course and clean up the Industrial Park. Area #3 was used to develop the Gateway Industrial Park. Bonds were originally issued for project Areas # 1 & 2, and another bond for Area #3. Those bonds have since been paid off and no debt exists on any of the project areas. The Agency is governed by a separate board appointed by the City Council. At this time, the Council has elected to appoint themselves as the governing board. Under project Areas # 1 & 2 a golf course was constructed and then leased back to the city for operation. This is leased to the City on a year to year basis and at the end of the Agency's life will revert to City ownership. The land, golf course improvements, and buildings are included as government capital assets in the statement of net position. The Agency is accounted for under the modified accrual basis of accounting, the same as the general fund. The following is the information concerning the taxes collected, bonds outstanding and costs expended for the fiscal year ended June 30, 2025.

	Area #1	Area #2	Area #3
Tax increment collected	$ -	$ -	$ 419,336
Tax increment paid to taxing entities	None	None	None
Outstanding bonds	None	None	None
Outstanding loans	None	None	None
Funds expended:			
Acquisition of property	None	None	None
Site improvements	None	None	None
Public utilities	None	None	None
Administrative costs	$ (834)	$ (834)	$ 5,417
Economic and business promotion	$ -	$ -	$ 158,139

NOTE 15. Change in Accounting Principle

The City implemented GASB Statement 101, Compensated Absences, during the year ended June 30, 2025. This change affected both beginning and ending net position along with beginning and ending compensated absences balances for the year ended June 30, 2025 in governmental and proprietary activities. To conform to GASB standards, beginning net position was decreased by $613,100 in governmental activities and beginning compensated absence balances in governmental activities was increased by $613,100.

The total combined decrease in beginning net position for proprietary activities was $172,411, including decreases in water fund $60,672, electric fund $72,402, and golf fund $39,337. The total combined increase in proprietary activities beginning compensated absences balances was $172,411, including increase in water fund $60,672, electric fund $72,402, and golf fund $39,337.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF HURRICANE, UTAH
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 13,200,397	$ 14,197,397	$ 14,247,420	$ 50,023
Licenses, permits and fees	1,108,950	1,148,450	1,223,200	74,750
Intergovernmental revenue	1,896,700	1,988,006	2,008,588	20,582
Charges for services	2,954,740	3,424,020	1,878,824	(1,545,196)
Fines and forfeitures	506,000	609,300	618,326	9,026
Contributions and donations	-	53,350	47,227	(6,123)
Investment earnings	300,550	809,550	792,527	(17,023)
Other revenues	84,025	209,855	182,616	(27,239)
Total revenues	20,051,362	22,439,928	20,998,728	(1,441,200)
Expenditures				
Current:				
General government	3,773,882	5,797,848	2,398,931	3,398,917
Public safety	8,342,417	8,348,017	7,396,773	951,244
Highways/ public works	3,646,773	3,779,773	2,686,170	1,093,603
Parks and recreation	4,268,855	4,486,420	3,566,175	920,245
Total expenditures	20,031,927	22,412,058	16,048,049	6,364,009
Excess (deficiency) of revenues over (under) expenditures	19,435	27,870	4,950,679	4,922,809
Other Financing Sources (Uses)				
Sale of capital assets	-	-	7,292	7,292
Operating transfers out	-	-	(5,567,566)	(5,567,566)
Total other financing sources and uses	-	-	(5,560,274)	(5,560,274)
Net change in fund balances	19,435	27,870	(609,595)	(637,465)
Fund balances, beginning of year, as previously stated	7,809,388	7,809,388	7,809,388	-
Fund balances, end of year	$ 7,828,823	$ 7,837,258	$ 7,199,793	$ (637,465)

CITY OF HURRICANE, UTAH
Special Revenue Fund
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts			Variance with Final Budget
	Original	Final	Actual Amounts	Positive (Negative)
Revenues				
Taxes	$ 2,300,000	$ 2,650,000	$ 2,749,188	$ 99,188
Intergovernmental revenue	-	1,000,000	964,829	(35,171)
Investment earnings	200,000	590,000	593,621	3,621
Other revenues	-	2,000	2,439	439
Total revenues	2,500,000	4,242,000	4,310,077	68,077
Expenditures				
Current:				
Highways/ public works	648,491	648,491	103,490	545,001
Capital outlay:				
Street construction	4,832,275	5,682,275	2,784,952	2,897,323
Total expenditures	5,480,766	6,330,766	2,888,442	3,442,324
Excess (deficiency) of revenues over (under) expenditures	(2,980,766)	(2,088,766)	1,421,635	3,510,401
Net change in fund balances	(2,980,766)	(2,088,766)	1,421,635	3,510,401
Fund balances, beginning of year	11,604,547	11,604,547	11,604,547	-
Fund balances, end of year	$ 8,623,781	$ 9,515,781	$ 13,026,182	$ 3,510,401

CITY OF HURRICANE, UTAH
Schedule of the Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years

As of fiscal year ended June 30,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered payroll	Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Plan fiduciary net position as a percentage of the total pension liability
Noncontributory System					
2016	0.3327473%	$ 1,882,846	$ 2,911,659	64.67%	87.80%
2017	0.3485371%	$ 2,238,035	$ 3,090,797	72.41%	87.30%
2018	0.3429286%	$ 1,502,473	$ 2,998,633	50.11%	91.90%
2019	0.3535448%	$ 2,603,406	$ 3,086,454	84.35%	87.00%
2020	0.3518531%	$ 1,326,088	$ 3,060,405	43.33%	93.70%
2021	0.3542227%	$ 181,696	$ 2,993,167	6.07%	99.20%
2022	0.3259560%	$ (1,866,785)	$ 2,703,138	-69.06%	108.70%
2023	0.3255364%	$ 557,562	$ 2,632,467	21.18%	97.50%
2024	0.3139473%	$ 728,221	$ 2,557,327	28.48%	96.90%
2025	0.3062717%	$ 971,223	$ 2,531,002	38.37%	96.02%
Public Safety System					
2016	0.5881566%	$ 1,053,536	$ 959,331	109.82%	87.10%
2017	0.6119810%	$ 1,241,878	$ 989,716	125.48%	86.50%
2018	0.6040303%	$ 947,517	$ 975,649	97.12%	90.20%
2019	0.6984523%	$ 1,796,828	$ 1,095,215	164.06%	84.70%
2020	0.7646940%	$ 1,227,806	$ 1,196,321	102.63%	90.90%
2021	0.7678608%	$ 637,510	$ 1,221,590	52.19%	95.50%
2022	0.7641714%	$ (620,616)	$ 1,201,981	-51.63%	104.20%
2023	0.8322154%	$ 1,076,117	$ 1,354,666	79.44%	93.60%
2024	0.8764722%	$ 1,253,499	$ 1,478,583	84.78%	93.44%
2025	0.8323991%	$ 1,287,972	$ 1,440,326	89.42%	93.30%
Tier 2 Public Employees System					
2016	0.0513689%	$ (112)	$ 331,967	-0.03%	100.20%
2017	0.0706999%	$ 7,887	$ 579,793	1.36%	95.10%
2018	0.0736480%	$ 6,493	$ 719,933	0.90%	97.40%
2019	0.0783841%	$ 33,570	$ 914,858	3.67%	90.80%
2020	0.0839947%	$ 18,891	$ 1,166,783	1.62%	96.50%
2021	0.0921959%	$ 13,260	$ 1,473,568	0.90%	98.30%
2022	0.0935040%	$ (39,574)	$ 1,734,553	-2.28%	103.80%
2023	0.1170268%	$ 127,430	$ 2,550,300	5.00%	92.30%
2024	0.1144542%	$ 222,772	$ 2,959,038	7.53%	89.58%
2025	0.1101936%	$ 328,640	$ 3,264,898	10.07%	87.44%
Tier 2 Public Safety and Firefighter System					
2016	0.1104233%	$ (1,613)	$ 65,714	-2.45%	110.70%
2017	0.1331246%	$ (1,156)	$ 109,992	-1.05%	103.60%
2018	0.1520796%	$ (1,760)	$ 160,456	-1.10%	103.00%
2019	0.2066393%	$ 5,177	$ 275,901	1.88%	95.60%
2020	0.2196100%	$ 20,657	$ 361,995	5.71%	89.60%
2021	0.1737854%	$ 15,588	$ 347,792	4.48%	93.10%
2022	0.1583313%	$ (8,002)	$ 378,632	-2.11%	102.80%
2023	0.1887244%	$ 15,744	$ 580,662	2.71%	96.40%
2024	0.2459381%	$ 92,643	$ 931,871	9.94%	89.10%
2025	0.2368620%	$ 107,130	$ 1,081,206	9.91%	90.10%

CITY OF HURRICANE, UTAH
Schedule of Contributions
Last 10 Fiscal Years

As of fiscal year ended June 30,	Actuarily determined contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
Noncontributory System					
2016	532,150	532,150	-	2,952,398	18.02%
2017	537,803	537,803	-	2,984,698	18.02%
2018	568,890	568,890	-	3,154,743	18.03%
2019	559,656	559,656	-	3,106,203	18.02%
2020	542,799	542,799	-	3,012,086	18.02%
2021	517,432	517,432	-	2,871,451	18.02%
2022	471,204	471,204	-	2,616,208	18.01%
2023	461,636	461,636	-	2,640,334	17.48%
2024	430,433	430,433	-	2,506,379	17.17%
2025	415,453	415,453	-	2,575,947	16.13%
Public Safety System					
2016	294,642	294,642	-	961,504	30.64%
2017	291,758	291,758	-	954,598	30.56%
2018	323,385	323,385	-	1,060,040	30.51%
2019	355,466	355,466	-	1,160,047	30.64%
2020	375,607	375,607	-	1,221,426	30.75%
2021	366,617	366,617	-	1,195,653	30.66%
2022	383,495	383,495	-	1,259,321	30.45%
2023	445,755	445,755	-	1,463,382	30.46%
2024	425,309	425,309	-	1,446,692	29.40%
2025	441,570	441,570	-	1,435,431	30.76%
Tier 2 Public Employees System*					
2016	65,696	65,696	-	440,616	14.91%
2017	95,709	95,709	-	641,914	14.91%
2018	127,908	127,908	-	846,852	15.10%
2019	156,253	156,253	-	1,005,559	15.54%
2020	209,806	209,806	-	1,339,758	15.66%
2021	248,819	248,819	-	1,574,805	15.80%
2022	337,558	337,558	-	2,100,548	16.07%
2023	456,096	456,096	-	2,848,824	16.01%
2024	498,052	498,052	-	3,110,881	16.01%
2025	526,979	526,979	-	3,468,904	15.19%
Tier 2 Public Safety and Firefighter System*					
2016	18,696	18,696	-	83,095	22.50%
2017	28,690	28,690	-	127,512	22.50%
2018	48,416	48,416	-	214,537	22.57%
2019	77,705	77,705	-	336,532	23.09%
2020	84,446	84,446	-	364,617	23.16%
2021	95,292	95,292	-	368,967	25.83%
2022	104,143	104,143	-	403,186	25.83%
2023	205,776	205,776	-	796,654	25.83%
2024	271,498	271,498	-	1,051,093	25.83%
2025	273,778	273,778	-	1,080,899	25.33%
Tier 2 Public Employees DC Only System*					
2019	$ 2,824	$ 2,824	$ -	$ 42,206	6.69%
2020	10,328	10,328	-	154,374	6.69%
2021	13,316	13,316	-	199,048	6.69%
2022	9,034	9,034	-	135,033	6.69%
2023	20,673	20,673	-	335,628	6.16%
2024	28,736	28,736	-	464,235	6.19%
2025	25,871	25,871	-	498,485	5.19%
Tier 2 Public Safety and Firefighter DC Only System*					
2016	$ 1,627	$ 1,627	$ -	$ 13,752	11.83%
2017	4,841	4,841	-	40,920	11.83%
2018	5,434	5,434	-	45,930	11.83%
2019	6,133	6,133	-	51,839	11.83%
2020	14,072	14,072	-	118,949	11.83%
2021	18,914	18,914	-	159,878	11.83%
2022	27,321	27,321	-	230,942	11.83%
2023	30,570	30,570	-	258,409	11.83%
2024	31,114	31,114	-	263,011	11.83%
2025	25,385	25,385	-	224,052	11.33%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

CITY OF HURRICANE, UTAH
Notes to Required Supplementary Information
For the Year Ended June 30, 2025

Changes in Assumptions:

There were no changes in the actuarial assumptions or methods since the prior actuarial valuation.

COMBINING STATEMENTS
NONMAJOR FUNDS

DEBT SERVICE FUNDS

Debt service funds are used to account for the accumulation and payment of outstanding debt.

> The Debt Service Special Improvement Fund is used to account for the collection of special assessments and payment of the bond principal and interest related to old special improvement districts in the city.

SPECIAL REVENUE FUNDS

The Airport Special Revenue Fund is used to account for revenues and spending for airport improvements, like runway maintenance, facility upgrades (gates, terminals), and matching federal grants, ensuring funds collected from aviation sources stay within the airport system to support growth.

CAPITAL PROJECTS FUNDS

The SID Construction capital projects fund is used to account for the construction and related financing of the Dixie Springs and the East Bench Special Improvement Districts.

The Capital Equipment capital projects fund is used to track capital equipment purchases and other related expenses just for the Enterprise funds This fund is able to earn interest and payments from enterprise funds to pay off large equipment while growing the fund for future needs.

The Facilities capital projects fund is used to account for expenditures and financing for capital projects in the City.

The Street Projects capital projects fund is used to account for major street construction projects funded by impact fees and other related financing.

The Fire Impact capital projects fund is used to account for the fees received and the expenditures made from Public Safety impact fees. Expenditures are made for capital improvements to Public Safety buildings and facilities.

The Building Remodel capital projects fund is used to account for expenditures and financing to remodel the Justice Court and Police Department building.

The Recreation capital projects fund is used to account for expenditures and financing for recreational projects.

The RAP Tax capital projects fund is used to account for the collection and use of RAP (recreation, arts, and parks) taxes.

The Housing capital projects fund is used to account for the expenditures of a CDBG grant for affordable housing. The grant is set up on a revolving fund to purchase, renovate, and sell homes for affordable housing.

The Equipment capital projects fund is a revolving fund that purchases equipment for other funds and is reimbursed from the other funds over time.

COMBINING STATEMENTS
NONMAJOR FUNDS

The Redevelopment Agency capital projects fund is used to account for the receipt of property taxes for and the expenditure of funds for, RDA #1 and #2. These project areas were used to develop the Sky Mountain Golf Course and surrounding area.

The Redevelopment Agency #3 capital projects fund is used to account for the expenditure of funds for the RDA used to develop the area around the Wal-Mart Distribution Center.

ENTERPRISE FUNDS

The Municipal Building Authority Fund is used to account for the construction, financing and operation of various assets that will be leased to other funds of the City. The assets include the city office, drainage pond, City fire stations and City swimming pool facilities.

CITY OF HURRICANE, UTAH
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Debt Service	Special Revenue	Capital Projects				
	Special Improvement	Airport	SID Construction	Capital Equipment	Facilities	Street Projects	Public Safety Impact
Assets							
Cash and cash equivalents	$ 15	$ 248,908	$ 552	$ 163,162	$ 1,041,684	$ 4,128,538	$ 338,424
Receivables	27,824	-	414,444	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	$ 27,839	$ 248,908	$ 414,996	$ 163,162	$ 1,041,684	$ 4,128,538	$ 338,424
Liabilities							
Accounts payable	$ -	$ 3,822	$ -	$ -	$ -	$ -	$ -
Total liabilities	-	3,822	-	-	-	-	-
Deferred Inflows of Resources							
Unavailable revenue - special assessments	-	-	414,444	-	-	-	-
Fund Balances							
Restricted for:							
Debt service	27,839	-	-	-	-	-	-
Capital outlay	-	-	552	163,162	-	4,128,538	338,424
Other	-	245,086	-	-	-	-	-
Assigned	-	-	-	-	1,041,684	-	-
Total fund balances	27,839	245,086	552	163,162	1,041,684	4,128,538	338,424
Total liabilities, deferred inflows of resources, and fund balances	$ 27,839	$ 248,908	$ 414,996	$ 163,162	$ 1,041,684	$ 4,128,538	$ 338,424

Capital Projects								
Building Remodel	Recreation	RAP Tax	Housing	Equipment	Redevelopment Agency	Redevelopment Agency #3	Total Capital Projects	Total Nonmajor Governmental Funds
$ 9,135,473	$ 2,810,905	$ 2,170,661	$ 55,425	$ 1,541,649	$ -	$ 889,707	$ 22,276,180	$ 22,525,103
-	-	-	-	-	-	-	414,444	442,268
-	-	164,383	-	-	-	21,939	186,322	186,322
$ 9,135,473	$ 2,810,905	$ 2,335,044	$ 55,425	$ 1,541,649	$ -	$ 911,646	$ 22,876,946	$ 23,153,693
$ 27,100	$ 91,773	$ 18,546	$ -	$ -	$ -	$ -	$ 137,419	$ 141,241
27,100	91,773	18,546	-	-	-	-	137,419	141,241
-	-	-	-	-	-	-	414,444	414,444
-	-	-	-	-	-	-	-	27,839
-	-	-	-	-	-	911,646	5,542,322	5,542,322
-	-	2,316,498	-	-	-	-	2,316,498	2,561,584
9,108,373	2,719,132	-	55,425	1,541,649	-	-	14,466,263	14,466,263
9,108,373	2,719,132	2,316,498	55,425	1,541,649	-	911,646	22,325,083	22,598,008
$ 9,135,473	$ 2,810,905	$ 2,335,044	$ 55,425	$ 1,541,649	$ -	$ 911,646	$ 22,876,946	$ 23,153,693

CITY OF HURRICANE, UTAH
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Debt Service	Special Revenue	Capital Projects					
	Special Improvement	Airport	SID Construction	Capital Equipment	Facilities	Street Projects	Parks Impact	Public Safety Impact
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Intergovernmental revenue	-	149,726	-	-	-	-	-	-
Charges for services	-	1,755	-	-	-	-	-	-
Impact fees	-	-	-	-	-	1,554,382	-	187,618
Contributions and donations	-	-	-	-	86,761	-	-	-
Investment earnings	-	334	-	2,500	23,554	200,073	-	15,532
Other revenues	-	32,658	-	-	-	-	-	-
Total revenues	-	184,473	-	2,500	110,315	1,754,455	-	203,150
Expenditures								
Current:								
General government	-	-	-	-	-	-	-	10,599
Public safety	-	-	-	-	-	-	-	165,000
Highways/ public works	-	164,536	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-	-
Debt service:								
Principal	-	11,851	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Capital outlay:								
Street construction	-	-	-	-	81,835	2,037,283	-	-
Parks and recreation	-	-	-	32,051	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Total expenditures	-	176,387	-	32,051	81,835	2,037,283	-	175,599
Excess (deficiency) of revenues over (under) expenditures	-	8,086	-	(29,551)	28,480	(282,828)	-	27,551
Other Financing Sources (Uses)								
Bond proceeds	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Operating transfers in	-	237,000	-	192,713	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources and uses	-	237,000	-	192,713	-	-	-	-
Net change in fund balances	-	245,086	-	163,162	28,480	(282,828)	-	27,551
Fund balances, beginning of year, as previously stated	27,839	-	552	-	1,013,204	4,411,366	3,989,808	310,873
Adjustment - changes from nonmajor to major fund	-	-	-	-	-	-	(3,989,808)	-
Fund balances -beginning of year, as adjusted	27,839	-	552	-	1,013,204	4,411,366	-	310,873
Fund balances, end of year	$ 27,839	$ 245,086	$ 552	$ 163,162	$ 1,041,684	$ 4,128,538	$ -	$ 338,424

Capital Projects								
Building Remodel	Recreation	RAP Tax	Housing	Equipment	Redevelopment Agency	Redevelopment Agency #3	Total Capital Projects	Total Nonmajor Governmental Funds
$ -	$ -	$ 677,005	$ -	$ -	$ -	$ 419,336	$ 1,096,341	$ 1,096,341
-	-	-	-	-	-	-	-	149,726
-	-	-	-	-	-	-	-	1,755
-	-	-	-	-	-	-	1,742,000	1,742,000
-	-	-	-	-	-	-	86,761	86,761
185,508	134,092	72,020	2,143	62,825	3,997	7,810	710,054	710,388
27,162	-	15,000	-	535,113	-	-	577,275	609,933
212,670	134,092	764,025	2,143	597,938	3,997	427,146	4,212,431	4,396,904
-	-	-	-	-	-	-	10,599	10,599
-	-	-	-	-	-	-	165,000	165,000
56,926	-	-	-	-	-	-	56,926	221,462
-	-	72,516	-	-	-	-	72,516	72,516
-	-	-	-	-	(1,667)	165,555	163,888	163,888
							-	-
-	-	-	-	-	-	-	-	11,851
-	-	-	-	-	-	-	-	-
							-	-
-	-	-	-	-	-	-	2,119,118	2,119,118
-	133,966	89,202	-	-	-	-	255,219	255,219
-	-	-	-	47,914	-	-	47,914	47,914
56,926	133,966	161,718	-	47,914	(1,667)	165,555	2,891,180	3,067,567
155,744	126	602,307	2,143	550,024	5,664	261,591	1,321,251	1,329,337
-	-	-	-	-	-	-	-	-
-	-	-	-	30,875	-	-	30,875	30,875
4,892,761	-	-	-	217,805	-	-	5,303,279	5,540,279
-	-	-	-	-	(192,713)	-	(192,713)	(192,713)
4,892,761	-	-	-	248,680	(192,713)	-	5,141,441	5,378,441
5,048,505	126	602,307	2,143	798,704	(187,049)	261,591	6,462,692	6,707,778
4,059,868	2,719,006	1,714,191	53,282	742,945	187,049	650,055	19,852,199	19,880,038
-	-	-	-	-	-	-	(3,989,808)	(3,989,808)
4,059,868	2,719,006	1,714,191	53,282	742,945	187,049	650,055	15,862,391	15,890,230
$ 9,108,373	$ 2,719,132	$ 2,316,498	$ 55,425	$ 1,541,649	$ -	$ 911,646	$ 22,325,083	$ 22,598,008

CITY OF HURRICANE, UTAH
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2025

	Pressurized Irrigation Fund	Drainage Fund	Municipal Building Authority	Total Nonmajor
Assets				
Current assets:				
Cash and cash equivalents	$ -	$ -	$ 479,226	$ 479,226
Leases receivable	-	-	8,396	8,396
Total current assets	-	-	487,622	487,622
Noncurrent assets:				
Restricted cash and cash equivalents	-	-	163,229	163,229
Capital assets:				
Land, improvements and water rights	-	-	1,480,000	1,480,000
Irrigation pond	-	-	1,488,592	1,488,592
Buildings	-	-	6,260,665	6,260,665
Less: Accumulated depreciation	-	-	(3,706,159)	(3,706,159)
Total noncurrent assets	-	-	5,686,327	5,686,327
Total assets	-	-	6,173,949	6,173,949
Liabilities				
Current liabilities:				
Accounts payable	-	-	1,017	1,017
Interest payable	-	-	18,170	18,170
Current portion of noncurrent liabilities	-	-	935,226	935,226
Total current liabilities	-	-	954,413	954,413
Noncurrent liabilities:				
Bonds payable	-	-	2,085,699	2,085,699
Less current portion of noncurrent liabilities	-	-	(935,226)	(935,226)
Total noncurrent liabilities	-	-	1,150,473	1,150,473
Total liabilities	-	-	2,104,886	2,104,886
Deferred Inflows of Resources				
Deferred inflows related to leases	-	-	8,452	8,452
Total deferred inflows of resources	-	-	8,452	8,452
Net Position				
Net investment in capital assets	-	-	3,437,399	3,437,399
Restricted for debt service	-	-	163,229	163,229
Unrestricted	-	-	459,983	459,983
Total net position	$ -	$ -	$ 4,060,611	$ 4,060,611

CITY OF HURRICANE, UTAH
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Pressurized Irrigation Fund	Drainage Fund	Municipal Building Authority	Total Nonmajor
Operating revenues:				
Lease revenue		$ -	$ 482,779	$ 482,779
Total operating revenues	-	-	482,779	482,779
Operating expenses:				
Administration	-	-	5,470	5,470
Repairs and maintenance	-	-	1,200	1,200
Insurance	-	-	59,085	59,085
Depreciation	-	-	170,716	170,716
Utilities	-	-	1,626	1,626
Trustee fees	-	-	6,292	6,292
Total operating expenses	-	-	244,389	244,389
Operating income (loss)	-	-	238,390	238,390
Nonoperating revenues (expenses):				
Connection and impact fees	-	-	-	-
Interest income	-	-	58,151	58,151
Grant revenue	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Interest expense and fiscal charges	-	-	(63,619)	(63,619)
Total nonoperating revenues (expenses)	-	-	(5,468)	(5,468)
Income before contributions and transfers	-	-	232,922	232,922
Transfers from other funds	-	-	220,000	220,000
Change in net position	-	-	452,922	452,922
Net position, beginning of year, as previously stated	9,138,298	12,588,743	-	21,727,041
Adjustment - changes from nonmajor to major	(9,138,298)	(12,588,743)	-	(21,727,041)
Adjustment - changes from major to nonmajor	-	-	3,607,689	3,607,689
Net position - end of year, as adjusted	-	-	3,607,689	3,607,689
Total net position, end of year	$ -	$ -	$ 4,060,611	$ 4,060,611

CITY OF HURRICANE, UTAH
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Municipal Building Authority	Total Nonmajor
Cash flows from operating activities:		
Cash received from customers, service fees	$ 483,513	$ 483,513
Cash paid to suppliers	(72,807)	(72,807)
Net cash provided (used) by operating activities	410,706	410,706
Cash flows from noncapital financing activities:		
Transfers (to) from other funds	220,000	220,000
Net cash provided by noncapital financing activities	220,000	220,000
Cash flows from capital and related financing activities:		
Principal payments on long-term debt	(411,832)	(411,832)
Interest paid	(65,980)	(65,980)
Net cash used by capital and related financing activities:	(477,812)	(477,812)
Cash flows from investing activities:		
Interest on investments	58,151	58,151
Net increase (decrease) in cash and cash equivalents	211,045	211,045
Cash and cash equivalents, including restricted cash, beginning of year	431,410	431,410
Cash and cash equivalents, including restricted cash, end of year	$ 642,455	$ 642,455
Reconciliation of operating income to net cash provided by operating activities:		
Net operating income (loss)	$ 238,390	$ 238,390
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation/amortization	170,716	170,716
Changes in operating assets and liabilities:		
(Increase) Decrease in receivables	734	734
(Increase) Decrease in inventory	-	-
Increase (Decrease) in accounts payable	866	866
Increase (Decrease) in accrued liabilities	-	-
Net cash provided by operating activities	$ 410,706	$ 410,706
Supplemental Schedule of Non-cash Investing and Financing Activities:		
Capital contributions	$ -	$ -

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

CITY OF HURRICANE, UTAH
Capital Assets Used in the Operation of Governmental Funds
By Source
For the Year Ended June 30, 2025

	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
Capital Assets				
Land, improvements and water rights	$ 25,614,938	$ 7,142,641	$ -	$ 32,757,579
Construction in progress	17,316,724	8,955,722	(17,062,484)	9,209,962
Plant and equipment	9,123,883	100,858	-	9,224,741
Buildings	2,079,774	-	-	2,079,774
Infrastructure	75,641,067	20,590,757	-	96,231,824
	$ 129,776,386	$ 36,789,978	$ (17,062,484)	$ 149,503,880
Investment in Capital Assets From				
General city revenues, grants, and bonds	$ 129,776,386	$ 36,789,978	$ (17,062,484)	$ 149,503,880
	$ 129,776,386	$ 36,789,978	$ (17,062,484)	$ 149,503,880

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CITY OF HURRICANE, UTAH
Capital Assets Used in the Operation of Governmental Funds
By Function and Activity
For the Year Ended June 30, 2025

Functions and Activity	6/30/2025	Land and Improvements	Construction in progress
General government			
City council	$ 20,168	$ -	$ -
City manager	177,609	-	-
Court	16,783	-	-
Personnel	128,163	-	-
Other - unclassified	12,164,800	4,599,818	14,991
Public safety			
Police	4,417,025	-	-
Fire	732,924	6,942	-
Ambulance	1,909	-	-
Animal control	173,118	50,000	-
Highways			
Airport	5,750,146	5,271,495	-
Maintenance	2,642,039	1,835,638	-
Street system	102,149,559	8,127,577	4,290,299
Other - unclassified	240,613	102,939	-
Parks and recreation			
Golf	4,462,803	3,962,803	-
Other - unclassified	16,426,221	8,800,367	4,904,672
Total governmental funds capital assets	$ 149,503,880	$ 32,757,579	$ 9,209,962

Plant and equipment		Buildings		Infrastructure	
$	20,168	$	-	$	-
	177,609		-		-
	16,783		-		-
	128,163		-		-
	851,926		290,054		6,408,011
	4,110,227		306,798		-
	725,982		-		-
	1,909		-		-
	123,118		-		-
	72,751		355,000		50,900
	806,401		-		-
	347,291		-		89,384,392
	29,153		-		108,521
	-		500,000		-
	1,813,260		627,922		280,000
$	9,224,741	$	2,079,774	$	96,231,824

CITY OF HURRICANE, UTAH
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes By Function and Activity
For the Year Ended June 30, 2025

Functions and Activity	Balance June 30, 2024	Additions	Deletions	Balance June 30, 2025
General government				
City council	$ 20,168	$ -	$ -	$ 20,168
City manager	177,609		-	177,609
Court	16,783	-	-	16,783
Personnel	128,163	-	-	128,163
Other - unclassified	5,688,853	6,475,947	-	12,164,800
Total general government	6,031,576	6,475,947	-	12,507,523
Public safety				
Police	4,369,112	47,913	-	4,417,025
Fire	732,924	-	-	732,924
Ambulance	1,909	-	-	1,909
Animal control	173,118	-	-	173,118
Total public safety	5,277,063	47,913	-	5,324,976
Highways				
Airport	5,741,158	8,988	-	5,750,146
Maintenance	2,642,039	-	-	2,642,039
Street system	89,742,112	12,407,447	-	102,149,559
Other - unclassified	240,613	-	-	240,613
Total highways	98,365,922	12,416,435	-	110,782,357
Parks and recreation				
Golf	4,462,803	-	-	4,462,803
Other - unclassified	15,639,022	787,199	-	16,426,221
Total parks and recreation	20,101,825	787,199	-	20,889,024
Total governmental funds capital assets	$ 129,776,386	$ 19,727,494	$ -	$ 149,503,880

FEDERAL AND STATE REPORTS

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Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Basic Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Honorable Mayor and
Members of the City Council
Hurricane, Utah 84737

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hurricane, Utah, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Hurricane's basic financial statements and have issued our report thereon dated December 5, 2025.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

St. George, Utah
December 5, 2025

Independent Auditors' Report on Compliance and
Report on Internal Control Over Compliance
As Required by the *State Compliance Audit Guide*

To the Honorable Mayor and
Members of the City Council
Hurricane, UT 84737

Report On Compliance

We have audited Hurricane City's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025 in the following areas:

Budgetary Compliance
Fund Balance
Justice Courts
Restricted Taxes and Related Revenues
Fraud Risk Assessment
Government Fees
Cash Management
Utah Retirement Systems
Open and Public Meeting Act

Opinion on Compliance

In our opinion, Hurricane City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Hurricane City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Hurricane City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Hurricane City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Hurricane City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Hurricane City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Hurricane City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Hurricane City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State Compliance Audit Guide but not for the purpose of expressing an opinion on the effectiveness of Hurricane City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report On Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose. However, pursuant to Utah Code Title 63G, Chapter 2, this report is a matter of public record, and as such, its distribution is not limited.

HintonBurdick, PLLC

St. George, Utah
December 5, 2025

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STATISTICAL SECTION

HURRICANE CITY
Required Bond Disclosures

Note 1. Utility Rate Information

Water Connections:	11,677
Pressurized Irrigation Connections:	1,697
Power Connections:	12,061

Water Usage:	1,784,451 gallons
Power Usage:	184,875,315 kilowatt hours

Residential Water Rates:	\$18.22 base rate plus usage:
	\$1.51 per 1,000 gallons for 0-5,000 gallons
	\$1.56 per 1,000 gallons for 5,001-10,000 gallons
	\$1.61 per 1,000 gallons for 10,001-20,000 gallons
	\$1.78 per 1,000 gallons for 20,001-30,000 gallons
	\$1.95 per 1,000 gallons for 30,001-40,000 gallons
	\$2.19 per 1,000 gallons for 40,001-60,000 gallons
	\$2.42 per 1,000 gallons for 60,001+ gallons.

Pressurized Irrigation Rates:	\$12.00 per month.

Residential Power Rates:	\$ 20.00 base rate plus usage:
	\$ .08946 per kilowatt up to 800 kWh.
	\$ .10222 per kilowatt from 800 to 2,000 kWh
	\$ .11485 per kilowatt up above 2,001 kWh

Note 2. Insurance Coverage

Insurance coverage for Hurricane City for fiscal year 2024 was as follows:

Insurer	Insurance Type	Amount of Coverage	Policy Number
Utah Local Government Trust	General Liability	5,000,000	11830-GL2018
Utah Local Government Trust	Auto Liability	5,000,000	ULGT-APDP-2010

Utah Local Government Trust	Property Coverage:		ULGT-APDP-2010
	Police Building	2,469,744	
	Street Shop	1,023,574	
	Museums	458,686	
	Power Building (w/ generators)	21,291,637	
	Lean To Building	182,709	
	Swimming Pool	925,621	
	City Office	1,681,953	
	Pavilion (10)	443,333	
	Animal Shelter	437,587	
	Brentwood Substation	351,776	
	Parks Office	571,604	
	Community Center	4,336,598	
	Fine Arts Center	2,495,808	
	Water Shop	855,809	
	Airport Hangar-Police	323,010	
	Airport Hangar-Manager	212,890	
	Airport Hangar-Water Dept	524,754	
	Airport Terminal	51,134	
	Concession Stand/Restrooms	176,844	
	Equestrian Park-Concession	142,194	
	Dog Pavilion (3 Parks)	44,316	
	Pro Shop/Diner	807,711	
	Pumphouse (2)	266,275	
	Quonset Hut (2)	127,683	
	Storage Facilities (3)	188,200	
	Restroom Buildings (10)	1,397,166	
	Anticline Electrical Substation	302,480	

Utah Local Government Trust	Workers Compensation		
PEHP	Medical		
Utah Local Government Trust	Auto & Equipment	500	ULGT-APDP-2010
Utah Local Government Trust	Airport Liability	5,000,000	11830-Airport
Utah Local Government Trust	Police Department	5,000,000	11830-GL2018
Utah Local Government Trust	Public Officials E&O	5,000,000	11830-GL2018

Note 3. Population.

	Census Count	Population Increase	Percent Increase	Average Yearly
1980 Census	2,315			
1990 Census	3,915	1,600	69.11%	6.91%
2000 Census	8,250	4,335	110.73%	11.07%
2010 Census	13,748	5,498	66.64%	6.66%
2020 Census	20,036	7,503	54.58%	5.46%
2024 Estimate	24,753	4,717	23.54%	2.35%

Note 4. Full Time Employees.

	2020-21	2021-22	2022-23	2023-24	2024-25
Admin	8	10	11	12	11
Building & Planning	4	5	7	7	7
Courts & Prosecutor	4	5	4	3	4
Public Works, Engineer, GIS	6	8	7	6	8
Golf Course	8	10	11	11	9
Parks & Cemetery	11	14	14	12	13
Water and Drainage	8	9	11	12	13
Power	13	13	12	12	13
Streets	5	6	7	7	8
Police & Animal Control	39	39	46	43	41
Recreation	3	5	4	6	5
Total	109	124	134	131	132

APPENDIX B

DEMOGRAPHIC AND ECONOMIC INFORMATION REGARDING THE CITY AND WASHINGTON COUNTY

THE CITY

City Population

Year	Population	Percent Change
2024 Estimate	24,753	3.13%
2023 Estimate	24,001	3.94
2022 Estimate	23,092	5.82
2021 Estimate	21,821	8.91
2020 Census	*20,036*	*5.04*
2019 Estimate	19,074	4.89
2018 Estimate	18,184	6.03
2017 Estimate	17,150	6.11
2016 Estimate	16,163	4.38
2015 Estimate	15,485	3.19
2010 Census	*13,748*	*66.64*
2000 Census	*8,250*	*n/a*

Note: The Census estimates are is as of April 1 of the census year; the annual population estimates are as of July 1 of the year given.
(Source: U.S. Census Bureau.)

Construction Activity in the City

The following table summarizes the value of permit authorized construction for the City for the years shown for both residential and commercial construction.

	Calendar Year				
	2024	2023	2022	2021	2020
New Dwelling Units	569	399	682	680	695
New Residential Value ($000)	81,907.7	63,713.8	112,472.9	113,995.8	98,838.6
New Nonresidential Value ($000)	39,085.5	39,782.5	42,808.6	31,641.6	22,144.3
Additions/Alterations/Repairs ($000)	6,089.9	17,174.7	6,979.0	2,721.3	1,859.4
Total Construction ($000)	127,083.0	120,671.0	162,260.4	148,358.7	122,842.3

(Source: University of Utah Bureau of Economic and Business Research.)

THE COUNTY

The following demographic information is provided solely as background information regarding Washington County (the "County"), the general area in which the City is located.

The County is situated in the southwestern part of Utah. It is bordered by Iron County to the north, Kane County to the East, Nevada to the West, and Arizona to the South. The County is 2,422 square miles in area. The County is one of the fastest growing areas of the country and provides a mild winter climate, beautiful scenery, and a comfortable lifestyle. The County's economy is based upon tourism, education, services, trade, and construction. Zion National Park is encompassed within the County.

Population of County and State

Year	County	% Increase	State	% Increase
2024 Estimate	207,943	2.71%	3,503,613	2.51%
2023 Estimate	202,452	2.39	3,417,734	1.08
2022 Estimate	197,730	3.25	3,381,236	1.26
2021 Estimate	191,513	6.23	3,339,284	2.07
2020 Census	*180,279*	*1.53*	*3,271,616*	*2.05*
2019 Estimate	177,556	3.49	3,205,958	1.66
2018 Estimate	171,567	3.40	3,153,550	3.67
2017 Estimate	165,929	4.13	3,101,042	1.95
2016 Estimate	159,352	3.04	3,041,868	2.01
2015 Estimate	154,650	2.36	2,981,835	1.53
2014 Estimate	151,081	–	2,936,879	–
2010 Census	*138,115*	*52.90%*	*2,763,885*	*23.80%*
2000 Census	*90,354*	*86.1*	*2,233,169*	*29.6*

Note: The Census counts are as of April 1 of such year; the annual population estimates are as of July 1 of the year given.
(Source: U.S. Census Bureau.)

Rate of Unemployment – Annual Averages

Year	County	State	United States
2024	3.3%	3.2%	4.0%
2023	2.9	2.7	3.6
2022	2.7	2.4	3.6
2021	3.0	2.8	5.3
2020	5.5	4.8	8.1
2019	2.9	2.5	3.7
2018	3.2	2.9	3.9
2017	3.4	3.1	4.4
2016	3.6	3.3	4.9
2015	4.0	3.5	5.3

(Source: Utah Department of Workforce Services; U.S. Bureau of Labor Statistics.)

Economic Indicators

LABOR FORCE (1)	2024	2023	2022	2021	2020
Labor Force (annual average)	94,040	90,653	86,367	82,732	78,947
Employed (annual average)	90,898	87,995	84,067	82,732	78,947
Unemployed (annual average)	3,142	2,658	2,300	2,503	4,366
Unemployment Rate	3.3%	2.9%	2.7%	3.0%	5.5%
Average Employment (Non-Farm Jobs)	87,586	84,498	80,995	77,095	71,549
% Change Prior Year	*3.63*	*4.32*	*5.06*	*7.75*	*1.06*
Average Employment by Sector:					
Agriculture, Forestry, Fishing & Hunting	68	80	103	115	134
Mining	478	479	524	417	293
Utilities	313	284	272	253	241
Construction	10,361	9,797	9,923	9,286	8,805
Manufacturing	4,141	3,960	4,097	3,932	3,735
Wholesale Trade	1,965	1,896	1,874	1,406	1,300
Retail Trade	12,170	12,079	11,265	11,198	10,189
Transportation & Warehousing	4,864	4,714	4,813	4,774	4,542
Information	1,119	1,095	951	867	803
Finance and Insurance	1,745	1,568	1,628	1,684	1,752
Real Estate, Rental & Leasing	1,453	1,349	1,276	1,227	1,137
Professional, Scientific & Technical Services	3,630	3,814	3,456	3,235	3,001
Management of Companies & Enterprises	268	200	169	213	206
Administrative, Support, Waste Mgmt, & Remediation	4,330	4,199	3,534	3,370	2,841
Education Services	6,992	6,761	6,533	6,135	5,812
Health Care & Social Assistance	14,319	13,672	12,821	12,442	12,125
Arts, Entertainment, & Recreation	2,895	2,733	2,524	2,349	1,954
Accommodation & Food Services	10,815	10,270	9,961	9,273	8,106
Other Services & Unclassified	2,691	2,669	2,508	2,345	2,145
Public Administration	8,273	2,894	2,762	2,572	2,427
Total Establishments	8,273	8,099	7,906	7,933	7,319
Total Wages ($Millions)	4,229.5	3,914.0	3,609.4	3,237.8	2,894.5

INCOME AND WAGES	2024	2023	2022	2021	2020
Total Personal Income ($000) (2)	n/a	11,014,315	10,212,743	9,717,589	8,252,905
Per Capita Income (2)	n/a	54,405	50,650	50,741	45,342
Median Household Income (2)	n/a	78,094	75,572	63,639	71,904
Avg Monthly Nonfarm Wage (1)	4,024	$3,859	$3,714	$3,500	$3,371

SALES & CONSTRUCTION	2024	2023	2022	2021	2020
Gross Taxable Sales ($000) (3)	7,135.6	6,769.4	6,784.6	6,217.2	4,886.8
New Dwelling Units (4)	3,066	2,916	3,445	3,835	3,903
Total Construction Value ($000)(4)	1,067,678.5	914,652.0	1,148,550.4	1,034,810.3	939,398.7
New Residential Value ($000) (4)	573,205.3	532,546.4	640,932.2	770,836.6	700,804.4
New Nonresidential Value ($000)(4)	355,662.1	320,905.1	432,813.6	228,764.1	131,031.4

(Sources: (1) Utah Department of Workforce Services; (2) U.S. Department of Commerce, Bureau of Economic Analysis, last updated November 2024; (3) Utah State Tax Commission; (4) University of Utah Bureau of Economic and Business Research.)

Major Employers in the County

(Average Annual Employment 250 and above)

Company Name	Type of Business	Employee Range
Intermountain Health Care	Health Care and Social Assistance	4,000-4,999
Washington School District	Educational Services	3,000-3,999
Utah Tech University	Educational Services	3,000-3,999
Wal-Mart	Retail Trade	1,000-1,999
City of St George	Public Administration	1,000-1,999
The Home Depot	Retail Trade	500-999
Skywest Airlines	Transportation and Warehousing	500-999
Washington County	Public Administration	500-999
City of Washington	Arts, Entertainment, and Recreation	500-999
Smith's Food and Drug	Retail Trade	250-499
State of Utah	Public Administration	250-499
Eagle Ranch Academy	Health Care and Social Assistance	250-499
Stephen Wade Auto Center	Retail Trade	250-499
Costco Wholesale	Retail Trade	250-499
Wilson Electronics	Manufacturing	250-499
Harmons	Retail Trade	250-499
Andrus Transportation Services	Transportation and Warehousing	250-499
Family Dollar Services	Transportation and Warehousing	250-499
McDonald’s	Accommodation and Food Services	250-499
Associated Retail Operations (ARO)	Grocery and Retail Trade	250-499
Sunroc Corporation	Mining, Quarrying, and Oil and Gas Extraction	250-499
Maverik	Retail Trade	250-499
Tuacahn Center for the Arts	Arts, Entertainment, and Recreation	250-499
Ram Manufacturing Company	Manufacturing	250-499
Balance of Nature	Retail Trade	250-499
TG Administration	Arts, Entertainment, and Recreation	250-499
Hurricane City	Public Administration	250-499

(Source: Utah Department of Workforce Services; last updated October 2025.)

APPENDIX C

FORM OF THE GENERAL INDENTURE

SALES TAX REVENUE BONDS

GENERAL INDENTURE OF TRUST

Dated as of March 1, 2026

between

HURRICANE CITY, UTAH,
as Issuer

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee

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THE TRUSTEE

THIS GENERAL INDENTURE OF TRUST, dated as of March 1, 2026, by and between Hurricane City, Utah, political subdivision, municipal corporation and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "Issuer"), and Zions Bancorporation, National Association, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal corporate trust office in Salt Lake City, Utah, as trustee (the "Trustee"),

W I T N E S S E T H:

WHEREAS, the Issuer desires to finance and/or refinance all or a portion of the costs of facilities, equipment and improvements for the benefit of the Issuer pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and/or the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"); and

WHEREAS, the Issuer is authorized under the Act to issue its bonds secured by a pledge of and payable from the Revenues described herein; and

WHEREAS, the Issuer desires to pledge said Revenues toward the payment of the Principal and interest on Bonds issued hereunder:

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

For and in consideration of the premises, the mutual covenants of the Issuer and the Trustee, the purchase from time to time of the Bonds by the Registered Owners thereof, the issuance by Security Instrument Issuers from time to time of Security Instruments and the issuance by Reserve Instrument Providers from time to time of Reserve Instruments, and in order to secure the payment of the Principal of and premium, if any, and interest on the Bonds, of all Repayment Obligations according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein, in the Bonds, in all Security Instrument Agreements and in all Reserve Instrument Agreements, the Issuer does hereby convey, assign and pledge unto the Trustee and unto its successors in trust forever all right, title and interest of the Issuer in and to (i) the Revenues, (ii) all moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund), and (iii) all other rights hereinafter granted, first, for the further securing of the Bonds and all Security Instrument Repayment Obligations, and second, for the further security of all Reserve Instrument Repayment Obligations, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors and assigns in such trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust set forth in this Indenture, FIRST, with respect to the Revenues, for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds issued pursuant to and secured by this Indenture and all Security Instrument Issuers without privilege, priority or distinction as to the lien or otherwise of any Bond or Security Instrument Issuer over any other by reason of time of issuance, sale, delivery or maturity or expiration thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the Principal and premium, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, all Security Instrument Repayment Obligations, according to the true intent and meaning thereof, and all Reserve Instrument Repayment Obligations, according to the true intent and meaning thereof, or shall provide, as permitted by this Indenture, for the payment thereof as provided in Article X hereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments or provisions for such payments by the Issuer, this Indenture, and the rights hereby granted, shall terminate; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be executed, authenticated, delivered, secured and accepted by all persons who from time to time shall be or become Registered Owners thereof, and the trusts and conditions upon which the Revenues are to be held and disposed, which said trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. As used in this Indenture, the following terms shall have the following meanings unless the context otherwise clearly indicates:

"Accreted Amount" means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds, as established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds.

"Act" means, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code, each to the extent applicable.

"Additional Bonds" means all Bonds issued under this Indenture other than the Initial Bonds.

"Administrative Costs" means all Security Instrument Costs, Reserve Instrument Costs and Rebatable Arbitrage.

"Aggregate Annual Debt Service Requirement" means the total Debt Service (including any Repayment Obligations) for any one Bond Fund Year (or other specific period) on all Series of Bonds Outstanding or any specified portion thereof.

"Authorized Amount" means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

"Authorized Representative" means the Mayor, Vice Mayor, City Recorder, City Manager, Treasurer or any other officer of the Issuer so designated in writing by an Authorized Representative of the Issuer to the Trustee.

"Average Aggregate Annual Debt Service Requirement" means the total of all Aggregate Annual Debt Service Requirements divided by the total Bond Fund Years of the Bonds Outstanding or any specified portion thereof.

"Balloon Bonds" means, unless otherwise provided in the related Supplemental Indenture, Bonds (and/or Security Instrument Repayment Obligations relating thereto), other than Bonds which mature within one year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or, (b) at the option of the Owner thereof may be redeemed, during any period of twelve consecutive months; provided, however, that to constitute Balloon Bonds, the Issuer must so designate such Bonds.

"Bond Fund" means Hurricane City, Utah Sales Tax Revenue Bond Fund created in Section 3.2 hereof to be held by the Trustee and administered pursuant to Section 5.3 hereof.

"Bond Fund Year" means the 12-month period beginning July 1 of each year and ending on the next succeeding June 30, except that the first Bond Fund Year shall begin on the date of delivery of the Initial Bonds and shall end on the next succeeding June 30.

"Bondholder," "Bondowner," "Registered Owner" or "Owner" means the registered owner of any Bonds herein authorized according to the registration books of the Issuer maintained by the Trustee as Registrar.

"Bonds" means bonds, notes, commercial paper or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to this Indenture, including the Initial Bonds and any Additional Bonds.

"Build America Bonds" means the interest subsidy bonds issuable by the Issuer under Sections 54AA and 6431 of the Code and a "qualified bond" under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

"Business Day" means any day (i)(a) on which banking business is transacted, but not including any day on which banks are authorized to be closed in New York City or in the city in which the Trustee has its Principal Corporate Trust Office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument and (b) on which the New York Stock Exchange is open, or (ii) as otherwise provided in a Supplemental Indenture.

"Capital Appreciation Bonds" means Bonds, the interest on which (i) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (ii) is payable upon maturity or prior redemption of such Bonds.

"City Recorder" means the City Recorder of the Issuer and any deputy to the City Recorder or any successor to the duties of such office.

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

"Commercial Paper Program" means commercial paper obligations with maturities of not more than two hundred seventy (270) days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to Article II hereof and are outstanding up to an Authorized Amount.

"Construction Fund" means Hurricane City, Utah Sales Tax Revenue Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 5.1 hereof.

"Cost" or "Costs" or "Cost of Completion", or any phrase of similar import, in connection with a Project or with the refunding of any bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition and construction of a Project, or the refunding of any bonds, including, without limiting the generality of the foregoing:

(a) amounts payable to contractors and costs incident to the award of contracts;

(b) cost of labor, facilities and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others and permits and licenses obtained by the Issuer or others;

(c) engineering, architectural, legal, planning, underwriting, accounting and other professional and advisory fees;

(d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(e) interest expenses, including interest on the Series of Bonds relating to a Project;

(f) printing, engraving and other expenses of financing, including fees of financial rating services and other costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));

(g) costs, fees and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(h) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;

(i) amounts required to repay temporary or bond anticipation loans or notes made to finance the costs of a Project;

(j) cost of site improvements performed by the Issuer in anticipation of a Project;

(k) moneys necessary to fund the Funds created under this Indenture;

(l) costs of the capitalization with proceeds of a Series of Bonds issued hereunder of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as herein provided, of any discount on bonds or other securities, and of any reserves for the payment of the Principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs and Reserve Instrument Costs;

(m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and

(o) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs.

In the case of refunding or redeeming any bonds or other obligations, "Cost" includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f), (i), (k), (l), (m) and (o) above, advertising and other expenses related to the redemption of such bonds to be redeemed and the redemption price of such bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

"Cross-over Date" means, with respect to Cross-over Refunding Bonds, the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

"Cross-over Refunded Bonds" means Bonds or other obligations refunded by Cross-over Refunding Bonds.

"Cross-over Refunding Bonds" means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

"Current Interest Bonds" means all Bonds other than Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

"Debt Service" means, for any particular Bond Fund Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of (i) all interest payable during such Bond Fund Year on such Series of Bonds plus (ii) the Principal Installments payable during such Bond Fund Year on (a) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (b) such Repayment Obligations then outstanding;

provided, however, for purposes of Section 2.13 hereof,

(1) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Bond Fund Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations, as shall be

established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

(2) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(3) when calculating interest payable during such Bond Fund Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (using the market rate in a manner similar to that described in (1) above, unless another method of estimation is more appropriate, in the opinion of the Issuer's financial advisor, underwriter or similar agent with the approval of each Rating Agency, for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(4) when calculating interest payable during such Bond Fund Year with respect to any Commercial Paper Program, Debt Service shall include an amount equal to the sum of all Principal and interest payments that would be payable during such Bond Fund Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of 30 years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at such market rate of interest applicable to such Commercial Paper Program as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise);

(5) when calculating interest payable on Bonds that are Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations; and

(6) amortization of Balloon Bonds may be assumed on a level debt service basis over a twenty-year period at the interest rate based on the Revenue Bond Index as last published in *The Bond Buyer*, provided that the full amount of Balloon Bonds shall be included in the calculation if the calculation is made within twelve (12) months of the actual maturity of such Balloon Bonds and no credit facility exists;

and further provided, that there shall be excluded from Debt Service (a) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (b) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, as amended, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such amounts so required to be applied are sufficient to pay such Principal, (c) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations and (d) all interest on Bonds to the extent of Direct Payments attributable to Debt Service on Outstanding Bonds or Additional Bonds proposed to be issued.

"Debt Service Reserve Fund" means Hurricane City, Utah Sales Tax Revenue Debt Service Reserve Fund created in Section 3.4 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

"Debt Service Reserve Requirement" means, with respect to each Series of Bonds issued pursuant to this Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (a) ten percent (10%) of the proceeds of such Series of Bonds determined on the basis of original Principal amount (unless original issue premium or original issue discount exceeds two percent (2%) of original Principal, then determined on the basis of initial purchase price to the public), (b) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and (c) one hundred twenty-five percent (125%) of the average annual Debt Service for such Series of Bonds; provided, however, that in the event any Series of Refunding Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series issued pursuant to this Indenture (the "Prior Bonds"), then the portion of such Series of Prior Bonds that remain Outstanding immediately after the issuance of such Refunding Bonds and the portion of such Refunding Bonds that is allocable to the refunding of such Series of Prior Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two (2) Series pro rata based upon the total Principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by proceeds from the sale of such Series of Bonds, by a Reserve Instrument as herein provided or, if provided in the related Supplemental Indenture, may be accumulated over time. Each account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

"Direct Obligations" means noncallable Government Obligations.

"Direct Payments" means the interest subsidy payments received by the Issuer from the Internal Revenue Service pursuant to Section 6431 of the Code or other similar programs with respect to Bonds issued hereunder.

"Escrowed Interest" means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code, in connection with the issuance of refunding bonds or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

"Event of Default" means with respect to any default or event of default hereunder any occurrence or event specified in and defined by Section 7.1 hereof.

"Fitch" means Fitch Ratings, Inc.

"Governing Body" means the City Council of the Issuer.

"Government Obligations" means solely one or more of the following:

(a) State and Local Government Series issued by the United States Treasury ("SLGS");

(b) United States Treasury bills, notes and bonds, as traded on the open market;

(c) Zero Coupon United States Treasury Bonds; and

(d) Any other direct obligations of or obligations fully and unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as "REFCORP strips").

"Indenture" means this General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of this Indenture.

"Initial Bonds" means the first Series of Bonds issued under this Indenture.

"Interest Payment Date" means the stated payment date of an installment of interest on the Bonds.

"Interest Rate Swap" means an agreement between the Issuer or the Trustee and a Swap Counterparty related to a Series of Bonds whereby (i) a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount or (ii) a fixed rate cash flow on a principal or notional amount is exchanged for a variable rate of return (which may be subject to any interest rate cap) on an equal principal or notational amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

"Issuer" means Hurricane City, Utah and its successors.

"Mayor" means the Mayor of the Issuer or any successor to the duties of such office.

"Moody's" means Moody's Investors Service, Inc.

"MSRB" means the Municipal Securities Rulemaking Board.

"Outstanding" or "Bonds Outstanding" means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under this Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to Article X of this Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered hereunder, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

"Owner(s)" or "Registered Owner(s)" means the registered owner(s) of the Bonds according to the registration books of the Issuer maintained by the Trustee as Registrar for the Bonds pursuant to Sections 2.6, 6.5, and 11.5 hereof.

"Paired Obligations" means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (i) the Principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates of which, when taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

"Paying Agent" means the Trustee, appointed as the initial paying agent for the Bonds pursuant to Sections 6.6 and 11.5 hereof, and any additional or successor paying agent appointed pursuant hereto.

"Pledged Bonds" means any Bonds that have been (i) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (ii) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

"Principal" means (i) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case "Principal" means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (ii) with respect to any Current Interest Bond, the Principal amount of such Bond payable at maturity.

"Principal Corporate Trust Office" means, with respect to the Trustee, the office of the Trustee at One South Main Street, 12th Floor, Salt Lake City, Utah 84133, or such other or additional offices as may be specified by the Trustee.

"Principal Installment" means, as of any date of calculation, (i) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (a) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for

Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment and (ii) with respect to any Repayment Obligations, the Principal amount of such Repayment Obligations due on a certain future date.

"Project" means the acquisition, construction, and/or improvement of capital facilities, equipment and/or improvements financed or refinanced with a Series of Bonds that qualifies as an appropriate use for the Revenues.

"Put Bond" means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Put Bond and designating it as a "Put Bond".

"Qualified Investments" means any of the following securities:

(a) Government Obligations;

(b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America including: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer's Home Administration; the Federal Housing Administration; the Maritime Administration: General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA's);

(c) Money market funds rated "AAAm" or "AAAm-G" or better by S & P and/or the equivalent rating or better of Moody's (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory services to such funds;

(d) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's or "A-1+" by S&P, and which matures not more than 270 days after the date of purchase;

(e) Bonds, notes or other evidences of indebtedness rated "AAA" by S&P and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(f) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short-term certificates of deposit on the date or purchase of "A-1" or "A-1+" by S&P and "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(g) The fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer's Investment Fund; and

(h) Any other investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, Annotated 1953, as amended, including investments contracts permitted by Section 51-7-17(2)(d) thereof.

"Rating Agency" means Fitch, Moody's or S&P and their successors and assigns, but only to the extent such rating agency is then providing a rating on a Series of Bonds issued hereunder at the request of the Issuer. If any such Rating Agency ceases to act as a securities rating agency, the Issuer may designate any nationally recognized securities rating agency as a replacement.

"Rating Category" or "Rating Categories" mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

"Rebatable Arbitrage" means with respect to any Series of Bonds where (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

"Rebate Calculation Date" means, with respect to any Series of Bonds where (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial rebate calculation date for such Series of Bonds, and the date of retirement of the last Bond for such Series.

"Rebate Fund" means Hurricane City, Utah Sales Tax Revenue Rebate Fund created in Section 3.6 hereof to be held by the Trustee and administered pursuant to Section 5.7 hereof.

"Registrar" means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the registrar for the Bonds pursuant to Sections 2.6 and 11.5 hereof, and any additional or successor registrar appointed pursuant hereto.

"Regular Record Date" means, unless otherwise provided by Supplemental Indenture for a Series of Bonds, the fifteenth day immediately preceding each Interest Payment Date.

"Regulations," and all references thereto means the applicable final, proposed and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made hereafter.

"Remarketing Agent" means the remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

"Repayment Obligations" means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

"Reserve Instrument" means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a

Series of Bonds. The term "Reserve Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit and other devices.

"Reserve Instrument Agreement" means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) and providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

"Reserve Instrument Costs" means all fees, premiums, expenses and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall specify the fees, premiums, expenses and costs constituting Reserve Instrument Costs.

"Reserve Instrument Coverage" means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant hereto under all Reserve Instruments.

"Reserve Instrument Fund" means Hurricane City, Utah Sales Tax Revenue Reserve Instrument Fund created in Section 3.5 hereof to be held by the Trustee and administered pursuant to Section 5.6 hereof.

"Reserve Instrument Limit" means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of Principal of the applicable Series of Bonds.

"Reserve Instrument Provider" means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company or other institution issuing a Reserve Instrument.

"Reserve Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs.

"Revenue Fund" means Hurricane City, Utah Sales Tax Revenue Fund created in Section 3.7 hereof to be held by the Issuer and administered pursuant to Section 5.2 hereof.

"Revenues" means (i) 100% of the Sales and Use Tax and (ii) Direct Payments.

"S&P" means S&P Global Ratings.

"Sales and Use Tax" means 100% of the sales and use tax revenues received by the Issuer pursuant to the Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2 of the Utah Code.

"Security Instrument" means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term "Security Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices (but does not include a Reserve Instrument); provided, however, that no such device or instrument shall be a "Security Instrument" for purposes of this Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

"Security Instrument Agreement" means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) providing for the issuance by such Security Instrument Issuer of a Security Instrument.

"Security Instrument Costs" means, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses and costs constituting Security Instrument Costs.

"Security Instrument Issuer" means any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

"Security Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

"Series" means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

"Sinking Fund Account" means Hurricane City, Utah Sales Tax Revenue Sinking Fund Account of the Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 5.4 hereof.

"Sinking Fund Installment" means the amount of money which is required to be deposited into the Sinking Fund Account in each Bond Fund Year for the retirement of Term Bonds as specified in the Supplemental Indenture authorizing said Term Bonds (whether at maturity or by redemption), and including the redemption premium, if any.

"Special Record Date" means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with this Indenture.

"State" means the State of Utah.

"Supplemental Indenture" means any supplemental indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of Article IX hereof.

"Swap Counterparty" means a member of the International Swap Dealers Association rated in one of the three top Rating Categories by at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

"Swap Payments" means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Issuer. Swap Payments do not include any Termination Payments.

"Swap Receipts" means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable for the account of the Issuer by the Swap Counterparty. Swap Receipts do not include amounts received with respect to the early termination or modification of an Interest Rate Swap.

"Term Bonds" means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Sinking Fund Account.

"Termination Payments" means the amount payable to the Swap Counterparty by the Issuer with respect to the early termination or modification of an Interest Rate Swap. Termination Payments may only be payable from and secured by Revenues after payment of all amounts then due pursuant to the Indenture.

"Trustee" means Zions Bancorporation, National Association, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

"Utah Code" means Utah Code Annotated 1953, as amended.

"Variable Rate Bonds" means, as of any date of calculation, Bonds, the interest on which for any future period of time, is to be calculated at a rate which is not susceptible to a precise determination.

Section 1.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by the Security Instrument Issuers, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers pursuant hereto, this Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds, the Security Instrument Issuers and the Reserve Instrument Providers; and the pledge made in this Indenture and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be, FIRST, for the equal benefit, protection and security of the Owners of any and all of the Bonds and the Security Instrument Issuers of any and all of the Security Instruments all of which, regardless of the time or times of their issuance and delivery or maturity or expiration, shall be of equal rank without preference, priority or distinction of any of the Bonds or Security

Instrument Repayment Obligations over any others, except as expressly provided in or permitted by this Indenture, and SECOND, for the equal benefit, protection and security of the Reserve Instrument Providers of any and all of the Reserve Instruments which, regardless of the time or times of their issuance, delivery or termination, shall be of equal rank without preference, priority or distinction of any Reserve Instrument over any other thereof.

Section 1.3 Construction. This Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) The terms "hereby," "hereof," "herein," "hereto," "hereunder", and any similar terms used in this Indenture shall refer to this Indenture in its entirety unless the context clearly indicates otherwise.

(b) Words in the singular number include the plural, and words in the plural include the singular.

(c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.

(d) Articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated.

(e) The titles or leadlines applied to articles, sections and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Indenture.

ARTICLE II

THE BONDS

Section 2.1 Authorization of Bonds. There is hereby authorized for issuance hereunder Bonds which may, if and when authorized by Supplemental Indenture, be issued in one or more separate Series. Each Series of Bonds shall be authorized by a Supplemental Indenture, which shall state the purpose or purposes for which each such Series of Bonds is being issued. The aggregate Principal amount of Bonds which may be issued shall not be limited except as provided herein or as may be limited by law provided that the aggregate Principal amount of Bonds of each such Series shall not exceed the amount specified in the Supplemental Indenture authorizing each such Series of Bonds.

Section 2.2 Description of Bonds; Payment.

(a) Each Series of Bonds issued under the provisions hereof may be issued only as registered bonds. Unless otherwise specified in the Supplemental Indenture authorizing such Series of Bonds, each Series of Bonds shall be in the denomination of Five Thousand Dollars ($5,000) each or any integral multiple thereof, shall be numbered consecutively from R-1 upwards and shall bear interest payable on each Interest Payment Date.

(b) Each Series of Bonds issued under the provisions hereof shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate permitted by law on the date of initial issuance of such Series, shall be payable on the days, shall be stated to mature on the days and in the years and shall be subject to redemption prior to their respective maturities, all as set forth in the Supplemental Indenture authorizing such Series of Bonds. Each Series of Bonds shall be designated "Sales Tax Revenue [Refunding] Bonds, Series ____ [Federally Taxable]," in each case inserting the year in which the Bonds are issued and, if necessary, an identifying Series letter.

(c) Both the Principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such registration books or to owners of $1,000,000 or more in aggregate Principal amount of Bonds (or owners of 100% of any Series then Outstanding) by wire transfer to a bank account located in the United States of America designated by the Registered Owner in written instructions furnished to the Trustee no later than the Regular Record Date for such payment. Unless otherwise specified in the related Supplemental Indenture, the interest on Bonds so payable and punctually paid and duly provided for on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest immediately preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Bond on such Regular Record Date, and may be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten (10) days prior to such Special Record Date. The Principal of and premium, if any, on Bonds are payable upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee as Paying Agent, except as otherwise provided by Supplemental Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) The Bonds of each Series may contain or have endorsed thereon such provisions, specifications and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise, as may be specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.3 Execution; Limited Obligation. Unless otherwise specified in the related Supplemental Indenture, the Bonds of any Series shall be executed on behalf of the Issuer with the manual or official facsimile signature of its Mayor, countersigned with the manual or official facsimile signature of the City Recorder, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Issuer. In case any officer, the facsimile of whose signature shall appear on the Bonds, shall cease to be such officer before the delivery of such Bonds, such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

The Bonds, together with interest thereon, and all Repayment Obligations shall be limited obligations of the Issuer payable solely from the Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created hereunder (except the Rebate Fund) or the income from the temporary investment thereof). The Bonds shall be a valid claim of the Registered Owners thereof only against the Revenues and other moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund) and the Issuer hereby pledges and assigns the same for the equal and ratable payment of the Bonds and all Repayment Obligations, and the Revenues shall be used for no other purpose than to pay the Principal of, premium, if any, and interest on the Bonds and to pay the Repayment Obligations, except as may be otherwise expressly authorized herein or by Supplemental Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefor.

Section 2.4 Authentication and Delivery of Bonds.

(a) The Issuer shall deliver executed Bonds of each Series to the Trustee for authentication. Subject to the satisfaction of the conditions for authentication of Bonds set forth herein, the Trustee shall authenticate such Bonds and deliver them upon the order of the Issuer to the purchasers thereof (or hold them on their behalf) upon the payment by the purchasers of the purchase price therefor to the Trustee for the account of the Issuer. Delivery by the Trustee shall be full acquittal to the purchasers for the purchase price of such Bonds, and such purchasers shall be under no obligation to see to the application of said purchase price. The proceeds of the sale of such Bonds shall, however, be disposed of only as provided herein and in the related Supplemental Indenture.

(b) No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder, unless and until a certificate of authentication on such Bond substantially in the form set forth in the Supplemental Indenture authorizing such Bond shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

(c) Prior to the authentication by the Trustee of each Series of Bonds there shall have been filed with the Trustee:

(i) A copy of this Indenture (to the extent not theretofore so filed) and the Supplemental Indenture authorizing such Series of Bonds;

(ii) A copy, certified by the City Recorder, of the proceedings of the Issuer's City Council approving the execution and delivery of the instruments specified in Section 2.4(c)(i) above and the execution and delivery of such Series of Bonds, together with a certificate, dated as of the date of authentication of such

Series of Bonds, of the City Recorder that such proceedings are still in force and effect without amendments except as shown in such proceedings;

(iii) A request and authorization of the Issuer to the Trustee to authenticate such Series of Bonds in the aggregate Principal amount therein specified and deliver them to purchasers therein identified upon payment to the Trustee for account of the Issuer of the sum specified therein;

(iv) An opinion of bond counsel dated the date of authentication of such Series of Bonds to the effect that (a) the Issuer has authorized the execution and delivery of this Indenture and such Series of Bonds and this Indenture has been duly executed and delivered by the Issuer and is a valid, binding and enforceable agreement of the Issuer; (b) this Indenture creates the valid pledge which it purports to create of the Revenues; and (c) the Bonds of such Series are valid and binding obligations of the Issuer, entitled to the benefits and security hereof, provided that such opinion may contain limitations acceptable to the purchaser of such Series of Bonds;

(d) The Issuer may provide by Supplemental Indenture for the delivery to the Trustee of one or more Security Instruments with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements deemed necessary in connection therewith;

(e) Subject to any limitations contained in a Supplemental Indenture, the Issuer may provide a Security Instrument for any Series of Bonds (or may substitute one Security Instrument for another);

(f) The Issuer may provide by Supplemental Indenture for the issuance and delivery to the Trustee of one or more Reserve Instruments and the execution and delivery of any Reserve Instrument Agreements deemed necessary in connection therewith;

(g) The Issuer may authorize by Supplemental Indenture the issuance of Put Bonds; provided that any obligation of the Issuer to pay the purchase price of any such Put Bonds shall not be secured by a pledge of Revenues on a parity with the pledge contained in Section 6.2 hereof. The Issuer may provide for the appointment of such Remarketing Agents, indexing agents, tender agents or other agents as the Issuer may determine;

(h) The Issuer may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Security Instrument as the Issuer deems appropriate, including:

(i) So long as the Security Instrument is in full force and effect, and payment on the Security Instrument is not in default, (I) the Security Instrument Issuer shall be deemed to be the Owner of the Outstanding Bonds of such Series (a) when the approval, consent or action of the Bondowners for such Series of Bonds is required or may be exercised under the Indenture and (b) following an Event of Default and (II) the Indenture may not be amended in any manner which affects the rights of such Security Instrument Issuer without its prior written consent; and

(ii) In the event that the Principal and redemption price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Security Instrument, all covenants, agreements and other obligations of the Issuer to the Bondowners of such Series of Bonds shall continue to exist and such Security Instrument Issuer shall be subrogated to the rights of such Bondowners in accordance with the terms of such Security Instrument; and

(iii) In addition, such Supplemental Indenture may establish such provisions as are necessary to provide relevant information to the Security Instrument Issuer and to provide a mechanism for paying Principal Installments and interest on such Series of Bonds from the Security Instrument.

(i) The Issuer may provide for the execution of an Interest Rate Swap in connection with any Series of Bonds issued hereunder. The obligation of the Issuer to pay Swap Payments may be secured with (A) a lien on the Revenues on a parity with the lien thereon of Debt Service on the related Bonds (as more fully described in Section 5.2 herein) and may be net of Swap Receipts or (B) a subordinate lien on the Revenues and may be net of Swap Receipts. Such obligations may also be secured by other legally available moneys of the Issuer, all as established in the Supplemental Indenture for the related Series of Bonds. Termination Payments may only be payable from and secured by Revenues after payment of all amounts then due pursuant to the Indenture.

Section 2.5 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, Series, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Trustee, together in all cases with indemnity satisfactory to the Trustee and the Issuer. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Trustee may pay the same without surrender thereof upon compliance with the foregoing. The Trustee may charge the Registered Owner of such Bond with its reasonable fees and expenses in connection therewith. Any Bond issued pursuant to this Section 2.5 shall be deemed part of the Series of Bonds in respect of which it was issued and an original additional contractual obligation of the Issuer.

Section 2.6 Registration of Bonds; Persons Treated as Owners. The Issuer shall cause the books for the registration and for the transfer of the Bonds to be kept by the Trustee which is hereby constituted and appointed the Registrar of the Issuer with respect to the Bonds, provided, however, that the Issuer may by Supplemental Indenture select a party other than the Trustee to act as Registrar with respect to the Series of Bonds issued under said Supplemental Indenture. Upon the occurrence of an Event of Default which would require any Security Instrument Issuer to make payment under a Security Instrument Agreement, the Registrar shall make such registration books available to the Security Instrument Issuer. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond at the Principal Corporate Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same Series and the same maturity for a like aggregate Principal amount as the Bond surrendered for transfer. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate Principal amount of Bonds of the same Series and the same maturity. The execution by the Issuer of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. Except as otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Issuer and the Trustee shall not be required to transfer or exchange any Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day fifteen days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption.

The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the Principal or redemption price thereof and interest due thereon and for all other purposes whatsoever, and neither the Issuer, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of or on account of either Principal of or interest on any Bond shall be made only to or upon order of the Registered Owner thereof or such person's legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

The Trustee shall require the payment by the Bondholder requesting exchange or transfer of Bonds of any tax or other governmental charge and by the Issuer of any service charge of the Trustee as Registrar which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered.

Section 2.7 Redemption Provisions. The Term Bonds of each Series of Bonds shall be subject, to the extent provided in the Supplemental Indenture authorizing each such Series of Bonds, to redemption prior to maturity by operation of Sinking Fund Installments required to be made to the Sinking Fund Account. The Bonds of each Series shall further be subject to redemption prior to maturity at such times and upon such terms as shall be fixed by such Supplemental Indenture. Except as otherwise provided in a Supplemental Indenture, if fewer than all Bonds of a Series are to be redeemed, the particular maturities of such Bonds to be redeemed and the Principal amounts of such maturities to be redeemed shall be selected by the Issuer. If fewer than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular units of Bonds, as determined in accordance with Section 2.9 herein, to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee, in its discretion, may deem fair and appropriate.

Section 2.8 Notice of Redemption.

(a) In the event any of the Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.8. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, notice of such redemption (i) shall be filed with the Paying Agent designated for the Bonds being redeemed; and (ii) shall be mailed by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bonds and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

(ii) any other descriptive information needed to identify accurately the Bonds being redeemed, including, but not limited to, the original issue date of, and interest rate on, such Bonds;

(iii) in the case of partial redemption of any Bonds, the respective Principal amounts thereof to be redeemed;

(iv) the date of mailing of redemption notices and the redemption date;

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

(vii) the place where such Bonds are to be surrendered for payment, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, simultaneously with or shortly after the mailed notice to Registered Owners, by posting such notice to the MSRB's Electronic Municipal Market Access website or its successors. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(c) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(d) If at the time of mailing of any notice of optional redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption shall be conditioned upon receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the Principal of and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

(e) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Bonds or portions thereof redeemed but who failed to deliver Bonds for redemption prior to the 60th day following such redemption date.

(f) Any notice mailed shall be conclusively presumed to have been duly given whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Bonds.

(g) In case any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date, upon surrender of such Bond, a new Bond in Principal amount equal to the unredeemed portion of such Bond will be issued.

Section 2.9 Partially Redeemed Fully Registered Bonds. Unless otherwise specified in the related Supplemental Indenture, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Issuer shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Issuer, a Bond or Bonds of the same Series, interest rate and maturity, in aggregate Principal amount equal to the unredeemed portion of such registered Bond. Unless otherwise provided by Supplemental Indenture, a portion of any Bond of a denomination of more than the minimum denomination of such Series specified herein or in the related Supplemental Indenture to be redeemed will be in the Principal amount of such minimum denomination or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of such minimum denomination which is obtained by dividing the Principal amount of such Bonds by such minimum denomination.

Section 2.10 Cancellation. All Bonds which have been surrendered for payment, redemption or exchange, and Bonds purchased from any moneys held by the Trustee hereunder or surrendered to the Trustee by the Issuer, shall be canceled and cremated or otherwise destroyed by the Trustee and shall not be reissued; provided, however, that one or more new Bonds shall be issued for the unredeemed portion of any Bond without charge to the Registered Owner thereof.

Section 2.11 Nonpresentation of Bonds. Unless otherwise provided by Supplemental Indenture, in the event any Bond shall not be presented for payment when the Principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Issuer to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability to the Registered Owner of such Bond for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part hereunder or on, or with respect to, said Bond. If any Bond shall not be presented for payment within four years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall, to the extent permitted by law, repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Registered Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. The provisions of this Section 2.11 are subject to the provisions of Title 67, Chapter 4a, Utah Code.

Section 2.12 Initial Bonds. Subject to the provisions hereof, the Initial Bonds may be authenticated and delivered by the Trustee upon satisfaction of the conditions specified in Section 2.4(c) hereof and any additional conditions specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.13 Issuance of Additional Bonds. No additional indebtedness, bonds or notes of the Issuer secured by a pledge of the Revenues senior to the pledge of Revenues for the payment of the herein authorized Bonds or Security Instrument Repayment Obligations shall be created or incurred without the prior written consent of the Owners of 100% of the Outstanding Bonds and the Security Instrument Issuers. In addition, no Additional Bonds or other indebtedness, bonds or notes of the Issuer payable out of Revenues on a parity with the herein authorized Bonds or Security Instrument Repayment Obligations shall be created or incurred, unless the following requirements have been met:

(a) No Event of Default shall have occurred and be continuing hereunder on the date of authentication of any Additional Bonds. This Section 2.13(a) shall not preclude the issuance of Additional Bonds if (i) the issuance of such Additional Bonds otherwise complies with the provisions hereof and (ii) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof; and

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the Revenues, less any Direct Payments, for any consecutive 12-month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 200% of the sum of (x) the maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Additional Bonds plus (y) the average annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of such Additional Bonds; provided, however, that such Revenue coverage test set forth above shall not apply to the issuance of any Additional

Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued hereunder and (ii) the maximum Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining maximum Aggregate Annual Debt Service for the Bonds being refunded therewith; and

(c) All payments required by this Indenture to be made into the Bond Fund must have been made in full, and there must be on deposit in each account of the Debt Service Reserve Fund (taking into account any Reserve Instrument coverage) the full amount required to be accumulated therein at the time of issuance of the Additional Bonds; and

(d) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued hereunder or other obligations of the Issuer (including the funding of necessary reserves and the payment of costs of issuance), (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance) and/or (iii) any other lawful purpose of the Issuer.

Section 2.14 Form of Bonds. The Bonds of each Series and the Trustee's Authentication Certificate shall be in substantially the forms thereof set forth in the Supplemental Indenture authorizing the issuance of such Bonds, with such omissions, insertions and variations as may be necessary, desirable, authorized and permitted hereby.

Section 2.15 Covenant Against Creating or Permitting Liens. Except for the pledge of Revenues to secure payment of the Bonds and Repayment Obligations hereunder, the Revenues are and shall be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto; provided, however, that nothing contained herein shall prevent the Issuer from issuing, if and to the extent permitted by law, indebtedness having a lien on Revenues subordinate to that of the Bonds and Repayment Obligations.

ARTICLE III

CREATION OF FUNDS AND ACCOUNTS

Section 3.1 Creation of Construction Fund. There is hereby created and ordered established in the custody of the Trustee the Construction Fund. There is hereby created and ordered established in the custody of the Trustee a separate account within the Construction Fund for each Project to be designated by the name of the applicable Project or Series of Bonds and, if applicable, a separate account for each Series of Bonds and for all grant moneys or other moneys to be received by the Issuer for deposit in the Construction Fund.

Section 3.2 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee the Bond Fund.

Section 3.3 Creation of Sinking Fund Account. There is hereby created and ordered established in the custody of the Trustee as a separate account within the Bond Fund the Sinking Fund Account.

Section 3.4 Creation of Debt Service Reserve Fund. There is hereby created and ordered established in the custody of the Trustee the Debt Service Reserve Fund.

Section 3.5 Creation of Reserve Instrument Fund. There is hereby created and ordered and established in the custody of the Trustee the Reserve Instrument Fund.

Section 3.6 Creation of Rebate Fund. There is hereby created and ordered established in the custody of the Trustee the Rebate Fund.

Section 3.7 Creation of Revenue Fund. There is hereby created and ordered established in the custody of the Issuer the Revenue Fund. For accounting purposes, the Revenue Fund may be redesignated by different account names by the Issuer from time to time.

Section 3.8 Creation of Funds and Accounts. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article III until such funds or accounts shall be utilized as provided in a Supplemental Indenture. The Issuer may, by Supplemental Indenture, authorize the creation of additional funds and additional accounts within any fund.

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Upon the issuance of each Series of Bonds, the proceeds thereof shall be deposited as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

ARTICLE V

USE OF FUNDS

Section 5.1 Use of Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing, and except as otherwise provided by Supplemental Indenture, moneys deposited in the appropriate account in the Construction Fund shall be disbursed by the Trustee to pay the Costs of a Project, in each case within three (3) Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer in substantially the form as Exhibit A attached hereto, stating that the Trustee shall disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Construction Fund. In making such payments the Trustee may rely upon the information submitted in such requisition. Such payments shall be presumed to be made properly and the Trustee shall not be required to verify the application of any payments from the Construction Fund or to inquire into the purposes for which disbursements are being made from the Construction Fund.

(c) The Issuer shall deliver to the Trustee, within 90 days after the completion of a Project, a certificate executed by an Authorized Representative of the Issuer stating:

(i) that such Project has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for such Project; and

(ii) that the Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Section 5.1(c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section 5.1, any balance remaining in the applicable account in the Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund to be applied toward the redemption of the Series of Bonds issued to finance such Project or to pay Principal and/or interest next falling due with respect to the Bonds.

(g) The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Construction Fund to pay Principal and interest on the Bonds at any time in the event of a payment default hereunder.

Section 5.2 Application of Revenues. All Revenues shall be accounted for by the Issuer separate and apart from all other moneys of the Issuer.

(a) So long as any Bonds are Outstanding, as a first charge and lien on the Revenues, the Issuer shall, at least semi-annually and at least fifteen (15) days before each Interest Payment Date, transfer from the Revenue Fund to the Trustee for deposit into the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the Issuer need not allocate to the Revenue Fund to pay interest on the Bonds); plus

(ii) one-half of the Principal and premium, if any, falling due in the current fiscal year, and in any event, an amount sufficient to pay the Principal and premium on the next succeeding Principal payment date established for the Bonds; plus

(iii) one-half of the Sinking Fund Installments, if any, falling due in the current fiscal year, and in any event, an amount sufficient to pay the Sinking Fund Installments on the next succeeding Sinking Fund Installment payment date (for deposit to the Sinking Fund Account within the Bond Fund);

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of, premium, if any, and interest on the Bonds promptly on each such date as the same become due and payable. The foregoing provisions may be revised by a Supplemental Indenture for any Series of Bonds having other than semiannual Interest Payment Dates.

(b) As a second charge and lien on the Revenues (on a parity basis), the Issuer shall make the following transfers to the Trustee on or before the fifteenth day prior to each Interest Payment Date:

(i) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (A) to the accounts in the Debt Service Reserve Fund any amounts required hereby, and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided herein, and in any Supplemental Indenture and (B) if funds shall have been withdrawn from an account in the Debt Service Reserve Fund, or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, the Issuer shall deposit Revenues in such account(s) in the Debt Service Reserve Fund sufficient in amount to restore such account(s) within one year with twelve (12) substantially equal payments during such period (unless otherwise provided for by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement); or a ratable portion (based on the amount to be transferred pursuant to Section 5.2(b)(ii) hereof) of remaining Revenues if less than the amount necessary; and

(ii) Equally and ratably to the accounts of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect after the end of an interest payment period, such amount of the remaining Revenues, or a ratable portion (based on the amount to be transferred pursuant to Section 5.2(b)(i) hereof) of the amount so remaining if less than the amount necessary, that is required to be paid, on or before the next such interest payment period transfer or deposit of Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit within one year from any draw date under the Reserve Instrument.

(c) Subject to making the foregoing deposits, the Issuer may use the balance of the Revenues accounted for in the Revenue Fund for any of the following:

(i) redemption of Bonds;

(ii) refinancing, refunding, or advance refunding of any Bonds; or

(iii) for any other lawful purpose.

Section 5.3 Use of Bond Fund The Issuer may direct the Trustee, pursuant to a Supplemental Indenture, to create an account within the Bond Fund for a separate Series of Bonds under the Indenture.

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

(i) accrued interest received upon the issuance of any Series of Bonds;

(ii) all moneys payable by the Issuer as specified in Section 5.2 (a) hereof;

(iii) any amount in the Construction Fund to the extent required by or directed pursuant to Section 5.1(f) hereof upon completion of a Project or pursuant to Section 5.1(g) hereof;

(iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in Section 5.5 hereof; and

(v) all other moneys received by the Trustee hereunder when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) Except as provided in Section 7.4 hereof and as provided in this Section 5.3 and except as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;

(ii) on or before each Principal Installment due date, the amount required to pay the Principal Installment due on such due date; and

(iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agent to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity with the payments to be made with respect to Principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay Principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said Principal and interest.

(c) After payment in full of the Principal of and interest on (i) all Bonds issued hereunder (or after provision has been made for the payment thereof as provided herein so that such Bonds are no longer Outstanding), (ii) all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations in accordance with their respective terms, and (iii) all fees, charges and expenses of the Trustee, the Paying Agent and any other amounts required to be paid hereunder or under any Supplemental Indenture and under any Security Instrument Agreement and under any Reserve Instrument Agreement, all amounts remaining in the Bond Fund shall be paid to the Issuer.

Section 5.4 Use of Sinking Fund Account.

(a) The Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Issuer, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant hereto, at a price not to exceed the redemption price of such Term Bonds (plus accrued interest which will be paid from moneys in the Bond Fund other than those in the Sinking Fund Account).

(b) On the maturity date of any Term Bonds, the Trustee shall apply the moneys on hand in the Sinking Fund Account for the payment of the Principal of such Term Bonds.

Section 5.5 Use of Debt Service Reserve Fund. Except as otherwise provided in this Section 5.5 and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof or (ii) deposited from available Revenues over the period of time specified therein, or (iii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any bond insurer or other Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this Section 5.5, the Issuer is required, pursuant to Section 5.2(b) hereof and the provisions of any Supplemental Indenture, to make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

In the event funds on deposit in an account of the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account of the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in Section 5.2(b)(ii) herein.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds are Outstanding unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund.

Moneys at any time on deposit in the account of the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) shall be transferred by the Trustee to the Bond Fund at least once each year.

Moneys on deposit in any account of the Debt Service Reserve Fund shall be used to make up any deficiencies in the Bond Fund only for the Series of Bonds secured by said account and any Reserve Instrument shall only be drawn upon with respect to Bonds for which such Reserve Instrument was obtained.

Section 5.6 Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required hereby and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any applicable Reserve Instrument Agreement. The Issuer may, upon obtaining an approving opinion of bond counsel to the effect that such transaction will not adversely affect the tax-exempt status of any outstanding Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument and use such amounts for the related Project or to pay Principal on the related Bonds.

Section 5.7 Use of Rebate Fund.

(a) If it becomes necessary for the Issuer to comply with the rebate requirements of the Code and the Regulations, the Trustee shall establish and thereafter maintain, so long as the Bonds which are subject to said rebate requirements are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under this Indenture and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for one or more Series of Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatable Arbitrage is determined, the excess amount remaining after payment of the Rebatable Arbitrage to the United States shall, upon the Issuer's written request accompanied by the determination report, be paid by the Trustee to the Issuer.

(c) The Issuer shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to each Series of Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. The Issuer shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Required Rebate Deposit from the Funds and Accounts held under the Indenture other than the Rebate Fund) or shall otherwise make payment of the rebate to be paid to the United States at the times required by the Code and the Regulations. If applicable, the Issuer shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the United States. The determination of Rebatable Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Issuer from the Rebate Fund pursuant to the Indenture must be verified in writing by an independent public accountant or other qualified professional. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations and certifications required by this Section 5.7 and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Issuer's determinations, calculations and certifications required by this Section 5.7.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section 5.7. By agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Issuer with the requirements of Section 148 of the Code or any successor. The Issuer expressly agrees that (notwithstanding any other provision of the Indenture) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Issuer to comply with the requirements of said Section 148 or any successor thereof.

(e) The provisions of this Section 5.7 may be amended or deleted without Bondowner consent or notice, upon receipt by the Issuer and the Trustee of an opinion of nationally recognized bond counsel that such amendment or deletion will not adversely affect the excludability from gross income of interest on the Bonds or the status of the Bonds as Build America Bonds.

Section 5.8 Investment of Funds. Any moneys in the Bond Fund, the Construction Fund, the Rebate Fund, the Reserve Instrument Fund and the Debt Service Reserve Fund shall, at the discretion and authorization of the Issuer, be invested by the Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund and the Reserve Instrument Fund may only be invested in Qualified Investments having a maturity date one year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction Fund, Bond Fund, the Reserve Instrument Fund and Rebate Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with Section 5.5 hereof. All moneys in the Revenue Fund may, at the discretion of the Issuer, be invested by the Issuer in Qualified Investments.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section 5.8. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Qualified Investment, remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

The Trustee may, to the extent permitted by the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code make any and all investments permitted by the provisions of the Indenture through its own or any of its affiliate's investment departments.

The Issuer acknowledges that to the extent regulations of the comptroller of the currency or any other regulatory entity grants the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

In the event the Issuer shall be advised by nationally recognized municipal bond counsel that it is necessary to restrict or limit the yield on the investment of any moneys paid to or held by the Trustee in order to avoid the Bonds, or any Series thereof, being considered "arbitrage bonds" within the meaning of the Code or the Treasury Regulations proposed or promulgated thereunder, or to otherwise preserve the excludability of interest payable or paid on any Bonds from gross income for federal income tax purposes, the Issuer may require in writing the Trustee to take such steps as it may be advised by such counsel are necessary so to restrict or limit the yield on such investment, irrespective of whether the Trustee shares such opinion, and the Trustee agrees that it will take all such steps as the Issuer may require.

Section 5.9 Trust Funds. All moneys and securities received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions hereof. Except as provided otherwise in Section 5.7 hereof, unless and until disbursed pursuant to the terms hereof, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the Principal of, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable hereunder.

Section 5.10 Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account, Qualified Investments shall be valued at market, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur annually, except in the event of a withdrawal from the Debt Service Reserve Fund, whereupon securities shall be valued immediately after such withdrawal.

ARTICLE VI

GENERAL COVENANTS

Section 6.1 General Covenants. The Issuer hereby covenants and agrees with each and every Registered Owner of the Bonds issued hereunder and Reserve Instrument Provider as follows:

(a) Pursuant to Section 11-14-307(2)(d) of the Act, while any of the Bonds remain outstanding and unpaid, or any Repayment Obligations are outstanding, the ordinance, resolution or other enactment of the Issuer imposing the taxes described in the definition of Revenues and pursuant to which said taxes are being collected, the obligation of the Issuer to continue to levy, collect, and allocate such taxes, and to apply such Revenues in accordance with the provisions of the authorizing ordinance, resolution or other enactment, shall be irrevocable until the Bonds and/or any Repayment Obligations have been paid in full as to both Principal and interest, and is not subject to amendment in any manner which would impair the rights of the holders of those Bonds or Repayment Obligations which would in any way jeopardize the timely payment of Principal or interest when due. The Issuer covenants to take all actions necessary to continue the Sales and Use Tax included in the Revenues.

(b) The outstanding Bonds to which the Revenues (less Direct Payments) of the Issuer have been pledged as the sole source of payment shall not at any one time exceed an amount for which the Average Aggregate Annual Debt Service Requirement of the Bonds will exceed eighty percent (80%) of the Revenues (less Direct Payments) to be received by the Issuer during the Bond Fund Year immediately preceding the Bond Fund Year in which the resolution authorizing the applicable Series of Bonds is adopted.

(c) Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider, or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts and data relating to the receipt and disbursements of the Revenues. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements of the Revenues, and that such audit will be available for inspection by each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider.

Section 6.2 First Lien Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Revenues. The Issuer covenants that the Bonds and Security Instrument Repayment Obligations hereafter authorized to be issued and from time to time outstanding are equitably and ratably secured by a first lien on the Revenues and shall not be entitled to any priority one over the other in the application of the Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (i) proceeds of the issuance and sale of Bonds, (ii) Revenues, or (iii) Funds established hereby, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Section 6.3 Payment of Principal and Interest. The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued hereunder, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, this Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning hereof and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations are payable solely from the Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created hereunder or the income from the temporary investment thereof), which Revenues are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds, this Indenture, any Security Instrument Agreement or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

Section 6.4 Performance of Covenants; Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained herein, and in any and every Bond, Security Instrument Agreement and Reserve Instrument Agreement. The Issuer represents that it is duly authorized under the Constitution of the State to issue the Bonds authorized hereby and to execute this Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 6.5 List of Bondholders. The Trustee will keep on file at its Principal Corporate Trust Office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of 10% or more in Principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee.

Section 6.6 Designation of Additional Paying Agents. The Issuer hereby covenants and agrees to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate paying agents, if any, and for the making available of funds hereunder, but only to the extent such funds are made available to the Issuer from Bond proceeds or other Funds created hereunder or the income from the temporary investment thereof, for the payment of such of the Bonds as shall be presented when due at the Principal Corporate Trust Office of the Trustee, or its successor in trust hereunder, or at the principal corporate trust office of said alternate Paying Agents.

Section 6.7 Tax Exemption of Bonds and Direct Payments. The Issuer recognizes that Section 149(a) of the Code requires bonds to be issued and to remain in fully registered form in order that interest thereon is excluded from gross income for federal income tax purposes under laws in force at the time the bonds are delivered. Bonds issued pursuant to this Indenture, the interest on which is excludable from gross income for federal income tax purposes, are referred to in this Section 6.7 as "tax-exempt Bonds". Pursuant to the provisions thereof, the Issuer agrees that it will not take any action to permit tax-exempt Bonds issued hereunder to be issued in, or converted into, bearer or coupon form, unless the Issuer first receives an opinion from nationally recognized bond counsel that such action will not result in the interest on any Bonds becoming includible in gross income for purposes of federal income taxes then in effect.

The Issuer's Mayor and City Recorder are hereby authorized and directed to execute such certificates as shall be necessary to establish that tax-exempt Bonds or Build America Bonds issued hereunder are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations promulgated or proposed thereunder, including Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149 and 1.150-1 through 1.150-2 as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Issuer covenants and certifies to and for the benefit of the Registered Owners of such Bonds that no use will be made of the proceeds of the issue and sale of such Bonds, or any funds or accounts of the Issuer which may be deemed to be available proceeds of such Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of such Bonds, would have caused the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of such Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

The Issuer further covenants and agrees to and for the benefit of the Registered Owners that the Issuer (i) will not take any action that would cause interest on tax-exempt Bonds issued hereunder to become includible in gross income for purposes of federal income taxation, (ii) will not take any action that would jeopardize the Direct Payments on Build America Bonds issued under this Indenture, (iii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the tax-exempt Bonds to become includible in gross income for purposes of federal income taxation, (iv) will not omit to take or cause to be taken, in timely manner, any action, which omission would jeopardize the Direct Payments on Build America Bonds issued under this Indenture, and (v) to the extent possible, comply with any other requirements of federal tax law applicable to the Bonds in order to preserve the excludability from gross income for purposes of federal income taxation of interest on tax-exempt Bonds and the Direct Payments on Build America Bonds issued under this Indenture.

Section 6.8 Expeditious Construction. The Issuer shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

Section 6.9 Instruments of Further Assurance. The Issuer and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, or upon the request of a Security Instrument Issuer or a Reserve Instrument Provider, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes hereof; provided, however, that no such instruments or action shall involve any personal liability of the Trustee or members of the governing body of the Issuer or any official thereof.

Section 6.10 Covenant of State of Utah. In accordance with Section 11-14-307(3), Utah Code Annotated 1953, as amended, the State of Utah hereby pledges and agrees with the Owners of the Bonds and all Reserve Instrument Providers that it will not alter, impair or limit the taxes included in the Revenues in a manner that reduces the amounts to be rebated to the Issuer which are devoted or pledged herein until the Bonds, together with applicable interest, and all Reserve Instrument Repayment Obligations, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision shall be made by law for the protection of the Owners of the Bonds.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.1 Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or

(b) if payment of the Principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund hereunder or otherwise; or

(c) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within 30 days after the entry thereof; or

(e) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or

(f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee or custodian of the Issuer or of the whole or any part of the Issuer's property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(g) if the Issuer shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(i) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or herein or any Supplemental Indenture hereof on the part of the Issuer to be performed, other than as set forth above in this Section 7.1, and such Event of Default shall continue for 30 days after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding hereunder; or

(j) the occurrence of any event specified in a Supplemental Indenture as constituting an Event of Default.

Section 7.2 Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to Section 8.1 hereof, may pursue any available remedy by suit at law or in equity to enforce the payment of the Principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer hereunder including the right to require the Issuer to make monthly deposits to the Bond Fund in the amounts set forth in Sections 5.2(a)(i) through 5.2(a)(iii).

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and indemnified as provided in Section 8.1 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 7.2 as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms hereof conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.3 Right of Registered Owners to Direct Proceedings. Anything herein to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 50% in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions hereof, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 7.4 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

(a) To the payment of the Principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST—To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(b) To the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.4, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of Principal paid on such dates shall cease to accrue.

Section 7.5 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Section 7.6 Rights and Remedies of Registered Owners. Except as provided in the last sentence of this Section 7.6, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred of which the Trustee has been notified as provided in Section 8.1(g), or of which by said Section it is deemed to have notice, nor unless also Registered Owners of 25% in aggregate Principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 25% in aggregate Principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 8.1 hereof nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinabove granted, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust hereof, and to any action or cause of action for the enforcement hereof, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb or prejudice the lien hereof by its action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing herein contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the Principal of, premium, if any, and interest on each of the Bonds issued hereunder held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Section 7.7 Termination of Proceedings. In case the Trustee, any Registered Owner or any Security Instrument Issuer shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Registered Owner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.8 Waivers of Events of Default. Subject to Section 8.1(g) hereof, the Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default hereunder and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate Principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of Principal and interest exist, or (b) a majority in aggregate Principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than 50% in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the Principal of any Bonds at the date that a Principal Installment is due or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of Principal and premium, if any, when due and all expenses of the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceeding taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners and the Security Instrument Issuers shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 7.9 Cooperation of Issuer. In the case of any Event of Default hereunder, the Issuer shall cooperate with the Trustee and use its best efforts to protect the Registered Owners, Reserve Instrument Providers and the Security Instrument Issuers.

ARTICLE VIII

THE TRUSTEE

Section 8.1 Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents, receivers or employees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof. The Trustee shall have no responsibility with respect to any information, statement or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder, except as specifically set forth herein. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the

Registered Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by an Authorized Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 8.1(g) herein, or of which by said Paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Representative of the Issuer under its seal to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except an Event of Default described in Section 7.1(a) or 7.1(b), unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer or by the Registered Owners of at least 25% in the aggregate Principal amount of any Series of the Bonds then Outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(h) At any and all reasonable times and upon reasonable prior written notice, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Issuer pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(k) All moneys received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(l) If any Event of Default hereunder shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

(m) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Registered Owners, Security Instrument Issuers or Reserve Instrument Providers pursuant to the provisions of this Indenture, unless such Registered Owners, Security Instrument Issuers or Reserve Instrument Providers shall have offered to the Trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which may be incurred therein or thereby.

(n) The Trustee shall not be required to expend, advance, or risk its own funds or incur any financial liability in the performance of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or satisfactory indemnity against such risk or liability is not assured to it.

Section 8.2 Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or Principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs and expenses incurred. The Trustee's rights under this Section 8.2 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Section 8.3 Notice to Registered Owners if Event of Default Occurs. If an Event of Default occurs of which the Trustee is by Section 8.1(g) hereof required to take notice or if notice of an Event of Default be given to the Trustee as in said Section provided, then the Trustee shall give written notice thereof by registered or certified mail to all Security Instrument Issuers or to Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Section 8.4 Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee may intervene on behalf of such Owners and shall do so if requested in writing by the Registered Owners of at least 25% in aggregate

Principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section 8.4 are subject to the approval of a court of competent jurisdiction.

Section 8.5 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.6 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, served personally or by registered or certified mail, and by registered or certified mail to each Reserve Instrument Issuer, Security Instrument Issuer and Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of and acceptance by a successor Trustee by the Registered Owners or by the Issuer as provided in Section 8.8 hereof; provided, however that if no successor Trustee has been appointed within 60 days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 8.7 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments (i) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (ii) in writing delivered to the Trustee and the Issuer, and signed by the Registered Owners of a majority in aggregate Principal amount of Bonds then Outstanding if an Event of Default exists; provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 8.8 Appointment of Successor Trustee by Registered Owners; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer or if an Event of Default exists by the Registered Owners of a majority in aggregate Principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy, the Issuer by an instrument executed by an Authorized Representative under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners. Every successor Trustee appointed pursuant to the provisions of this Section 8.8 or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than $50,000,000.

Each Reserve Instrument Provider and Security Instrument Issuer shall be notified by the Issuer immediately upon the resignation or termination of the Trustee and provided with a list of candidates for the office of successor Trustee.

Section 8.9 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII shall be filed and/or recorded by the successor Trustee in each recording office, if any, where the Indenture shall have been filed and/or recorded.

Section 8.10 Trustee Protected in Relying Upon Indenture, Etc.. The indentures, opinions, certificates and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 8.11 Successor Trustee as Trustee of Funds; Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee hereunder and Registrar for the Bonds and Paying Agent for Principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Registrar and Paying Agent for the Bonds.

Section 8.12 Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, and in particular in case of the enforcement of remedies on Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 8.12 are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended hereby to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such deeds, conveyances and instruments in writing shall, on request of such trustee or co-trustee, be executed, acknowledged and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 8.13 Annual Accounting. The Trustee shall prepare an annual accounting for each Bond Fund Year by the end of the month following each such Bond Fund Year showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee hereunder during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Issuer, and to each Reserve Instrument Provider requesting the same. The Trustee shall also make available for inspection by any Registered Owner a copy of said annual accounting (with the names and addresses of Registered Owners receiving payment of debt service on the Bonds deleted therefrom) and shall mail the same if requested in writing to do so by Registered Owners of at least 25% in aggregate Principal amount of Bonds then Outstanding to the designee of said Owners specified in said written request at the address therein designated. On or before the end of the month following each Bond Fund Year, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor representations as to the accuracy of the facts contained in the financial reports concerning the transactions described herein that were delivered by the Trustee during the Bond Fund Year just ended.

Section 8.14 Indemnification. To the extent permitted by law and subject to the provisions of Section 8.1(a) of this Indenture, the Issuer shall indemnify and save Trustee harmless against any liabilities it may incur in the exercise and performance of its powers and duties hereunder, other than those due to its own negligence or willful misconduct.

Section 8.15 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Indenture.

Section 8.16 Direct Payment Authorization. The Issuer hereby authorizes and directs the Trustee to take all necessary actions to effectively carry out the duties required to apply for and accept Direct Payments from the Internal Revenue Service on behalf of the Issuer under Sections 54AA and 6431 of the Code or such other tax provisions of substantially similar nature which may be hereafter authorized, including, but not limited to, filing and signing IRS Form 8038-CP, receiving the Direct Payment on the Issuer's behalf, and using such Direct Payment to pay Debt

Service on the Bonds. For fixed rate bonds, the Trustee shall file the 8038-CP at least 50 days (but not more than 90 days) before the relevant Interest Payment Date (unless otherwise directed by a change in regulations). For variable rate bonds, the Trustee shall file the 8038-CP for reimbursements in arrears within 25 days after the last Interest Payment Date within the quarterly period for which reimbursement is being requested (unless otherwise directed by a change in regulations). The Issuer hereby covenants that it will deposit the Direct Payments with the Trustee for use in paying Debt Service on the Bonds.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers and Reserve Instrument Providers. The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners or Reserve Instrument Providers, or Security Instrument Issuers, enter into an indenture or indentures supplemental hereto, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) To provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.13 hereof;

(b) To cure any ambiguity or formal defect or omission herein;

(c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without its consent;

(d) To subject to this Indenture additional Revenues or other revenues, properties, collateral or security;

(e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Title 15, Chapter 7 of the Utah Code, Annotated 1953, as amended, or any successor provisions of law;

(f) To make any change which shall not materially adversely affect the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuers or any Reserve Instrument Provider requested or approved by a Rating Agency in order to obtain or maintain any rating on the Bonds or requested or approved by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;

(g) To make any change necessary (A) to establish or maintain the excludability from gross income for federal income tax purposes of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service of Section 148 of the Code or of regulations proposed or promulgated thereunder, or (B) to comply with the provisions of Section 148(f) of the Code, including provisions for the payment of all or a portion of the investment earnings of any of the Funds established hereunder to the United States of America, or (C) to establish or maintain the Direct Payments related to any Series of Bonds;

(h) If the Bonds affected by any change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(i) If the Bonds affected by any change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected;

(j) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the Issuer delivers to the Trustee (1) a Supplemental Indenture designating the facilities to comprise the Project and (2) an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax-exempt status (if applicable) or validity of the Bonds; and

(k) To correct any references contained herein to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references herein are correct.

Section 9.2 <u>Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners</u>. Exclusive of Supplemental Indentures covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section 9.2, and not otherwise, the Registered Owners of 66 2/3% in aggregate Principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any Supplemental Indenture, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any indenture supplemental hereto; provided, however, that nothing in this Section 9.2 contained shall permit or be construed as permitting (a) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the Principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any Fund established hereunder applicable to any Bonds without the consent of the

Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate Principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Indenture, or (d) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement hereto shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in Section 9.1, neither this Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.2, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required by the terms of Section 2.6 hereof to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondholders. At the time such notices are mailed by the Trustee, the Issuer may, but is not required to, designate a reasonable time period for receipt of such consents and shall include such requirement in the notices sent to the Bondholders. If the Bondholders of not less than 66 2/3% in aggregate Principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as in this Article IX permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

ARTICLE X

DISCHARGE OF INDENTURE

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Registered Owners of the Bonds, the Principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions hereof, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due according to the provisions of any Security Instrument Agreements, Reserve Instrument Agreements, as applicable, then these presents and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien hereof, and release, assign and deliver unto the Issuer any and all the estate, right, title and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien hereof, except moneys or securities held by the Trustee for the payment of the

Principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of this Article X when payment of the Principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Direct Obligations, maturing as to Principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee, and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Direct Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the Principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);

(b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to Article II above; and

(c) directing the Trustee to mail, as soon as practicable, in the manner prescribed by Article II hereof, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by this Article X has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article X and stating the maturity or redemption date upon which moneys are to be available for the payment of the Principal or redemption price, if applicable, on said Bonds as specified in Article II.

Any moneys so deposited with the Trustee as provided in this Article X may at the direction of the Issuer also be invested and reinvested in Direct Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Direct Obligations in the hands of the Trustee pursuant to this Article X which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Trustee shall first obtain a written verification from a certified public accountant that the moneys remaining on deposit with the Trustee and invested in Direct Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay Principal and interest on the Bonds when due and payable.

No such deposit under this Article X shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any tax-exempt Bonds to be treated as arbitrage bonds within the meaning of Sections 148 of the Code.

Notwithstanding any provision of any other Article hereof which may be contrary to the provisions of this Article X, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of this Article X for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Direct Obligations have been so set aside in trust.

Anything in Article VIII hereof to the contrary notwithstanding, if moneys or Direct Obligations have been deposited or set aside with the Trustee pursuant to this Article X for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article X shall be made without the consent of the Registered Owner of each Bond affected thereby.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Consents, Etc., of Registered Owners. Any consent, request, direction, approval, objection or other instrument required hereby to be executed by the Registered Owners, Security Instrument Issuers or Reserve Instrument Providers may be in any number of concurrent writings of similar tenor and may be executed by such Registered Owners, Security Instrument Issuers or Reserve Instrument Providers in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely, the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and any Reserve Instrument Provider, any legal or equitable right, remedy or claim under or in respect hereto or any covenants, conditions and provisions herein contained, this Indenture and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and the Reserve Instrument Providers as herein provided.

Section 11.3 Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections herein contained, shall not affect the remaining portions hereof, or any part thereof.

Section 11.4 Notices. It shall be sufficient service of any notice, request, complaint, demand or other paper on the Issuer if the same shall be duly mailed by registered or certified mail to 147 North 870 West, Hurricane, Utah 84737, Attention: City Recorder, or to such address as the Issuer may from time to time file with the Trustee. It shall be sufficient service of any notice or other paper on the Trustee if the same shall be duly mailed by registered or certified mail addressed to it at Zions Bancorporation, National Association, Corporate Trust Department, One South Main Street, 12th Floor, Salt Lake City, Utah 84133, or to such other address as the Trustee may from time to time file with the Issuer.

Section 11.5 Trustee as Paying Agent and Registrar. The Trustee is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 11.6 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 11.8 Immunity of Officers and Directors. No recourse shall be had for the payment of the Principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement herein contained against any past, present or future officer, or other public official, employee, or agent of the Issuer.

Section 11.9 Holidays. If any date for the payment of Principal of or interest on the Bonds is not a Business Day, then such payment shall be due on the first Business Day thereafter and no interest shall accrue for the period between such date and such first Business Day thereafter.

Section 11.10 Effective Date. This Indenture shall become effective immediately.

Section 11.11 Compliance with Act. It is hereby declared by the Issuer's Governing Body that it is the intention of the Issuer by the execution of this Indenture to comply in all respects with the provisions of the Act.

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Disclosure Undertaking") is executed and delivered by Hurricane City, Utah (the "City"), in connection with the issuance by the City of its $[__________] Sales Tax Revenue Bonds, Series 2026 (the "Series 2026 Bonds"). The Series 2026 Bonds are being issued pursuant to resolutions of the City adopted on November 20, 2025 and December 18, 2025 (collectively, the "Resolution"), by the City Council of the City, which provide for the issuance of the Series 2026 Bonds; and (iii) a General Indenture of Trust dated as of March 1, 2026 (the "General Indenture"), between the City and Zions Bancorporation, National Association, as trustee (the "Trustee"), as supplemented by a First Supplemental Indenture of Trust dated as of March 1, 2026 (the "First Supplemental Indenture," and together with the General Indenture, the "Indenture").

The City hereby acknowledges that it is an "obligated person" within the meaning of the hereinafter defined Rule and the only "obligated person" with respect to the Series 2026 Bonds. In connection with the aforementioned transactions, the City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Bondholders and Beneficial Owners of the Series 2026 Bonds and in order to assist the Participating Underwriters in complying with the Rule (each as defined herein).

Section 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report of the City" means the Annual Report of the City provided by the City pursuant to, and as described in Sections 3 and 4 of this Disclosure Undertaking.

"Beneficial Owner" shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2026 Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean, initially, the City, or any successor Dissemination Agent designated in writing by the City and which has filed with the Trustee a written acceptance of such designation.

"Financial Obligation" means a (a) debt obligation, (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Events" shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

"MSRB" shall mean the Municipal Securities Rulemaking Board, the address of which is currently 1300 I Street, NW, Suite 1000, Washington D.C. 20005; Telephone (202) 838-1500; the current website address of which is www.msrb.org and www.emma.msrb.org (for municipal disclosures and market data).

"Official Statement" shall mean the Official Statement of the City dated [__________], 2026, relating to the Series 2026 Bonds.

"Participating Underwriter" shall mean any of the original underwriters of the Series 2026 Bonds required to comply with the Rule in connection with the offering of the Series 2026 Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall prepare an Annual Report of the City and shall, or shall cause the Dissemination Agent to, not later than two hundred fifteen (215) days after the end of each fiscal year of the City (presently June 30), commencing with the fiscal year ended June 30, 2026, provide to the MSRB, the Annual Report of the City which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Report of the City to the Dissemination Agent. In each case, the Annual Report of the City may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(e).

(b) If by fifteen (15) Business Days prior to the date specified in Section 3(a) for providing the Annual Report of the City to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the City, the Dissemination Agent, if other than the City, shall contact the City to determine if the City is in compliance with Section 3(a).

(c) If the Dissemination Agent is unable to verify that the Annual Report of the City has been provided to the MSRB by the dates required in Section 3(a), the Dissemination Agent shall, in a timely manner, send a notice of a failure to file the Annual Report to the MSRB in an electronic format.

(d) The Dissemination Agent shall:

(i) determine each year prior to the dates for providing the Annual Report of the City, the website address to which the MSRB directs the Annual Report to be submitted; and

(ii) file reports with the City, as appropriate, certifying that their Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

Section 4. Content of Annual Reports. The Annual Report of the City shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant or a firm of certified public accountants. If the City's audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report of the City and audited financial statements will be provided when and if available.

(b) An update of the financial and operating information in the Official Statement relating to the City of the type contained in the tables under the captions:

"SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Historical Sales Tax Revenues" and "FINANCIAL INFORMATION REGARDING HURRICANE CITY—Outstanding Obligations of the City."

Any or all of the items listed above may be included by specific reference to other documents, including Official Statements of debt issues of the City, as appropriate or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final Official Statement, it must be available from the MSRB. The City, as appropriate, shall clearly identify each such other document so incorporated by the reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2026 Bonds in a timely manner but not more than ten (10) Business Days after the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) Substitution of credit or liquidity providers, or their failure to perform;

(v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2026 Bonds or other material events affecting the tax status of the Series 2026 Bonds;

(vi) Defeasances;

(vii) Tender offers;

(viii) Bankruptcy, insolvency, receivership or similar proceedings;

(ix) Rating changes; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

(b) Pursuant to the provisions of this Section 5(b), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2026 Bonds in a timely manner not more than ten (10) Business Days after the Listed Event, if material:

(i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;

(ii) Appointment of a successor or additional trustee or the change of the name of a trustee;

(iii) Non-payment related defaults;

(iv) Modifications to the rights of the owners of the Series 2026 Bonds;

(v) Series 2026 Bond calls;

(vi) Release, substitution or sale of property securing repayment of the Series 2026 Bonds; or

(vii) Incurrence of a Financial Obligation of the City or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event under Section 5(b), whether because of a notice from the Trustee or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the City has determined that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If the City determines that the Listed Event under Section 5(b) would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB in an electronic format in a timely manner not more than ten (10) Business Days after the Listed Event.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2026 Bonds. If such termination occurs prior to the final maturity of the Series 2026 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist the City in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the City shall be the Dissemination Agent. The initial Dissemination Agent shall be the City.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City and the Dissemination Agent, if other than the City, may amend this Disclosure Undertaking, and any provision of this Disclosure Undertaking may be waived, without the consent of the holders of the Series 2026 Bonds, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws to the effect that such amendment or waiver does not, in and of itself, cause the undertaking herein to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The City will provide notice of such amendment or waiver to the MSRB.

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

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Series 2026 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an "event of default" under the Indenture or the Lease, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2026 Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Series 2026 Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Undertaking may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Date: _______________, 2026.

HURRICANE CITY, UTAH

(SEAL)

By:____
Mayor

Attest:

By:____
City Recorder

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the Series 2026 Bonds, Gilmore & Bell, P.C., Bond Counsel to the City, proposes to issue its final approving opinion in substantially the following form.

Re: $[__________] Hurricane City, Utah Sales Tax Revenue Bonds, Series 2026

We have served as bond counsel to Hurricane City, Utah (the "Issuer"), in connection with the issuance by the Issuer of the above-captioned bonds (the "Bonds"). In this capacity, we have examined the law and such certified proceedings, certifications and other documents as we have deemed necessary to give the opinions below.

The Bonds are issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and other applicable provisions of law; (ii) resolutions of the City Council of the Issuer adopted on November 20, 2025 and December 18, 2025; and (iii) a General Indenture of Trust dated as of March 1, 2026, as supplemented by a First Supplemental Indenture of Trust dated as of March 1, 2026 (together, the "Indenture"), by and between the Issuer and Zions Bancorporation, National Association, as trustee. Under the Indenture, the Issuer has pledged certain revenues (the "Revenues") for the payment of principal of, premium (if any), and interest on the Bonds when due.

Capitalized terms used and not otherwise defined in this opinion have the meanings assigned to those terms in the Indenture.

Regarding questions of fact material to the opinions below, we have relied on the representations of the Issuer contained in the Indenture, on the certified proceedings and other certifications of representatives of the Issuer and the certifications of others furnished to us without undertaking to verify them by independent investigation.

Based on the foregoing, we are of the opinion that:

1. The Issuer is validly existing as a political subdivision and body politic duly organized and validly existing under the constitution and laws of the State of Utah (the "State") with the power to execute the Indenture and perform the agreements on its part contained therein, and issue the Bonds.

2. The Indenture has been authorized, executed and delivered by the Issuer and constitutes a valid and binding agreement of the Issuer.

3. The Indenture creates a valid lien on the Revenues and other funds pledged by the Indenture for the security of the Bonds on a parity with other bonds, if any, issued or to be issued under the Indenture.

4. The Bonds have been duly authorized and executed by the Issuer and are valid and binding limited obligations of the Issuer, payable solely from the Revenues and the other funds provided therefor in the Indenture. The Bonds do not constitute general obligations of the Issuer and do not constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory provision, limitation, or restriction. The Issuer's ad valorem taxing power is not pledged to the payment of the Bonds.

5. The interest on the Bonds (including any original issue discount allocable to an owner thereof) (i) is excludable from gross income for federal income tax purposes and (ii) is not an item of tax preference for purposes of computing the federal alternative minimum tax. The opinions set forth in this paragraph are subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all of these requirements. Failure to comply with certain of these requirements may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from income taxation by the State.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting the rights and remedies of creditors, and by equitable principles, whether considered at law or in equity.

We express no opinion regarding (a) the accuracy, adequacy or completeness of the Official Statement or other offering material relating to the Bonds, except as may be set forth in our supplemental opinion of even date herewith, (b) the attachment, perfection, or priority of the lien on the Revenues or other funds created by the Indenture, or (c) the tax consequences arising with respect to the Bonds other than as expressly set forth in this opinion letter.

The opinions given in this opinion letter are given as of the date set forth above, and we assume no obligation to revise or supplement them to reflect any facts or circumstances that may later come to our attention, or any changes in law that may later occur.

Respectfully submitted,

APPENDIX F

PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Series 2026 Bonds. The Series 2026 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

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

Purchases of Series 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2026 Bonds, except in the event that use of the book-entry system for the Series 2026 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2026 Bonds may wish to ascertain that the nominee holding the Series 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial

Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2026 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.