

Park City, Utah

November 18, 2025

The Board of Trustees (the "Board") of Summit County Service Area #3, Utah, met in regular public session at the regular meeting place of the Board in Park City, Utah, on Tuesday, November 18, 2025, at the hour of 5:30 p.m., with the following members of the Board being present:

Scott Witkin	Chair/Trustee
Rick Parisi	Vice Chair/Trustee
John Ball	Trustee
David Olson	Trustee
Derek Price	Trustee
Jon Blum	Treasurer/Trustee
Karri Taix	Clerk/Trustee

Also present:

Vince Pao-Borjigin	Operations Manager, Acting General Manager
Chris Bullock	Water Manager

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the Board Clerk presented to the Board a Certificate of Compliance with Open Meeting Law with respect to this November 18, 2025, meeting, a copy of which is attached hereto as Exhibit A.

The following resolution was then introduced in written form, was fully discussed, and pursuant to motion duly made by David Olson and seconded by Scott Witkin, was adopted by the following vote:

VOTING

Trustee Ball voting	Absent
Trustee Blum voting	Yay
Trustee Olson voting	Yay
Trustee Parisi voting	Yay
Trustee Price voting	Yay
Trustee Taix voting	<u>Yay</u>
Trustee Witkin voting	Yay

The resolution is as follows:

RESOLUTION NO. 2025-12

A RESOLUTION OF THE BOARD OF TRUSTEES OF SUMMIT COUNTY SERVICE AREA #3, UTAH (THE "ISSUER"), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$5,000,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2026 (THE "SERIES 2026 BONDS"); FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; DELEGATING TO CERTAIN OFFICERS OF THE ISSUER THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD AND SETTING OF A PUBLIC HEARING DATE; AUTHORIZING AND APPROVING THE EXECUTION OF A MASTER RESOLUTION AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the Board of Trustees (the "Board") of Summit County Service Area #3, Utah (the "Issuer") desires to finance all or a portion of the costs of improvements to its water system (the "System") including the construction of a new 750,000-gallon concrete storage tank, a new replacement well, a new well house, system fire flow improvements, Greenfield well arsenic isolation study, and all related improvements (collectively, the "Series 2026 Project"), (b) fund a debt service reserve fund, if any, and (c) pay the costs of issuance of the Series 2026 Bonds; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, and subject to the limitations set forth herein, the Issuer desires to issue its Water Revenue Bonds, Series 2026 (the "Series 2026 Bonds") (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer), pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), this Resolution, and a Master Resolution (the "Master Resolution") in substantially the form presented to the meeting at which this Resolution was adopted and which is attached hereto as Exhibit C; and

WHEREAS, the State of Utah Department of Environmental Quality, Drinking Water Board (the "Drinking Water Board") has offered to purchase the Issuer's Series 2026 Bonds; and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity must give notice of its intent to issue such bonds and hold a public hearing to receive input from the public with respect to (i) the issuance of the bonds and (ii) the potential economic impact that the improvement, facility or property for which the bonds pay all or part of the cost will have on the private sector; and

WHEREAS, the Issuer desires to hold a public hearing for this purpose and to publish a notice of such hearing with respect to the Series 2026 Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, in order to allow the Issuer flexibility in setting the pricing date of the Series 2026 Bonds, the Board desires to grant to any two of the Chair (or Chair Pro Tem or similarly authorized officer, collectively, the "Chair"), and/or the General Manager or Operations Manager (collectively, the "Designated Officers"), the authority to approve the principal amounts, interest rates, terms, maturities, redemption features, and purchase price at which the Series 2026 Bonds shall be sold and (b) make any changes with respect thereto from those terms which were before the Board at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth for such terms in this Resolution (the "Parameters");

NOW, THEREFORE, it is hereby resolved by the Board of Trustees of Summit County Service Area #3, Utah, as follows:

Section 11. For the purpose of financing the Series 2026 Project, (b) funding a debt service reserve fund, if any, and (c) paying the costs of issuance of the Series 2026 Bonds, the Issuer hereby authorizes the issuance of the Series 2026 Bonds which shall be designated "Summit County Service Area #3, Utah Water Revenue Bonds, Series 2026" (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer) in the aggregate principal amount of not to exceed \$5,000,000. The Series 2026 Bonds shall mature in not more than forty (40) years from their date or dates, shall be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, shall bear interest at a rate or rates not to exceed one percent (1.00%) per annum, as shall be approved by the Designated Officers, all within the Parameters set forth herein.

Section 12. The Designated Officers are hereby authorized to specify and agree as to the method of sale, the final principal amounts, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2026 Bonds for and on behalf of the Issuer, provided that such terms are within the Parameters set by this Resolution.

Section 13. The Master Resolution in substantially the form presented to this meeting and attached hereto as Exhibit C is hereby authorized, approved, and confirmed. The Chair and Clerk are hereby authorized to execute and deliver the Master Resolution in substantially the form and with substantially the content as the form presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officers within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 4 hereof.

Section 14. The Designated Officers or other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Master Resolution, the Series 2026 Bonds or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2026 Bonds (within the Parameters set by this Resolution), to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States.

Section 15. The form, terms, and provisions of the Series 2026 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Master Resolution. The Chair and the Clerk are hereby authorized and directed to execute and seal the Series 2026 Bonds. The signatures of the Chair and the Clerk may be by facsimile or manual execution. The Series 2026 Bonds shall recite that the Series 2026 Bonds are issued under the authority of the Constitution of the State of Utah, the Act and other applicable law.

Section 16. The Designated Officers or other appropriate officials of the Issuer are hereby authorized and directed to authenticate and deliver the Series 2026 Bonds in accordance with the provisions of the Master Resolution.

Section 17. Upon their issuance, the Series 2026 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2026 Bonds and the Master Resolution. No provision of this Resolution, the Master Resolution, the Series 2026 Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 18. The Designated Officers and other appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers (including, without limitation, any escrow agreement or tax compliance procedures) and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 19. After the Series 2026 Bonds are delivered to the Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2026 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Master Resolution.

Section 110. In accordance with the provisions of the Act, the Issuer directs its officers and staff to cause a "Notice of Public Hearing and Bonds to be Issued" (the "Notice"), to be published in substantially the form attached hereto as Exhibit B. The Issuer shall hold a public hearing on January 20, 2026 to receive input from the public with respect to the issuance of the Series 2026 Bonds and the potential economic impact that the improvements to be financed with the proceeds of the Series 2026 Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after the Notice is published (a) as a Class A notice under

Section 63G-30-102 Utah Code Annotated 1953, as amended (“Utah Code”) (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code, (ii) on the Issuer’s official website, and (iii) in a public location within the Issuer that is reasonably likely to be seen by residents of the Issuer, and (b) as required in Section 45-1-101, Utah Code. The Clerk shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the office of the Issuer for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the initial date of publication thereof:

Section 111. The Issuer hereby reserves the right to opt not to issue the Series 2026 Bonds for any reason, including without limitation, consideration of the opinions expressed at the public hearing.

Section 112. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

Section 113. The Issuer hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Series 2026 Project. The Series 2026 Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Series 2026 Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Series 2026 Bonds which will be issued to finance the reimbursed costs of the Series 2026 Project is not expected to exceed \$5,000,000.

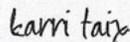
APPROVED AND ADOPTED this November 18, 2025.

**SUMMIT COUNTY SERVICE AREA#3**

By:  \_\_\_\_\_

Scott Witkin, Board Chair

ATTEST:

Signed by:  
  
\_\_\_\_\_

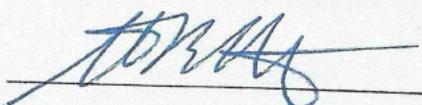
DF2CCD6CB0AB450...

Karri Taix, Board Clerk

(Other business not pertinent to the foregoing appears in the minutes of the meeting.)

Upon the conclusion of all business on the Agenda, the meeting was adjourned.

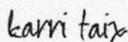
**SUMMIT COUNTY SERVICE AREA#3**

By:  \_\_\_\_\_

Scott Witkin, Board Chair

ATTEST:

Signed by:



DF2CCD6CB0AB450...

Karri Taix, Board Clerk

STATE OF UTAH )  
 ) : ss.  
COUNTY OF SUMMIT )

I, Karri Taix, the duly appointed and qualified Clerk of Summit County Service Area #3, Utah (the "Issuer"), do hereby certify according to the records of the Board of Trustees of the Issuer (the "Board") in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the Board held on November 18, 2025, including a resolution (the "Resolution") adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on November 18, 2025, and pursuant to the Resolution, a Notice of Public Hearing and Bonds to be Issued was published no less than fourteen (14) days before the public hearing date: date (a) as a Class A notice under Section 63G-30-102 Utah Code Annotated 1953, as amended ("Utah Code") (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code, (ii) on the Issuer's official website, and (iii) in a public location within the principal office of the Issuer that is reasonably likely to be seen by residents of the Issuer and (b) as required by Section 45-1-101, Utah Code.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said Issuer, this November 18, 2025.

Signed by:  
*Karri Taix* By: \_\_\_\_\_  
DF2CCD6CB0AB45D... Clerk

EXHIBIT A  
CERTIFICATE OF COMPLIANCE WITH  
OPEN MEETING LAW

I, Karri Taix, the undersigned Clerk of Summit County Service Area #3, Utah (the "Issuer"), do hereby certify, according to the records of the Issuer in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, ("Utah Code") I gave not less than twenty-four (24) hours public notice ( the "Notice") of the agenda, date, time and place of the November 18, 2025, public meeting held by the Board of Trustees of the Issuer (the "Board of Trustees") by causing the Notice, in the form attached hereto as Schedule 1:

- (a) to be posted at the Issuer's principal offices at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;
- (b) to be posted to the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting; and
- (c) to be posted on the Issuer's official website at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2025 Annual Meeting Schedule for the Board of Trustees (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the Board of Trustees to be held during the year, by causing said Notice to be published at least annually (a) on the Utah Public Notice Website, (b) on the Issuer's official website, and (c) in a public location within the Issuer that is reasonably likely to be seen by residents of the Issuer.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this November 18, 2025.

Signed by: Karri Taix By: \_\_\_\_\_  
DF2CCD6CB0AB450...  
 Clerk

SCHEDULE 1

NOTICE OF MEETING

**Summit County Service Area #3  
Board of Trustees Meeting Agenda**

Meeting Date & Time: November 18, 2025, 5:45pm MST

Meeting Location: Mountain Life Church, 7375 Silver Creek Rd, Park City, UT 84098

For more information or questions: (435) 500-6276

Agenda Item	Time	Presenter(s)
1. <b>Welcome and Call Meeting to Order</b> (motion/voting) a. Welcome b. Roll Call & Conflict of Interest Disclosure	5:45 pm	Chair
2. <b>General Public Comments</b> (Limited to 3 minutes per person)	5:50 pm	Chair
3. <b>Administrative &amp; Financial</b> (motion/voting) a. Approval of October 21, 2025 minutes b. UASD Conference Recap c. 2026 Board meeting dates & Board training d. Back up clerk e. PTO f. Impact Fee g. Resolution 2025-10 Approving 2026 Tentative Budget	6:00 pm	Chair, General Manager
4. <b>Water, Roads &amp; Trails Update</b> (motion/voting) a. Water System infrastructure upgrade update b. Resolution 2025-12 Consideration for adoption of a resolution authorizing the issuance and sale of not more than \$5,000,000 aggregate principal amount of Water Revenue Bonds, series 2026; and related matters c. Road projects update	6:50 pm	Water & Roads Operator
5. <b>General Public Comments</b> (Limited to 3 minutes per person)	7:15 pm	Chair
6. Closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonably imminent litigation, and/or the sale or purchase of real property pursuant to Utah Code §§ 52-4-204 through 205. **	7:30 pm	Chair
7. <b>Adjournment</b>	8:00 pm	Chair

To participate online:  
Google Meet joining info

Video call link: <https://meet.google.com/sys-gdvj-vnx>

Or dial: (US) +1 470-250-1720 PIN: 535 432 764#

More phone numbers: <https://tel.meet/sys-gdvj-vnx?pin=3736965577842>

\*Minutes and agendas available at:

<https://www.summitcountyutah.gov/AgendaCenter/Search/?term=&CIDs=34.&startDate=01/01/2025&endDate=04/15/2025&dateRange=&dateSelector=>

\*\*Any motion/voting will take place in open meeting after closed session

SCHEDULE 2  
ANNUAL MEETING SCHEDULE



## Summit County Service Area #3

629 E. Parkway Drive, Suite 1 Park City, UT 84098 · (435) 500-6276 · [permit@summitcosa3ut.gov](mailto:permit@summitcosa3ut.gov)

---

# Service Area 3 Board of Trustee 2026 Proposed Public Meeting Dates

Meeting Location: Mountain Life Church, 7375 Silver Creek Rd, Park City, UT 84098

January 20	3rd Tuesday - Election of Officers
February 24	4th Tuesday
March 17	3rd Tuesday
April 21	3rd Tuesday
May 19	3rd Tuesday
June 16	3rd Tuesday
No July meeting	
August 25	4th Tuesday
September 15	3rd Tuesday
October 20	3rd Tuesday - Tentative Budget
November 17	3rd Tuesday - Approve Tentative Budget
December 8	2nd Tuesday - Public Hearing for 2027 Budget

(attach Proof of Publication of  
Notice of Public Hearing and Bonds to be Issued)

## EXHIBIT B

### NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), that on November 18, 2025, the Board of Trustees (the "Board") of Summit County Service Area #3, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Water Revenue Bonds, Series 2026 (the "Series 2026 Bonds") (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer), and called a public hearing to receive input from the public with respect to the issuance of the Series 2026 Bonds and any potential economic impact that the project described herein to be financed with the proceeds of the Series 2026 Bonds may have on the private sector.

### TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on January 20, 2026, at the hour of 6:00 p.m. at Sheldon Richins Building Auditorium at 1885 W Ute Blvd, Park City, Utah. The purpose of the hearing is to receive input from the public with respect to the issuance of the Series 2026 Bonds and any potential economic impact that the project to be financed with the proceeds of the Series 2026 Bonds may have on the private sector. All members of the public are invited to attend and participate.

### PURPOSE FOR ISSUING THE SERIES 2026 BONDS

The Series 2026 Bonds will be issued for the purpose of (a) financing all or a portion of the costs of improvements to its water system (the "System") including the construction of a new 750,000-gallon concrete storage tank, a new replacement well, a new well house, system fire flow improvements, and all related improvements (collectively, the "Series 2026 Project"), (b) funding a debt service reserve, if any, and (c) paying the cost of issuance of the Series 2026 Bonds.

### PARAMETERS OF THE SERIES 2026 BONDS

The Issuer intends to issue the Series 2026 Bonds in the aggregate principal amount of not more than Five Million Dollars (\$5,000,000), to mature in not more than forty (40) years from their date or dates, to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, and bearing interest at a rate or rates not to exceed one percent (1.00%) per annum. The Series 2026 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a Master Resolution (the "Master Resolution") which was before the Board in substantially final form at the time of the adoption of the Resolution and said Master Resolution is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2026 Bonds will not exceed the maximums set forth above. The Issuer reserves the right to not issue the Series 2026 Bonds for any reason and at any time up to the issuance of the Series 2026 Bonds.

REVENUES PROPOSED TO BE PLEDGED

The Series 2026 Bonds are special limited obligations of the Issuer payable from the net revenues of the System.

OUTSTANDING BONDS SECURED BY REVENUES

The Issuer currently has \$0 of bonds outstanding secured by the Revenues.

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's financial report (the "Financial Report") at: <https://reporting.auditor.utah.gov/searchreports/s/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact Vincent Pao-Borjigin, Issuer Acting General Manager at (435) 500-6276.

TOTAL ESTIMATED COST OF BONDS

Based on the Issuer's current plan of finance and a current estimate of interest rates, the total principal and interest cost of the Series 2026 Bonds to be issued under the Act to finance the Series 2026 Project, if held until maturity is \$5,219,740.

A copy of the Resolution and the Master Resolution are on file in the office of the Summit County Service Area #3 at, 629 Parkway Drive, Park City, Utah, where they may be examined during regular business hours of the Clerk from 9:00 a.m. to 3:00 p.m. Monday through Thursday, for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Master Resolution or the Series 2026 Bonds, or any provision made for the security and payment of the Series 2026 Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this November 18, 2025.

Signed by: Karri Taix /s/ Karri Taix  
DF2CCD6CB0AB450... Clerk

EXHIBIT C  
FORM OF MASTER RESOLUTION

MASTER RESOLUTION

OF

SUMMIT COUNTY SERVICE AREA #3, UTAH

AS ISSUER

DATED AS OF

[\_\_\_\_\_1], 2026

## Table of Contents

		<b>Page</b>
ARTICLE I		
DEFINITIONS		2
Section 1.1	Definitions	2
ARTICLE II		
ISSUANCE OF SERIES 2026 BONDS		5
Section 2.1	Principal Amount, Designation, Series, and Interest Rate	5
Section 2.2	Advances of Proceeds	5
Section 2.3	Date and Maturities	5
Section 2.4	Optional Redemption and Redemption Prices	7
Section 2.5	Notice of Redemption for Exchange Bonds	7
Section 2.6	Execution and Delivery of the Series 2026 Bonds	8
Section 2.7	Delinquent Payment	8
Section 2.8	Exchange of State Bonds	8
ARTICLE III		
REGISTRATION, PAYMENT, AND FLOW OF FUNDS		10
Section 3.1	Execution of and Registration of Series 2026 Bonds; Persons Treated as Owners	10
Section 3.2	Deposit of Bond Proceeds	10
Section 3.3	The Series 2026 Bonds Constitute Special Limited Obligations	11
Section 3.4	Flow of Funds	11
Section 3.5	Investment of Funds	13
ARTICLE IV		
COVENANTS		15
Section 4.1	Covenants of Issuer	15
Section 4.2	Additional Indebtedness	18
Section 4.3	Additional Representations	20
ARTICLE V		
MISCELLANEOUS		21
Section 5.1	Default and Remedies	21
Section 5.2	Amendments to the Master Resolution	21
Section 5.3	Maintenance of Proceedings	22
Section 5.4	Defeasance of Series 2026 Bonds	22
Section 5.5	Sale of Series 2026 Bonds Approved	23

Section 5.6	Bondholders not Responsible	23
Section 5.7	Notice of Public Hearing and Bonds to be Issued	23
Section 5.8	Additional Certificates, Documents, and Other Papers	23
Section 5.9	Severability	23
Section 5.10	Resolutions in Conflict	23
Section 5.11	Effective Date of Resolution	23
Section 5.12	Counterparts	24
<u>EXHIBIT A</u>	FORM OF STATE BONDS	A-1
<u>EXHIBIT B</u>	FORM OF EXCHANGE BONDS	B-1

## MASTER RESOLUTION

WHEREAS, Summit County Service Area #3, Utah (the “Issuer”), desires to issue its Water Revenue Bonds, Series 2026 (the “Series 2026 Bonds”) to (a) finance all or a portion of the costs of improvements to its water system (the “System”) including the construction of a new 750,000-gallon concrete storage tank, a new replacement well, a new well house, system fire flow improvements and all related improvements (collectively, the “Series 2026 Project”), (b) pay costs of issuance of the Series 2026 Bonds, and (c) fund a debt service reserve account, if any; and

WHEREAS, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended (the “Act”), provides that the Issuer may issue non-voted revenue bonds as long as revenues generated from the revenue producing facilities of the Issuer are sufficient to pay for operation and maintenance of said facilities and debt service on all outstanding obligations secured by the revenues of said facilities; and

WHEREAS, the Issuer does not have on hand money to pay the cost of the Series 2026 Project and the Net Revenues to be derived by the Issuer from the operation of its System (as defined herein) will not be pledged or hypothecated in any manner or for any purpose at the time of the issuance of the Series 2026 Bonds; and

WHEREAS, the Issuer has been advised that the System will generate sufficient Revenues to pay for operation and maintenance of the System as well as debt service on all proposed obligations secured by the Net Revenues of the System, including the Series 2026 Bonds authorized herein; and

WHEREAS, as required by the Act, on [December 9, 2025], the Issuer held a public hearing with respect to the Series 2026 Bonds, after at least fourteen (14) days public notice; and

WHEREAS, the State of Utah Department of Environmental Quality, Drinking Water Board (the “Drinking Water Board”) has offered to purchase at par the Issuer’s Series 2026 Bonds in the total principal amount of \$[4,690,000]; and

WHEREAS, the Issuer desires to accept the offer of the Drinking Water Board and to confirm the sale of the Series 2026 Bonds to the Drinking Water Board;

NOW, THEREFORE, Be It Resolved by the Board of Trustees of the Summit County Service Area #3, as follows:

## ARTICLE I DEFINITIONS

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

“Annual Debt Service” means the annual payment of principal, premium, or penalty, if any, and interest to be paid by the Issuer during any Sinking Fund Year on the Series 2026 Bonds and all outstanding bonds or other forms of indebtedness, issued on a parity with the Series 2026 Bonds and which are secured by the Net Revenues of the System.

“Average Annual Debt Service” means the sum total of the Annual Debt Service for all Sinking Fund Years divided by the total number of Sinking Fund Years during which any of the Series 2026 Bonds will remain outstanding.

“Bondholder” or “Registered Owner” means the registered holder of any Series 2026 Bond.

“Code” means the Internal Revenue Code of 1986, as amended.

“Dated Date” means the initial delivery date of the Series 2026 Bonds.

“Depository Bank” means a “Qualified Depository” as defined in the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code Annotated, 1953, as amended, selected by the Issuer to receive deposits for the Water Revenue Account as herein described, the deposits of which Bank shall be insured by the Federal Deposit Insurance Corporation.

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

“Escrow Account” means an account to be held in escrow by the Escrow Agent pursuant to the Escrow Agreement, said account to be used for the purpose of depositing the proceeds of the sale of the Series 2026 Bonds and accounting for said proceeds pursuant to the terms of the Escrow Agreement.

“Escrow Agent” means the Utah State Treasurer or its successor, who shall so act pursuant to the terms of the Escrow Agreement.

“Escrow Agreement” means the agreement entered into among the Issuer, the Drinking Water Board, and the Escrow Agent on the date of delivery of the Series 2026 Bonds.

“Exchange Bonds” means the fully registered Series 2026 Bonds issued in substantially the forms set forth in Exhibit B, in exchange for the State Bonds representing the Series 2026 Bonds or in exchange for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple thereof.

“Fully Registered Bond” means any single Fully Registered Bond in the denomination(s) equal to the aggregate principal amount of the applicable Series 2026 Bonds authorized herein.

“Issuer” means Summit County Service Area #3, Utah, and its successors.

“Master Resolution” means, this Master Resolution dated [\_\_\_\_\_]1], 2026 authorizing the issuance and sale of Series 2026 Bonds.

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

“Operation and Maintenance Expenses” means all expenses reasonably incurred in connection with the operation and maintenance of the System, whether incurred by the Issuer or paid to any other municipality or company pursuant to contract or otherwise, repairs and renewals (other than capital improvements) necessary to keep the System in efficient operating condition, the cost of audits hereinafter required, fees of the paying agents on the Bonds, payment of premiums for insurance on the System hereafter required, and, generally, all expenses, exclusive of depreciation, which under generally accepted accounting practices are properly allocable to operation and maintenance of the System, but only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

“Outstanding” or “Outstanding Bonds” means any Bond which has been issued and delivered and not cancelled in accordance with the provisions hereof, except any Bond in lieu of or in substitution for which a new Bond shall have been delivered herewith, unless proof satisfactory to the Registrar is presented that such Bond is held by a bona fide holder in due course.

“Parity Bonds” means any bonds issued on a parity with the Series 2026 Bonds.

“Paying Agent” means the person or persons authorized by the Issuer to pay the principal of and interest on the Series 2026 Bonds on behalf of the Issuer. The initial paying agent for the Series 2026 Bonds is the Clerk of the Issuer.

“Permitted Investments” means those investments specified in Sections 51-7-11, Utah Code Annotated 1953, as amended, including but not limited to the Public Treasurers Investment Fund (State Treasurer’s Pool).

“Registrar” means the person or persons authorized by the Issuer to maintain the registration books with respect to the Series 2026 Bonds on behalf of the Issuer. The initial Registrar for the Series 2026 Bonds is the Clerk of the Issuer.

“Replacement Account” means the Capital facilities replacement reserve account described in Section 3.4 (iii) below.

“Revenues” means all gross income and revenues of any kind, from any source whatsoever, derived from the operation of the System, including, without limitation, all fees, rates, connection charges, impact fees imposed with respect to the Series 2026 Project and other charges, the gross revenues of all improvements, additions, and extensions of the System hereafter constructed or acquired, and all interest earned by and profits derived from the sale of investments made with the income and revenues of the System.

“Series 2026 Bonds” or “Bonds” means the Issuer’s Water Revenue Bonds, Series 2026 in the total principal amount of \$[4,690,000] authorized herein.

“Series 2026 Project” means improvements to the System and all related improvements.

“Series 2026 Reserve Account” means, the account described in Section 3.4 below.

“Series 2026 Reserve Account Requirement” means, with respect to the Series 2026 Bonds, an amount equal to the \$137,030. maximum annual debt service on the Series 2026 Bonds.

“Sinking Fund Year” means the twelve (12) month period beginning on [June 1] of the calendar year and ending on the next succeeding [July 31]; provided, however, that the first Sinking Fund Year will begin on the delivery date of the Series 2026 Bonds and will end on the next succeeding [July 31].

“State Bonds” means the fully registered Series 2026 Bonds issued in substantially the form set forth in Exhibit A in the denominations equal to the aggregate principal amount of the Series 2026 Bonds.

“System” means, collectively, the water facilities of the Issuer, as such facilities now exist, and any other properties now or hereafter owned or operated by the Issuer relating to said facilities and as may hereafter be improved and extended, including specifically all properties of every nature owned by the Issuer and used or useful in the operation of said system, including real estate, personal and intangible properties, contracts, franchises, leases, whether lying within or without the boundaries of the Issuer, including the whole and each and every part of the water facilities of the Issuer, including the Series 2026 Project to be acquired and constructed pursuant to this Master Resolution, and all real, personal, and mixed property, of every nature now or hereafter owned by the Issuer and used or useful in the operation of said System, together with all improvements, extensions, enlargements, additions, and repairs thereto which may be made while the Series 2026 Bonds remain Outstanding.

ARTICLE II  
ISSUANCE OF SERIES 2026 BONDS

Principal Amount, Designation, Series, and Interest Rate. The Series 2026 Bonds are hereby authorized for issuance to finance the construction of the Series 2026 Project and pay costs incurred in connection with the issuance of the Series 2026 Bonds, and (c) fund a debt service reserve and capital facilities replacement reserve account, if any. The Series 2026 Bonds shall be limited to \$[4,690,000] and shall be issued if issued as State Bonds, in the form set forth in Exhibit A and if issued as Exchange Bonds, in the form set forth in Exhibit B, in fully registered form. The Series 2026 Bonds shall bear interest at the rate of 0.5% per annum on the unpaid principal balance and shall be payable as specified herein. If issued as Exchange Bonds, the Series 2026 Bonds shall, to the extent possible, be in the denomination of \$1,000 or any integral multiple thereof. The Series 2026 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2026 Bonds shall be designated as and shall be distinguished from the bonds of all other series by the title, “Summit County Service Area #3 Water Revenue Bonds, Series 2026.”

The Series 2026 Bonds shall be in such form as to permit the Drinking Water Board to make incremental advances on its total loan commitment to the Issuer during the period of acquisition and construction of the Series 2026 Project.

Advances of Proceeds On or before fifteen (15) days prior to the first day of each calendar quarter beginning prior to the payment by the Issuer of costs of construction of the Series 2026 Project, or at such other time as shall be specified by the Drinking Water Board, the Issuer shall provide to the Drinking Water Board a certificate setting forth a schedule of the costs of construction which the Issuer estimates will become due and payable by the Issuer during the next calendar quarter. Advances made by the Drinking Water Board on the basis of such certificates shall be deposited in the Series 2026 Bond Account. All such advances shall be in the amount of \$1,000 or any integral multiple thereof. Upon receipt of evidence of deposit of each advance in the Series 2026 Bond Account, the Clerk of the Issuer shall give telephonic authorization followed by written confirmation to the Drinking Water Board to stamp or write the date and amount of such advance made by the Drinking Water Board in the appropriate place on the Certificate of Dates of Payment and Amount appearing on the State Bonds. Each advance made by the Drinking Water Board on the State Bonds shall constitute proceeds of the State Bonds and shall be deemed to constitute the full purchase price of the corresponding principal amount of the State Bonds noted on the Certificate of Dates of Payment and Amount appearing on the State Bond(s).

Date and Maturities. The Series 2026 Bonds shall be dated as of their date of delivery and shall be paid as provided in this Section 2.3. The Series 2026 Bonds shall be initially issued as one fully registered State Bond.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon presentation of the applicable Series 2026 Bond at the offices of the Paying Agent for endorsement or surrender, or of any successor Paying Agent. Payment of interest payments shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the

registration books of the Issuer maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America.

So long as the Drinking Water Board is the Registered Owner of the Series 2026 Bonds, payments of principal and interest shall be made by check or draft and mailed to the Drinking Water Board as the Registered Owner at the address shown on the registration books maintained by the Clerk.

The Issuer shall make annual principal payments on February 1 of each year beginning February 1, 2027, together with interest accruing at the rate of 0.5% per annum from the dated date of the Series 2026 Bonds on the principal amount outstanding payable on February 1 of each year beginning February 1, 2027 such interest to accrue from the date of each incremental advance of the principal, until the total principal sum shall be paid in full as follows:

Principal Installment Payment Date (February 1)	Principal Payable
2027	94,000
2028	95,000
2029	96,000
2030	97,000
2031	103,000
2032	104,000
2033	105,000
2034	105,000
2035	111,000
2036	112,000
2037	113,000
2038	114,000
2039	119,000
2040	120,000
2041	121,000
2042	121,000
2043	122,000
2044	122,000
2045	123,000
2046	124,000
2047	124,000
2048	125,000
2049	125,000
2050	126,000
2051	127,000
2052	127,000
2053	128,000
2054	129,000

Principal Installment Payment Date (February 1)	Principal Payable
2055	129,000
2056	130,000
2057	131,000
2058	131,000
2059	132,000
2060	132,000
2061	137,030
2062	134,000
2063	135,000
2064	135,000
2065	136,000

If less than \$[4,690,000] is advanced on the Series 2026 Bonds, the repayment period shall be shortened and the number of annual principal installments shall be reduced in inverse order of payment (and the amount of the final remaining principal payment shall be reduced, if required) to correspond to the maximum Repayable Principal Amount of the Series 2026 Bonds.

Optional Redemption and Redemption Prices. Each principal payment of the Series 2026 Bonds is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in the order determined by the Issuer, upon notice as provided in Section 2.5 hereof with respect to Exchange Bonds, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment to the Drinking Water Board with respect to the Series 2026 Bonds, and at a redemption price equal to one hundred percent (100%) of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption.

Notice of Redemption for Exchange Bonds.

(a) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.5. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Exchange 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 forty-five (45) days prior to the date fixed for redemption. Such notice shall state the following information:

(i) the complete official name of the Exchange Bonds, including series, to be redeemed, the identification numbers of the Exchange Bonds being redeemed;

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

(iii) in the case of partial redemption of any Exchange 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 Exchange Bond or portion thereof called for redemption; and
- (vii) the place where such Exchange Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent with the name of a contact person and telephone number.

(b) Upon the payment of the redemption price of Exchange Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Exchange Bonds being redeemed with the proceeds of such check or other transfer.

Notice of redemption shall be given, not more than forty-five (45) days nor less than thirty (30) days prior to the redemption date, to Registered Owners of the Exchange Bonds, or portions thereof, to be redeemed. A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Exchange Bonds or portions thereof redeemed but who failed to deliver Series 2026 Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed shall be conclusively presumed to have been duly given, whether or not the Registered Owner of such Series 2026 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 Series 2026 Bonds.

In case any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall state also that on or after the redemption date, upon surrender of such Series 2026 Bond, a new Series 2026 Bond in principal amount equal to the unredeemed portion of such Series 2026 Bond will be issued.

Execution and Delivery of the Series 2026 Bonds. The Chair is hereby authorized to execute by manual or facsimile signature the Series 2026 Bonds and the Clerk to countersign by manual or facsimile signature the Series 2026 Bonds and to have imprinted, engraved, lithographed, stamped, or otherwise placed on the Series 2026 Bonds the official seal of the Issuer. The Clerk is hereby authorized to deliver to the Drinking Water Board the Series 2026 Bonds upon payment to the Issuer of the proceeds.

Delinquent Payment. Payments of principal and interest on the Series 2026 Bonds which are delinquent from the due date thereof shall draw interest at the rate of eighteen percent (18%) per annum on the delinquent payment from said due date until paid in full.

Exchange of State Bonds. As long as the Drinking Water Board is the sole Registered Owner of the Series 2026 Bonds, the Series 2026 Bonds shall be issued only as State Bonds in the form prescribed in Exhibit A. It is recognized that the Drinking Water Board may sell or otherwise transfer the Series 2026 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63B, Chapter 1b, Utah Code Annotated 1953, as amended, or otherwise.

In the event the Drinking Water Board determines to sell or otherwise transfer all or a portion of the Series 2026 Bonds pursuant to the State Financing Consolidation Act, or otherwise, the Series 2026 Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this Section 2.8 and Section 3.1 hereof. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 3.1 hereof. Any Series 2026 Bond, or any portion thereof, which is sold or otherwise transferred or liquidated by the Drinking Water Board pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bond prescribed in Exhibit B, and shall be executed pursuant to authorization contained in Section 2.6 hereof. Each principal payment on the Series 2026 Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Series 2026 Bonds for Exchange Bonds, provided that the Drinking Water Board shall pay or cause to be paid all costs and other charges incident to such exchange and the Issuer shall have no obligation to pay any such costs or charges.

In the event the Issuer issues additional bonds pursuant to a General Indenture of Trust and Supplemental Indenture of Trust, the Drinking Water Board agrees, at no cost to it, to issue an exchange bond to replace the Series 2026 Bonds to allow for a trustee to act as paying agent and bond registrar for the exchange bond.

ARTICLE III  
REGISTRATION, PAYMENT, AND FLOW OF FUNDS

Execution of and Registration of Series 2026 Bonds; Persons Treated as Owners. The Series 2026 Bonds shall be signed by the Issuer and the Issuer shall cause books for the registration and for the transfer of the Series 2026 Bonds to be kept by the Clerk who is hereby appointed the Registrar of the Issuer with respect to the Series 2026 Bonds. Any Series 2026 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 Series 2026 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 Series 2026 Bond duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same maturity and series for a like aggregate principal amount as the Series 2026 Bond surrendered for transfer. Series 2026 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2026 Bonds of the same series or other authorized denominations and the same maturity. The execution by the Issuer of any Series 2026 Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to deliver such Series 2026 Bond. The Registrar shall not be required to transfer or exchange any Exchange Bond at any time following the mailing of notice calling such Series 2026 Bond for redemption.

Series 2026 Bonds surrendered for payment, redemption, or exchange, shall be promptly canceled and destroyed by the Issuer.

The Issuer, the Registrar, and the Paying Agent may treat and consider the person in whose name each Series 2026 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 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 any Series 2026 Bond shall be made only to or upon order of the Registered Owner thereof or his 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 Series 2026 Bond to the extent of the sum or sums so paid.

The Issuer may require the payment by the Registered Owner requesting exchange or transfer of Series 2026 Bonds of any tax or other governmental charge and any service charge which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Series 2026 Bond shall be delivered.

Deposit of Bond Proceeds. The proceeds from the sale of the Series 2026 Bonds shall be deposited upon delivery in the Escrow Account and shall be disbursed pursuant to the provisions of the Escrow Agreement. All monies deposited in the Escrow Account shall be used solely for the purpose of defraying all or a portion of the costs of the Series 2026 Project including the

payment of costs of issuance of the Series 2026 Bonds. Any unexpended balance remaining in the Escrow Account after completion of the Series 2026 Project shall be paid immediately into the Bond Account established in Section 3.4 hereunder, and shall be used only for the prepayment of the Series 2026 Bonds. Principal last to become due shall be prepaid first, and in the event less than all of the principal amount of the Series 2026 Bonds maturing on the last due date are to be redeemed, the Issuer shall select those portions of the Series 2026 Bond to be prepaid. Proceeds from the sale of the Series 2026 Bonds on deposit in the Escrow Account, may at the discretion of the Issuer, be invested by the Escrow Agent as provided in the Escrow Agreement. Any Series 2026 Bond proceeds remaining after completion of the portion of the Series 2026 Project previously bid and approved by the Drinking Water Board may be used, with the written consent of the Drinking Water Board, for additional projects as described as the Series 2026 Project. Prior to the Drinking Water Board disbursing any funds, the Issuer agrees to provide to the Drinking Water Board, as applicable, the construction bids, together with an opinion of Issuer's counsel stating that the bidding for the additional projects has complied with the requirements imposed by Utah law. Following the transfer of unexpended funds from the Escrow Account to the Bond Fund, the Escrow Account will be closed.

The Series 2026 Bonds Constitute Special Limited Obligations. Notwithstanding anything in this Master Resolution elsewhere contained, the principal and interest on the Series 2026 Bonds shall be payable out of one hundred percent (100%) of the Net Revenues, and in no event shall the Series 2026 Bonds be deemed or construed to be a general indebtedness of the Issuer or payable from any funds of the Issuer other than those derived from the operation of the System or from proceeds of the Series 2026 Bonds.

The Issuer may, in its sole discretion, but without obligation and subject to the Constitution, laws, and budgetary requirements of the State of Utah, make available properly budgeted and legally available funds to defray any insufficiency of Net Revenues to pay the Series 2026 Bonds; provided however, the Issuer has not covenanted and cannot covenant to make said funds available and has not pledged any of such funds for such purpose.

Flow of Funds. From and after the delivery date of the Series 2026 Bonds and any other Parity Bonds of the Issuer, and until all Series 2026 Bonds have been fully paid, the Revenues shall be set aside into a Revenue Fund referred to herein as "Revenue Fund" established under the Master Resolution. The Issuer will thereafter make accounting allocations of the funds deposited in said Revenue Fund for the following purposes and in the following priority:

- (a) From the amounts in the Revenue Fund there shall first be paid all Operation and Maintenance Expenses of the System. For this purpose, the Issuer shall establish on its books an account known as the "Expense Account" to which shall be allocated monthly, on or before the tenth day of each month, such portion of the Revenue Fund as is estimated to be required for Operation and Maintenance Expenses of the System for the following month. There shall be allocated to the Expense Account from time to time during the month such additional amounts as may be required to make payments of Operation and Maintenance Expenses for which the amounts theretofore allocated to the Expense Account are insufficient. At the end of each Sinking Fund Year all amounts in the Expense Account in excess of that required to pay Operation and

Maintenance Expenses then due shall be transferred to the Bond Fund established as hereinafter provided.

(b) All amounts in the Revenue Fund not allocated to the Expense Account or applied to the payment and funding obligations of the Issuer (the Net Revenues) shall next be allocated to a sinking fund (the “Sinking Fund”) as follows:

(i) Of the amounts allocated to the Sinking Fund there shall be allocated in monthly installments on or before the tenth day of each month following delivery of the Series 2026 bonds to a subaccount established on the books of the Issuer known as the “Bond Account” such amounts as will assure, to the extent of the availability of Net Revenues from the System, the prompt payment of the principal and interest on the Series 2026 Bonds as shall become due, and any Parity Bonds. The amount to be so set aside with respect to the Series 2026 Bonds shall, as nearly as may be practicable, be set aside and allocated to the Bond Account, following delivery of said Series 2026 bonds, and shall equal one-twelfth (1/12) (in the case of the first Sinking Fund Year, the fraction, the numerator of which is one and the denominator is the number of months remaining prior to the first principal payment date) of the amount of the principal and interest on the payment next due on the Series 2026 Bonds to the end that there will be sufficient funds allocated to the Bond Account to pay the principal and interest on the Series 2026 Bonds as and when the same become due. Amounts allocated to the Bond Account shall be used solely for the purpose of paying principal and interest on the Series 2026 Bonds and any Parity Bonds and shall not be reallocated, transferred or paid out for any other purpose.

In the event there are insufficient Net Revenues available to meet all payment obligations on the Series 2026 Bonds and any Parity Bonds as required by this Section 3.4(b)(i), then available Net Revenues shall be allocated pro rata to the Bond Account based on the principal and interest amounts, if any, next coming due on the Series 2026 Bonds.

(ii) Of the amounts allocated to the Sinking Fund after there shall have been allocated the amounts required to be allocated under Section 3.4(b)(i), there shall be allocated annually the following amounts: (1) into the Reserve Account established with respect to the Series 2026 Bonds (the “Series 2026 Reserve Account”) any amounts due under the Master Resolution and (2) on or before February 1 of each year following delivery of the Series 2026 Bonds to an account known as the “Series 2026 Reserve Account” established on the books of the Issuer, the sum of \$13,700, plus such additional amount as may be required to meet any annual installment to the Series 2026 Reserve Account not therefore made in whole or in part, such allocations shall continue until there shall have been accumulated in the Series 2026 Reserve Account an amount equal to the Series 2026 Reserve Account Requirement. Amounts allocated to the Series 2026 Reserve Account shall be used to pay the principal falling due on the Series 2026 Bonds at any time when there are not sufficient funds in the Bond Account to pay the same, but pending such use may be invested as hereafter provided. When the

Series 2026 Reserve Account has been accumulated to the Series 2026 Reserve Account Requirement, no further allocations to said Series 2026 Reserve Account need be made unless payments from said Series 2026 Reserve Account have reduced the same below the Series 2026 Reserve Account Requirement, in which event allocations shall be resumed until such deficiency has been remedied.

In the Event there are insufficient Net Revenues available to meet all funding obligations as required by this Section 3.4(b)(ii), then available Net Revenues shall be allocated pro rata based on the amounts required to be deposited in the reserve accounts established for the Series 2026 Bonds and the Parity Bonds.

(iii) From the amounts on deposit in the Revenue Fund after the payment of the amounts required by the above subsections, and in accordance with its covenant to establish a Capital Facilities Replacement Reserve Account for the Series 2026 Bonds (the "Replacement Account"), the Issuer will deposit annually, on the tenth day of [\_\_\_\_\_], into the Issuer's Replacement Account an amount equal to 5% of the Issuer's annual operating budget for the System, including debt service and depreciation, for the Issuer's then current fiscal year. The Issuer shall continue to fund the Replacement Account until the Series 2026 Bonds have been paid in full (or provision is made for such payment) as provided in this Master Resolution.

(iv) All remaining Net Revenues, if any, in the Sinking Fund after all of the payments required to be made under Section 3.4(b)(i), Section 3.4(b)(ii) and Section 3.4(b)(iii) have been made, may be used by the Issuer (A) to prepay or redeem the Series 2026 Bonds, in whole or in part, (B) to make extensions, improvements, additions, repairs, and replacements to the System, or (C) to be applied to any other lawful purpose as determined by the Issuer.

(c) If at any time, the Net Revenues derived by the Issuer from the operation of the System shall be insufficient to make any payment to any of the above funds or accounts on the date or dates specified, the Issuer shall make good the amount of such deficiency by making additional payments out of the first available Net Revenues thereafter derived by the Issuer from the operation of the System.

Investment of Funds. Any funds allocated to the Bond Account or the Series 2026 Reserve Account may, at the discretion of the Issuer, be invested in accordance with the State Money Management Act. All income derived from the investment of the moneys of the Bond Account and the Replacement Fund shall be maintained in said respective accounts, and funds disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Series 2026 Reserve Account shall at the end of each Sinking Fund Year be transferred by the Issuer to the Bond Account so long as the Series 2026 Reserve Account after said transfer has funds equaling the Series 2026 Reserve Account Requirement. Should the Series 2026 Reserve Account have on deposit less than the Series 2026 Reserve Account Requirement, then said income shall be maintained in the Series 2026 Reserve Account until total deposits in the Series 2026 Reserve Account equals the Series 2026 Reserve Account Requirement. There shall not be required to be in the Bond Account and the Series 2026

Reserve Account at any time more than the total amount required to pay the total principal outstanding of the Series 2026 Bonds. Whenever the money in the Bond Account and the Series 2026 Reserve Account equal the total principal amount of the Series 2026 Bonds outstanding, the money in said Accounts shall be used to prepay all of the Series 2026 Bonds.

ARTICLE IV  
COVENANTS

Covenants of Issuer.

(a) The Issuer covenants that it shall fund and maintain as provided herein all funds and accounts referenced herein until the Series 2026 Bonds have been paid in full.

(b) The rates for all water service supplied by the System to the Issuer and its inhabitants and to all customers within or without the boundaries of the Issuer shall be sufficient for the retirement and/or redemption of the Series 2026 Bonds, provided such rates must be reasonable rates for the type, kind, and character of the service rendered. There shall be no free service and there shall be charged against all users of the System, including the Issuer, such rates and amounts as shall be adequate to meet the debt service payments on the Series 2026 Bonds when due, and to make available for purposes having priority junior to the Sinking Fund in the application of the Net Revenues in each Sinking Fund Year, at least twenty-five percent (25%) of the Annual Debt Service for each such year. All Net Revenues, including those received from the Issuer, shall be subject to distribution for the payment of the cost of operating and maintaining the System, and the payment of the Series 2026 Bonds as hereinabove provided.

(c) Each Bondholder shall have a right, in addition to all other rights afforded it by the laws of Utah, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to charge and collect reasonable rates for services supplied by the System sufficient to meet all requirements of this Master Resolution.

(d) The Issuer will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost.

(e) So long as any Series 2026 Bonds remain outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System and all properties constituting the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each sinking 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 for account of the System, and that such audit will be available for inspection by the Bondholder; provided, however, during such periods of time as the Drinking Water Board is the Registered Owner of the State Bonds, each such audit will be supplied to the Drinking Water Board as soon as completed without prior request therefor by the Drinking Water Board. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

- (i) A statement in detail of the income and expenditures of the System for such Sinking Fund Year;
- (ii) A balance sheet as of the end of such Sinking Fund Year;
- (iii) The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Master Resolution, and the accountant's recommendations for any change or improvement in the operation of the System;
- (iv) A list of the insurance policies in force at the end of the sinking fund year, setting out as to each policy, the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy;
- (v) An analysis of all funds and accounts created in this Master Resolution, setting out all deposits and disbursements made during the Sinking Fund Year and the amount in each fund or account at the end of the Sinking Fund Year;
- (vi) The number of water connections within the boundaries of the Issuer, and applications for water service on hand at the end of the Sinking Fund Year;
- (vii) The total billings for such Sinking Fund Year;
- (viii) All schedules of rates and charges imposed for water service during the Sinking Fund Year.

The Bondholder may, upon written request from the Issuer setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular Sinking Fund Year set forth in this Section 4.1(e), provided, however, that such waiver shall not apply to the reporting requirements of the Issuer set forth in Section 4.1(e) herein.

(f) In addition to the reporting requirements set forth in Section 4.1(e) above, the Issuer shall submit to the Drinking Water Board within one hundred eighty (180) days following the close of each Sinking Fund Year, a summary report substantially in the form as provided by the Drinking Water Board to the Issuer upon purchase of the Series 2026 Bonds.

All expenses incurred in compiling the information required by this section shall be regarded and paid as an Operation and Maintenance Expense. If a Bondholder is other than the Drinking Water Board, the Issuer agrees to furnish a copy of such information to such Bondholder at its request after the close of each Sinking Fund Year. Any Bondholder shall have the right to discuss with the accountant compiling such information the contents thereof and to ask for such additional information as it may reasonably require.

(g) The Bondholder shall have the right at all reasonable times to inspect the System, and all records, accounts and data of the Issuer relating thereto, and upon request, the Issuer will furnish to it financial statements and other information relating to the Issuer and the System as it may from time to time reasonably require.

(h) The Issuer, in its operation of the System, will carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating public utilities of the same type. The cost of such insurance shall be considered an Operation and Maintenance Expense of the System. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Sinking Fund.

(i) The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all Series 2026 Bonds have been paid in full, except that the Issuer may sell any portion of said property which shall have been replaced by other property of at least equal value, or which shall cease to be necessary for the efficient operation of the System, provided, however, that in the event of any sale as aforesaid, the proceeds of such sale shall be paid into the Sinking Fund.

(j) The Issuer may consolidate the bills submitted for water service with those submitted for sewer service, if applicable, for those persons who are liable for the payment of charges for such services and require that each such consolidated bill be paid in full as a unit, and refuse to permit payment of one portion without payment of the remainder. Any bill not paid within thirty (30) days from the date it is mailed to the customer shall be deemed delinquent. The Issuer hereby agrees that if any water bill remains delinquent for more than sixty (60) days, it will initiate proceedings to cause all water service to the water user concerned to be cut off immediately.

(k) The Issuer shall complete the acquisition and construction of the Series 2026 Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

(l) The Issuer will from time to time duly pay and discharge or cause to be paid all taxes, assessments and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the System or the Revenues or any part thereof or which might impair the security of the Bonds, except when the Issuer in good faith contests its liability to pay the same.

(m) The Issuer will not grant a franchise for the operation of any competing water system within its corporate limits, as long as the Series 2026 Bonds authorized herein remain outstanding.

(n) The Issuer, in order to assure the efficient management and operation of the System and to assure the Bondholders from time to time that the System will be

operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character, and will use its best efforts to see that Operation and Maintenance Expenses are at no time in excess of the Revenues reasonably available for the payment thereof.

(o) All payments falling due on the Series 2026 Bonds shall be made to the Bondholder thereof at par and all charges made by the Depository Bank for its services shall be paid by the Issuer.

(p) The Issuer certifies that it has complied with the requirements of the Prior Bond Resolutions with respect to the issuance of additional debt on a parity with the Outstanding Bonds.

(q) Notwithstanding any other provision in this Resolution, to the extent permitted by law, neither the Issuer, nor any holder of a Series 2026 Bond shall claim or accept the benefits of any federal guarantee unless there has been obtained an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds to the effect that acceptance of such federal guarantee will not adversely affect the status of the Series 2026 Bonds.

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

(s) The Issuer shall establish a Capital Facilities Replacement Reserve Account (the "Replacement Account") to be held by the Issuer and shall deposit annually therein an amount equal to at least 5% of the Issuer's annual operating budget for the System, including debt service and depreciation, as more fully described in Section 3.4(b)(iii) hereof. The Replacement Account shall never serve as security for or a source of payment of principal of or interest on the Series 2026 Bonds. The Issuer shall limit the use of moneys on deposit in the Replacement Account to the acquisition and construction of (a) replacements of obsolete System equipment or facilities, (b) extensions or additions to the Issuer's System, and (c) other capital improvements necessary to keep the System in good working condition. Disbursements from the Replacement Account may be utilized for repairs or improvements to the System provided, however, that although the Issuer is not required to obtain prior approval from the Drinking Water Board for expenditures from said account, the Issuer must notify the Drinking Water Board when the Issuer proposes to make an expenditure.

Additional Indebtedness. No additional indebtedness, bonds, or notes of the Issuer payable on a priority superior to the Series 2026 Bonds out of the Net Revenues from the System

shall be created or incurred by the Issuer without the prior written consent of all holders of the Series 2026 Bonds. Furthermore, the Series 2026 Bonds shall not be entitled to any priority one over the other in application of the Net Revenues of the System, regardless of the time or times of their issuance, it being the intention of the Issuer that there shall be no priority among the Bonds authorized to be issued pursuant to this Master Resolution regardless of the fact that they may be actually issued and delivered at different times. It is expressly agreed and covenanted that the Issuer will not hereafter issue any bonds or obligations payable from the Net Revenues of the System, or any part thereof, or which constitutes a lien on such Net Revenues or on the System until all Series 2026 Bonds have been paid in full unless such additional bonds are issued in such manner that they are in all respects subordinate to the Series 2026 Bonds:

(a) The Series 2026 Bonds or any part thereof may be refunded. The refunding bonds so issued shall enjoy a lien on the Net Revenues on a parity with the Series 2026 Bonds except that if fewer than all of the Series 2026 outstanding at the time are so refunded, no refunding bonds shall bear interest at a rate higher or mature at a date earlier than the corresponding Bond refunded thereby without the consent of the owners and holders of all of the unrefunded Series 2026 Bonds. In all other respects, refunding bonds may be secured in such manner and may be payable from such sources and be subject to other terms and provisions that may be provided in the resolution authorizing their issuance. Refunding bonds may be exchanged with the consent of the Bondholder for not less than a like principal amount of the Series 2026 Bonds authorized to be refunded, may be sold or may be exchanged in part or sold in part. If sold, the proceeds of the sale not required for the payment of expenses shall be used to refund that portion of the Series 2026 Bonds refunded.

(b) Additional bonds may be issued on a parity with the Series 2026 Bonds herein authorized if all of the following conditions are met at the time of the issuance of such additional bonds (herein referred to as “Parity Bonds”):

(i) The Net Revenues of the System in the fiscal year preceding the year in which the Parity Bonds are to be issued were at least 125% of the average Annual Debt Service on all of the Series 2026 Bonds and Parity Bonds then outstanding and the Parity Bonds so proposed to be issued; provided, this limitation may be waived or modified by the written consent of the registered owners and holders of 100% of the principal amount of the Series 2026 Bonds and Parity Bonds then outstanding.

(ii) All payments required by this Master Resolution to be made into the Sinking Fund must have been made in full and there must be in each reserve fund the full amount required by this Master Resolution to be accumulated therein.

(iii) The Parity Bonds must be payable as to principal on February 1 of each year in which principal falls due.

(iv) The proceedings authorizing such Parity Bonds must raise the amount to which the Reserve Fund (or other reserve account established with

respect to said Parity Bonds) shall be accumulated to an amount no less than the highest future Annual Debt Service of all bonds and Parity Bonds then outstanding and the Parity Bonds so proposed to be issued and must require the accumulation of such amount in the Reserve Fund to be accomplished within six (6) years after delivery of such Parity Bonds.

(v) The proceeds of the Parity Bonds must be used for the making of improvements, extensions, renewals, replacements, or repairs to the System.

Additional Representations.

(w) The Issuer represents that it is a “governmental unit” within the meaning of Section 141(b)(6) of the Code.

(x) The Issuer represents and certifies that it will not take or permit any action to be taken which would cause the Series 2026 Bonds to be “arbitrage bonds” under Sections 103 and 148 of the Code.

(y) The Issuer represents that no amounts disbursed from the Escrow Account will be used, directly or indirectly, to finance a project used or to be used in the trade or business of a person who is not a “governmental unit” within the meaning of Section 141(b)(6) of the Code.

(z) The total principal amount of the Series 2026 Bonds does not exceed the costs of the Series 2026 Project.

ARTICLE V  
MISCELLANEOUS

Default and Remedies. Failure of the Issuer to (i) pay principal or interest on the Series 2026 Bonds, when due and payable or (ii) perform any covenant or requirement of the Issuer under this Master Resolution within thirty (30) days after having been notified in writing by a Bondholder of such failure shall constitute an event of default hereunder and shall allow each Bondholder to take the following enforcement remedies:

(v) The Bondholder may require the Issuer to pay an interest penalty equal to eighteen percent (18%) per annum of the outstanding principal amount on the Series 2026 Bonds, said interest penalty to accrue from the date of the notice of the Bondholder to the Issuer referenced hereinabove until the default is cured by the Issuer. Said interest penalty shall be paid on each succeeding payment date until the default is cured by the Issuer.

(w) The Bondholder may appoint a trustee bank to act as a receiver of the Revenues of the System for purposes of applying said Revenues toward the Revenue allocations required in Section 3.4 herein and in general, protecting and enforcing each Bondholder's rights thereto, in which case, all administrative costs of the trustee bank in performing said function shall be paid by the Issuer.

No remedy conferred herein 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 each Bondholder hereunder or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power, or remedy accruing upon a default shall impair any such right, power, or remedy or shall be construed to be a waiver of any default or acquiescence therein; and every such right, power, or remedy may be exercised from time to time as may be deemed expedient.

Amendments to the Master Resolution. Provisions of this Master Resolution shall constitute a contract between the Issuer and the Bondholder; and after the issuance of the Series 2026 Bonds, no change, variation, or alteration of any kind in the provisions of this Master Resolution shall be made in any manner until such time as all of the Series 2026 Bonds have been paid in full except as hereinafter provided.

The Bondholders shall have the right from time to time to consent to and approve the adoption by the Issuer of resolutions modifying or amending any of the terms or provisions contained in this Master Resolution in the manner and to the extent set out below.

Whenever the Issuer shall propose to amend or modify this Master Resolution under the provisions of this section, it shall cause notice of the proposed amendment to be sent to all Bondholders of all Series 2026 Bonds then Outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the Clerk for public inspection. Should a Bondholder consent to the proposed amendment to this Master Resolution, it shall submit to the Issuer a written instrument which shall refer to the proposed amendatory resolution described in said notice and

shall specifically consent to and approve the adoption thereof. Upon receipt of Bondholder consents representing at least seventy-five percent (75%) of the principal of Series 2026 Bonds outstanding, the governing body of the Issuer may adopt said amendatory resolution, and it shall become effective, provided, however, that nothing in this Section 5.2 shall permit or be construed as permitting an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on delinquent payments, without the consent of the Bondholder of such Series 2026 Bonds, or a reduction in the amount or extension of the time of any payment required by any Fund or account established hereunder without the consent of the Bondholders of all the Series 2026 Bonds which would be affected by the action to be taken, or a reduction in the aforesaid aggregate principal amount of Series 2026 Bonds, the Bondholders of which are required to consent to any such waiver or a mandatory resolution, or affect the rights of the Bondholders of less than all Series 2026 Bonds then outstanding, without the consent of the Bondholders of all the Series 2026 Bonds at the time outstanding which would be affected by the action to be taken.

If a Bondholder at the time of the adoption of such amendatory resolution shall have consented to and approved the adoption thereof as herein provided, said Bondholder shall not have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provision therein contained or to the operation thereof or to enjoin or restrain the Issuer from taking any action pursuant to the provisions thereof. Any consent given by a Bondholder pursuant to the provisions of this section shall be conclusive and binding upon all successive Bondholders.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Maintenance of Proceedings. A certified copy of this Master Resolution and every amendatory or supplemental ordinance or resolution shall be kept on file in the office of the Clerk where it shall be made available for inspection by any Bondholder or his agent. Upon payment of the reasonable cost of preparing the same, a certified copy of this Master Resolution, any amendatory or supplemental ordinance or resolution will be furnished to any Bondholder. The Bondholders may, by suit, action, mandamus, injunction, or other proceedings, either at law or in equity, enforce or compel performance of all duties and obligations required by this Master Resolution to be done or performed by the Issuer. Nothing contained herein, however, shall be construed as imposing on the Issuer any duty or obligation to levy any tax either to pay the principal on the Series 2026 Bonds authorized herein or to meet any obligation contained herein concerning the Series 2026 Bonds.

Defeasance of Series 2026 Bonds. If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to the Registered Owner of the Series 2026 Bonds for the payments due or to become due thereon at the times and in the manner stipulated therein, then the first lien pledge of the Net Revenues under this Master Resolution and any and all estate, right, title, and interest in and to any of the funds and accounts created

hereunder (except moneys or securities held by a Depository Bank for the payment of the Series 2026 Bonds) shall be cancelled and discharged.

Any Series 2026 Bond shall be deemed to be paid within the meaning of this Section when payment of the Series 2026 Bonds (whether such due date be by reason of maturity or upon prepayment or redemption as provided herein) shall have been made or provided for in accordance with the terms thereof. At such time as the Series 2026 Bonds shall be deemed to be paid hereunder, they shall no longer be secured by or entitled to the benefits hereof (except with respect to the moneys and securities held by a Depository Bank for the payment of the Series 2026 Bonds).

Sale of Series 2026 Bonds Approved. The sale of the Series 2026 Bonds to the Drinking Water Board, at par, is hereby ratified, confirmed, and approved.

Bondholders not Responsible. The Bondholders shall not be responsible for any liabilities incurred by the Issuer in the acquisition or construction of the Series 2026 Project or for the failure of the System to function successfully after completion of the Series 2026 Project.

Notice of Public Hearing and Bonds to be Issued. In accordance with the provisions of the Act, the Issuer has previously authorized the publication of a “Notice of Public Hearing and Bonds to be Issued” (the “Notice”) to be published as a Class A notice under Section 63G-30-102, Utah Code Annotated 1953, as amended (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, (ii) on the Issuer’s official website, and (iii) in a public location within the offices of the Issuer that is reasonably likely to be seen by residents of the Issuer, and (iv) as required under Section 45-1-101, Utah Code Annotated 1953, as amended, no less than fourteen (14) days before the public hearing date. The Issuer hereby ratifies and confirms the publication of said notices. The public hearing was held on [\_\_\_\_\_, 2025].

Additional Certificates, Documents, and Other Papers. The appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents, and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Master Resolution and the documents authorized and approved herein.

Severability. If any section, paragraph, clause, or provision of this Master Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Master Resolution. It is hereby declared by the governing body of the Issuer that it is the intention of the Issuer by the adoption of this Master Resolution to comply in all respects with the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended.

Resolutions in Conflict. All resolutions or parts thereof in conflict with the provisions of this Master Resolution are, to the extent of such conflict, hereby repealed.

Effective Date of Resolution. This Master Resolution shall take effect immediately upon its approval and adoption.

Counterparts. This Master Resolution may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when so executed and delivered, shall constitute but one and the same instrument.

(SEAL)

By: \_\_\_\_\_  
Chair

ATTEST:

By: \_\_\_\_\_  
Clerk

EXHIBIT A

FORM OF STATE BONDS

UNITED STATES OF AMERICA  
STATE OF UTAH  
SUMMIT COUNTY SERVICE AREA #3  
WATER REVENUE BOND, SERIES 2026

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Issue Date</u>
0.5%	February 1, 20__	

Number R - 1 \$[4,690,000]

Registered Owner: STATE OF UTAH DEPARTMENT OF ENVIRONMENTAL QUALITY,  
DRINKING WATER BOARD

Principal Amount: FOUR MILLION SIX HUNDRED NINETY THOUSAND.DOLLARS  
AND NO/100 DOLLARS \*\*\*\*\*

Summit County Service Area #3 (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the Registered Owner last named on the Registration Certificate attached hereto, the amount in the Certificate of Dates of Payment set forth at the end of this Bond (the "Certificate") but in no event more than a maximum principal amount of \$[4,690,000] with interest accruing on the unpaid principal balance from the date of delivery of the Bonds, at the rate of half a percent (0.5%) per annum (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable annually on February 1 of each year with interest and principal payable beginning on February 1, 2027. Principal, together with accrued but unpaid interest shall be payable in registered installments on February 1 of each of the years as set forth in the following Repayment Schedule.

Principal Installment Payment Date (February 1)	Principal Payable
2027	94,000
2028	95,000
2029	96,000
2030	97,000
2031	103,000
2032	104,000
2033	105,000
2034	105,000
2035	111,000
2036	112,000
2037	113,000
2038	114,000
2039	119,000
2040	120,000
2041	121,000
2042	121,000
2043	122,000
2044	122,000
2045	123,000
2046	124,000
2047	124,000
2048	125,000
2049	125,000
2050	126,000
2051	127,000
2052	127,000
2053	128,000
2054	129,000
2055	129,000
2056	130,000
2057	131,000
2058	131,000
2059	132,000
2060	132,000
2061	137,030
2062	134,000
2063	135,000
2064	135,000
2065	136,000

If less than \$[4,690,000] is advanced on the Series 2026 Bonds, the repayment period shall be shortened and the number of annual principal installments shall be reduced in inverse order of payment (and the amount of the final remaining principal payment shall be reduced, if required) to correspond to the maximum principal amount of the Series 2026 Bonds.

Except as provided in the following paragraph, principal payments, whether at maturity or by redemption, shall be payable upon surrender of this Bond at the offices of the Paying Agent, or of any successor Paying Agent. Payment of interest payments shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Issuer maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner.

As long as the Drinking Water Board is the registered holder of this Bond, installment payments of principal and interest shall be made by check or draft mailed to the Drinking Water Board as the registered holder at the address shown on the registration books maintained by the Registrar.

If any installment payment of Bond Principal and/or interest is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from said due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest and then to principal.

This Bond is payable solely from a special fund designated the "Bond Account", into which account and into a reserve therefor, to the extent necessary to assure prompt payment of this Bond, shall be pledged one hundred percent (100%) of the Net Revenues (as defined in the Master Resolution) to be derived from the operation of the Issuer's water system (the "System"), all as more fully described and provided in the Master Resolution (defined herein).

This Bond is issued pursuant to (a) a Master Resolution of the Issuer dated as of [\_\_\_\_\_]1], 2026 (the "Master Resolution") and (b) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended (the "Act"), for the purpose of (i) finance all or a portion of the costs of improvements to its water system (the "System") including the construction of a new 750,000-gallon concrete storage tank, a new replacement well, a new well house and all related improvements (collectively, the "Series 2026 Project") (ii) pay costs of issuance of the Series 2026 Bonds, and (iii) fund a debt service reserve and capital facilities replacement reserve account. This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues of the System and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues of the System.

As provided in the Master Resolution, bonds, notes, and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Master Resolution, and the aggregate principal amount of such bonds, notes, and other obligations which may be issued is not limited. This Bond and all other bonds, notes, and other obligations issued and to be issued under the Master Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Resolution.

The issuance of this Bond shall not, directly, indirectly, or contingently, obligate the Issuer or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for its payment.

This Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of the due date of the principal installments hereof and by lot selected by the Issuer if less than all Bonds of a particular due date are to be redeemed, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid.

Notice of redemption shall be mailed by the Issuer, postage prepaid, not less than thirty (30) days prior to the date fixed for prepayment, to the registered owner of this Bond addressed to such owner at its address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Master Resolution, the Bonds are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 and any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water service sufficient to pay when due this Bond, and the principal and interest on all bonds issued on a priority to or parity with this Bond, if any, as the same fall due, provided such rates must be reasonable rates for the type, kind, and character of the service rendered, and will collect and account for the Revenues (as defined in the Master Resolution) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System to pay the Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds issued on a parity with this Bond, if any.

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

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

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and under the authority of and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby declared that all acts, conditions, and things required by the Constitution and statutes of the State of Utah, the Act and the Master Resolution to exist, happen, and be performed precedent to or in

connection with the issuance of this Bond have existed, have happened, and have been performed in regular and due time, form, and manner as required, that the amount of Bond does not exceed any limitation prescribed by said Constitution and statutes, that the Net Revenues to be derived from the operation of the System have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of this Bond and all bonds issued on a parity with this Bond, if any, and, said Net Revenues are not pledged, hypothecated, or anticipated in any way other than by the issue of this Bond and all bonds issued on a parity with this Bond, if any.

IN TESTIMONY WHEREOF, the Issuer has caused this Bond to be signed by its Chair and countersigned by its Clerk under the corporate seal of said Issuer this \_\_\_\_\_, 2026.

(SEAL)

By: \_\_\_\_\_ (Do Not Sign)  
Chair

COUNTERSIGN:

By: \_\_\_\_\_ (Do Not Sign)  
Clerk

REGISTRATION CERTIFICATE

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

Date of  
Registration

Name of Registered Owner

Signature of  
Bond Registrar

State of Utah Department of  
Environmental Quality,  
Drinking Water Board

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

The undersigned authorized representative of the State of Utah Department of Environmental Quality, Drinking Water Board (the "Board"), hereby certifies that the Board has received written authorization from the Treasurer of the Issuer to stamp or write the amount or amounts indicated below on the date or dates set forth opposite such amount(s); that the amount last inserted under the column "Total Principal Sum" is the total amount received by the issuer for the issuance of this Bond, and that the undersigned has placed his/her signature in the space provided opposite such amount(s) to evidence the same.

<u>Amount of Payment</u>	<u>Date of Payment</u>	<u>Total Principal Sum</u>	<u>Board Representative Signature</u>
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____



payable solely from the Net Revenues (as defined in the Master Resolution) of the System and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues of the System.

As provided in the Master Resolution, bonds, notes, and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Master Resolution, and the aggregate principal amount of such bonds, notes, and other obligations which may be issued is not limited. This Bond and all other bonds, notes, and other obligations issued and to be issued under the Master Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Master Resolution.

The issuance of this Bond shall not, directly, indirectly, or contingently, obligate the Issuer or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for its payment.

This Bond is subject to redemption prior to maturity at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer, in whole or in part, in the order determined by the Issuer, upon not less than thirty (30) days' nor more than forty-five (45) days' prior notice, at a redemption price equal to one hundred percent (100%) of the principal amount of each Bond to be redeemed. Notice of redemption shall be mailed by the Issuer, postage prepaid, to the registered owners of said Bonds addressed to such owners at their address appearing on the registration books maintained by the Issuer.

Subject to the provisions of the Master Resolution, the Series 2026 Bonds (as defined in the Master Resolution) are issuable in fully registered form, without coupons, in denomination equal to the principal amount of the bonds or, upon exchange, in the denomination of \$1,000 or any integral multiple thereof.

The Issuer covenants and agrees that it will fix rates for water service sufficient to pay this Bond when due and principal and interest on all bonds issued on a priority to or parity with this Bond, if any, as the same fall due, provided such rates must be reasonable rates for the type, kind, and character of the service rendered, and will collect and account for the Revenues (as defined in the Master Resolution) to be received for such service, and will set aside one hundred percent (100%) of the Net Revenues of the System (as defined in the Master Resolution) to pay this Bond according to the payment terms hereinabove set forth and the principal and interest on all bonds issued on a parity with this Bond, if any.

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

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the office of the Clerk (the "Registrar") in Summit County Service Area #3, but only in the manner, subject to the limitations and upon payment of the charges provided in the Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and under the authority of and pursuant to the provisions of the Act and all other laws applicable thereto. It is hereby declared that all acts, conditions, and things required by the Constitution and statutes of the State of Utah, the Act and the Master Resolution to exist, happen, and be performed precedent to or in connection with the issuance of this Bond have existed, have happened, and have been performed in regular and due time, form, and manner as required, that the amount of Bond does not exceed any limitation prescribed by said Constitution and statutes, that the Net Revenues to be derived from the operation of the System have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of this Bond and all bonds issued on a parity with this Bond, if any, and, said Net Revenues are not pledged, hypothecated, or anticipated in any way other than by the issue of this Bond and all bonds issued on a parity with this Bond, if any.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Chair and countersigned by its Clerk with the seal of said Issuer affixed, all as of this \_\_\_\_\_.

(SEAL)

By: \_\_\_\_\_ (Do Not Sign)  
Chair

COUNTERSIGN:

By: \_\_\_\_\_ (Do Not Sign)  
Clerk

ASSIGNMENT

FOR VALUE RECEIVED, \_\_\_\_\_, the undersigned sells, assigns, and transfers unto:

\_\_\_\_\_  
(Social Security or Other Identifying Number of Assignee)

\_\_\_\_\_  
(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

Signature: \_\_\_\_\_

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

Signature Guaranteed:

\_\_\_\_\_

NOTICE: The signature(s) should be guaranteed by an eligible guarantor institution (banks, stockbrokers, savings and loan associations and credit unions with membership in an approved signature guarantee medallion program), pursuant to S.E.C. Rule 17Ad-15.