



NATIONAL  
RURAL WATER  
ASSOCIATION

*America's Largest Utility Membership*

2915 S. 13th Street, Duncan, OK 73533  
580.252.0629 | nrwa.org

December 15, 2025

Ms. Suzi Smith, President  
Apple Valley Foothill Co. Water District  
22545 Del Oro Road  
Apple Valley, CA 92308-8206

Dear Ms. Smith,

The application from the Apple Valley Foothill County Water District for a loan from the NRWA Revolving Loan Fund has been approved in the amount of \$98,383.88. The total principal plus accrued interest will be due and payable at the end of 10 years. The interest rate for this loan will be 3.125%.

Attached you will find the Promissory Note, Loan and Security Agreement (known as the Agreement) related to this loan. This loan offer and Agreement is valid for a period of 60 days from the date of this letter.

The loan will be released upon our receipt of the signed Agreement. Monthly principal and interest payments in the amount of \$955.69 will be due on the 1<sup>st</sup> day of each month starting on February 1, 2026. Loan payment should be sent to my office; the address is listed on this letter. A delinquency will occur after (10) ten days of nonpayment. We do not provide monthly statements or a payment book. An amortization schedule is enclosed for your convenience.

The loan proceeds can be paid by check **or** ACH deposit to your bank account. Attached is the form that is required if you choose ACH payment to your bank account.

If you have any questions, please don't hesitate to call.

Sincerely,

Brian Churchman, CFO  
National Rural Water Association

Enclosures

## **PROMISSORY NOTE, LOAN AND SECURITY AGREEMENT**

*FOR VALUE RECEIVED*, Apple Valley Foothill County Water District (hereinafter called the Borrower) promises to pay the National Rural Water Association (NRWA), an Oklahoma corporation (hereinafter called the Lender) address, 2915 South 13th Street, Duncan, Oklahoma 73533, the principal sum of \$98,383.88 with interest thereon at a rate equal to 3.125% payable as follows:

Commencing on February 1, 2026 and thereafter on the 1<sup>st</sup> day of each month, the Borrower agrees to pay to the Lender \$955.69 in monthly principal and interest payments. The total loan principal plus accrued interest will be due and payable at the end of ten years.

This note may be prepaid, in whole or in part, at any time without penalty or premium, plus accrued interest to the prepayment date.

Any sum not paid within 15 days of the due date shall be assessed a fee of \$25.00 plus bear interest at a rate equal to 6.0% per annum and any additional interest which has accrued shall be paid at the time of and as a condition precedent to curing any default. During the existence of any such default, the Lender may apply payments received on any amount due hereunder or under the terms of any instrument now or hereafter evidencing or securing any said indebtedness as the Lender may determine. In addition, any returned checks for insufficient funds shall be assessed a \$25.00 collection fee.

Upon default in any of the terms or conditions of this Note at the option of the holder hereof the entire indebtedness hereby evidenced shall become due, payable and collectible then or thereafter as the holder may elect, regardless of the date of maturity hereof. Written notice of the exercise of such option shall be given to the Borrower by the Lender.

The Borrower agrees that if, and as often as this Note is placed in the hands of an attorney for collection or to defend or enforce any of the Lender's rights hereunder, the Borrower will pay to the Lender hereof its reasonable attorney's fees, together with all court costs and other expenses paid by the Lender.

The Borrower, endorsers, sureties, guarantors and all other persons who may become liable for all or any part of this obligation shall be entitled to presentment for payment, protest and notice of nonpayment as set forth herein.

The Borrower agrees to maintain appropriate Employee Fidelity Bond coverage also known as a Dishonesty Bond, throughout the term of the loan. Upon request by the Lender the Borrower will provide the Lender with a copy of the Employee Fidelity Bond.

### **LENDING AGREEMENT**

Subject to the terms hereinafter set forth, Lender agrees to lend to Borrower, and the Borrower agrees to borrow from the Lender, a sum of \$98,383.88 to be used by the Borrower for the purpose of paying costs and expenses necessary to fulfill the intended purpose of the loan according to the loan application as approved. The Lender will give the Borrower 30 days notice if said sum cannot be advanced.

The Borrower will provide periodic annual financial statements upon request by the Lender which fully and accurately present the financial condition of the Borrower. Requested financial statements will be provided to the Lender in a timely manner.

**SECURITY AGREEMENT**

To secure this obligation, Borrower grants to the Lender a secured interest in the assets of the Apple Valley Foothill County Water District in the amount of the principal amount owed.

The payment record of the Lender of this Note shall be prima facie evidence for the amount owing on this Note.

IN WITNESS WHEREOF, Apple Valley Foothill County Water District has executed this instrument as of the

\_\_\_\_\_ Day of \_\_\_\_\_, 2025.

\_\_\_\_\_  
Suzi Smith, Board President  
Apple Valley Foothill County Water District  
Authorized Representative

# Loan Amortization Schedule

Apple Valley Foothill Co Water District

**Enter values**

**Loan summary**

Loan amount	\$ 98,383.88	Scheduled payment	\$ 955.69
Annual interest rate	3.125%	Scheduled number of pymts	120
Loan period in years	10	Actual number of payments	120
Number of payments per year	12	Total early payments	\$ -
Start date of loan	1/1/2026	Total interest	\$ 16,298.84
Optional extra payments			

PmtNo.	Payment Date	Beginning Balance	Scheduled Payment	Extra Payment	Principal	Interest	Ending Balance	Cumulative Interest
1	2/1/2026	\$ 98,383.88	\$ 955.69	\$ -	\$ 699.48	\$ 256.21	\$ 97,684.40	\$ 256.21
2	3/1/2026	97,684.40	955.69	-	701.30	254.39	96,983.10	510.59
3	4/1/2026	96,983.10	955.69	-	703.13	252.56	96,279.97	763.15
4	5/1/2026	96,279.97	955.69	-	704.96	250.73	95,575.01	1,013.88
5	6/1/2026	95,575.01	955.69	-	706.80	248.89	94,868.21	1,262.78
6	7/1/2026	94,868.21	955.69	-	708.64	247.05	94,159.57	1,509.83
7	8/1/2026	94,159.57	955.69	-	710.48	245.21	93,449.09	1,755.04
8	9/1/2026	93,449.09	955.69	-	712.33	243.36	92,736.76	1,998.39
9	10/1/2026	92,736.76	955.69	-	714.19	241.50	92,022.57	2,239.90
10	11/1/2026	92,022.57	955.69	-	716.05	239.64	91,306.52	2,479.54
11	12/1/2026	91,306.52	955.69	-	717.91	237.78	90,588.61	2,717.32
12	1/1/2027	90,588.61	955.69	-	719.78	235.91	89,868.83	2,953.22
13	2/1/2027	89,868.83	955.69	-	721.66	234.03	89,147.17	3,187.26
14	3/1/2027	89,147.17	955.69	-	723.54	232.15	88,423.64	3,419.41
15	4/1/2027	88,423.64	955.69	-	725.42	230.27	87,698.22	3,649.68
16	5/1/2027	87,698.22	955.69	-	727.31	228.38	86,970.91	3,878.06
17	6/1/2027	86,970.91	955.69	-	729.20	226.49	86,241.71	4,104.55
18	7/1/2027	86,241.71	955.69	-	731.10	224.59	85,510.61	4,329.14
19	8/1/2027	85,510.61	955.69	-	733.01	222.68	84,777.60	4,551.82
20	9/1/2027	84,777.60	955.69	-	734.91	220.78	84,042.69	4,772.59
21	10/1/2027	84,042.69	955.69	-	736.83	218.86	83,305.86	4,991.46
22	11/1/2027	83,305.86	955.69	-	738.75	216.94	82,567.11	5,208.40
23	12/1/2027	82,567.11	955.69	-	740.67	215.02	81,826.44	5,423.42
24	1/1/2028	81,826.44	955.69	-	742.60	213.09	81,083.84	5,636.51
25	2/1/2028	81,083.84	955.69	-	744.53	211.16	80,339.31	5,847.66
26	3/1/2028	80,339.31	955.69	-	746.47	209.22	79,592.84	6,056.88
27	4/1/2028	79,592.84	955.69	-	748.42	207.27	78,844.42	6,264.15
28	5/1/2028	78,844.42	955.69	-	750.37	205.32	78,094.05	6,469.48

29	6/1/2028	78,094.05	955.69	-	752.32	203.37	77,341.73	6,672.85
30	7/1/2028	77,341.73	955.69	-	754.28	201.41	76,587.46	6,874.26
31	8/1/2028	76,587.46	955.69	-	756.24	199.45	75,831.21	7,073.70
32	9/1/2028	75,831.21	955.69	-	758.21	197.48	75,073.00	7,271.18
33	10/1/2028	75,073.00	955.69	-	760.19	195.50	74,312.81	7,466.68
34	11/1/2028	74,312.81	955.69	-	762.17	193.52	73,550.65	7,660.21
35	12/1/2028	73,550.65	955.69	-	764.15	191.54	72,786.50	7,851.74
36	1/1/2029	72,786.50	955.69	-	766.14	189.55	72,020.36	8,041.29
37	2/1/2029	72,020.36	955.69	-	768.14	187.55	71,252.22	8,228.85
38	3/1/2029	71,252.22	955.69	-	770.14	185.55	70,482.08	8,414.40
39	4/1/2029	70,482.08	955.69	-	772.14	183.55	69,709.94	8,597.95
40	5/1/2029	69,709.94	955.69	-	774.15	181.54	68,935.79	8,779.48
41	6/1/2029	68,935.79	955.69	-	776.17	179.52	68,159.62	8,959.00
42	7/1/2029	68,159.62	955.69	-	778.19	177.50	67,381.43	9,136.50
43	8/1/2029	67,381.43	955.69	-	780.22	175.47	66,601.21	9,311.97
44	9/1/2029	66,601.21	955.69	-	782.25	173.44	65,818.96	9,485.41
45	10/1/2029	65,818.96	955.69	-	784.29	171.40	65,034.68	9,656.82
46	11/1/2029	65,034.68	955.69	-	786.33	169.36	64,248.35	9,826.18
47	12/1/2029	64,248.35	955.69	-	788.38	167.31	63,459.97	9,993.49
48	1/1/2030	63,459.97	955.69	-	790.43	165.26	62,669.54	10,158.75
49	2/1/2030	62,669.54	955.69	-	792.49	163.20	61,877.06	10,321.95
50	3/1/2030	61,877.06	955.69	-	794.55	161.14	61,082.50	10,483.09
51	4/1/2030	61,082.50	955.69	-	796.62	159.07	60,285.88	10,642.16
52	5/1/2030	60,285.88	955.69	-	798.69	156.99	59,487.19	10,799.16
53	6/1/2030	59,487.19	955.69	-	800.77	154.91	58,686.41	10,954.07
54	7/1/2030	58,686.41	955.69	-	802.86	152.83	57,883.55	11,106.90
55	8/1/2030	57,883.55	955.69	-	804.95	150.74	57,078.60	11,257.64
56	9/1/2030	57,078.60	955.69	-	807.05	148.64	56,271.56	11,406.28
57	10/1/2030	56,271.56	955.69	-	809.15	146.54	55,462.41	11,552.82
58	11/1/2030	55,462.41	955.69	-	811.26	144.43	54,651.15	11,697.25
59	12/1/2030	54,651.15	955.69	-	813.37	142.32	53,837.78	11,839.57
60	1/1/2031	53,837.78	955.69	-	815.49	140.20	53,022.30	11,979.78
61	2/1/2031	53,022.30	955.69	-	817.61	138.08	52,204.68	12,117.86
62	3/1/2031	52,204.68	955.69	-	819.74	135.95	51,384.95	12,253.81
63	4/1/2031	51,384.95	955.69	-	821.87	133.81	50,563.07	12,387.62
64	5/1/2031	50,563.07	955.69	-	824.01	131.67	49,739.06	12,519.30
65	6/1/2031	49,739.06	955.69	-	826.16	129.53	48,912.90	12,648.82

66	7/1/2031	48,912.90	955.69	-	828.31	127.38	48,084.58	12,776.20
67	8/1/2031	48,084.58	955.69	-	830.47	125.22	47,254.11	12,901.42
68	9/1/2031	47,254.11	955.69	-	832.63	123.06	46,421.48	13,024.48
69	10/1/2031	46,421.48	955.69	-	834.80	120.89	45,586.68	13,145.37
70	11/1/2031	45,586.68	955.69	-	836.97	118.72	44,749.71	13,264.08
71	12/1/2031	44,749.71	955.69	-	839.15	116.54	43,910.55	13,380.62
72	1/1/2032	43,910.55	955.69	-	841.34	114.35	43,069.22	13,494.97
73	2/1/2032	43,069.22	955.69	-	843.53	112.16	42,225.69	13,607.13
74	3/1/2032	42,225.69	955.69	-	845.73	109.96	41,379.96	13,717.09
75	4/1/2032	41,379.96	955.69	-	847.93	107.76	40,532.03	13,824.85
76	5/1/2032	40,532.03	955.69	-	850.14	105.55	39,681.89	13,930.40
77	6/1/2032	39,681.89	955.69	-	852.35	103.34	38,829.54	14,033.74
78	7/1/2032	38,829.54	955.69	-	854.57	101.12	37,974.97	14,134.86
79	8/1/2032	37,974.97	955.69	-	856.80	98.89	37,118.18	14,233.75
80	9/1/2032	37,118.18	955.69	-	859.03	96.66	36,259.15	14,330.42
81	10/1/2032	36,259.15	955.69	-	861.26	94.42	35,397.88	14,424.84
82	11/1/2032	35,397.88	955.69	-	863.51	92.18	34,534.38	14,517.02
83	12/1/2032	34,534.38	955.69	-	865.76	89.93	33,668.62	14,606.96
84	1/1/2033	33,668.62	955.69	-	868.01	87.68	32,800.61	14,694.64
85	2/1/2033	32,800.61	955.69	-	870.27	85.42	31,930.34	14,780.05
86	3/1/2033	31,930.34	955.69	-	872.54	83.15	31,057.80	14,863.21
87	4/1/2033	31,057.80	955.69	-	874.81	80.88	30,182.99	14,944.09
88	5/1/2033	30,182.99	955.69	-	877.09	78.60	29,305.90	15,022.69
89	6/1/2033	29,305.90	955.69	-	879.37	76.32	28,426.53	15,099.00
90	7/1/2033	28,426.53	955.69	-	881.66	74.03	27,544.87	15,173.03
91	8/1/2033	27,544.87	955.69	-	883.96	71.73	26,660.91	15,244.76
92	9/1/2033	26,660.91	955.69	-	886.26	69.43	25,774.65	15,314.19
93	10/1/2033	25,774.65	955.69	-	888.57	67.12	24,886.08	15,381.31
94	11/1/2033	24,886.08	955.69	-	890.88	64.81	23,995.20	15,446.12
95	12/1/2033	23,995.20	955.69	-	893.20	62.49	23,102.00	15,508.61
96	1/1/2034	23,102.00	955.69	-	895.53	60.16	22,206.47	15,568.77
97	2/1/2034	22,206.47	955.69	-	897.86	57.83	21,308.61	15,626.60
98	3/1/2034	21,308.61	955.69	-	900.20	55.49	20,408.41	15,682.09
99	4/1/2034	20,408.41	955.69	-	902.54	53.15	19,505.87	15,735.24
100	5/1/2034	19,505.87	955.69	-	904.89	50.80	18,600.98	15,786.03
101	6/1/2034	18,600.98	955.69	-	907.25	48.44	17,693.73	15,834.47
102	7/1/2034	17,693.73	955.69	-	909.61	46.08	16,784.12	15,880.55

103	8/1/2034	16,784.12	955.69	-	911.98	43.71	15,872.14	15,924.26
104	9/1/2034	15,872.14	955.69	-	914.36	41.33	14,957.78	15,965.59
105	10/1/2034	14,957.78	955.69	-	916.74	38.95	14,041.04	16,004.55
106	11/1/2034	14,041.04	955.69	-	919.12	36.57	13,121.92	16,041.11
107	12/1/2034	13,121.92	955.69	-	921.52	34.17	12,200.40	16,075.28
108	1/1/2035	12,200.40	955.69	-	923.92	31.77	11,276.48	16,107.06
109	2/1/2035	11,276.48	955.69	-	926.32	29.37	10,350.16	16,136.42
110	3/1/2035	10,350.16	955.69	-	928.74	26.95	9,421.42	16,163.38
111	4/1/2035	9,421.42	955.69	-	931.15	24.53	8,490.27	16,187.91
112	5/1/2035	8,490.27	955.69	-	933.58	22.11	7,556.69	16,210.02
113	6/1/2035	7,556.69	955.69	-	936.01	19.68	6,620.68	16,229.70
114	7/1/2035	6,620.68	955.69	-	938.45	17.24	5,682.23	16,246.94
115	8/1/2035	5,682.23	955.69	-	940.89	14.80	4,741.34	16,261.74
116	9/1/2035	4,741.34	955.69	-	943.34	12.35	3,798.00	16,274.09
117	10/1/2035	3,798.00	955.69	-	945.80	9.89	2,852.20	16,283.98
118	11/1/2035	2,852.20	955.69	-	948.26	7.43	1,903.94	16,291.40
119	12/1/2035	1,903.94	955.69	-	950.73	4.96	953.21	16,296.36
120	1/1/2036	953.21	955.69	-	950.72	2.48	0.00	16,298.84

**AUTHORIZATION AGREEMENT  
FOR AUTOMATIC PAYMENT (ACH CREDIT)**

COMPANY NAME: \_\_\_\_\_

I hereby authorized National Rural Water Association to initiate credit entries to my account indicated below at the bank named below to credit the same to such account.

BANK NAME \_\_\_\_\_

BANK ADDRESS \_\_\_\_\_

\_\_\_\_\_

ROUTING NUMBER \_\_\_\_\_

ACCOUNT NUMBER \_\_\_\_\_

Please specify whether the above account is a checking or savings account by selecting one of the following:

CHECKING ACCOUNT                      or                      SAVINGS ACCOUNT

This authorization is to remain in full force and effect until NRWA has received written notification from COMPANY of its termination in such time and in such manner as to afford NRWA and the BANK a reasonable opportunity to act on it.

NAME \_\_\_\_\_ TAX ID# \_\_\_\_\_

SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_