EPHRAIM CITY COUNCIL
REGULAR MEETING AGENDA

Council Chambers – Ephraim City Hall
5 South Main, Ephraim, Utah
Wednesday, October 15, 2025
6:00 PM

Today's meeting will be held in person in the Council Chambers and is open to the public. Members of the press and public are also invited to view this meeting live on YouTube.

To participate in the public comment period or any scheduled public hearings, please email cmaudsley@ephraim.gov before 3:00 PM on the day of the meeting.

Live Stream on YouTube at 6:00 P.M.
https://www.youtube.com/@EphraimCityUtah/streams

6:00 PM

ROLL CALL

CALL TO ORDER

OPENING CEREMONY

Community members, churches, or organizations are invited to offer a thought, reading, or invocation at the beginning of City Council meetings. To participate, contact the City Recorder by the Friday morning before the meeting. Meetings are held on the first and third Wednesdays of each month.

PUBLIC COMMENT

Members of the public may address the Council on items related to City business or the current agenda. A comment form must be submitted to the Mayor prior to the meeting. Comments are limited to five minutes per person. The Council cannot take action during this portion of the meeting but may respond briefly, refer the matter to staff, or place it on a future agenda. All City Council meetings are recorded.

I. Consent Items

A. Ratification of Warrant Register between September 16, 2025, and October 10, 2025

B. Approval of September 17, 2025, City Council Meeting Minutes

II. Study Agenda

A. Review of Employee Handbook Revisions (Candice Maudsley and Jon Knudsen)

B. CIB Bond Discussion (Bryan Kimball)

III. Action Agenda

A. Bid Approval for Lower Penstock Replacement (Garrick Willden, Jones & DeMille)

B. Interlocal Agreement Sanpete Regional Airport (Katie Witt)

C. Ephraim City Ordinance 25-11 (Michael Thompson)

1. ECO 25-11 amending the Community Center Fee Schedule

IV. Council Reports & Appointments

A. Library Board- Rachel Butterfield to fill remaining term for Jenny Harris (term expires June 7, 2026)

B. Scandinavian Heritage Festival Board 5-year term- Dana Bell, Beth Northrop, Tina Geddes, Ned Armstrong, and Brent Geddes.

V. City Manager Report

CLOSED SESSION

From time to time, matters are discussed by the City Council that do not appear on the posted agenda. Items that require/request action taken by the City Council will appear in the posted agenda. Submitted Action Items for the Council agenda must be received by the City Recorder's office by the Friday prior to the Council meeting and should be accompanied by any and all supporting written documentation. Without such documentation, the recorder reserves the right to postpone the hearing of any item until such documentation has been submitted.

ADJOURNMENT

In Accordance with the Americans with Disabilities Act (ADA) this facility is wheelchair accessible and handicap parking is available. Request for accommodations and interpretive services must be made three (3) working days prior to the meeting. Please contact the city office at 283-4631 for information or assistance.

CERTIFICATE OF POSTING

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda were posted this 14th day of October 2025.

Candice Maudsley,
EPHRAIM CITY RECORDER

MEETING MINUTES
EPHRAIM CITY COUNCIL

CITY COUNCIL CHAMBERS, EPHRAIM CITY HALL
5 SOUTH MAIN, EPHRAIM, UTAH
SEPTEMBER 17, 2025
6:00 PM

ROLL CALL

MEMBERS PRESENT

John Scott, Mayor
Lloyd Stevens, Mayor Pro Tem
Margie Anderson
Anthony Beal
Troy Birch
Dennis Nordfelt

MEMBERS EXCUSED

STAFF PRESENT

Katie Witt, City Manager
Candice Maudsley, City Recorder
Bryan Kimball, Community
Development Megan Spurling, Planner
Shane Davis, Sexton
Jon Knudsen, Finance Director
Jeff Jensen, Public Works Director
Michael Thompson, Library Director
Colby Zeeman, Police

CALL TO ORDER, PLEDGE, AND INVOCATION

The Ephraim City Council Meeting, having been properly noticed, was called to order at 6:00 p.m. by Mayor Scott.

The Invocation was offered by Council Member Birch.

The Pledge of Allegiance was led by Council Member Anderson.

PUBLIC COMMENT

No public comment presented.

PRESENTATIONS

EPHRAIM CITY PROCLAMATION 25-02 AMY JORGENSON

Mayor John Scott read aloud the proclamation honoring Amy Jorgenson for her service to Ephraim City through the Granary Arts Center**.**

CONSENT AGENDA

CONSENT AGENDA ITEMS

1. **APPROVAL OF WARRANT REGISTER**
2. **APPROVAL OF SEPTEMBER 3, 2025, MINUTES**

Councilmember Nordfelt moved to approve the Consent Agenda. The motion was seconded by Councilmember Beal. The vote was unanimous. The motion carried.

STUDY AGENDA

REVIEW CEMETERY ORDINANCE REVISIONS

Cemetery Sexton Shane Davis discussed proposed revisions to the cemetery ordinance, highlighting concerns with plant stands and excessive decorations that interfere with mowing and maintenance. Memorial Day decorations will be removed the following Monday. Shane will update the cemetery banner to clearly indicate that decorations must be removed by the Monday following Memorial Day. City staff will communicate cemetery ordinance revisions through Ephraim City's social media platforms, YouTube channel, and monthly newsletter, especially prior to Memorial Day.

ACTION AGENDA

EPHRAIM CITY RESOLUTION 25-19 SKYLINE CORRIDOR AREA AMENDMENT

The Council discussed and approved Resolution 25-19, amending the Skyline Corridor Area to include four contiguous parcels owned by Camino Verde. Jenna Draper with the Utah Inland Port explained that the parcels were inadvertently left off the original designation and consist of vacant land suitable for future development.

Councilmember Anderson moved to approve ECR 25-19 an amendment to the Skyline Corridor Area. The motion was seconded by Councilmember Beal. The vote was unanimous. The motion carried.

CAMINO VERDE GROUP REZONE

CVG-Ephraim South LLC, has requested a Zoning Map amendment to rezone property near 400 S, between 350 W and 800 W, from Industrial (I) to General Commercial (C2) to allow for residential and commercial development. Staff reviewed the application and found it compliant with City Code requirements. The Planning Commission unanimously approved the zoning change at their last meeting and recommended forwarding the request to the City Council with a recommendation for approval.

The Commission discussed the proposal in the context of the City's Master Plan, noting that the C2 zone aligns with future land use planning by allowing a mix of commercial and residential uses. It was clarified that if the property owner later wants the R1B zone rezoning requests would still be required. Approximately 49 acres of city owned land in the area, including the Public Works yard, will remain zoned industrial, with 20 acres designated for industrial use in the CVG plan. Additional industrial areas are also identified in the County.

Councilmember Birch expressed concern about the loss of industrial zoning and its potential impact on attracting manufacturing businesses. Staff clarified that the C2 zone can serve as a buffer between industrial and residential areas and allows for some light manufacturing.

The discussion emphasized that rezoning requests must be consistent with the General Plan, and in some cases, two applications may be required if both the zoning map and general plan need amendment. It was also noted that the City has been working on a comprehensive master plan for six years and wishes to implement zoning changes in line with that plan, rather than approving developments piece by piece. Future residential subdivisions will be reviewed by the Planning Commission under new state rules, while commercial subdivisions and multi-family will continue to require City Council review. Businesses locating in the C2 zone that meet City Code standards may be approved at the staff level.

> ***Councilmember Nordfelt moved to approve the CVG rezone to C2. The motion was seconded by Councilmember Anderson, the motion carried with Anderson, Nordfelt, and Beal voting yes, and Birch and Stevens voting no.***

EPHRAIM CITY RESOLUTION 25-20 PROCUREMENT POLICY

The Council reviewed the new procurement policy, with Finance Director Jon Knudsen explaining the tier structure and updated monetary thresholds; the Council then unanimously approved Resolution 25-02, adopting the updated procurement policy with revised tier thresholds and post-purchase evaluations.

> ***Councilmember Beal moved to approve ECR 25-20 Procurement Policy. The motion was seconded by Councilmember Birch. The vote was unanimous. The motion carried.***

COUNCIL REPORTS & APPOINTMENTS

> ***Councilmember Stevens moved to appoint Sarah Thomas, Kevin Taylor, Katie Tolen, and Gail Tingey for a four-year appointment to the Historic Preservation Board. The motion was seconded by Councilmember Beal. The vote was unanimous. The motion carried.***

> ***Councilmember Birch moved to appoint W. Scott Hansen for a three-year appointment to the Cemetery Board. The motion was seconded by Councilmember Beal. The vote was unanimous. The motion carried.***

Dennis Nordfelt

- Reported that grading on the pickleball courts has begun, the Planning Commission is unanimously in favor of a bike trail, and members are needed for the Scandinavian Festival Board.

Anthony Beal

- Reported that the Library Board is updating the consortium agreement and discussing ways to participate in the America250 celebrations. He noted the Youth City Council will host the Fall Festival next Saturday at Pioneer Park and oversee the activities.

Troy Birch

- Reported that the Veteran's statue project at the cemetery is moving forward.

Mayor Scott

- Mayor Scott reported that he and the Manti Mayor met with the County Commissioners regarding the airport interlocal agreement, and he also discussed redistricting with Senator Owens. He made a statement regarding the Charlie Kirk assassination, announced that Ephraim will receive a Healthy City Award during the ULCT Conference, and noted that he, Councilmember Stevens, and Councilmember Anderson will be featured in a retirement video for elected officials at the conference.

CITY MANAGER REPORT

- The October 1st Council meeting will be canceled due to Council and staff attending the ULCT Conference.

CLOSED SESSION

Councilmember Stevens moved to go into a closed session pursuant to the provisions of the Utah State Code, Section(s) 52-4-205, for the purpose of discussing (b) collective bargaining. A roll call vote was called. Voting yes: Councilmembers Nordfelt, Stevens, Beal, Anderson, and Birch. The vote was unanimous. The motion carried.

The Closed Meeting began at 6:48 p.m.

At 7:02 p.m. Councilmember Anderson moved the Council adjourn the closed session and reopen the public meeting. The motion was seconded by Councilmember Birch. The vote was unanimous. The motion carried.

ADJOURNMENT

There being no further business to come before the Council for consideration, Councilmember Beal moved the Regular Council Meeting adjourn at 7:03 p.m. The motion was seconded by Councilmember Nodfelt. The vote was unanimous. The motion carried.

The next regular City Council meeting is scheduled to be held on Wednesday, October 15, 2025, starting at 6:00 p.m. in the Ephraim City Council room.

MINUTES APPROVED:

_______________________________ _______________________

John Scott, Mayor Date

ATTEST:

_______________________________ _______________________

Candice Maudsley, City Recorder Date

Ephraim City, Utah

November 5, 2025

The Mayor and City Council of Ephraim City, Sanpete County, Utah met in regular session at its regular meeting place in said Municipality at 6:00 p.m. on the 5th day of November, 2025, with the following members of the Governing Body present:

John Scott	Mayor
Margie Anderson	Councilmember
Anthony Beal	Councilmember
Troy Birch	Councilmember
Dennis Nordfelt	Councilmember
Lloyd Stevens	Councilmember

Also present:

Candice Maudsley	City Recorder

Absent:

____________________ ______________

After the meeting had been duly called to order and after other matters not pertinent to this Bond Resolution had been discussed, the City Recorder presented to the Mayor and City Council a Certificate of Compliance With Open Meeting Law with respect to this November 5, 2025, meeting.

STATE OF UTAH)
: SS.
COUNTY OF SANPETE)

I, CANDICE MAUDSLEY, the undersigned City Recorder of Ephraim City, Sanpete County, Utah (the "City") do hereby certify according to the records of the City 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, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the November 5, 2025, public meeting held by the City as follows:

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

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

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

In addition, the Notice of 2025 Annual Meeting Schedule for the City (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Mayor and City Council to be held during the year, by causing said Notice to be (i) posted in January __, 2025, at the principal office of said Governing Body, (ii) posted on the Utah Public Notice Website (http://pmn.utah.gov) and (iii) posted on the City's official website.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 5th day of November, 2025.

____
City Recorder

(SEAL)

NOTICE OF AGENDA OF REGULAR MEETING

* * * * * *

PLEASE TAKE NOTICE that the Mayor and members of the City Council of Ephraim City, Sanpete County, State of Utah, will hold a Regular Meeting on Wednesday, the 5th day of November, 2025, at its regular meeting place, the Ephraim City Offices, 5 South Main Street, Ephraim City, Utah, at the hour of 6:00 o'clock P.M.

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

(1) Consideration for and adoption of Parameters Resolution authorizing the issuance of not to exceed $500,000 in Parity Water Revenue Bonds of Ephraim City and calling of a public hearing to receive input with respect to the issuance of such Bonds and any potential impact to the private sector from the construction of the Project; and

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

DATED this 4th day of November, 2025.

____
City Recorder

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

Yea: Margie Anderson
Anthony Beal
Troy Birch
Dennis Nordfelt
Lloyd Stevens

Nay: None

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

The Resolution is as follows:

EPHRAIM CITY, SANPETE COUNTY, UTAH
RESOLUTION NO. ______

A RESOLUTION AUTHORIZING THE ISSUANCE OF PARITY WATER REVENUE BONDS (THE "BONDS") OF EPHRAIM CITY, SANPETE COUNTY, UTAH (THE "ISSUER"), CALLING A PUBLIC HEARING AND ESTABLISHING A TIME, PLACE AND LOCATION FOR SAID PUBLIC HEARING TO RECEIVE INPUT FROM THE PUBLIC WITH RESPECT TO THE ISSUANCE OF BONDS AND ANY POTENTIAL ECONOMIC IMPACT TO THE PRIVATE SECTOR FROM THE CONSTRUCTION OF THE PROJECT TO BE FUNDED BY THE BONDS; PROVIDING FOR A PLEDGE OF WATER REVENUES FOR THE PAYMENT OF THE BONDS; FIXING THE MAXIMUM PRINCIPAL AMOUNT OF THE BONDS; THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE; THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AND RELATED MATTERS.

WHEREAS subject to the limitations set forth herein, Ephraim City, Sanpete County, State of Utah, desires to issue its Parity Water Revenue Bonds (the "Bonds") for the construction of water system improvements, including replacement of culinary pipelines in Ephraim Canyon, together with related improvements (the "Project"), and pay costs of issuance of the Bonds, pursuant to this Resolution and a Master Resolution (the "Master Resolution"), in substantially the form presented at the meeting at which this Resolution was adopted and which is attached hereto as Exhibit "B"; and

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

WHEREAS the Issuer, Ephraim City, considers it desirable and necessary and for the benefit of the Issuer to construct the Project to be owned and operated by the Issuer, but does not have on hand money sufficient to pay for the Project; and

WHEREAS the revenues to be derived by the Issuer from the operation of the System (as hereinafter defined) have not been pledged or hypothecated in any manner or for any purpose except to pay principal and interest on the Issuer's Parity Water Revenue Bond, Series 2019 in the original principal amount of $1,145,000 payable to the Utah Drinking Water Board; Parity Water Revenue Bond, Series 2019A in the original principal amount of $346,000 payable to the Utah Permanent Community Impact Fund Board; and Parity Water Revenue Bond, Series 2024 in the original principal amount of $500,000 payable to the Utah Drinking Water Board (the "Prior Lien Bonds") and to issue its Bonds (as hereinafter defined), payable from such revenues in the manner for which provision is hereinafter made in order to pay all or part of the cost of the Project; and

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

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

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

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Mayor and City Council of Ephraim City, Sanpete County, Utah, as follows:

Section 1. The Mayor and City Council (the "Governing Body") of Ephraim City, Sanpete County, Utah (the "Issuer"), hereby finds and determines that it is in the best interests of the residents within the City for the Issuer to issue its Parity Water Revenue Bonds in the aggregate principal amounts of not to exceed $500,000 at interest rates not to exceed 2.5% per annum, to mature in not more than thirty-five (35) years from its date or dates, pursuant to a resolution to be adopted by the Governing Body authorizing and confirming the issuance and sale of the Bonds. Therefore, the Issuer hereby declares its intention to issue the Bonds according to the provisions of this Section. The Bonds are to be issued for the purpose of paying all or part of the cost of construction of water system improvements, including replacement of culinary pipelines in Ephraim Canyon, together with related improvements (the "Project") of the Issuer.

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

The form of Master Resolution attached hereto as Exhibit "B" is in all respects hereby authorized and approved, and the Mayor and City Recorder of the Issuer are hereby authorized and directed to execute and deliver the same on behalf of the Issuer.

The Mayor, within the parameters set forth herein, is hereby authorized to approve the interest rates, principal amounts, terms, maturities, redemption features and purchase price at which the Bonds shall be sold.

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

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

Section 4. The Issuer shall hold a public hearing on December 3, 2025, to receive input from the public with respect to the issuance of the Bonds and any potential impact to the private sector from the construction of the Project to be funded by the Bonds, which hearing date shall be not less than fourteen (14) days after notice of the public hearing is (A) first published once a week for two consecutive weeks in the Sanpete News, a newspaper of general circulation in the Issuer and (B) published on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended. The Issuer directs its officers and staff to publish a Notice of Public Hearing in substantially the following form:

NOTICE OF PUBLIC HEARING

PUBLIC NOTICE IS HEREBY GIVEN that on November 5, 2025, the Mayor and City Council of Ephraim City (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Parity Water Revenue Bonds in the principal amount of up to $500,000 with interest at a rate not to exceed 2.5% per annum payable over a period of not more than 35 years (the "Bonds") pursuant to the Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and to call a public hearing to receive input from the public with respect to the issuance of the Bonds.

The Issuer shall hold a public hearing on December 3, 2025, at the hour of 6:00 p.m. The location of the public hearing is in the City Office, 5 South Main, Ephraim, Utah. The purpose of the meeting is to receive input from the public with respect to the issuance of the Bonds and any potential economic impact to the private sector from the construction of water system improvements, including replacement of culinary pipelines in Ephraim Canyon, together with related improvements to be funded by the Bonds. All members of the public are invited to attend and participate.

DATED this 5th day of November, 2025.

/s/ Candice Maudsley
City Recorder

[Publish once each week for two consecutive weeks.]

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

NOTICE OF BONDS TO BE ISSUED

PUBLIC NOTICE IS HEREBY GIVEN that on November 5, 2025, the Mayor and City Council of Ephraim City (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Parity Water Revenue Bonds (the "Bonds") pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended.

The Issuer intends to issue the Bonds in the principal amount of not to exceed $500,000, to bear interest at a rate not to exceed 2.5% per annum, to mature in not to more than 35 years from their date or dates, and to be sold at a price not less than 100% of the total principal amount thereof, plus accrued interest to the date of delivery. The Bonds will specify that any installment of principal and/or interest on the Bonds which shall not be paid when due shall bear interest at the rate of 18% per annum from the due date thereof until paid.

The Issuer intends to issue the Bonds for the purpose of (i) financing all or a portion of the cost of construction of water system improvements, including replacement of culinary pipelines in Ephraim Canyon, together with related improvements; and (ii) paying costs of issuing the Bonds.

OUTSTANDING BONDS SECURED BY THE SAME REVENUE

The Issuer currently has outstanding bonds secured by the pledge of culinary water system revenues, namely: the Parity Water Revenue Bond, Series 2019 in the original principal amount of $1,145,000 payable to the Utah Drinking Water Board; Parity Water Revenue Bond, Series 2019A in the original principal amount of $346,000 payable to the Utah Permanent Community Impact Fund Board; and Parity Water Revenue Bond, Series 2024 in the original principal amount of $500,000 payable to the Utah Drinking Water Board.

ESTIMATED TOTAL COST OF THE BONDS

Although the Issuer declared its intention to issue a Bond in a principal amount of up to $500,000 with interest at a rate not to exceed 1.5% per annum, the Issuer currently anticipates that the Bonds will be issued in the amount of $278,000 with interest at the rate of 1.5% per annum. In that case, the estimated total cost for the proposed Bonds would be $347,090, which would include interest of $69,090.

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

A copy of the Resolution is on file in the office of the City Recorder in Ephraim City, Utah, where it may be examined during regular business hours of the City Recorder from 8:00 a.m. to 6:00 p.m., Monday through Thursday.

DATED this 5th day of November, 2025.

/s/ Candice Maudsley
City Recorder

[Publish one time only.]

* * * * * * * *

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

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

PASSED AND APPROVED this 5th day of November, 2025

EPHRAIM CITY

By________________________________
Mayor

ATTEST AND COUNTERSIGN:

By________________________________
City Recorder

[SEAL]

After the conduct of other business not pertinent to the foregoing, it was moved and carried that the Mayor and City Council adjourn.

EPHRAIM CITY

By________________________________
Mayor

ATTEST:

By________________________________
City Recorder

[SEAL]

STATE OF UTAH)
: ss.
COUNTY OF SANPETE)

I, CANDICE MAUDSLEY, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of Ephraim City, Sanpete County, Utah (the "Issuer"). I further certify that the above and foregoing constitutes a true and correct copy of the minutes of a regular public meeting of the Mayor and City Council of the Issuer, held on November 5, 2025, including a Resolution adopted at such meeting, together with exhibits and appendices attached thereto, as said minutes, resolution and appendices are recorded in the regular official book of minutes of the proceedings of the Governing Body kept in the office of the City Recorder that said proceedings were duly had and taken as therein shown, that the meeting thereon shown was in all respects called, held and conducted in accordance with law, and that the persons therein named were present at said meeting, as therein shown.

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

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the Issuer, this 5th day of November, 2025.

____
City Recorder

[SEAL]

<u>EXHIBIT “A”</u>

[Master Resolution]

MASTER RESOLUTION

OF

EPHRAIM CITY, SANPETE COUNTY, UTAH

AS ISSUER

DATED AS OF *, 2025

MASTER RESOLUTION

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

WHEREAS, pursuant to the provisions of a Resolution adopted on November 5, 2025 (the "Authorizing Resolution"), the Governing Board of the City (the "Governing Board") has authorized and approved certain actions to be taken by the City in connection with the financing of the Project, including the adoption this Master Resolution and the issuance of the Series 2025 Bonds hereunder; and

WHEREAS, it has been determined by the City that the estimated amount necessary to finance the Project, including necessary expenses incidental thereto, will require the issuance, sale and delivery of the Series 2025 Bonds in the principal amount of $278,000, as hereinafter provided; and

WHEREAS, the City has determined that the Series 2025 Bonds shall be secured as provided herein and has ascertained and determined that the provisions herein contained for protecting and enforcing the rights and remedies of the registered owners of such Series 2025 Bonds are reasonable, proper and in accordance with law, and that this Master Resolution is necessary to the performance of its duties and the execution of its powers under law, and does deem and determine all of the provisions herein contained to be reasonable and proper for the security of the registered owners of the Series 2025 Bonds; and

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

WHEREAS, the Series 2025 Bonds in registered form are to be in substantially the appropriate form set forth in Section 2.6 and if issued as Exchange Bonds are to be in substantially the appropriate form set forth in Section 2.8, with appropriate variations, omissions and insertions as permitted or required by this Master Resolution; and

WHEREAS, all things necessary to make the Series 2025 Bonds when authenticated by the City and issued as in this Master Resolution provided, the valid, binding and legal obligations of the City according to the import thereof, and to constitute this Master Resolution a valid assignment and pledge of the amounts pledged to the payment of the principal on the Series 2025 Bonds, and to constitute this Master Resolution a valid assignment of the rights of the City with respect to the

Project have been done and performed and the creation, execution and delivery of this Master Resolution, and the creation, execution and issuance of the Series 2025 Bonds, subject to the terms hereof, have in all respects been duly authorized:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Mayor and City Council of Ephraim City, Sanpete County, Utah, as follows:

ARTICLE I

DEFINITIONS

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

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

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

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

"Bonds" or “Series 2025 Bonds” shall mean the Parity Water Revenue Bond, Series 2025 (sometimes hereinafter referred to as the "Series 2025 Bond") of Ephraim City, Sanpete County, State of Utah, in aggregate principal amounts of $278,000, authorized hereby and shall mean, alternately, interchangeably, or collectively, the single Fully Registered Bonds or the Serial Bonds issued in lieu of a Fully Registered Bond.

“Bond Documents” means this Master Resolution.

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

"Community Impact Board" means the State of Utah, Permanent Community Impact Fund Board or any successor agency.

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

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

"Escrow Account" means an account to be held in escrow by the Escrow Agent pursuant to an Escrow Agreement to be entered into between the Issuer and the Community Impact Board on the date of delivery of the Series 2025 Bond, said account to be used for the purpose of depositing the proceeds of the sale of the Series 2025 Bond as well as certain grant monies and supervising said proceeds pursuant to the terms of the Escrow Agreement.

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

"Executive Officer" means the Mayor of the Issuer.

"First Payment Date" means a payment of principal and interest on February 1, 2026.

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

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

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

"Installment Amount" means the amount of each annual registered installment of principal and interest on the Bond, as shown in the Repayment Schedule in the Bond.

"Issue Amount" means the principal amount of the Bonds authorized to be issued hereunder which is the sum of $278,000.

"Issuer" means Ephraim City, Sanpete County, Utah.

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

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

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

"Payment Date" means the 1st day of February in each year beginning with the year 2026.

"Payment Years" means the years in which an Installment Amount comes due, described as the years 2026 through 2055.

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

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

“Prior Lien Bonds” means Issuer’s Parity Water Revenue Bond, Series 2019 in the original principal amount of $1,145,000 payable to the Utah Drinking Water Board; Parity Water Revenue Bond, Series 2019A in the original principal amount of $346,000 payable to the Utah Permanent Community Impact Fund Board; and Parity Water Revenue Bond, Series 2024 in the original principal amount of $500,000 payable to the Utah Drinking Water Board.

"Project" means the construction of water system improvements, including replacement of culinary pipelines in Ephraim Canyon, together with related improvements, and in all other respects to pay the cost of foregoing including engineering and expenses and costs of and issuance of the bonds and to acquire and provide all appurtenant facilities therefor, together with all necessary or related work and improvements.

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

"Reserve Fund Installment" means a monthly payment in an amount equal to 1/72nd of the Reserve Fund Requirement as to the Series 2025 Bond.

"Reserve Fund Requirement" means an amount equal to the maximum annual installment of principal and interest on the Series 2025 Bond.

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

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

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

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

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

ARTICLE II

TERMS AND PROVISIONS OF SERIES 2025 BOND

Section 2.1. Purpose and Authority.

(a) The Governing Body hereby finds, determines and declares that the Project to be acquired, constructed, improved and extended with the proceeds of the Series 2025 Bond is necessary for the proper operation of the System and is economically feasible, and the Revenues will be sufficient to retire the Series 2025 Bond.

(b) For the purpose of paying the cost of the Project, including the payment of all fees and expenses incident thereto and to the issuance of the Series 2025 Bond, the Series 2025 Bond shall be issued in the amount or amounts set forth on the Bond. The Series 2025 Bond shall be payable solely from the Revenues to be derived from the operation and ownership of the System, as more specifically provided herein, and, to the extent available, monies remaining in the Escrow Account as described in Section 3.1 upon completion of the Project.

Section 2.2. Parity Designation. The Series 2025 Bond is issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2019 in the original principal amount of $1,145,000 payable to the Utah Drinking Water Board; Parity Water Revenue Bond, Series 2019A in the original principal amount of $346,000 payable to the Utah Permanent Community Impact Fund Board; and Parity Water Revenue Bond, Series 2024 in the original principal amount of $500,000 payable to the Utah Drinking Water Board (collectively, the "Prior Lien Bonds"). Neither the Series 2025 Bond nor the Prior Lien Bonds shall be entitled to any priority one over the other in the application of the Net Revenues of the System pledged to the payment of the Series 2025 Bond and the Prior Lien Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between the Series 2025 Bond or the Prior Lien Bonds in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

Section 2.3. Designation and Terms of the Series 2025 Bond. The Series 2025 Bond shall be designated as the "Parity Water Revenue Bond, Series 2025," shall be dated as of the date of delivery to the Community Impact Board, shall be issued as a single fully-registered bond, without coupons, in the denomination of the amount or amounts set forth on the Bond and shall be numbered R-1, the principal amount of which shall bear interest at the rate of 1.5% per annum and shall be in the denomination of the amount set out as the Total Principal Sum in the form of the Series 2025 Bond. Interest shall be payable on the same day as the due date for a payment of principal.

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

Subject to prepayment of principal as herein provided, principal on the Series 2025 Bond shall be payable in the number of annual registered installments equal to the number of Payment Years, with no provision for any grace period as to the due date of such payments; provided, however, that the last such installment payment shall be in such amount as will pay the remaining principal due on the Series 2025 Bond on the date of such payment each in the amount of the Installment Amount, due on the Payment Date of each of the Payment Years. Each payment shall be first applied to any applicable interest accrued to the date of payment of that installment, then to principal. Principal of and interest on the Series 2025 Bond shall be payable in any coin or currency which, on the respective dates of payments, is legal tender for the payment of debts to the United States of America and, except as hereinafter otherwise provided, shall be made by check or draft mailed to the Office of the Community Impact Board in Salt Lake City, Utah, or to its designee or to such other registered owner of the Series 2025 Bond as is shown on the registration books maintained by the Issuer at the close of business on the fifteenth day of the month next preceding each Payment Date at the address of such registered owner as it appears on such registration books or to such other address furnished in writing by such registered owner to the Issuer, and payment shall be endorsed thereon in the payment record attached thereto.

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

Section 2.4. Prepayment Provisions and Provisions Regarding Notation of Payments - Series 2025 Bond.

(a) The Series 2025 Bond shall be subject to prepayment at the option of the Issuer at any time in whole or in part in multiples of $1000 as to each bond plus accrued interest, if any, to the date of prepayment, and without premium. In the event of a partial prepayment, each installment payment due on the Payment Date of each Payment Year after such partial prepayment shall remain in the Installment Amount regardless of any such partial prepayment; provided that any such partial prepayment shall reduce the principal due on the Series 2025 Bond in inverse order of installment maturities; and provided further that the final payment on the Series 2025 Bond shall be fully sufficient to pay all principal remaining due thereon. With the exception of prepayments described in Section 3.1, each prepayment on the Series 2025 Bond shall be applied to any interest then due on the Series 2025 Bond and then to principal. Notice of any call for prepayment shall be given by registered mail not less than 30 days prior to the prepayment date to the State or to its designee, or to such other registered owner of the Series 2025 Bond as is shown on the registration books at the close of business on the fifteenth day next preceding the mailing of such prepayment notice at the registered owner's address as shown on such registration books or at such other address furnished in writing by such registered owner to the Issuer.

(b) In the event of a partial prepayment, such prepayment shall be made in the manner provided for herein for the payment of Installment Amounts (except that prepayments need not be made on Payment Dates) and endorsed on the Series 2025 Bond on the prepayment record attached thereto.

(c) If notice of prepayment shall have been given as aforesaid, the Series 2025 Bond or the portion thereof specified in said notice shall become due and payable at the prepayment price and on the prepayment date therein designated and if, on the prepayment date, money for the payment of the prepayment price of the Series 2025 Bond or the portion thereof to be prepaid shall be available for such prepayment on said date, then from and after the prepayment date, interest, if any, on the Series 2025 Bond or the portion thereof so called for prepayment shall cease to accrue and become payable.

(d) The registered owner of the Series 2025 Bond shall endorse any payment or prepayment of principal on the Series 2025 Bond upon the payment record or prepayment record attached to the Bond.

Section 2.5. Execution of Series 2025 Bond and Representations Relating to the Master Resolution. The Series 2025 Bond shall be executed on behalf of the Issuer by the manual signature of the Executive Officer and attested and countersigned by the manual signature of the City Recorder. The City Recorder shall impress or imprint the official seal of the Issuer on the Series 2025 Bond. The Treasurer is authorized and directed to complete the Certificate of Dates of Payment and Amount on the Series 2025 Bond. All of the covenants, promises, statements, recitals, representations and agreements contained in the Series 2025 Bond and this Master Resolution are hereby considered and understood, and it is hereby ordered and declared that the covenants, promises, statements, recitals, representations and agreements therein and herein are covenants, promises, statements, recitals, representations and agreements of the Issuer.

Section 2.6. Form of Series 2025 Bond: The Series 2025 Bond shall be in substantially the following form:

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF SANPETE
EPHRAIM CITY

R-1

PARITY WATER REVENUE BOND, SERIES 2025

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

Principal Sum	Interest Rate	Original Issue Date
$278,000.00	**1.5%**	**_______, 2025**

Ephraim City, Sanpete County, Utah (the "Issuer") for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the order of the registered owner hereof, the Total Principal Sum set forth above, together with interest accruing on the unpaid principal balance from the Original Issue Date, at the rate specified above (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 installments beginning February 1, 2026. Principal together with accrued interest, shall be payable in registered installments on February 1 of each of the years set forth in the following Repayment Schedule:

Maturity Date February 1st	Principal Amount	Interest Amount	Total Amount
2026	$ 7,000.00	$ TBD	$ TBD
2027	$ 8,000.00	$4,065.00	$12,065.00
2028	$ 8,000.00	$3,945.00	$11,945.00
2029	$ 8,000.00	$3,825.00	$11,825.00
2030	$ 8,000.00	$3,705.00	$11,705.00
2031	$ 8,000.00	$3,585.00	$11,585.00
2032	$ 8,000.00	$3,465.00	$11,465.00
2033	$ 8,000.00	$3,345.00	$11,345.00
2034	$ 8,000.00	$3,225.00	$11,225.00
2035	$ 8,000.00	$3,105.00	$11,105.00
2036	$ 9,000.00	$2,985.00	$11,985.00
2037	$ 9,000.00	$2,850.00	$11,850.00
2038	$ 9,000.00	$2,715.00	$11,715.00
2039	$ 9,000.00	$2,580.00	$11,580.00

2040	$ 9,000.00	$2,445.00	$11,445.00
2041	$ 9,000.00	$2,310.00	$11,310.00
2042	$ 9,000.00	$2,175.00	$11,175.00
2043	$10,000.00	$2,040.00	$12,040.00
2044	$10,000.00	$1,890.00	$11,890.00
2045	$10,000.00	$1,740.00	$11,740.00
2046	$10,000.00	$1,590.00	$11,590.00
2047	$10,000.00	$1,440.00	$11,440.00
2048	$10,000.00	$1,290.00	$11,290.00
2049	$10,000.00	$1,140.00	$11,140.00
2050	$11,000.00	$ 990.00	$11,990.00
2051	$11,000.00	$ 825.00	$11,825.00
2052	$11,000.00	$ 660.00	$11,660.00
2053	$11,000.00	$ 495.00	$11,495.00
2054	$11,000.00	$ 330.00	$11,330.00
2055	$11,000.00	$ 165.00	$11,165.00

To each installment of principal there shall be added interest accruing from the Original Issue Date, at the rate of One and one-half (1.50%) per cent per annum on the entire balance remaining due under this Bond. Interest shall be payable on the same day as the due date for a payment of principal.

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

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

AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND.

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

This Bond is also issued and sold upon a par with the Issuer's Parity Water Revenue Bond, Series 2019 in the original principal amount of $1,145,000 payable to the Utah Drinking Water Board; Parity Water Revenue Bond, Series 2019A in the original principal amount of $346,000 payable to the Utah Permanent Community Impact Fund Board; and Parity Water Revenue Bond, Series 2024 in the original principal amount of $500,000 payable to the Utah Drinking Water Board (collectively, the "Prior Lien Bonds"). The Series 2025 Bond and the Prior Lien Bonds shall be entitled to any priority one over the other in the application of the Net Revenues of the System (as defined in the Master Resolution described below) pledged to the payment of this Bond and the Prior Lien Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between this Bond or this Bond and the Prior Lien Bonds in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

This Bond is a special obligation of the Issuer and is the only one of an issue of a total series of fully-registered Parity Water Revenue Bond, designated as "Parity Water Revenue Bond, Series 2025", in the aggregate principal amount of $278,000, dated as of the date set forth below and is issued under, by virtue of, in full conformity with and after full compliance with the Constitution and laws of the State of Utah, including particularly the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated, 1953, as amended, (collectively the "Act") and a Master Resolution dated *, 2025, authorizing this Bond (the "Master Resolution"), for the purpose of paying all or part of the cost of construction of water system improvements, including replacement of culinary pipelines in Ephraim Canyon, together with related improvements (the "Project") including, without limitation, all fees and expenses reasonably incurred in connection therewith and with the issuance of such bonds as may be properly payable from the proceeds thereof. Principal on this Bond is payable solely from the revenues, funds and other monies pledged or provided therefor under the terms of the Master Resolution

This Bond is dated as of date of delivery and is duly issued under and by virtue of the Act and under and pursuant to the Master Resolution. A copy of the Master Resolution is on file at the office of the City Recorder of the Issuer in Ephraim, Utah, and reference to the Master Resolution and to the Act is made for a description of the pledge and covenants securing the Series 2025 Bond, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bond is issued and a statement of the rights, duties, immunities and obligations of the Issuer. Such pledge and other obligations of the Issuer under the Master Resolution may be discharged at or prior to the maturity or redemption of the Series 2025 Bond upon the making of provision for the payment thereof on the terms and conditions set forth in the

Master Resolution.

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

This Bond is transferable, as provided in the Master Resolution, only upon the books of the Issuer kept for that purpose at the office of the City Recorder of the Issuer by the registered owner hereof in person or by his attorney duly authorized in writing. The Issuer may treat and consider the person in whose name this Series 2025 Bond is registered as the holder and absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest, if any, payable hereon and for all other purposes whatsoever.

Subject to the provisions of the Master Resolution, the Series 2025 Bond is issuable in fully registered form, without coupons, in a denomination equal to the aggregate principal amount of the Series 2025 Bond or, upon exchange, in the denomination of $1000 and any integral multiple thereof.

This Bond is subject to redemption at any time at the option of the Issuer in whole or in part (if in part, in integral multiples of $1000) in inverse order of the due date of the principal installments hereon, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so redeemed, and without premium. The registered owner of this Series 2025 Bond, by acceptance hereof, agrees to endorse each such redemption on the Prepayment Record attached hereto.

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

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

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

In accordance with Section 265 of the 1986 Internal Revenue Code, the Issuer designates this

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

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

IN WITNESS WHEREOF, Ephraim City, Sanpete County, Utah, has caused this Bond to be signed by its Mayor and attested and countersigned by its City Recorder and the official seal of Ephraim City, Sanpete County, Utah, to be impressed or imprinted hereon, all as of the ____ day of _______, 2025.

EPHRAIM CITY

(DO NOT SIGN-FORM ONLY)
By______________________________
Mayor

ATTEST AND COUNTERSIGN:

(DO NOT SIGN-FORM ONLY)
By______________________________
City Recorder

(SEAL)

REGISTRATION CERTIFICATE

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

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
____________________	State of Utah, Permanent Community Impact Fund Board 1385 South State, Fourth Floor Salt Lake City, Utah 84115	____________________
____________________	____________________	____________________
____________________	____________________	____________________

PAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the bond to which this Payment Record is attached (the "Owner"), hereby certify that the Owner has received from Ephraim City, Sanpete County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of $278,000 to Ephraim City, Sanpete County, Utah, as referenced by the bond to which this Payment Record is attached, and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

As long as the State of Utah, Permanent Community Impact Fund Board, Salt Lake City, Utah is the registered owner of the bond to which this Payment Record is attached, the Chairman of said Board or designee, shall sign below as the owner of such bond.

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

PREPAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the bond to which this Payment Record is attached (the "Owner"), hereby certify that the Owner has received from Ephraim City, Sanpete County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of $278,000 to Ephraim City, Sanpete County, Utah, as referenced by the bond to which this Prepayment Record is attached and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

As long as the State of Utah, Permanent Community Impact Fund Board, is the registered owner of the Bond to which this Prepayment Record is attached, the Chairman of said Board shall sign below as the owner of such Bond.

Principal Due

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

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

____
/___________________/

Insert Social Security or Other
Identifying Number of Assignee

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

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

Dated: ___________________ Signature: _____________________

Signature Guaranteed:

____

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

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

Section 2.7. Exchange of the Series 2025 Parity Water Revenue Bond for Serial (Exchange) Bonds. It is recognized that the Community Impact Board may sell or otherwise transfer the Series 2025 Bond pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated, 1953, as amended, or otherwise. The Series 2025 Bond, may be exchanged at the office of the Issuer for a like aggregate principal amount of Serial Bonds in accordance with the provisions of this Section 2.7. Serial Bonds shall be substantially in the form set forth in Section 2.8 hereof and shall be in increments of $1000. Each Principal Installment on the Series 2025 Bond not previously paid or cancelled shall be represented by an equivalent principal amount of Serial Bonds, in authorized denominations and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Series 2025 Bond for Serial Bonds and the Issuer shall pay or cause to be paid all costs and other charges incident to such exchange.

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

REGISTERED **REGISTERED**

No. R-__ **$__________**

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF SANPETE
EPHRAIM CITY

PARITY WATER REVENUE BOND, SERIES 2025

[SEE REVERSE SIDE FOR ADDITIONAL PROVISIONS]	**INTEREST RATE**	**MATURITY DATE**	**DATED DATE**
	1.5%	**February 1, ____**	**________, 20__**

Registered Owner:

Principal Amount: ____DOLLARS

KNOW ALL MEN BY THESE PRESENTS that Ephraim City, Sanpete County, Utah (the "Issuer"), acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender hereof, the principal amount identified above, bearing interest from the Original Issue Date, at the rate of One and one-half (1.5 %) percent per annum. If the principal amount of this Bond and any installment of interest is not paid when due, said principal and/or interest shall bear interest at the rate of eighteen (18%) per annum from said due date until paid. Principal of, premium, if any, and interest on this Bond shall be payable at the office of the registered owner. The principal of, premium, if any, and interest on this Bond shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Payments received on this Bond shall be applied first to the payment of interest payable and then to principal.

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

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

This Bond is also issued and sold upon a par with the Issuer’s Parity Water Revenue Bond, Series 2019 in the original principal amount of $1,145,000 payable to the Utah Drinking Water Board; Parity Water Revenue Bond, Series 2019A in the original principal amount of $346,000 payable to the Utah Permanent Community Impact Fund Board; and Parity Water Revenue Bond, Series 2024 in the original principal amount of $500,000 payable to the Utah Drinking Water Board (collectively, the "Prior Lien Bonds"). Neither the Series 2025 Bond nor the Prior Lien Bonds shall be entitled to any priority one over the other in the application of the Net Revenues of the System pledged to the payment of the Series 2025 Bond and the Prior Lien Bonds, regardless of the time or times of their issuance or delivery and there shall be no priority between the Series 2025 Bond or the Prior Lien Bonds in any rights provided in this Master Resolution for entitlement to payment or provisions made for payment.

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

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

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

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

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

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

EPHRAIM CITY
(FORM ONLY-DO NOT SIGN)
By______________________________
Mayor

ATTEST AND COUNTERSIGN:

(FORM ONLY-DO NOT SIGN)
By______________________________
City Recorder

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Master Resolution and is one of the Parity Water Revenue Bond, Series 2025, of Ephraim City, Sanpete County, Utah.

EPHRAIM CITY
as Bond Registrar

By______________________________
City Recorder

Date of Registration and Authentication:

____

Bond Registrar and Paying Agent:

Ephraim City, Sanpete County, Utah

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

This Bond is a special obligation of the Issuer and is one of an issue of a total series of fully-registered Parity Water Revenue Bonds, designated as "Parity Water Revenue Bonds, Series 2025", in the aggregate principal amount of $_________ dated as of the date set forth below, issued under, by virtue of, in full conformity with and after full compliance with the Constitution and laws of the State of Utah, including particularly the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated 1953, as amended, and a Master Resolution dated *, 2025, authorizing this Bond (the "Master Resolution"), for the purpose of paying all or part of the cost of construction of water system improvements, including replacement of culinary pipelines in Ephraim Canyon, together with related improvements (the “Project”), including, without limitation, all fees and expenses reasonably incurred in connection therewith and with the issuance of such bonds as may be properly payable from the proceeds thereof. Principal of, premium, if any, and interest, if any, on this Bond is payable solely from the revenues, funds and other monies pledged or provided therefor under the terms of the Master Resolution.

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

The Bonds are dated as of _______________, 2025 and are duly issued under and by virtue of the Act and under and pursuant to the Master Resolution. A copy of the Master Resolution is on file at the office of the City Recorder of the Issuer in Ephraim City, Utah, and reference to the Master Resolution and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bonds are issued and a statement of the rights, duties, immunities and obligations of the Issuer. Such pledge and other obligations of the Issuer under the Master Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Master Resolution.

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

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

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

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

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

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

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

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

____
/___________________/

Insert Social Security or Other
Identifying Number of Assignee

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

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

Dated: ___________________ Signature: _____________________

Signature Guaranteed:

____

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

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

* * * * * * * *

Section 2.9. Provisions for the registration of the Bonds set forth in Article III shall be applicable to the Series 2025 Bond.

ARTICLE III

SALE OF BOND; SYSTEM OF REGISTRATION

Section 3.1 Sale of Bond. The proceeds of the sale of the Series 2025 Bond shall be deposited at the time of sale in the Escrow Account as defined in Article I herein to be administered by the Escrow Agent. All monies so deposited in said fund shall be used solely for the purpose of acquiring the necessary property and constructing improvements, additions and extensions to the

System, including any architectural, engineering, legal, fiscal agent and other expenses incidental thereto.

Any unexpended proceeds remaining in said Escrow Account after completion of the Project shall be paid immediately into the "Ephraim City, Sanpete County, Utah Series 2025 Parity Water Revenue Bond Fund" hereafter described. The said unexpended proceeds shall be used only for the prepayment of amounts of principal due or to become due on the Bonds in inverse order of maturities or for redemption of any Serial Bonds at a price (exclusive of accrued interest) not exceeding the face amount thereof and as provided in the Escrow Agreement. Redemptions made under this condition shall be made pro-rata, in direct proportion to the respective amounts then remaining unpaid under the Bonds. Any bonds so redeemed shall be cancelled and shall not be reissued. Following the transfer of unexpended funds from the Escrow Account to the said Revenue Fund, the Escrow Account will be closed.

Section 3.2. Registration and Exchange of Bonds.

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

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

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

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

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

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

Section 3.3. Mutilated, Lost, Destroyed or Stolen Bond. If any of the Bonds shall become mutilated, the Issuer, at the expense of the registered owner thereof, shall execute and deliver a new Bond of like tenor in exchange for the Bond so mutilated, but only upon surrender to the Treasurer of the Bond so mutilated, which Bond shall thereupon be cancelled by the Issuer. If the Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Issuer and if such evidence be satisfactory and given, the Issuer, at the expense of the registered owner thereof, shall execute and deliver a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if the entire principal amount of the Bond shall have matured or shall be about to mature, instead of issuing a substitute Bond, the Issuer may pay the same without surrender thereof). Any Bond issued under the provisions of this Section in lieu of a Bond alleged to be lost, destroyed or stolen shall constitute an additional contractual obligation of the Issuer and shall be equally and proportionately entitled to the benefits of this Master Resolution. The Issuer shall not be required to treat both the original Bond and the duplicate Bond as being Outstanding for the purpose of determining the principal amount of the Bond and Parity Bonds which may be issued under this Master Resolution or for the purpose of determining any percentage of the Bond or Parity Bonds Outstanding under this Master Resolution, but both the original and duplicate Bond shall be conformed by the City Recorder to accurately reflect all payments of principal on the lost, destroyed or stolen Bond, based on the records and information with respect to such lost, destroyed or stolen Bond maintained by the Issuer and the registered owner of the Bond.

ARTICLE IV

FLOW OF FUNDS

Section 4.1. Pledge Effected by the Master Resolution.

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

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

Section 4.2. Establishment of Funds. The following funds are hereby established and confirmed:

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

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

(3) Reserve Fund, to be held by the Issuer.

Section 4.3. Revenue Fund.

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

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

Section 4.4. Flow of Funds.

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

(1) In the Bond Fund, in each month, one-twelfth of the amount of the principal and interest payable on the Series 2025 Bond on the next succeeding Payment Date, and one-twelfth of the amount of the payment on the Prior Lien Bonds on the next payment date under the Prior Lien Bonds. In the event revenues are insufficient to fully fund the Series 2025 Bond and the Prior Lien Bonds, amounts shall be deposited to the respective Bond Funds on a pro rata basis based upon the respective face amount of each bond as compared to the combined face amount of the Series 2025 Bond and all Prior Lien Bonds then outstanding.

(2) In the Reserve Fund, (i) on a monthly or annual basis such amounts as required to satisfy the Reserve Fund Requirement with respect to each of the Prior Lien Bonds, and (ii) a sum equal to the Reserve Fund Installment so as to cause to be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement not later than 72 months following the commencement of such monthly transfers.

If monies shall ever be paid out of the Reserve Fund, monies shall be deposited, in addition to other deposits required by this paragraph (2), into the Reserve Fund from available Revenues (after making all other payments of Expenses of Maintenance and Operation and deposits into the Reserve Funds heretofore provided in this Section) to the extent necessary to cause the amount paid out to be replaced.

If available Revenues in the Revenue Fund (after payment of Expenses of Maintenance and Operation and deposits into the Bond Fund) are not sufficient to allow the deposit of the full amount payable to all reserve funds, then those available revenues shall be allocated among the reserve funds on a pro rata basis, based upon the relative amount of the required installments then due as to each reserve fund. In addition, if amounts are subsequently withdrawn from the reserve funds as provided in Section 4.6, the Issuer shall thereafter make deposits from first available Revenues to the Reserve Fund created herein, in such amounts as is necessary to restore the amounts withdrawn; provided, however, that such deposits shall be made on a pro rata basis among said reserve funds until the amounts withdrawn have been fully restored.

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

Section 4.5. Bond Fund. Monies in the Bond Fund shall be used for the purpose of paying principal, prepayment premium, if any, and any applicable interest when due on the Bonds. The Bond Fund shall be kept on deposit with the Depository.

Section 4.6. Reserve Fund. In the event that the money on deposit in the 2025 Bond Fund on the final day of any month is less than the amount required to be in such Fund pursuant to Section 4.4(a)(1) hereof, then the Issuer shall cause any funds on deposit in the respective Reserve Fund to be immediately transferred by the Depository to such corresponding Bond Fund in the amount required to eliminate the deficiency in such Bond Fund(s). The Reserve Fund shall be kept on deposit with the Depository.

Section 4.7. Investment of Funds. All money maintained on deposit with the Depository shall be held as special and not as general deposits, the beneficial interest in which shall be in the registered owners from time to time of the Bonds. All money so maintained on deposit with the Depository shall be secured to the fullest extent required or permitted by the laws of the State of

Utah pertaining to the securing of public deposits. All or part of the money in the Bond Fund and in the Reserve Fund shall be invested by the Depository, at the direction of the Issuer, in Permitted Investments, but any such investments so made shall always be such that the obligations mature or become optional for redemption in amounts and at times so as to assure the availability of the proceeds thereof when needed for the purpose for which such funds were created. Interest received on all such investments permitted hereunder shall be deposited in the Revenue Fund, except that at any time less than the required amount is on deposit in either the Bond Fund and the Reserve Fund, then interest attributable to such fund, respectively, shall be deposited into such fund. Whenever any money so invested from the Bond Fund and the Reserve Fund is needed for the purpose for which such fund was created, such investments, to the amount necessary, shall be liquidated by the Depository at the direction of the Issuer, and the proceeds thereof applied to the required purpose.

Section 4.8. Use of Funds When Reserves Sufficient to Pay Outstanding Bonds. Whenever there is sufficient available money in the Bond Funds and in the respective Reserve Fund to pay in full all principal and interest under these Bonds and all Bonds in accordance with their terms and the terms of this Master Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds, the money in such funds shall be used for such purpose and no other purpose but no additional payments need to be made into either fund unless necessary to replace monies lost or otherwise dissipated therefrom.

ARTICLE V

COVENANTS AND UNDERTAKINGS

Section 5.1. Punctual Payment. The Issuer will punctually pay or cause to be paid the principal, the prepayment premium, if any, and any applicable interest when due on the Bonds, in strict conformity with the terms of the Bonds and of this Master Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds, according to the true intent and meaning thereof. The Issuer agrees that there shall be no grace period as to the date of any payment required to be made pursuant to the terms of the Bond and of this Master Resolution or, in the case of Future Parity Bonds, the resolutions authorizing the issuance of such Future Parity Bonds.

Section 5.2. Operation and Maintenance. The Issuer will cause the System to be operated continuously for the furnishing of System services to the inhabitants of the Issuer, to the extent practicable under conditions as they may from time to time exist, in an efficient and economical manner, and will at all times cause to be maintained, preserved and kept, the System, including all parts thereof and appurtenances thereto, in good repair, working order and condition, and in such manner that the operating efficiency thereof will be of high character. The Issuer will from time to time cause to be made all necessary and proper repairs and replacements so that the rights and security of the registered owners of the Bonds may be fully protected and preserved, and will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Utah, including the making and collecting of sufficient rates, fees and charges as appropriate, for all services supplied by the System and the segregation and application of the Revenues of the System in the manner provided in this Master Resolution.

Section 5.3. Compliance with Contracts and Agreements; Maintenance of Revenues.

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

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

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

Section 5.4. Delinquencies; Single Billing.

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

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

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

Section 5.5. Consideration Required for Services. The Issuer will not permit System services to be supplied to any person, firm or corporation, public or private, or to any public agency or instrumentality including the Issuer without due consideration to be received in exchange therefor.

Section 5.6. Observance of Laws and Regulations; Permits, Licenses and Claims.

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

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

Section 5.7. Payment of Taxes and Claims. The Issuer will, from time to time, duly pay and discharge, or cause to be paid and discharged, any taxes, assessments or other governmental charges lawfully imposed upon any of the properties of the System or upon the Revenues when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any such properties. The Issuer will keep the System and all parts thereof free from judgments, mechanics' and materialmen's liens (other than those arising by mere operation of law from the construction of the Project and other improvements to the System which are promptly discharged in due course) and free from all other liens, claims, demands and encumbrances of whatsoever prior nature or character, to the end that the priority of the lien of this Master Resolution on the Revenues may at all times be maintained and preserved, and free from any claim or liability which might embarrass or hamper the Issuer in conducting its business.

Section 5.8. Accounts and Reports.

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

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

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

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

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

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

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

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

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

(9) A general statement concerning any events or circumstances which might affect

the financial status of the System.

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

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

Section 5.9. Insurance and Fidelity Bonds.

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

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

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

Section 5.10. Against Sale or Other Disposition of System Property Except Under Conditions. The Issuer will not sell, lease, encumber, alienate or in any manner dispose of the System or any substantial part thereof until all of the Bonds have been paid in full; provided, however, that nothing herein contained shall be construed to prevent disposal by the Issuer, upon prior written notice to the registered owners of the Bonds, of property which it deems has become inexpedient to use in connection with the System, when other property of equal value is substituted therefor.

Section 5.11. Against Competition with System Services. The Issuer, so far as it legally may, covenants and agrees that it will not operate or grant a franchise for the operation of any system competing with the System within the boundaries of the Issuer as long as any of the Bonds are Outstanding.

Section 5.12. Future Parity Bonds.

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

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

(2) The Annual Net Revenues of the System for the 12 consecutive months ending with the calendar month next preceding the adoption by the Governing Body of the resolution authorizing the issuance and confirming the sale of the Future Parity Bonds, as shown by an audit rendered by an independent public accountant employed by the Issuer, when added to the estimated amount of the increase in such Annual Net Revenues for the first full twelve-month period in which the improvements, extensions, additions or betterments to the System to be acquired with the proceeds of the Future Parity Bonds will be in operation (such estimated amount to be evidenced by a certificate of an independent consulting engineer approved by the Governing Body of recognized skill and experience in the field of engineering matters related to the construction and maintenance of systems similar to the System), are equal to at least 1.25 times the maximum annual debt service on (i) all Series 2025 Bonds, Prior Lien Bonds and Future Parity Bonds then outstanding plus (ii) the Future Parity Bonds then proposed to be issued;

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

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

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

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

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

Section 5.13. Rights and Remedies of Bondholders.

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

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

(c) Further, in the event of default the bondholder has the remedy to impose interest on the total outstanding principal balance of the Series 2025 Bonds at the rate of 18% per annum until the default is cured.

Section 5.14. Master Resolution to Constitute Contract Between the Issuer and the Holders of the Bond. The provisions of this Master Resolution shall constitute a contract between the Issuer and the registered owners from time to time of the Bond. After the issuance of any such Bond, no change, variation or alteration in the provisions of this Master Resolution may be made, except as provided in Article VII hereof. The provisions of such contract shall be enforceable by appropriate proceedings to be taken by any of such registered owners either at law or in equity, to the extent permitted by law.

Section 5.15. Compliance with Resolution. The Issuer will not issue, or permit to be issued, any bonds or other obligations in any manner other than in accordance with the provisions of this Master Resolution and will not suffer or permit any default to occur under this Master Resolution, but will faithfully observe and perform all of the covenants, conditions and requirements hereof. The Issuer will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Master Resolution and for the better assuring and confirming to the registered owners of the Bonds of the rights, benefits and security provided in this Master Resolution. The

Issuer for itself, its successors and assigns represents, covenants and agrees with the registered owners of the Bonds, as a material inducement to the purchase of the Bonds, that so long as any of the Bonds shall remain outstanding and the principal thereof, prepayment premium, if any, or interest thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in this Master Resolution and the Bonds.

Section 5.16. Power to Issue Bonds and Pledge Revenues and Funds; Power to Own the System and Collect Rates and Fees; Ownership of Project. The Issuer is duly authorized under all applicable laws to create and issue the Bonds and to adopt this Master Resolution and to pledge the Revenues purported to be pledged by Resolution in the manner and to the extent provided herein. The Bonds and the provisions of this Master Resolution are and will be the valid and legally enforceable obligations of the Issuer in accordance with the terms of the Bonds and the terms of this Master Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues under this Master Resolution and all the rights of the registered owners of the Bonds under this Master Resolution against all claims and demands of all persons whomsoever. The Issuer has, and will have so long as any Bonds are outstanding, good, right and lawful power to acquire, construct, improve, extend and own the Project and the System and to fix and collect rates, fees and charges, as appropriate, in connection with the System. The Issuer will, so long as any Bonds are Outstanding, own and operate the Project.

ARTICLE VI

MODIFICATION OR AMENDMENT OF RESOLUTION

Section 6.1. Amendments Permitted. The registered owners of seventy-five percent (75%) in principal amount of the outstanding Bonds (not including any Bonds which may then be held or owned by or for the account of the Issuer), shall have the right from time to time to approve the adoption by the Governing Body of any amendment to this Master Resolution which may be deemed necessary or desirable by the Governing Body; provided, however, that nothing herein contained shall permit or be construed to permit the modification of the terms and conditions in this Master Resolution or in the Bonds so as to:

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

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

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

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

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

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

Section 6.2. Notice of Proposed Amendment; Consent of Bondholders.

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

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

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

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

(e) The amount and number of Bonds owned by any person executing any such instrument of consent and the date of his holding the same may be proved by a certificate executed by any bank, trust company or member of the New York Stock Exchange, showing that on the date therein mentioned such person had on deposit with or exhibited under the claim of ownership to such bank, trust company or member of the New York Stock Exchange the Bonds therein described. The Governing Body may nevertheless in its discretion require further proof in cases where it deems further proof desirable.

ARTICLE VII

COVENANT AGAINST ARBITRAGE

Section 7.1. The Issuer covenants and agrees that, so long as the Bonds are outstanding, it will not take or omit to be taken, or permit to be taken or omitted to be taken, any action which will cause the interest on the bonds to be subject to federal income taxation. Without limiting the generality of the foregoing sentence, the Issuer in furtherance of the foregoing, covenants and agrees that it will not use or invest or cause to be used or invested any of the proceeds of the Bond in any manner which will cause the Bond to be an "arbitrage bond" within the meaning of Code Section 103 of the Internal Revenue Code as amended, and applicable regulations, including without limitations contained in an "Arbitrage Certificate" or other certificates of the Issuer delivered to the purchaser at the time of and in connection with the issuance and delivery of the Bond.

ARTICLE VIII

MISCELLANEOUS

Section 8.1. Discharge of Indebtedness. Any Bond and Future Parity Bonds shall not be deemed Outstanding when:

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

(2) Cash funds for the payment or prepayment of such Bond or Parity Bond shall have been theretofore deposited with the Depository for such Bond or Parity Bond, respectively (whether upon or prior to maturity of or the prepayment date established for such Bond or Parity Bond); provided that if the Bond or Parity Bond is to be prepaid prior to maturity, notice of such prepayment shall have been given or waiver of such notice shall have been filed with the Issuer by the registered owner of the Bond or Parity Bond, respectively, to be prepaid and there shall have been deposited irrevocably and arrangements shall have been made with the Depository to assure payment of all fees and expenses of the Depository to become due on and prior to the maturity or prepayment date, with no monies to be invested in any investments but direct obligations of or obligations guaranteed by the United States of America, maturing and bearing interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due.

Section 8.2. Execution of Escrow Agreement. The Executive Officer and the City Recorder are hereby authorized and directed to execute and deliver an Escrow Agreement to the parties thereto, with such changes, if any, as the Executive Officer may direct prior to such execution and delivery. Said execution of the Escrow Agreement shall constitute conclusive evidence of the approval thereof by the Executive Officer.

Section 8.3. Depository. The Depository hereunder shall be a Qualified Depository. If at any time the Depository hereunder shall cease to be a Qualified Depository, the Issuer shall, as soon as reasonably practicable, select a successor thereto who shall be a Qualified Depository.

Section 8.4. Resolution Not to be Construed to Make the Bond an Indebtedness of the Issuer. Nothing in this Master Resolution shall be construed in such a manner as to result in making the Bond an indebtedness of the Issuer, and if it shall ever be held by any court of competent jurisdiction that any or all of the provisions of this Master Resolution are invalid or that the enforcement of the provisions of this Master Resolution would make the Bond invalid or unenforceable, said provisions of this Master Resolution shall be considered to be null and void.

Section 8.5. Partial Invalidity. If any one or more articles, sections, paragraphs, clauses or provisions of this Master Resolution or the application thereof to any person or circumstances are held to be invalid by final decision in any court of competent jurisdiction, such invalidity shall not affect the other articles, sections, paragraphs, clauses and provisions of this Master Resolution which can be given effect without the article, section, paragraph, clause or provision so held to be invalid or the application of which is held to be invalid and shall not affect the application of such article, section, paragraph, clause or provision to other persons or circumstances and to this end the provisions of this Master Resolution are declared to be severable.

Section 8.6. Article and Section Headings. All references herein to "Articles", "Sections" and subdivisions are to the corresponding articles, sections or words of similar import refer to this Master Resolution as a whole and not to any particular Article, Section or subdivision hereof. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience or reference and shall not affect the meaning, construction or effect of this Master Resolution.

Section 8.7. Publication of Notice of Bonds to Be Issued. In accordance with the provisions of Section 11-14-316, Utah Code Annotated, 1953, as amended, the City Recorder has heretofore caused "Notice of Bonds to be Issued" to be published one (1) time in the Sanpete News, a newspaper having general circulation in Manti, Utah, which is hereby confirmed and ratified.

Section 8.8. Conflicting Resolutions. All resolutions and parts thereof in conflict herewith and hereby repealed to the extent of such conflict.

Section 8.9. Effective Date. Immediately after its adoption, this Master Resolution shall be signed by the Mayor and the City Recorder shall have the official seal of the Issuer impressed or imprinted hereon, shall be recorded in a book kept for that purpose and shall take immediate effect.

PASSED AND APPROVED this ____ day of _____________, 2025.

EPHRAIM CITY

By_______________________________
Mayor

ATTEST AND COUNTERSIGN:

By______________________________
City Recorder

[SEAL]

INTERLOCAL AGREEMENT FOR AIRPORT OPERATIONS AND MANAGEMENT

THIS INTERLOCAL AGREEMENT (hereinafter referred to as the "Agreement") is made and entered into as of this 21st day of October, 2025, by and between:

1. Ephraim City, a municipal corporation of the State of Utah;
2. Manti City, a municipal corporation of the State of Utah;
3. Sanpete County, a body corporate and politic and a legal subdivision of the State of Utah; and

(Collectively referred to as the "Parties" or individually as a "Party")

RECITALS:

WHEREAS, Ephraim City, Manti City, and Sanpete County desire to enter into an agreement for the joint operation and management of the Manti-Ephraim Airport (hereinafter referred to as the "Airport");

WHEREAS, the parties wish to operate the Airport under the name of the Sanpete Regional Airport;

WHEREAS, the Parties are authorized to enter into this Agreement pursuant to Utah's Interlocal Cooperation Act, which is codified at Title 11, Chapter 13 of the Utah Code (the "Act");

WHEREAS, this Agreement is made in compliance with the Federal Aviation Administration (FAA) regulations, including but not limited to 14 CFR Part 139 (Certification of Airports) and Part 150 (Airport Noise Compatibility Planning);

WHEREAS, the Parties recognize that cooperative action for the operation and management of the Airport will be to their mutual advantage and benefit, and to the advantage and benefit of the citizens they serve;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the Parties hereby agree as follows:

ARTICLE I. DEFINITIONS

1.1 "FAA" means the Federal Aviation Administration.
1.2 "Fiscal Year" means the 12-month period beginning July 1 and ending June 30.

1.3 "Airport Operating Area" means all real property and improvements used for aviation purposes as described in Exhibit A, attached hereto and incorporated herein by reference.
1.4 "Capital Improvement" means any addition, improvement, or replacement to the Airport's physical structure, costing in excess of $2,000.
1.5 "Cybersecurity Incident" means any event that actually or potentially jeopardizes the confidentiality, integrity, or availability of the Airport's information systems or the information such systems process, store, or transmit.
1.6 "Environmental Laws" means all federal, state, and local laws, regulations, ordinances, and rules relating to the protection of human health and the environment, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, and the Clean Air Act.

ARTICLE II. PURPOSE AND SCOPE

2.1 Purpose. The purpose of this Agreement is to establish a framework for the joint operation, management, and development of the Airport in compliance with all applicable federal, state, and local laws and regulations.

2.2 Scope of Services. The scope of services covered by this Agreement shall include, but not be limited to:
(a) Air traffic control
(b) Runway and taxiway maintenance
(c) Terminal operations and maintenance
(d) Security and law enforcement
(e) Emergency response services
(f) Environmental management and sustainability
(g) Noise mitigation
(h) Land use planning and zoning coordination
(i) Marketing and business development
(j) Information technology and cybersecurity
(k) Capital improvement planning and execution
(l) Financial management and reporting
(m) Regulatory compliance and liaison with governmental agencies

ARTICLE III. ROLES AND RESPONSIBILITIES

3.1 Authority Responsibilities. The Authority shall be responsible for:
(a) Overall management and operation of the Airport

(b) Compliance with all applicable FAA regulations, including 14 CFR Parts 139 and 150
(c) Preparation, implementation, and regular updates of the Airport Master Plan
(d) Negotiation and management of airline agreements and leases
(e) Coordination with federal agencies, including the FAA, Transportation Security Administration (TSA), and Customs and Border Protection (CBP)
(f) Environmental compliance and sustainability initiatives, including:
(i) Conducting annual environmental audits
(ii) Preparing and submitting required environmental reports to relevant agencies
(iii) Implementing and maintaining an Environmental Management System (EMS)
(g) Capital improvement planning and execution
(h) Development and implementation of a comprehensive Noise Mitigation Plan, including:
(i) Noise monitoring and modeling
(ii) Community outreach and education programs
(iii) Implementation of noise abatement procedures
(i) Cybersecurity management, including:
(i) Regular risk assessments and penetration testing
(ii) Implementation of cybersecurity best practices and technologies
(iii) Employee training on cybersecurity awareness
(iv) Incident response planning and execution
(j) Financial management and reporting, including:
(i) Preparation of monthly financial statements
(ii) Management of airport revenue and expenses
(iii) Coordination with external auditors for annual audits
(k) Marketing and air service development
(l) Management of airport concessions and non-aeronautical revenue sources

3.2 Ephraim City Responsibilities. Ephraim shall be responsible for:

(a) Coordinating land use planning and zoning in areas adjacent to the Airport, including:
    (i) Ensuring compliance with FAA height restrictions and land use compatibility requirements
    (ii) Participating in the development and updates of the Airport Master Plan
    Supporting the Authority in community relations and noise mitigation efforts, including:
    (i) Participating in community outreach events
    (ii) Assisting in the implementation of noise mitigation measures in affected communities
(b) Contribute to a fund to allow the airport to be eligible for FAA grants

(i) The required contribution for 2026 is $12,500

(ii) The required contribution for 2027 is $25,000

(iii) The party agrees to continue to match the required contribution for the remainder of this agreement.

(c) Perform the responsibilities as outlined in Exhibit A.

(d) Ephraim City shall be the FAA sponsoring agency.

(e) Assisting in emergency management and disaster response planning, including:
(i) Participating in the development and regular updates of the Airport Emergency Plan
(ii) Conducting annual tabletop and full-scale emergency exercises

(f) In 2028 and any subsequent years, Ephraim City shall pay 1/3 of all expenditures, including operating costs, and maintenance costs. Ephraim City or the Sanpete Regional Airport Authority shall issue monthly invoices which the invoiced party will pay within 30 days. This includes any costs that Ephraim City may incur in personnel costs directly associated with the airport (For example, Ephraim City could validly bill the other parties for over-time costs incurred by the Public Works Department personnel who plowed snow from the runway and taxiways).

   a. As an effort to assist Sanpete County in budgeting for these expenditures, the following tiered structure shall be utilized for costs in 2026 and 2027.
      i. In 2026, Ephraim City shall be responsible for 44.5% of all expenditures as outlined above.
      ii. In 2027, Ephraim City shall be responsible for 39% of all expenditures as outlined above.

3.3 Manti City Responsibilities. Manti shall be responsible for:

(a) Supporting the Authority in regional transportation planning efforts, including:
(i) Participating in regional transportation committees and working groups
(ii) Assisting in the coordination of ground transportation options to and from the Airport

(b) Assisting in emergency management and disaster response planning, including:
(i) Participating in the development and regular updates of the Airport Emergency Plan
(ii) Conducting annual tabletop and full-scale emergency exercises

(c) In 2028 and any subsequent years, Manti City shall pay 1/3 of all expenditures, including operating costs, and maintenance costs. Ephraim City or the Sanpete Regional Airport Authority shall issue monthly invoices which the invoiced party will pay within 30 days. This includes any costs that Ephraim City may incur in personnel costs directly associated with the airport (For example, Ephraim City could validly bill the other parties for over-time costs incurred by the Public Works Department personnel who plowed snow from the runway and taxiways).

a. As an effort to assist Sanpete County in budgeting for these expenditures, the following tiered structure shall be utilized for costs in 2026 and 2027.
   i. In 2026, Manti City shall be responsible for 44.5% of all expenditures as outlined above.
   ii. In 2027, Manti City shall be responsible for 39% of all expenditures as outlined above.

(d) Perform the responsibilities as outlined in Exhibit A.
(e) Contribute to a fund to allow the airport to be eligible for FAA grants
  (i) The required contribution for 2026 is $12,500
  (ii) The required contribution for 2027 is $25,000
  (iii) The party agrees to continue to match the required contribution for the remainder of this agreement.

3.4 Sanpete County Responsibilities. Sanpete County shall be responsible for:

(a) Coordinating land use planning and zoning in areas adjacent to the Airport, including:
(i) Ensuring compliance with FAA height restrictions and land use compatibility requirements
(ii) Participating in the development and updates of the Airport Master Plan
(b) Supporting the Authority in community relations and noise mitigation efforts, including:
(i) Participating in community outreach events
(ii) Assisting in the implementation of noise mitigation measures in affected communities
(c) Assisting in emergency management and disaster response planning, including:
(i) Participating in the development and regular updates of the Airport Emergency Plan
(ii) Conducting annual tabletop and full-scale emergency exercises
(d) In 2028 and any subsequent years, Sanpete County shall pay 1/3 of all expenditures, including operating costs, and maintenance costs. Ephraim City or the Sanpete County Regional Airport Authority shall issue monthly invoices which the invoiced party will pay within 30 days. This includes any costs that Ephraim City may incur in personnel costs directly associated with the airport (For example, Ephraim City could validly bill the other parties for over-time costs incurred by the Public Works Department personnel who plowed snow from the runway and taxiways).
  a. As an effort to assist Sanpete County in budgeting for these expenditures, the following tiered structure shall be utilized for costs in 2026 and 2027.

i. In 2026, Sanpete County shall be responsible for 11% of all expenditures as outlined above.
ii. In 2027, Sanpete County shall be responsible for 22% of all expenditures as outlined above.

(f) Perform the responsibilities as outlined in Exhibit A.

(g) Contribute to a fund to allow the airport to be eligible for FAA grants

(i) The required contribution for 2026 is $12,500

(ii) The required contribution for 2027 is $25,000

(iii) The party agrees to continue to match the required contribution for the remainder of this agreement.

ARTICLE IV. FINANCIAL ARRANGEMENTS

(a) Cost Sharing. The Parties agree to share the costs of Airport operations and management as follows:

a. Primary Responsible Party:
   i. Sanpete County Regional Airport: 100%
b. Secondary Responsible Parties:
   i. Ephraim City: 1/3 of all costs
   ii. Manti City: 1/3 of all costs
   iii. Sanpete County: 1/3 of all costs

(b) Cost Sharing Review and Adjustment. The cost-sharing formula shall be reviewed annually by the Airport Board. Adjustments to the formula may be proposed based on changes in operational requirements, financial conditions, or other relevant factors. Any proposed changes must be approved by a supermajority vote of the Airport Board as defined in Section 5.3.

(c) Handling of Unforeseen Expenses. In the event of unforeseen expenses or cost overruns exceeding 10% of the approved annual budget, the following procedure shall be followed:

a. The Authority shall immediately notify the Airport Board and provide a detailed explanation of the unforeseen expenses.
b. The Airport Board shall convene within five (5) business days to review the situation and determine an appropriate course of action.
c. Options for addressing unforeseen expenses may include, but are not limited to:
   i. Reallocation of funds within the existing budget
   ii. Use of reserve funds, if available
   iii. Special assessments to the Parties based on the cost-sharing formula
   iv. Deferral of non-essential expenses or capital projects

v. Any decision regarding the handling of unforeseen expenses shall require a supermajority vote of the Airport Board as defined in Section 5.3.

(d) Budget. The Authority shall prepare and submit an annual budget for Airport operations to the Parties no later than April 1 of each year for the upcoming Fiscal Year. The budget shall be subject to approval by the Airport Board as defined in Article V.

(e) Funding Sources. The Parties acknowledge that Airport operations will be funded through a combination of:

a. Aeronautical revenues (e.g., landing fees, terminal rents)
b. Non-aeronautical revenues (e.g., parking, concessions)
c. Federal and state grants
d. Passenger Facility Charges (PFCs)
e. Contributions from the Parties as outlined in Section 4.1

(f) Revenue Distribution. Any net revenue generated from Airport operations shall be reinvested in Airport operations and capital improvements, as determined by the Airport Board.

(g) Financial Reporting. The Authority shall provide the following financial reports:

a. Monthly financial statements to be distributed to the Parties within 15 days of the end of each month
b. Quarterly financial reports to be presented to the Airport Board at each quarterly meeting
c. Annual audited financial statement to be completed and distributed to the Parties within 120 days of the end of each Fiscal Year

(h) Financial Audits. The Airport's financial statements shall be audited annually by an independent certified public accounting firm selected by the Airport Board. The Parties shall have the right to review all financial records and conduct their own audits at their expense.

(i) Dissolution and Division of Assets.

a. Dissolution Authority. The dissolution of the municipal airport shall be conducted pursuant to applicable federal, state, and local laws, including but not limited to Federal Aviation Administration (FAA) regulations, state aviation statutes, and municipal ordinances governing the cessation of airport operations.

   i. Dissolution of the airport shall require the passage of a resolution by at least two-thirds of the governing bodies that are subject to this agreement.
   ii. Effective Date. The dissolution shall become effective on the date specified in the formal dissolution resolution adopted by the governing municipal authority ("Dissolution Date").

iii. Notice Requirements. Prior to dissolution, the municipality shall provide written notice to:
    1. All tenants, licensees, and users of the airport facilities;
    2. The FAA and relevant state aviation authorities;
    3. All holders of any security interests in airport assets; and
    4. The general public through publication in accordance with local requirements.

b. Division of Airport Assets
    i. Inventory and Valuation. Prior to division of assets, a complete inventory and fair market valuation of all airport property shall be conducted by an independent appraiser with aviation expertise, including:
        1. Real property, including runways, taxiways, aprons, and land;
        2. Buildings, hangars, terminals, and other improvements;
        3. Equipment, vehicles, and maintenance assets;
        4. Intangible assets, including leases, contracts, and intellectual property.
    ii. Satisfaction of Obligations. Prior to any distribution of assets, the following obligations shall be satisfied in order of priority:
        1. Federal grant obligations and assurances;
        2. Outstanding bonds, loans, and other secured debt;
        3. Contractual obligations to vendors, suppliers, and service providers;
        4. Employee-related obligations including wages, benefits, and severance;
        5. Environmental remediation requirements.
    iii. Distribution of Remaining Assets. After satisfaction of all obligations, remaining assets shall be distributed as follows:
        1. Assets acquired with federal or state grant funds shall be handled in accordance with applicable grant agreements and regulatory requirements;
        2. The property and any improvements thereon shall revert to Ephraim City;
        3. Remaining assets shall be transferred to the municipality's general fund or as otherwise directed by the governing municipal authority.

c. Special Considerations

i. FAA Compliance. All dissolution activities shall comply with FAA regulations regarding airport closure and the disposition of federally funded improvements.
ii. Environmental Matters. The parties acknowledge responsibility for environmental assessment and any required remediation of airport property in accordance with applicable federal, state, and local environmental laws.
iii. Continuing Obligations. Notwithstanding dissolution, the parties shall remain liable for any claims, liabilities, or obligations arising from airport operations prior to the Dissolution Date.

ARTICLE V. GOVERNANCE

5.1 Airport Board. The Parties hereby establish the Airport Board to oversee the operation and management of the Airport.

5.2 Composition.

(a) The Airport Board shall consist of six members, appointed as follows:

a. The Ephraim City Mayor
b. The Manti City Mayor
c. A Sanpete County Commissioner
d. Three non-voting advisory board members.
e. In 2026, the Chair shall be the Ephraim City Mayor. In all subsequent years, the voting members of the board shall select a chair by majority vote. The chair's term shall be for a calendar year.

5.3 Qualifications and Selection Process.
(a) All Board members shall either be the elected officials outlined above or have relevant experience in one or more of the following areas: aviation, finance, law, engineering, public administration, or business management.
(b) Each Party shall be allowed to appoint through its own process a designee instead of the Mayor should they so desire.
(c) Non-voting advisory board members shall serve staggered four-year terms, with initial appointments varying in length to establish the staggered structure.
(d) No advisory board member shall serve more than two consecutive full terms.

5.4 Voting. Each member of the Airport Board shall have one vote. Decisions shall be made by a majority vote.

5.5 Meetings. The Airport Board shall meet as needed and and shall comply with applicable open meeting laws of the State of Utah. Special meetings may be called by the Chair or by request of any two board members.

5.6 Committees. The Airport Board may establish standing or ad hoc committees as needed to address specific aspects of Airport operations and management. Such committees shall report their findings and recommendations to the full Board.

5.7 Performance Metrics and Evaluations.
(a) The Airport Board may establish annual performance metrics for the Airport, covering areas such as financial performance, operational efficiency, safety and security, environmental sustainability, and customer satisfaction.
(b) The Authority may provide quarterly reports on these metrics to the Airport Board.
(c) The Airport Board may conduct an annual evaluation of the Airport's performance based on these metrics and use the results to inform strategic planning and operational improvements.

ARTICLE VI. LIABILITY AND INSURANCE

6.1 Liability. Each Party shall be responsible for its own acts and omissions and the results thereof and shall not be responsible for the acts of the other Parties or their employees or agents. Nothing herein shall be construed as a waiver of the tort liability limitations, immunities, or defenses provided by state law.

6.2 Insurance Requirements. The Authority shall maintain the following insurance coverage:
(a) Airport Liability Insurance with limits of not less than $5,000,0000 per occurrence
(b) Damage to Premises Rented to You (Any one premise): $1,000,000

- (b) Medical Expense (Any one person): $5,000
- (c) Personal and Advertising Injury Aggregate: $5,000,000
- (d) Products/Completed Operations Aggregate: $5,000,000
- (e) Hangarkeepers – Each Aircraft: $5,000,000
- (f) Hangarkeepers – Each Loss: $5,000,000

6.3 Additional Insured. Ephraim City, Manti City, and Sanpete County shall be named as additional insureds on all liability policies maintained by the Authority.

6.4 Insurance Review. The Airport Board shall review insurance coverage annually to ensure adequacy and compliance with industry standards and regulatory requirements.

ARTICLE VII. DISPUTE RESOLUTION

7.1 Negotiation. The Parties agree to attempt to resolve any disputes arising under this Agreement through good faith negotiations. Any Party may initiate the negotiation process by providing written notice to the other Parties, detailing the nature of the dispute and proposed resolution.

7.2 Mediation. If negotiations fail to resolve the dispute within thirty (30) days of the initial written notice, the Parties agree to submit the dispute to mediation. The following process shall be followed:
(a) The Parties shall jointly select a mediator within fifteen (15) days of the expiration of the negotiation period.
(b) If the Parties cannot agree on a mediator, each Party shall nominate two potential mediators, and the final selection shall be made by random draw from these nominations.
(c) The mediation shall commence within thirty (30) days of the mediator's selection.
(d) The Parties agree to participate in the mediation in good faith and to share the costs of mediation equally.

7.3 Arbitration. If mediation fails to resolve the dispute within sixty (60) days of the selection of a mediator, the dispute shall be settled by binding arbitration, as follows:
(a) The arbitration shall be conducted in accordance with the rules of the American Arbitration Association.
(b) A panel of three arbitrators shall be selected, with each Party choosing one arbitrator and the two selected arbitrators choosing the third.
(c) The arbitration hearing shall commence within sixty (60) days of the appointment of the arbitration panel.
(d) The arbitrators shall render a decision within thirty (30) days of the conclusion of the hearing.
(e) The decision of the arbitrators shall be final and binding on all Parties.
(f) The costs of arbitration shall be shared equally by the Parties, unless the arbitrators determine otherwise based on the circumstances of the dispute.

ARTICLE VIII. TERM, TERMINATION, AND AMENDMENT

8.1 Term. This Agreement shall be effective for an initial term of twenty (20) years from the date first written above, with automatic renewals for successive ten (10)-year terms unless terminated as provided herein.

8.2 Termination. This Agreement may be terminated:
(a) By mutual agreement of all Parties
(b) By any Party upon twenty-four (24) months' written notice to the other Parties
(c) Upon material breach by any Party, if such breach is not cured within ninety (90) days of written notice

8.3 Amendment. This Agreement may be amended only by written agreement signed by all Parties. The amendment process shall be as follows:
(a) Any Party may propose an amendment by submitting it in writing to the Airport Board.
(b) The Airport Board shall review the proposed amendment and make a recommendation within sixty (60) days of receipt.
(c) If recommended by the Airport Board, the proposed amendment shall be submitted to each Party's governing body for approval.
(d) The amendment shall become effective upon approval by all Parties' governing bodies and execution by authorized representatives.

8.4 Periodic Review. The Parties agree to conduct a comprehensive review of this Agreement every five (5) years to ensure it remains relevant and effective in meeting the needs of the Airport and the communities it serves. The review process shall include:
(a) An assessment of the Agreement's effectiveness in achieving its stated purposes
(b) Evaluation of the governance structure and decision-making processes
(c) Review of financial arrangements and cost-sharing formulas
(d) Consideration of changes in aviation industry trends and regulatory requirements
(e) Solicitation of feedback from key stakeholders, including airport users and community representatives

ARTICLE IX. CAPITAL IMPROVEMENTS

9.1 Capital Improvement Plan. The Authority shall develop and maintain a five-year Capital Improvement Plan (CIP), which shall be updated annually and approved by the Airport Board. The CIP shall include:

(a) A description of proposed capital projects
(b) Estimated costs and funding sources for each project
(c) Projected timelines for project implementation
(d) Analysis of the impact of proposed projects on airport operations and finances

9.2 Approval Process. The following process shall be followed for approving capital improvements:
(a) Projects included in the approved CIP may proceed without further Airport Board approval if they remain within the approved budget and scope.
(b) Any capital project not included in the CIP or exceeding the approved budget by more than 10% shall require separate Airport Board approval.
(c) Major capital improvements, as defined in Section 5.4(b), shall require a supermajority vote of the Airport Board.

9.3 Funding of Capital Improvements. Capital improvements may be funded through a combination of:
(a) Airport revenue
(b) Federal and state grants
(c) Passenger Facility Charges (PFCs)
(d) Airport revenue bonds
(e) Special assessments to the Parties, subject to Airport Board approval

9.4 Coordination with Master Plan. All capital improvements shall be consistent with the approved Airport Master Plan. Any proposed capital improvement that deviates significantly from the Master Plan shall require an amendment to the Master Plan prior to approval.

ARTICLE X. TECHNOLOGY AND INNOVATION

10.1 Technology Master Plan. The Authority shall develop and maintain a Technology Master Plan, to be updated every three years and approved by the Airport Board. The plan shall address:
(a) Information technology infrastructure
(b) Cybersecurity measures
(c) Passenger processing technologies
(d) Security camera surveillance
(e) Operational efficiency improvements through technology
(f) Emerging technologies and their potential application to airport operations

10.2 Innovation Program. The Authority shall establish an Innovation Program to identify, evaluate, and implement new technologies and processes that can improve airport operations, enhance the passenger experience, or increase efficiency. The program shall include:
(a) A process for soliciting and evaluating innovative ideas from staff, airport users, and external partners
(b) Pilot projects to test new technologies or processes
(c) Procedures for scaling successful innovations across airport operations

10.3 Cybersecurity. The Authority shall implement and maintain a comprehensive cybersecurity program, including:
(a) Regular risk assessments and penetration testing
(b) Implementation of industry-standard cybersecurity measures
(c) Employee training on cybersecurity awareness and best practices
(d) Incident response plans for addressing cybersecurity breaches
(e) Quarterly reports to the Airport Board on cybersecurity status and any significant incidents

ARTICLE XI. SURPLUS PROPERTY

11.1 Identification of Surplus Property. The Authority shall conduct an annual review to identify any Airport property that is no longer necessary for airport operations or future development as outlined in the Airport Master Plan.

11.2 Disposal Process. The disposal of surplus airport property shall comply with FAA regulations, including but not limited to the requirements set forth in FAA Order 5190.6B (or its successor). The process shall include:
(a) Determination that the property is no longer needed for aeronautical purposes
(b) Obtaining FAA approval for the release of the property from airport obligations
(c) Fair market value appraisal of the property
(d) Public notice and opportunity for comment on the proposed disposal
(e) Airport Board approval of the disposal by supermajority vote

11.3 Use of Proceeds. Any proceeds from the sale of surplus airport property shall be reinvested in the Airport or used to retire airport-related debt, in accordance with FAA regulations.

ARTICLE XII. MISCELLANEOUS PROVISIONS

12.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah.

12.2 Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remainder of the Agreement shall not be affected and shall remain in full force and effect.

12.3 Force Majeure. No Party shall be liable for any failure or delay in performing its obligations under this Agreement due to causes beyond its reasonable control, including but not limited to acts of God, war, terrorism, pandemics, or government actions. The affected Party shall notify the other Parties as soon as possible of the force majeure event and its expected duration.

12.4 Entire Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings.

12.5 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.6 Compliance with Laws. The Parties shall comply with all applicable federal, state, and local laws, rules, and regulations in the performance of this Agreement.

12.7 Non-Discrimination. The Parties agree not to discriminate against any person on the basis of race, color, national origin, sex, age, disability, or any other protected characteristic in the performance of this Agreement, in accordance with Title VI of the Civil Rights Act of 1964, the Americans with Disabilities Act, and other applicable federal and state laws.

12.8 Notices. All notices required under this Agreement shall be in writing and shall be deemed given when delivered personally, by email with confirmation of receipt, or three days after being deposited in the United States mail, postage prepaid, to the addresses listed for each Party in the signature block of this Agreement.

12.9 Waiver. The failure of any Party to enforce any provision of this Agreement shall not be construed as a waiver of that provision or the right of the Party to subsequently enforce it.

12.10 Assignment. No Party may assign its rights or obligations under this Agreement without the prior written consent of the other Parties.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

EPHRAIM CITY
By:
Name: John Scott
Title: Mayor
Address: 5 S. Main Street, Ephraim, UT 84627
Email: jscott@ephraim.gov

MANTI CITY
By:
Name: Alfred Bigelow
Title: Mayor
Address: 50 S Main Street, #1, Manti UT 84642
Email: mayor.bigelow@manti.gov

SANPETE COUNTY
By:
Name:
Title: Commissioner
Address: 160 N. Main, Manti UT 84642
Email:

Exhibit A: Sanpete County Regional Airport Division of Responsibilities [DETAILED LIST OF RESPONSIBILITIES OF EACH ENTITY]

Exhibit B: Description of Airport Operating Area
[DETAILED DESCRIPTION OF AIRPORT BOUNDARIES AND FACILITIES TO BE INSERTED]

Exhibit C: Initial Five-Year Capital Improvement Plan
[DETAILED CAPITAL IMPROVEMENT PLAN TO BE INSERTED]

Exhibit D: Airport Master Plan Executive Summary
[EXECUTIVE SUMMARY OF THE CURRENT AIRPORT MASTER PLAN TO BE INSERTED]

Exhibit E: Environmental Compliance Program Overview
[OVERVIEW OF THE ENVIRONMENTAL COMPLIANCE PROGRAM TO BE INSERTED]

Exhibit F: Technology Master Plan Executive Summary
[EXECUTIVE SUMMARY OF THE TECHNOLOGY MASTER PLAN TO BE INSERTED]

Exhibit A

Sanpete County Regional Airport

Division of Responsibilities

1. The parties agree to divide the various responsibilities for the Sanpete County Regional Airport as follows:
    a. Sanpete County shall be responsible for the following Public Relations and Community Development tasks:
        i. Fly-in
        ii. Provide customer service for all pilots
        iii. Customer Service - Pilots & General Public
        iv. Pilot Relations
        v. Rental Car
        vi. Planning and Zoning
        vii. Buffer Zones Maps
        viii. Pilot's Lounge
        ix. Website
        x. Advertising
    b. Ephraim City shall be responsible for the following Financial Management:
        i. Financial Statements
        ii. Audits
        iii. Accounts Payable
        iv. Accounts Receivable
        v. Bank Reconciliations
        vi. Cash Management
        vii. Hangar Leases
        viii. Insurances
    c. Ephraim City shall be responsible for the following Electrical Operation and Maintenance tasks:
        i. Fuel Ordering
        ii. Maintenance of the main power line that feeds the airport and the power lines throughout the airport
        iii. PAPI Maintenance and Repair
        iv. Repair and replacement of the light fixtures and bulbs for the runway lights
        v. General Maintenance of the AWOS
    d. Manti City shall be responsible for the following General Management tasks:
        i. General Airport Management
        ii. Monitor and approve all expenses
        iii. Grant Management
        iv. Guide and direct airport operational and maintenance personnel
        v. Follow government rules and regulations for airport operations
        vi. Assist in preparing annual budget for airport operations
        vii. Review and revise airport safety and security plans as needed

viii. Develop and implement safety policies and practices for employees
ix. Inspect runway grounds and lighting
x. Oversee and report on construction projects
xi. Discuss airport operations and activity with UDOT and FAA regularly
xii. Assist FAA and UDOT with search and rescue, when necessary
xiii. FAA Relationship
xiv. UDOT Relationship
xv. Woolpert Relationship
xvi. Vendor Relationships
xvii. Board Meeting Agendas
xviii. Board Meeting Minutes
xix. Engineering Oversight
xx. Weekly Fuel Monitoring
xxi. Plan Reviews
xxii. Manage & Assign Gate Access Codes

e. The parties agree to share the following tasks as follows:
   i. Airstrip and Facility Maintenance:
      1. Ephraim and Manti shall be responsible for:
         a. Snow Removal
         b. Regular Sweeping of runway once monthly and following snow removal
      2. Sanpete County shall be responsible for:
         a. Weeds and mowing
         b. Wildlife Management
         c. Exterior Fence Repair
   ii. Public Safety
      1. Ephraim and Sanpete County shall be responsible for:
         a. Regular Patrols and Security Checks
      2. Sanpete county shall provide and coordinate training in safety and emergency procedures

2. The parties may agree to amend these responsibilities as they see fit at anytime as contemplated in the interlocal agreement which this exhibit is subject to.

EPHRAIM CITY
ORDINANCE ECO 25-11

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

SECTION 1: **AMENDMENT** "12.08.150 Community Center Fees" of the Ephraim City Municipal Code is hereby *amended* as follows:

BEFORE AMENDMENT

12.08.150 Community Center Fees

Reservation Fee for Residents	$ 125.00 for Entire Day
Security Deposit for Residents	$ 200.00 for Entire Day
Reservation Fee for Ephraim City Employees	$ 62.50 for Entire Day
Reservation Fee for Nonresidents	$ 150.00 for Entire Day
Security Deposit for Nonresidents	$ 250.00 for Entire Day
Event Reservation Fee (For Profit)	$30 per hour or 20% of revenue, at the discretion of Ephraim City Recreation Department.

AFTER AMENDMENT

12.08.150 Community Center Fees

Reservation Fees		
Type	*Cost*	*Description*
Reservation Fee- Half Day (Weekdays)	$ 125.00	Half day rentals are for the morning (7AM-2:30PM)or evenings (3:30 PM- 11 PM) Only available Mon-Friday
Reservation Fee- Full Day (Weekdays)	$ 250.00	Full Day rental is 7:00 AM- 11:00 PM.
Reservation Fee- Weekends	$ 275.00	Full Day rental is 7:00 AM- 11:00 PM.
Reservation Fee- City	$ 50.00	Special Rate for Ephraim City employees.

Employees		
For Profit Reservation Fee-	$ 350.00	Any entity using the community center to make money will be charged this rate per day.
Non-Profit Reservation Fee-	$0	No charge if the event is a benefit to the community. City approval required.
Security Deposit	$ 250.00	The Security deposit is fully refundable. All reservations are required to pay the security deposit, including non-profit.
A/V Package	$ 100.00	This package includes use of the projector and screen, DVD player, and portable speaker with microphone.

Equipment Rentals		
Type	*Cost*	*Description*
Sno-cone Machine	$ 50.00	Sno-cone machine with flavors and cups. Must provide your own ice.
Inflatable Movie Screen	$ 250.00	Includes the use of the projector, DVDD player, and speaker.
Corn Hole Sets	$ 100.00	
Giant Connect Four	$ 50.00	

SECTION 2: **AMENDMENT** “12.08.110 Library Fees” of the Ephraim City Municipal Code is hereby *amended* as follows:

BEFORE AMENDMENT

12.08.110 Library Fees

One time
Varies

Library Cards Fees		
Residents/Consortium Members		$ 0.00
Non-Residents	Every three years	$ 30.00
College Students/Temporary Resident	$ 5.00	
Replacement Card		$ 1.00

Late Fees		
Media Collection	Daily	$ 1.00
Inter-Library Loans	Daily	$ 1.00
Miscellaneous Fees		
CD Cleaning	Each Item	$ 1.50
Inter-Library Loan No-show Fee	Each Item	$ 5.00
Photocopies/Prints Color(color)	Single page	$ 1.00
Photocopies/Prints (B&W)	Single page	$ 0.10
Lost Items	Replacement Cost	per item

AFTER AMENDMENT

12.08.110 Library Fees

One time
Varies

Library Cards Fees			
Type	How often charged	Cost	Description
Residents(Ephraim & Chester)/~~Consortium Members~~	Annually	$ 0.00	Cards are free for residents of Ephraim, Chester, and Ephraim City Employees who are non-residents.
Non Residents (Adult)	Annually	$40.00	Any patron 18+ who lives outside of Ephraim or Chester.
Non-Residents (Juvenile)	Annually~~Every three years~~	$~~3~~20.00	Any patron under 18 who lives outside of Ephraim or Chester.
~~College Students/Temporary Resident~~	~~$ 5.00~~		
Replacement Card		$ 1.00	Only charged when a patron requests a replacement library card.
Late Fees			
DVD/Blu-Rays~~Media~~	Per Item Per Day~~Daily~~	$ 1.00	Charged per item per day up to five days. Fees capped at $5.00 per item. Items not returned within

~~Collection~~			7 days of due date will be marked lost.
Books on CD	Per Item Per Day	$0.50	Charged per item per day up to five days. Fees capped at $2.50 per item. Items not returned within 7 days of due date will be marked lost.
Library of Things	Per Item Per Day	$1.00	Charged per item per day up to five days. Fees capped at $5.00 per item. Items not returned within 7 days of due date will be marked lost.
Inter-Library Loans	Per Item Per Day~~Daily~~	$ 1.00	Charged per item per day up to five days. Fees capped at $5.00 per item. Items not returned within 7 days of due date will be marked lost.
Miscellaneous Fees			
CD Cleaning	Per~~Each~~ Item	$ 1.50	Charged when patrons want to have their personal CDs cleaned.
Inter-Library Loan No-show Fee	Per~~Each~~ Item	$ 5.00	Charged when ILL requested but never picked up. Covers cost of return postage.
Photocopies/Prints Color(color)	Single page	$ 1.00	Color single sided paper.
Photocopies/Prints (B&W)	Single page	$ 0.10	Black and white single sided paper.
Lost Items	Per Item~~Replacement Cost~~	Varies~~per item~~	This is a replacement cost charge. It varies depending on the item that was lost.
MakerSpace Commercial Usage Fee	Per session	$20.00	This fee is only charged if using makerspace equipment as part of a personal business venture. Non-commercial use is free.

PASSED AND ADOPTED BY THE EPHRAIM CITY COUNCIL
________________________________.

	AYE	**NAY**	**ABSENT**	**ABSTAIN**
Councilmember Nordfelt	_______	_______	_______	_______
Councilmember Birch	_______	_______	_______	_______
Councilmember Beal	_______	_______	_______	_______
Councilmember Anderson	_______	_______	_______	_______
Councilmember Stevens	_______	_______	_______	_______

Presiding Officer	Attest
______________________________	______________________________
John Scott, Mayor, Ephraim City	Candice Maudsley, Recorder, Ephraim City