HEBER VALLEY SPECIAL SERVICE DISTRICT

1000 East Main Street
Midway, UT 84049-0427
Phone: (435) 654-2248

BOARD MEETING at 4:00 PM
April 9, 2026
AGENDA ITEMS

Conducting: Chair, Heidi Franco

AGENDA ITEMS:

1. **Public Comment:** This is the public's opportunity to comment on items not on the agenda.
2. **Entity Updates:** From HVSSD Member Entities
3. **Committee Updates:** From HVSSD Committees
4. **Christine Morgan – Clerk Introduction** (Jim Goodley- 10 mins)
5. **Consent Agenda:**
    a. Balance Sheet March 2026
    b. Bank Reconciliation March 2026
    c. P&L March 2026
    d. PTIF General Fund March 2026 PTIF_GenFund_March2026.pdf
    e. PTIF Impact Fee March 2026 PTIF_ImpactFee_March2026.pdf
    f. PTIF Bond March 2026 PTIF_DredgingBond_March2026.pdf
    g. March 2026 Warrant list approval
    h. March 2026 YTD Budget
    i. March 2026 Board Meeting Minutes PENDING_03-12-2026_HVSSD Board Meeting Minutes.pdf
    j. Dredging Project – Retainage Release APG US Invoice #20364 2026-04-07 Heber Valley Retainage.pdf
6. **CIB Bond-** Consideration of a resolution approving/ratifying prior actions of the Administrative Control Board authorizing the issuance of approximately $2,000,000 of the prior authorized $23,000,000 of Sewer Revenue Bonds, Series 2026 including accompanying bond documentation; and related matters. (Mark Andeson- Zions Bank- 20 mins) Resolution Ratifying Prior Paramters Resolution- HVSSD Sewer Rev 2026_04_06_2026.pdf Supplemental Master Resolution - Heber Valley Special Service District Sewer Revenue 2026.pdf
7. **Groundwater Discharge Permit- Sampling and Analysis Plan Proposal** - Consideration of a motion to approve. (Jim Goodley-20 mins) Prp26-16-HVSSD-GWDischPermitDraftSAP .pdf
8. **Farm Lease** – Consideration of a motion to approve the farm lease. (Jim Goodley- 20 mins) Farm Lease, RQN Redline 4.3.2026 (006).pdf
9. **Manager's Report** (Jim Goodley- 30 mins) ManagersReport_04_09_2026_2.pdf
10. **Closed Session** (Optional)– a strategy session to discuss pending or reasonably imminent litigation pursuant to U.C.A. 52-4-205 and/or discuss personnel or property items.
11. **Adjourn Regular Meeting**

ELECTRONIC PARTICIPATION: If you are interested in participating via electronic media, please go to our HVSSD website for the link at www.hebervalleyssd.gov . Published on the State Public Notice Website at www.hebervalleyssd.gov and at the Heber Valley Special Service District Administration Building

STATEMENT OF ACCOUNT

P T I F

U T A H P U B L I C T R E A S U R E R S ' I N V E S T M E N T F U N D

Marlo M. Oaks, Utah State Treasurer, Fund Manager
PO Box 142315
350 N State Street, Suite 180
Salt Lake City, Utah 84114-2315
Local Call (801) 538-1042 Toll Free (800) 395-7665
www.treasurer.utah.gov

HEBER VALLEY SP SERV DIST
GENERAL MANAGER
PO BOX 427
MIDWAY UT 84049-0427

Account	Account Period
1014	March 01, 2026 through March 31, 2026

Summary

Beginning Balance	$ 1,234,009.81	Average Daily Balance	$ 1,111,429.16
Deposits	$ 3,643.23	Interest Earned	$ 3,643.23
Withdrawals	$ 200,000.00	360 Day Rate	3.8067
Ending Balance	$ 1,037,653.04	365 Day Rate	3.8595

Date	Activity	Deposits	Withdrawals	Balance
03/01/2026	FORWARD BALANCE	$ 0.00	$ 0.00	$ 1,234,009.81
03/13/2026	xfertoZi	$ 0.00	$ 200,000.00	$ 1,034,009.81
03/31/2026	REINVESTMENT	$ 3,643.23	$ 0.00	$ 1,037,653.04
03/31/2026	ENDING BALANCE	$ 0.00	$ 0.00	$ 1,037,653.04

STATEMENT OF ACCOUNT

P T I F

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HEBER VALLEY SP SERV-IMPACT
GENERAL MANAGER
PO BOX 427
MIDWAY UT 84049-0427

Account	Account Period
1524	March 01, 2026 through March 31, 2026

Summary

Beginning Balance	$ 16,478,098.79	Average Daily Balance	$ 16,506,013.63
Deposits	$ 116,406.26	Interest Earned	$ 54,106.26
Withdrawals	$ 0.00	360 Day Rate	3.8067
Ending Balance	$ 16,594,505.05	365 Day Rate	3.8595

Date	Activity	Deposits	Withdrawals	Balance
03/01/2026	FORWARD BALANCE	$ 0.00	$ 0.00	$ 16,478,098.79
03/13/2026	MarchIF	$ 33,360.00	$ 0.00	$ 16,511,458.79
03/24/2026	HeberMar	$ 28,940.00	$ 0.00	$ 16,540,398.79
03/31/2026	REINVESTMENT	$ 54,106.26	$ 0.00	$ 16,594,505.05
03/31/2026	ENDING BALANCE	$ 0.00	$ 0.00	$ 16,594,505.05

STATEMENT OF ACCOUNT

P T I F

U T A H P U B L I C T R E A S U R E R S ' I N V E S T M E N T F U N D

Marlo M. Oaks, Utah State Treasurer, Fund Manager
PO Box 142315
350 N State Street, Suite 180
Salt Lake City, Utah 84114-2315
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www.treasurer.utah.gov

HVSSD-BOND
GENERAL MANAGER
PO BOX 427
MIDWAY UT 84049-0427

Account	Account Period
9150	March 01, 2026 through March 31, 2026

Summary

Beginning Balance	$ 1,724,290.00	Average Daily Balance	$ 881,062.61
Deposits	$ 2,888.10	Interest Earned	$ 2,888.10
Withdrawals	$ 1,375,792.05	360 Day Rate	3.8067
Ending Balance	$ 351,386.05	365 Day Rate	3.8595

Date	Activity	Deposits	Withdrawals	Balance
03/01/2026	FORWARD BALANCE	$ 0.00	$ 0.00	$ 1,724,290.00
03/13/2026	PayApp4	$ 0.00	$ 1,375,792.05	$ 348,497.95
03/31/2026	REINVESTMENT	$ 2,888.10	$ 0.00	$ 351,386.05
03/31/2026	ENDING BALANCE	$ 0.00	$ 0.00	$ 351,386.05

Heber Valley Special Service District
Custom Transaction Detail Report
March 11 through April 8, 2026

Type	Date	Num	Name	Memo	Account	Class	Clr	Split	Debit	Credit	Balance
AQUA ENGINEERING											
Bill	03/27/2026	32626	AQUA ENGINEERING	Headworks Screen Project - CIB	ACCOUNTS PAYAB...	PLANT		5215311 PLAN...		11,926.25	-11,926.25
Total AQUA ENGINEERING									0.00	11,926.25	-11,926.25
BORDER STATES INDUSTRIES INC											
Bill	03/11/2026	932012279	BORDER STATES INDUSTRIES INC	PO Head works - CIB	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		66.96	-66.96
Total BORDER STATES INDUSTRIES INC									0.00	66.96	-66.96
CHEMTECH-FORD											
Bill	03/16/2026	26C0098	CHEMTECH-FORD	March Week #1	ACCOUNTS PAYAB...	PLANT		5213240 OFFI...		1,641.00	-1,641.00
Bill	03/24/2026	26C0936	CHEMTECH-FORD	Irrigation Farm 1st Quarter	ACCOUNTS PAYAB...	FARM		5314000 FARM...		1,350.00	-2,991.00
Bill	03/30/2026	26C1269	CHEMTECH-FORD	March Week #2	ACCOUNTS PAYAB...	PLANT		5213240 OFFI...		1,109.00	-4,100.00
Total CHEMTECH-FORD									0.00	4,100.00	-4,100.00
CRAIG SIMONS - STIPEND											
Bill	04/08/2026	APRIL	CRAIG SIMONS - STIPEND	DIRECTOR'S STIPEND - MARCH 2026	ACCOUNTS PAYAB...	PLANT		5215312 DIRE...		350.00	-350.00
Total CRAIG SIMONS - STIPEND									0.00	350.00	-350.00
DON HUGGARD - STIPEND											
Bill	04/08/2026	APRIL	DON HUGGARD - STIPEND	DIRECTOR'S STIPEND - MARCH 2026	ACCOUNTS PAYAB...	PLANT		5215312 DIRE...		350.00	-350.00
Total DON HUGGARD - STIPEND									0.00	350.00	-350.00
DOUG CLEMENTS - STIPEND											
Bill	04/08/2026	APRIL	DOUG CLEMENTS - STIPEND	DIRECTOR'S STIPEND - MARCH 2026	ACCOUNTS PAYAB...	PLANT		5215312 DIRE...		350.00	-350.00
Total DOUG CLEMENTS - STIPEND									0.00	350.00	-350.00
DS Accounting Services LLC											
Bill	03/31/2026	2026-0120	DS Accounting Services LLC		ACCOUNTS PAYAB...	PLANT		5215310 PROF...		3,500.00	-3,500.00
Total DS Accounting Services LLC									0.00	3,500.00	-3,500.00
ENBRIDGE GAS											
Bill	03/17/2026	5465020000	ENBRIDGE GAS	Servbice 02/16/26-3/16/26	ACCOUNTS PAYAB...	PLANT		5213271 OTHE...		1,380.41	-1,380.41
Total ENBRIDGE GAS									0.00	1,380.41	-1,380.41
ETS											
Bill	03/31/2026	EM-297	ETS		ACCOUNTS PAYAB...	PLANT		5215310 PROF...		2,345.80	-2,345.80
Total ETS									0.00	2,345.80	-2,345.80
FRONTIER PRECISION											
Bill	03/16/2026	INV35021	FRONTIER PRECISION	PO #38	ACCOUNTS PAYAB...	PLANT		5215311 PLAN...		11,216.00	-11,216.00
Total FRONTIER PRECISION									0.00	11,216.00	-11,216.00
HEBER CITY CORPORATION											
Bill	03/11/2026	MARCH	HEBER CITY CORPORATION	OVERCHARGE REIMBURSEMENT	ACCOUNTS PAYAB...	PLANT		3731110 CAPI...		395,438.44	-395,438.44
Bill	04/08/2026	APRIL	HEBER CITY CORPORATION	DIRECTOR'S STIPEND - MARCH 2026	ACCOUNTS PAYAB...	PLANT		-SPLIT-		1,050.00	-396,488.44
Total HEBER CITY CORPORATION									0.00	396,488.44	-396,488.44
HEBER LIGHT & POWER											
Bill	03/31/2026	03222026	HEBER LIGHT & POWER	ACCOUNTS 1511: 5001, 5002, 5003, 5005, 5006, 5007, 5008, 5009, 5010	ACCOUNTS PAYAB...			-SPLIT-		30,674.78	-30,674.78
Total HEBER LIGHT & POWER									0.00	30,674.78	-30,674.78
LEE'S MARKETPLACE											
Bill	03/25/2026	03-726870	LEE'S MARKETPLACE	PO 57465	ACCOUNTS PAYAB...	PLANT		5213710 OFC ...		45.92	-45.92
Total LEE'S MARKETPLACE									0.00	45.92	-45.92
LUBRICATION ENGINEERS, INC											
Bill	03/16/2026	IN578737	LUBRICATION ENGINEERS, INC	PM 35	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		3,215.69	-3,215.69
Total LUBRICATION ENGINEERS, INC									0.00	3,215.69	-3,215.69
MABEY WRIGHT & JAMES PLLC											
Bill	03/11/2026	2065	MABEY WRIGHT & JAMES PLLC	Notices from Provo City South	ACCOUNTS PAYAB...	PLANT		5215310 PROF...		300.00	-300.00
Total MABEY WRIGHT & JAMES PLLC									0.00	300.00	-300.00
MOUNTAINLAND SUPPLY CO											
Bill	03/11/2026	S10768014.002	MOUNTAINLAND SUPPLY CO	PO Rusty	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		369.30	-369.30
Bill	03/12/2026	S107693224.001	MOUNTAINLAND SUPPLY CO	PO Pivot 3 & 4	ACCOUNTS PAYAB...	FARM		5314000 FARM...		31.83	-401.13
Bill	03/18/2026	S107707606.001	MOUNTAINLAND SUPPLY CO	PO #41	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		54.87	-456.00
Bill	03/20/2026	S107704530.001	MOUNTAINLAND SUPPLY CO	PO Keys & Valve	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		523.56	-979.56
Total MOUNTAINLAND SUPPLY CO									0.00	979.56	-979.56

Heber Valley Special Service District
Custom Transaction Detail Report
March 11 through April 8, 2026

Type	Date	Num	Name	Memo	Account	Class	Clr	Split	Debit	Credit	Balance
Old West Waste Solutions											
Bill	03/31/2026	2449	Old West Waste Solutions	2/4/26-3/26/26	ACCOUNTS PAYAB...	FARM		5314000 FARM...		628.00	-628.00
Bill	03/31/2026	2450	Old West Waste Solutions	3/26/26-3/30/26	ACCOUNTS PAYAB...	FARM		5314000 FARM...		530.00	-1,158.00
Total Old West Waste Solutions									0.00	1,158.00	-1,158.00
Parkland USA Corporation (RHINEHART OIL)											
Bill	03/17/2026	IN-131037-26	Parkland USA Corporation (RHINEHART...	PO: PM 40	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		136.05	-136.05
Total Parkland USA Corporation (RHINEHART OIL)									0.00	136.05	-136.05
RAY QUINNEY & NEBEKER P.C.											
Bill	03/12/2026	835371	RAY QUINNEY & NEBEKER P.C.		ACCOUNTS PAYAB...	PLANT		5215310 PROF...		7,614.00	-7,614.00
Total RAY QUINNEY & NEBEKER P.C.									0.00	7,614.00	-7,614.00
SKM ENGINEERING											
Bill	03/16/2026	32506	SKM ENGINEERING	Heber Valley Maintenance	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		1,318.75	-1,318.75
Total SKM ENGINEERING									0.00	1,318.75	-1,318.75
State Engineer											
Bill	03/25/2026	101830 2026	State Engineer	2026 Assessment Provo River Distrib System	ACCOUNTS PAYAB...	FARM		5214720 WAT...		177.53	-177.53
Total State Engineer									0.00	177.53	-177.53
SUNRISE ENGINEERING											
Bill	03/16/2026	ARIV1011143	SUNRISE ENGINEERING	Groundwater Contour Mapping	ACCOUNTS PAYAB...	PLANT		5215310 PROF...		1,040.00	-1,040.00
Total SUNRISE ENGINEERING									0.00	1,040.00	-1,040.00
TWIN D INC											
Bill	03/13/2026	821879 RI	TWIN D INC	Midway Treat Plant/Rusty	ACCOUNTS PAYAB...			5213245 REPA...		2,716.25	-2,716.25
Bill	03/16/2026	8231991 RI	TWIN D INC	Heber Valley Lagoon/Rusty	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		3,220.00	-5,936.25
Total TWIN D INC									0.00	5,936.25	-5,936.25
USA BLUEBOOK											
Bill	03/11/2026	INV00986712	USA BLUEBOOK	PO 39	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		125.02	-125.02
Total USA BLUEBOOK									0.00	125.02	-125.02
WASATCH AUTO PARTS											
Bill	03/16/2026	336315	WASATCH AUTO PARTS	PM 2	ACCOUNTS PAYAB...	PLANT		5213245 REPA...		300.74	-300.74
Total WASATCH AUTO PARTS									0.00	300.74	-300.74
WASATCH COUNTY											
Bill	04/01/2026	552	WASATCH COUNTY		ACCOUNTS PAYAB...			-SPLIT-		8,312.30	-8,312.30
Total WASATCH COUNTY									0.00	8,312.30	-8,312.30
WASATCH COUNTY - STIPEND											
Bill	04/08/2026	APRIL	WASATCH COUNTY - STIPEND	DIRECTOR'S STIPEND - MARCH 2026	ACCOUNTS PAYAB...	PLANT		5215312 DIRE...		350.00	-350.00
Total WASATCH COUNTY - STIPEND									0.00	350.00	-350.00
TOTAL									**0.00**	**493,758.45**	**-493,758.45**

UNAPPROVED

MINUTES OF THE
HEBER VALLEY SPECIAL SERVICE DISTRICT
MARCH 12, 2026 – 4:00PM

PRESENT:	Heidi Franco	Chair
	Craig Simons	Vice Chair
	Colleen Bonner	Board Member
	Don Huggard	Board Member
	Doug Clements	Board Member
	Mike Johnston	Board Member
	Yvonne Barney	Board Member (4:08 p.m.)
ALSO PRESENT:	James Goodley	General Manager
	Dave Sanderson	District Accountant
	Eliza McGaha	Secretary
	Trent Davis	HVSSD

CONDUCTING: Board Chair, Heidi Franco
AGENDA ITEMS:

1. **Public Comment:** This is the public's opportunity to comment on items not on the agenda.
2. **Entity Updates:** From HVSSD Member Entities
3. **Committee Updates:** From HVSSD Committees
4. **Consent Agenda: Balance Sheet February 2026**
    a. **Balance Sheet February 2026**
    b. **Bank Reconciliation February 2026**
    c. **P&L February 2026**
    d. **PTIF General Fund February 2026**
    e. **PTIF Impact Fee February 2026**
    f. **PTIF Bond February 2026**
    g. **February 2026 Warrant list approval**
    h. **February 2026 YTD Budget**
    i. **February 2026 Board Meeting Minutes**
    j. **Headworks Project – Pay Request #10**
    k. **Dredging Project – Pay Request #4**
5. **DS Accounting Introduction (Jim Goodley -10mins)**
6. **Discussion of District Billing Practices (Jim Goodley-10 mins)**
7. **Manager's Report (Jim Goodley- 30 mins)**
8. **Closed Session (Optional)– a strategy session to discuss pending or reasonably imminent litigation pursuant to U.C.A. 52-4-205 and/or discuss personnel or property items.**
9. **Adjourn**

Heidi Franco called the meeting to order at 4:00 p.m.

1. Public Comment:
There was no public comment.

2. Entity Updates:
There were no entity updates. The group discussed the Holiday Oil request for annexation into Heber from Charleston. The area is not on sewer, and the owners/developers would like to be. The thought was that whoever develops those parcels and connects to the sewer should be responsible for all costs pertaining to that connection including all future maintenance.

3. Committee Updates:
Colleen Bonner commented on behalf of the personnel committee that the interviews for the open position had been completed.

4. Consent Agenda:
a. Balance Sheet February 2026
b. Bank Reconciliation February 2026
c. P&L February 2026
d. PTIF General Fund February 2026
e. PTIF Impact Fee Fund February 2026
f. PTIF Bond February 2026
g. February 2026 Warrant list approval
h. February 2026 YTD Budget
i. February 2026 Board Meeting Minutes
j. Headworks Project – Pay Request #10

PENDING

UNAPPROVED

k. Dredging Project – Pay Request #4

MOTION: A motion to accept the consent agenda with items listed on the agenda was made by Colleen Bonner and seconded by Yvonne Barney. The motion carried with the following vote:

YES: Mike Johnston, Don Huggard, Craig Simons, Colleen Bonner, Heidi Franco, Yvonne Barney, Doug Clements
NO: None
ABSTAIN: None
ABSENT: None

5. DS Accounting Introduction (Jim Goodley -10mins)
Mr. Goodley introduced Dave Sanderson, the new accountant for the district. Mr. Sanderson shared information about himself and his experience.

6. Discussion of District Billing Practices (Jim Goodley-10 mins)
Mr. Goodley explained that with the billing overage we had with Heber City and Midway Sanitation District and regarding the ERU discrepancies, we are planning to change some billing practices to alleviate those issues. Ms. Franco commented that she and Mr. Goodley met with Heber City's treasurer and manager to give them a reimbursement check and a letter from legal counsel stating that when the check is cashed that will be the end of the issue and we will move forward. Mr. Goodley will continue to collaborate with them on a master list for the ERU count.

The ERUs have been increased on a quarterly basis which does not work well for HVSSD in tracking or billing. Heber City is working to improve their processes as well and would like to wait until the water meter is set on a building permit before we charge them for the capital contingency charge that goes up with the ERUs when issuing building permits. Billing will go to monthly rather quarterly.

7. Manager's Report:
Mr. Goodley presented his manager's report.

8. Closed Session (Optional) – a strategy session to discuss pending or reasonably imminent litigation pursuant to U.C.A. 52-4-205 and/or discuss personnel items:

MOTION: A motion to move into closed session was made by Don Huggard, seconded by Craig Simons. The motion carried with the following vote:

YES: Mike Johnston, Don Huggard, Craig Simons, Colleen Bonner, Heidi Franco, Yvonne Barney, Doug Clements
NO: None
ABSTAIN: None
ABSENT: None

The board moved into a closed session at 5:52 p.m.

The board moved out of the closed session at 6:37 p.m.

9. Adjourn:
The motion to adjourn was made in the Public Hearing as follows:

MOTION: A motion to move out of the closed session and into the open session and adjourn was made by Colleen Bonner, seconded by Craig Simons. The motion carried with the following vote:

YES: Mike Johnston, Don Huggard, Craig Simons, Colleen Bonner, Heidi Franco, Yvonne Barney, Doug Clements
NO: None
ABSTAIN: None
ABSENT: None

The meeting was adjourned at 6:37 p.m.

APPROVED on this _____ day of _____, 2026.

_____ _____
Heidi Franco, Chair Christine Morgan, Secretary

PENDING

American Process Group LLC

1201 Pacific Avenue 6th Floor Tacoma, WA 98402

INVOICE	
Date	Number
April 7, 2026	20364

Remit Payments to:
American Process Group LLC
28712 114 Avenue, 3rd Floor
Acheson, AB, Canada
T7X 6E6

Bill To:
Heber Valley Special Services District Attention: Accounts Payable 1000 East Main Street PO Box 427 Midway, UT 84049

Ship To:
Heber Valley Special Services District 1000 East Main Street Midway, UT 84049

Item	Description	Qty	Rate	Unit	Total
	Project # 25-2 Lagoon Dredging Project Retainage Release				
001	5% Retainage release on contract value $5,038,142.30	1.00	$ 251,907.11	LS	$ 251,907.11
					$ -

Subtotal		$	251,907.11
Retainage	**0.00%**	$	-
Sales Tax	**0.00%**	$	-
Invoice Total		**$**	**251,907.11**

Please Remit ACH Payments to:
American Process Group LLC
JPMorgan Chase Bank, N.A.
Routing Number: 124001545
Account Number: 581988766

All Amounts are in US Dollars. Due Net 20 days after Engineer Approval.

If you have any questions pertaining to this invoice please contact our Accounts Receivable Department:
Toll Free (866) 960-1480 * Fax (780) 968-1482

Residuals Management
Digester Cleaning * Watercourse Remediation * Dewatering * Dredging * Disposal * Lagoon Cleaning * Pumping

Midway, Utah

April 9, 2026

The Administrative Control Board (the "Board") of Heber Valley Special Service District, Utah (the "Issuer") met in regular public session at the Board's regular meeting place on April 9, 2026, at the hour of 4:00 p.m., with the following members of the Board being present:

Heidi Franco	Chair
Yvonne Barney	Board Member
Colleen Bonner	Board Member
Doug Clements	Board Member
Don Huggard	Board Member
Mike Johnston	Board Member
Craig Simons	Board Member

Also present:

Jim Goodley	General Manager
Chris Morgan	District Clerk

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the District Clerk presented to the Board a Certificate of Compliance with Open Meeting Law with respect to this April 9, 2026, meeting, a copy of which is attached hereto as Exhibit A.

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

AYE:

NAY:

The resolution is as follows:

RESOLUTION NO. 26-2

A RESOLUTION OF THE ADMINISTRATIVE CONTROL BOARD (THE "BOARD") OF THE HEBER VALLEY SPECIAL SERVICE DISTRICT, UTAH (THE "ISSUER"), RATIFYING ALL PRIOR ACTIONS OF THE BOARD IN CONNECTION WITH THE ISSUER'S SEWER REVENUE BONDS, SERIES 2026; AUTHORIZING AND APPROVING A SUPPLEMENTAL MASTER RESOLUTION AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, on November 14, 2024, the Board adopted Resolution Number 2024-11 (the "Parameters Resolution") authorizing the issuance and sale of Sewer Revenue Bonds, to be issued from time to time and in one or more series with such other series and title designation(s) as may be determined by the Issuer in an aggregate principal amount not to exceed $23,000,000 pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), to (a) finance the costs of construction of improvements and additions to the Issuer's existing sewage treatment and collection system (the "System") and related improvements (b) fund any necessary debt service reserve funds, and (c) pay costs of issuance with respect to such series of bonds; and

WHEREAS, under such authorization, the Issuer previously issued its $5,100,000 Sewer Revenue Bonds, Series 2025 to finance improvements to the System and in which it further authorized the use of a Master Resolution (the "Original Master Resolution") instead of an indenture in conjunction therewith; and

WHEREAS, the Board now desires to (a) finance additional improvements to the System, including improvements to an existing lift station and headworks system and related improvements (the "Series 2026 Project"), (b) fund any debt service reserve fund that may be required, and (c) pay costs of issuance with respect thereto; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, the Board desires to issue its Sewer Revenue Bonds, Series 2026 (the "Series 2026 Bonds") in an aggregate principal amount of [$2,000,000], pursuant to (a) the Act, (b) the Parameters Resolution, (c) this Resolution, (d) the Original Master Resolution and a Supplemental Master Resolution dated [April 1, 2026] ("the Supplemental Master Resolution" and together with the Original Master Resolution, the "Master Resolution"), with such Supplemental Master Resolution in substantially the form presented at the meeting at which this Resolution was adopted and is attached hereto as Exhibit B; and

WHEREAS, the Board desires to ratify all prior actions taken by it, including actions taken by the Parameters Resolution and any subsequent resolutions relating to the issuance of the Series 2026 Bonds including approving the Original Master Resolution.

NOW, THEREFORE, it is hereby resolved by the Administrative Control Board of Heber Valley Special Service District, Utah, as follows:

Section 1. The Board hereby ratifies all previous actions taken by it and any Designated Officers (as defined in the Parameters Resolution) pursuant to the Parameters Resolution and any subsequent resolutions in conjunction with the issuance of the Series 2026 Bonds including the authorization of the issuance of the Series 2026 Bonds.

Section 2. The Supplemental Master Resolution in substantially the form presented to this meeting and attached hereto as Exhibit B, is hereby authorized, approved and confirmed. The Chair and District Clerk are hereby authorized to execute and deliver the Supplemental Master Resolution in substantially the form and with substantially the content as the form presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officers (as defined in the Parameters Resolution) within the parameters set forth in the Parameters Resolution, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 3 hereof.

Section 3. Pursuant to the Parameters Resolution and this resolution, the Issuer hereby grants and further gives authority to the Designated Officers (as defined in the Parameters Resolution) or other appropriate officials of the Issuer the authority to make any alterations, changes or additions to the Supplemental Master Resolution, or any other document which may be necessary to conform the same to the final terms of the Series 2026 Bonds (within the parameters set by the Parameters Resolution), to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this resolution or any resolution adopted by the Board or the provisions of the laws of the State of Utah or the United States.

Section 4. Upon the issuance of the Series 2026 Bonds, this Resolution shall be and shall remain irrepealable until the principal of, premium, if any, and interest on the Series 2026 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Supplemental Master Resolution.

Section 5. 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.

APPROVED AND ADOPTED this April 9, 2026.

(SEAL)

By:_____
Chair

ATTEST:

By:_____
District Clerk

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

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

(SEAL)

By:_____
Chair

ATTEST:

By:_____
District Clerk

STATE OF UTAH)
: ss.
COUNTY OF WASATCH)

I, Chris Morgan, the duly appointed and qualified District Clerk of Heber Valley Special Service District, Utah (the "Issuer"), do hereby certify according to the records of the Administrative Control Board of the Issuer (the "Board") in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the Administrative Control Board held on April 9, 2026.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said Issuer, this April 9, 2026.

(SEAL)

By:_____
District Clerk

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Chris Morgan, the undersigned District Clerk of Heber Valley Special Service District, Utah (the "Issuer"), 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 April 9, 2026, public meeting held by the Administrative Control Board (the "Board") by causing the Notice, in the form attached hereto as Schedule 1,

(i) to be posted at the Issuer's principal offices at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(ii) to be posted to the Utah Public Notice Website (http://pmn.utah.gov) at least twenty-four (24) hours prior to the convening of the meeting; and

(iii) to be posted on the Issuer's official website at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2026 Annual Meeting Schedule for the Board (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the Board to be held during the year, by causing said Notice to be posted at least annually (a) on the Utah Public Notice Website, (b) on the Issuer's official website, and (c) in a public location within the Issuer that is reasonably likely to be seen by residents of the Issuer.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this April 9, 2026.

(SEAL)

By:_____
District Clerk

SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2

ANNUAL MEETING SCHEDULE

EXHIBT B

SUPPLEMENTAL MASTER RESOLUTION

OF

HEBER VALLEY SPECIAL SERVICE DISTRICT, UTAH

AS ISSUER

DATED AS OF

[APRIL 1], 2026

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SUPPLEMENTAL MASTER RESOLUTION

WHEREAS, Heber Valley Special Service District, Utah (the "Issuer") desires issue its Sewer Revenue Bonds, Series 2026 (the "Series 2026 Bonds") to (a) finance improvements to the Issuer's System, including improvements to its existing lift station and headworks system and related improvements (the "Series 2026 Project"), (b) fund any debt service reserve fund that may be required, and (c) pay costs of issuance with respect Series 2026 Bonds; and

WHEREAS, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act"), authorizes the issuance of non-voted revenue bonds payable solely from a special revenue source; and

WHEREAS, the Issuer has previously issued its outstanding Sewer Revenue Bonds, Series 2025 (the "Parity Bonds") to finance the costs of construction of improvements and additions to the Issuer's existing sewage treatment and collection system pursuant to a Master Resolution dated as of December 1, 2025 (the "Original Master Resolution") as supplemented by this Supplemental Master Resolution (the "Supplemental Master Resolution" and together with the Original Master Resolution, the "Master Resolution"); and, and

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

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

WHEREAS, as required by the Act, on December 12, 2024, the Issuer held a public hearing with respect to the Series 2026 Bonds, after at least fourteen (14) days public notice; and

WHEREAS, the State of Utah acting through the Permanent Community Impact Fund Board (the "Community Impact Board") has offered to purchase at par the Issuer's Series 2026 Bonds in the total principal amount of $2,000,000; and

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

NOW, THEREFORE, Be It Resolved by the Administrative Control Board of the Heber Valley Special Service District, as follows:

ARTICLE I
DEFINITIONS

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

"Act" means the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended.

"Additional Bonds" means any bonds issued on a parity with the Series 2026 Bonds and the Parity Bonds in conformity with this Supplemental Master Resolution

"Annual Debt Service" means the total requirement of principal, interest and premium payments, if any, to be paid by the Issuer during any Sinking Fund Year on the Issuer's outstanding Series 2026 Bonds or other forms of indebtedness, including the Parity Bonds.

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

"Bonds" means the Series 2026 Bonds and any Parity Bonds issued by the Issuer.

"Bondholder," "Registered Owner" or "Owner" means the registered owner of any bonds herein authorized.

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

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

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

"Default" and "Event of Default" mean, with respect to any default or event of default under this Master Resolution, any occurrence or event specified in and defined by Section 5.1 hereof.

"Default Rate" means nine percent [(9.0%)] per annum.

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

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

"Escrow Agent" means the Utah State Treasurer, Salt Lake City, Utah, who shall so act pursuant to the terms of the Escrow Agreement.

"Escrow Agreement" means the agreement entered into among the Issuer, the Community Impact Board, and the Escrow Agent on the date of delivery of the Series 2026 Bonds.

"Exchange Bonds" means the fully registered Series 2026 Bonds issued in substantially the form set forth in Exhibit B, in exchange for the State Bonds representing the Series 2026 Bonds or in exchange for other Exchange Bonds, in the denomination of no less than $1,000 or any integral multiple thereof.

["Fully Registered Bond" means any single fully registered Bond in the denomination(s) equal to the aggregate principal amount of the applicable Series 2026 Bonds authorized herein.]

"Governing Body" means the Administrative Control Board of the Issuer.

"Interest Payment Date" means each [_____] and [_____], beginning [_____], [20__].

"Issuer" means the Heber Valley Special Service District, Utah.

"Master Resolution" means, collectively, this Supplemental Master Resolution and the Original Master Resolution.

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

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

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

"Original Master Resolution" means the Master Resolution dated as of December 1, 2025.

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

"Parity Bonds" means the Issuer's Sewer Revenue Bonds, Series 2025, issued on a parity with the Series 2026 Bonds pursuant to the Original Master Resolution.

"Paying Agent" when used with respect to the Series 2026 Bonds, means the General Manager of the Issuer.

"Purchaser" means, with respect to the Series 2026 Bonds, Community Impact Board.

"Qualified Engineer" means any registered or licensed engineer or architect or engineer or firm of such engineers or architects and engineers generally recognized to be qualified in engineering matters relating to construction and maintenance of municipal sewer systems. "Qualified Engineer" may include any registered or licensed engineer employed by the Issuer.

"Revenues" means all gross income and revenues of any kind, from any source whatsoever, derived from the ownership and operation of the System, including, without limitation, all fees, rates, connection charges, impact fees imposed with respect to the System (to the extent such impact fees may be pledged and available for the payment of the Bonds) and other charges, the gross revenues of all improvements, additions, and extensions of the System hereafter constructed or acquired, and all interest earned by and profits derived from the sale of investments made with the income and revenues.

"Revenue Fund" means the Heber Valley Special Service District, Utah Sewer Revenue Fund created herein.

"Registrar" when used with respect to the Series 2026 Bonds, means the General Manager of the Issuer

"Series 2026 Bonds" means the Issuer's Sewer Revenue Bonds, Series 2026 issued in the total principal amount of $2,000,000 authorized herein.

"Series 2026 Project" means the construction of additions and improvements to the System and all related improvements.

"Series 2026 Reserve Account Requirement" means, with respect to the Series 2026 Bonds, an amount equal to $[_____]; the maximum annual debt service on the Series 2026 Bonds.

"Sinking Fund Year" means the 12-month period beginning January 1 of each year and ending December 31 of the same year, except with respect to the Series 2026 Bonds, that the first Sinking Fund Year will begin on the initial delivery date of the Series 2026 Bonds and will end on the following December 31.

"State" means the State of Utah.

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

"System" means the Issuer's sewer facilities, equipment and improvements, together with any additions, repairs, renewals, replacements, expansions, extensions and improvements to said system, or any part thereof, hereafter acquired or constructed, and together with all lands, easements, interests in land, licenses, rights of way of the Issuer and all other property, structures, equipment of the Issuer and contract rights and other tangible and intangible assets of the Issuer now or hereafter owned or used in connection with or related to said system.

Section 1.2 Master Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued hereunder by the Owners thereof from time to time, this Master Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds; and the pledge made in this Master Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of the Series 2026 Bonds all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority, or distinction of any of the Series 2026 Bonds over any other thereof, except as expressly provided in or permitted by this Master Resolution.

ARTICLE II
ISSUANCE OF SERIES 2026 BONDS

Section 2.1 Principal Amount, Designation, and Series. The Series 2026 Bonds are hereby authorized for issuance under this Master Resolution for the purpose of providing funds to (a) finance the Series 2026 Project and (b) pay costs incurred in connection with the issuance of the Series 2026 Bonds. The Series 2026 Bonds shall be limited to $2,000,000 in aggregate principal amount, shall be issued in fully registered form, shall be issued (i) if issued as a State Bond(s), in the form set forth in Exhibit A and (ii) if issued as Exchange Bonds, in the form set forth in Exhibit B, in fully registered form and shall bear interest at the rate of two and a half (2.50%) per annum (beginning on [_____]) and shall be payable as specified herein. If issued as Exchange Bonds, the Series 2026 Bonds shall be in the denomination of $1,000 or any integral multiple thereof. The Series 2026 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2026 Bonds shall be designated as, and shall be distinguished from the bonds of all other series by the title, "Heber Valley Special Service District, Utah Sewer Revenue Bonds, Series 2026"

Section 2.2 Date and Maturities. The Series 2026 Bonds shall be dated as of their date of delivery and shall be paid as provided in this Section 2.2. The Series 2026 Bonds shall be initially issued as a single fully registered State Bond.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or by redemption, shall be payable upon presentation of the applicable Series 2026 Bond at the offices of the Paying Agent for endorsement or surrender, or of any successor Paying Agent. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. Payment of interest on delinquent installments, if any, shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his address as it appears on the registration books of the Issuer maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner.

So long as the Community Impact Board is the Registered Owner of the Series 2026 Bonds, payments of principal and interest shall be made by check or draft and mailed to the Community Impact Board as the Registered Owner at the address shown on the registration books maintained by the Registrar. So long as the Community Impact Board is the Registered Owner of the Series 2026 Bonds, in lieu of presentation or the surrender of the Series 2026 Bonds to the Paying Agent for notations by the Paying Agent of such payments, the Community Impact Board, by its Chair or his/her designee, shall endorse such payments upon the Series 2026 Bonds.

The Issuer shall make annual principal payments on February 1 of each year beginning February 1, 20__, together with interest accruing at the rate of 2.50% per annum from the dated date of the Series 2026 Bonds on the principal amount outstanding payable on February 1 of each year beginning February 1, 20__, as follows:

Principal Installment Payment Date (February 1)	Principal Payable
	$

.

Section 2.3 Optional Redemption and Redemption Prices. Each principal payment of the Series 2026 Bonds is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of $1,000), at the election of the Issuer, in inverse order of the due dates thereof, and by lot selected by the Issuer if less than all of the Series 2026 Bonds of a particular due date are to be redeemed, upon notice as provided in Section 2.4 hereof with respect to Exchange Bonds, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment to the Community Impact Board with respect to the Series 2026 Bonds, and at a redemption price equal to 100% of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption:

Section 2.4 Notice of Redemption for Exchange Bonds

(a) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.4. Notice of such redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of Exchange Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption. Such notice shall state the following information:

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

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

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

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

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Exchange Bond or portion thereof called for redemption; and

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

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

(c) The Registrar shall not give notice of such a redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

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

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

Section 2.5 Execution and Delivery of the Series 2026 Bonds. The Chair of the Issuer is hereby authorized to execute by manual or facsimile signature the Series 2026 Bonds and the District Clerk of the Issuer to countersign by manual or facsimile signature the Series 2026 Bonds and to have imprinted, engraved, lithographed, stamped, or otherwise placed on the Series 2026 Bonds the official seal of the Issuer. The District Clerk is hereby authorized to deliver to the Purchaser the Series 2026 Bonds upon payment to the Issuer of the proceeds of the Series 2026 Bonds.

Section 2.6 [Bank Designation of Series 2026 Bonds]. For purposes of and in accordance with Section 265 of the Code, the Issuer has designated the Series 2026 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Issuer and by any aggregated issuer during calendar year 2025 will not exceed $10,000,000. For purposes of this Section, "aggregated issuer" means any entity which, (i) issues obligations on behalf of the Issuer, (ii) derives its issuing authority from the Issuer, or (iii) is directly or indirectly controlled by the Issuer within the meaning of Treasury Regulation Section 1.150-1(e). The Issuer hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Issuer, and all aggregated issuers for calendar year 2026 does not exceed $10,000,000.

Section 2.7 Delinquent Payments. Payments of principal of and/or interest on the Series 2026 Bonds which are delinquent from the due date thereof shall draw interest at the rate of eighteen (18%) per annum on the delinquent payment from said due date until paid in full.

Section 2.8 Exchange of Series 2026 Bonds. As long as the Community Impact Board is the sole Registered Owner of the Series 2026 Bonds, the Series 2026 Bonds shall be issued only as the State Bonds in the form prescribed in Exhibit A. It is recognized that the Community Impact Board may sell or otherwise transfer the Series 2026 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63B, Chapter lb, Utah Code Annotated 1953, as amended, or otherwise. In the event the Community Impact Board determines to sell or otherwise transfer all or a portion of the Series 2026 Bonds pursuant to the State Financing Consolidation Act, or otherwise, the Series 2026 Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this Section 2.7 and Section 3.1 hereof. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 3.1 hereof. Any Series 2026 Bond, or any portion thereof, which is sold or otherwise transferred or liquidated by the Community Impact Board pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bond prescribed in Exhibit B, and shall be executed pursuant to authorization contained

in Section 2.5 hereof. Each principal payment on the Series 2026 Bonds not previously paid or cancelled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Series 2026 Bonds for Exchange Bonds, provided that the Community Impact Board shall pay or cause to be paid all costs and other charges incident to such exchange and the Issuer shall have no obligation to pay any such costs or charges.

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

ARTICLE III
REGISTRATION, PAYMENT, AND FLOW OF FUNDS

Section 3.1 Execution of and Registration of Series 2026 Bonds; Persons Treated as Owners.

(a) The Series 2026 Bonds shall be signed by the Issuer and the Issuer shall cause books for the registration and for the transfer of the Series 2026 Bonds to be kept by the General Manager who is hereby appointed the Registrar of the Issuer with respect to the Series 2026 Bonds. Any Series 2026 Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2026 Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Series 2026 Bond duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and deliver in the name of the transferee or transferees, a new Series 2026 Bond or Bonds of the same maturity and series for a like aggregate principal amount as the Series 2026 Bond surrendered for transfer. Series 2026 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2026 Bonds of the same series or other authorized denominations and the same maturity. The execution by the Issuer of any Series 2026 Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to deliver such Series 2026 Bond. The Registrar shall not be required to transfer or exchange any Series 2026 Bond at any time following the mailing of notice calling such Series 2026 Bond for redemption.

(b) Series 2026 Bonds surrendered for payment, redemption or exchange, shall be promptly cancelled and destroyed by the Issuer.

(c) The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2026 Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and for all other purposes whatsoever, and neither the Issuer, nor the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of any Series 2026 Bond shall be made only to or upon order of the Registered Owner thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2026 Bond to the extent of the sum or sums so paid.

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

Section 3.2 Deposit of Bond Proceeds. The proceeds from the sale of the Series 2026 Bonds shall be deposited upon delivery in the Escrow Account and shall be disbursed pursuant to the provisions of the Escrow Agreement. All monies deposited in the Escrow Account shall be used solely for the purpose of defraying all or a portion of the costs of the Series 2026 Project including the payment of costs of issuance of the Series 2026 Bonds. Any unexpended proceeds balance remaining in the Escrow Account after completion of the Series 2026 Project shall be paid immediately into the "Heber Valley Special Service District Sewer Revenue Bond Fund," hereinafter referred to herein as the "Bond Fund" established in Section 3.4 hereunder and shall be used only for the prepayment of the Series 2026 Bonds based on original principal amount. Principal last to become due shall be prepaid first, and in the event less than all of the principal amount of the Series 2026 Bonds maturing on the last due date are to be redeemed, the Issuer shall by lot select those Series 2026 Bonds to be prepaid. Proceeds from the sale of the Series 2026 Bonds on deposit in the Escrow Account, may at the discretion of the Issuer, be invested by the Escrow Agent as provided in the Escrow Agreement. Following the expenditure of money or a transfer of unexpended funds from the Escrow Account to the Bond Fund, the Escrow Account will be closed.

Section 3.3 The Series 2026 Bonds Constitute Special Limited Obligations. Notwithstanding anything in this Master Resolution elsewhere contained, the principal and interest on the Series 2026 Bonds shall be payable out of one hundred percent (100%) of the Net Revenues, and in no event, shall the Series 2026 Bonds be deemed or construed to be a general indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues.

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

Section 3.4 Flow of Funds. From and after the delivery date of the Series 2026 Bonds, and until all the Series 2026 Bonds and any Additional Bonds have been fully paid, the Net Revenues shall be set aside into the "Heber Valley Special Service District Sewer Revenue Fund" referred to herein as "Revenue Fund" established hereunder. The Issuer will thereafter make accounting allocations of the funds deposited in said Revenue Fund for the following purposes and in the following priority:

(a) There shall be allocated to a subaccount established on the books of the Issuer hereunder known as the "Bond Fund," such amounts as will assure, to the extent of the availability of Revenues, the prompt payment of the principal and interest, if any, on the Series 2026 Bonds as shall become due and on all bonds or obligations issued in parity therewith (including the Additional Bonds). The amount to be so set aside with respect to the Series 2026 Bonds shall, as nearly as may be practicable, be set aside and allocated to the Bond Fund, annually, on or before the tenth day of each [_____], beginning [_____], an amount equal to the principal and interest payable on the Series 2026 Bonds on the next succeeding payment date to the end that there will be sufficient funds allocated to the Bond Fund to pay the principal and interest, if any, on the Series 2026 Bonds and principal and interest on all bonds or obligations issued on a parity therewith,

including Additional Bonds, as and when the same become due. Amounts allocated to the Bond Fund shall be used solely for the purpose of paying the Series 2026 Bonds and principal and interest on all bonds or obligations issued in parity therewith, including the Additional Bonds, if applicable, and shall not be reallocated, transferred, or paid out for any other purpose. In the event insufficient moneys are available to make prompt payment of the full principal and interest on the Series 2026 Bonds as shall become due and the principal and interest on all bonds and obligations issued in parity therewith, including the Additional Bonds, such moneys shall be allocated pro rata based on the amount of principal and interest next coming due on the Series 2026 Bonds and each such Additional Bond.

(b) The Issuer shall, upon the issuance of the Series 2026 Bonds, make monthly deposits of $[_____] into a subaccount established on the books of the Issuer known as the "Series 2026 Reserve Account" until the Series 2026 Reserve Account Requirement of $[_____] has been met (such monthly deposits are expected to continue for 72 months following the issuance of the Series 2026 Bonds). Amounts deposited in the Series 2026 Reserve Account shall be used to pay the principal and interest falling due on the Series 2026 Bonds at any time when there are insufficient funds in the Bond Fund to pay the same, but pending such use may be invested as hereafter provided. No further deposits to said Series 2026 Reserve Account need be made unless payments from said Series 2026 Reserve Account have reduced the same below the Series 2026 Reserve Account Requirement, in which event the Issuer agrees to deposit prior to the next payment date on the Series 2026 Bonds legally available moneys into the Series 2026 Reserve Account until there shall be on deposit therein $[_____]. In lieu of a separate subaccount as provided herein, the Issuer may use internal notations on its books in order to account for the accumulation and maintenance of the Series 2026 Reserve Account Requirement.

(c) All remaining funds, if any, in the Bond Fund after all of the payments required to be made into the Bond Fund and Series 2026 Reserve Account have been made, may be used by the Issuer (i) to purchase or prepay any Bond in accordance with the provisions hereof governing prepayment of the Bonds authorized hereunder in advance of maturity or, in the case of Additional Bonds, in accordance with the provisions of the resolution authorizing such Additional Bonds governing prepayment of such Additional Bonds in advance of maturity, including payment of expenses in connection with such purchase or prepayment; and (ii) to pay the principal or prepayment price of on any Bonds, for any other lawful purpose, including without limitation, payment of other obligations of the Issuer.

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

Section 3.5 Investment of Funds. All money maintained on deposit in the Bond Fund, the Series 2026 Reserve Account, and in the Escrow Account 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 Issuer and the Escrow Agent 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 Escrow Account shall be invested by the Issuer or the Escrow Agent, as the case may be, 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. Investment earnings on all such investments permitted hereunder shall be maintained in said funds or accounts and used for the purpose for which such fund or account was created. Whenever any money so invested from the Bond Fund or the Escrow Fund is needed for the purpose for which such fund was created, such investments, to the amount necessary, shall be liquidated by the Depository Bank at the direction of the Issuer, and the proceeds thereof applied to the required purpose. Investment earnings received on all investments in the Series 2026 Reserve Account shall be maintained in the Series 2026 Reserve Account until there shall be on deposit therein the Series 2026 Reserve Account Requirement. Thereafter, any investment earnings shall be transferred to the Bond Fund to be used to make payment on the Series 2026 Bonds.

Section 3.6 Perfection of Security Interest. (a) This Master Resolution creates a valid and binding pledge and assignment of security interest in all of the Net Revenues pledged under this Master Resolution as security for payment of the Series 2026 Bonds, enforceable in accordance with the terms thereof.

(b) Under the laws of the State of Utah, such pledge and assignment and security interest is automatically perfected by Section 11-14-501, Utah Code Annotated 1953, as amended, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Net Revenues.

ARTICLE IV
GENERAL COVENANTS

Section 4.1 General Covenants. The Issuer hereby covenants and agrees with each and every holder of the Series 2026 Bonds issued hereunder the following:

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

(b) While any of the Series 2026 Bonds remain outstanding and unpaid, any resolution or other enactment of the Administrative Control Board of the Issuer, applying the Net Revenues for the payment of the Series 2026 Bonds shall be irrevocable until the Series 2026 Bonds have been paid in full, and shall not be subject to amendment or modification in any manner which would impair the rights of the holders of the Series 2026 Bonds or which would in any way jeopardize the timely payment of principal and interest when due.

(c) So long as any Series 2026 Bonds remain outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the receipt and use of the Revenues. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Revenues, and that such audit will be available for inspection by the Bondholder; provided, however, during such periods of time as the Community Impact Board is the Registered Owner of the State Bonds, each such audit will be supplied to the Community Impact Board as soon as completed without prior request therefor by the Community Impact Board. The Bondholder may, upon written request from the Issuer setting forth the reasons why a certified audit is not necessary or is impractical, waive the audit requirements for any particular Bond Fund Year set forth in this Subsection 4.1(c), provided, however, that such waiver shall not apply to the reporting requirements of the Issuer set forth in Subsection 4.1(d) herein.

(d) In addition to the reporting requirements set forth in Subsection 4.l(c) above, the Issuer shall submit to the Community Impact Board within one hundred eighty (180) days following the close of each Bond Fund Year, a summary report substantially in the form as provided by the Community Impact Board to the Issuer upon purchase of the Series 2026 Bonds.

If a Bondholder is other than the Community Impact Board, the Issuer agrees to furnish a copy of such information to such Bondholder at its request after the close of each Bond Fund Year. Any Bondholder shall have the right to discuss with the accountant compiling such information the contents thereof and to ask for such additional information as it may reasonably require.

(e) The Bondholder shall have the right at all reasonable times to inspect the Series 2026 Project, and all records, accounts and data of the Issuer relating thereto, and upon request, the Issuer will furnish to the Community Impact Board, financial statements and other information relating to the Issuer and the Series 2026 Project as it may from time to time reasonably require.

(f) The Issuer will from time to time duly pay and discharge or cause to be paid all taxes, assessments and other governmental charges, if any, lawfully imposed upon the Series 2026 Project, or any part thereof or upon the Net Revenues, as well as any lawful claims which if unpaid might by law become a lien or charge upon the Series 2026 Project or the Net Revenues or any part thereof or which might impair the security of the Series 2026 Bonds, except when the Issuer in good faith contests its liability to pay the same.

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

(h) The Issuer will maintain its corporate identity, will make no attempt to cause its corporate existence to be abolished and will resist all attempts by other municipal corporations to annex all or any part of the territory now or hereafter in the Issuer or served by the Series 2026 Project.

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

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

(k) The Issuer may consolidate the bills submitted for sewer service with those submitted for irrigation service, if applicable, for those persons who are liable for the payment of charges for such services and require that each such consolidated bill be paid in full as a unit, and refuse to permit payment of one portion without payment of the remainder. Any bill not paid within thirty (30) days from the date it is mailed to the customer shall be deemed delinquent.

(l) The Issuer will from time to time duly pay and discharge or cause to be paid all taxes, assessments and other governmental charges, if any, lawfully imposed upon the

System or any part thereof or upon the Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the System or the Revenues or any part thereof or which might impair the security of the Bonds, except when the Issuer in good faith contests its liability to pay the same.

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

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

Section 4.2 Additional Indebtedness. No additional indebtedness, bonds, or notes of the Issuer payable on a priority to the pledge of Net Revenues for the payment of the Series 2026 Bonds herein authorized shall be created or incurred without the prior written consent of the Owners of one hundred percent (100%) of the outstanding Series 2026 Bonds. In addition, no additional bonds or other indebtedness, bonds, or notes of the Issuer payable on a parity with the Series 2026 Bonds herein authorized out of Net Revenues shall be created or incurred, unless the following requirements have been met:

(a) The Net Revenues of the System for any twelve (12) month period within the twenty-four (24) month period immediately preceding the authentication and delivery of the Parity Bonds were at least one hundred twenty-five percent (125%) of the total principal, premium, if any, interest, if any, for said twelve (12) month period on all of the outstanding Series 2026 Bonds and Parity Bonds secured by the Net Revenues of the System which were then Outstanding.

(b) In the case of Parity Bonds issued for the purposes set forth in (e)(ii) below, the Issuer shall deliver a certificate at closing:

(i) setting forth the Estimated Net Revenues as herein described (assuming, if applicable, the completion of any additions, improvements, extensions, replacements or repairs to the System (collectively, the "Improvements") financed with proceeds of the Parity Bonds) either:

(A) for each of the two Sinking Fund Years succeeding the latest estimated date of completion of the Improvements, if proceeds of the Parity Bonds are used to fund interest during the construction period, or

(B) if (A) is not the case, for the then current Sinking Fund Year and each succeeding Sinking Fund Year to and including the second

Sinking Fund Year succeeding the latest estimated date of completion of the Improvements; and

(ii) verifying that the Estimated Net Revenues as shown in (i) above for each of such Sinking Fund Years are not less than one hundred twenty-five percent (125%) of the Annual Debt Service for each of such Sinking Fund Years with respect to all of the Series 2026 Bonds and Parity Bonds which would then be Outstanding (after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Parity Bonds so proposed to be issued.

For purposes of this subsection (b), "Estimated Net Revenues" shall be determined as follows:

(i) The total Net Revenues of the System for the most recent twelve (12) month period immediately preceding the authentication and delivery of the Parity Bonds in which such information is available to the Issuer shall be first be determined. For purposes of these calculations, Revenues may be adjusted to give full effect to rate increases implemented prior to the issuance of the Parity Bonds.

(ii) Next, the additional Net Revenues, if any, resulting from the Improvements financed with the proceeds of the Parity Bonds will be estimated for the applicable Sinking Fund Years as determined in (b)(i)(A) or (B) above.

(iii) The Estimated Net Revenues will be the sum of the Net Revenues as calculated in (i) above, plus eighty percent (80%) of the estimated additional Net Revenues as calculated in (ii) above.

(c) All payments required by this Master Resolution to be made into the Bond Account must have been made in full, and there must be in any reserve account related to outstanding Bonds, the full amount required by this Master Resolution to be accumulated therein at such time.

(d) The proceedings authorizing the Parity Bonds must establish a reserve account into which shall be accumulated an amount, if any, required by the proceedings authorizing the issuance of the Parity Bonds.

(e) The proceeds of the Parity Bonds must be used (i) to refund Bonds issued hereunder or other obligations of the Issuer (including the funding of necessary reserves and the payment of costs of issuance) or (ii) to make additions, improvements, extensions, replacements, or repairs to the System (including the funding of necessary reserves and the payment of costs of issuance).

(f) No Event of Default shall have occurred and be continuing hereunder. This paragraph (f) shall not preclude the issuance of Parity Bonds if (i) the issuance of such Parity Bonds otherwise complies with the provisions hereof and (ii) such Event of Default will cease to continue upon the issuance of the Parity Bonds and the application of the proceeds thereof.

ARTICLE V
MISCELLANEOUS

Section 5.1 Default and Remedies. Principal and interest payments not made within 15 days of when they are due constitute a default and will cause the Series 2026 Bonds to bear interest at the Default Rate from and after such due date until paid in full. Failure of the Issuer to perform any other covenant or requirement of the Issuer under this Master Resolution within thirty (30) days after having been notified in writing by a Bondholder of such failure, shall constitute an Event of Default hereunder and shall allow each Bondholder to take the following enforcement remedies:

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

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

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

Section 5.2 Amendments to Resolution. Provisions of this Master Resolution shall constitute a contract between the Issuer and the Bondholder; and after the issuance of the Series 2026 Bonds, no change, variation or alteration of any kind in the provisions of this Master Resolution shall be made in any manner until such time as all of the Series 2026 Bonds have been paid in full except as hereinafter provided.

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

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

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

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

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

Section 5.3 Maintenance of Proceedings. A certified copy of this Master Resolution and every amendatory or supplemental ordinance or resolution shall be kept on file in the office of the District Clerk where it shall be made available for inspection by any Bondholder or its agent. A certified copy of this Master Resolution, any amendatory or supplemental ordinance or resolution will be furnished to any Bondholder. The Bondholders may, by suit, action, mandamus, injunction, or other proceedings, either at law or in equity, enforce or compel performance of all duties and obligations required by this Master Resolution to be done or performed by the Issuer. Nothing contained herein, however, shall be construed as imposing on the Issuer any duty or obligation to levy any tax to pay the principal and interest on the Series 2026 Bonds authorized herein or to meet any obligation contained herein concerning the Series 2026 Bonds.

Section 5.4 Defeasance of the Series 2026 Bonds. If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to the Registered Owner of the Series 2026 Bonds for the payments due or to become due thereon at the times and in the manner stipulated therein, then the first lien pledge of the Net Revenues under this Master Resolution and any and all estate, right, title and interest in and to any of the funds and accounts

created hereunder (except moneys or securities held by an escrow agent for the payment of the Series 2026 Bonds) for and related to the Series 2026 Bonds shall be cancelled and discharged.

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

Section 5.5 Sale of Series 2026 Bonds Approved. The sale of the Series 2026 Bonds to the Purchaser, at par, is hereby ratified, confirmed, and approved.

Section 5.6 Bondholders Not Responsible. The Bondholders shall not be responsible for any liabilities incurred by the Issuer in the acquisition of the Series 2026 Project.

Section 5.7 Notice of Series 2026 Bonds to be Issued. In accordance with the provisions of the Act, the District Clerk has caused a "Notice of Public Hearing and Bonds to be Issued" (the "Notice") to be (a) published as a Class A notice under Section 63G-30-102 Utah Code Annotated 1953, as amended (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, (ii) on the Issuer's official website, and (iii) in a public location within the Issuer that is reasonably likely to be seen by residents of the Issuer and (b) as required in Section 45-1-101, Utah Code Annotated 1953, as amended, no less than fourteen (14) days prior to the hearing. Such Notice is hereby reaffirmed and approved. In accordance with the provisions of the Act and the Notice, a public hearing was held on December 12, 2024, to receive input with respect to the issuance of the Series 2026 Bonds and the potential economic impact that the Series 2026 Project will have on the private sector.

Section 5.8 Additional Certificates, Documents, and Other Papers. The appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents, and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Master Resolution and the documents authorized and approved herein.

Section 5.9 Severability. If any section, paragraph, clause, or provision of this Master Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Master Resolution. It is hereby declared by the Governing Body of the Issuer that it is the intention of the Issuer by the adoption of this Master Resolution to comply in all respects with the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended.

Section 5.10 Resolutions in Conflict. All resolutions or parts thereof in conflict with the provisions of this Master Resolution are, to the extent of such conflict, hereby repealed.

Section 5.11 Effective Date of Resolution. This Master Resolution shall take effect immediately upon its approval and adoption.

Section 5.12 Counterparts. This Master Resolution may be executed in any number of counterparts, each of which shall be deemed an original and all of which, when so executed and delivered, shall constitute but one and the same instrument

(SEAL)

By:_____
Chair

ATTEST:

By:_____
District Clerk

EXHIBIT A

UNITED STATES OF AMERICA
STATE OF UTAH
HEBER VALLEY SPECIAL SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 2026

$2,000,000

Heber Valley Special Service District, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the Net Revenues and sources hereinafter provided, to the registered owner hereof or registered assigns, the principal amount of not more than $2,000,000, together with interest accruing beginning [February 1, 20__] on the unpaid principal balance from date of delivery of the Bonds, at the rate of two and a half percent (2.50%) per annum (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable annually on February 1 of each year, with principal and interest installments beginning [February 1, 20__]. Principal together with accrued but unpaid interest shall be payable in registered installments on February 1 of each of the years as set forth in the following Repayment Schedule:

Principal Installment Payment Date (February 1)	Principal Installment Payable

Principal Installment Payment Date (February 1)	Principal Installment Payable

Except as provided in the following paragraph, principal and interest payments, whether at maturity or by redemption, shall be payable upon surrender of this Bond at the offices of the Paying Agent, or of any successor Paying Agent.

As long as the State of Utah Permanent Community Impact Fund Board (the "Community Impact Board") is the registered holder of this Bond, installment payments of principal and interest shall be made by check or draft mailed to the Community Impact Board as the registered holder at the address shown on the registration books maintained by the Registrar.

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

This Bond is payable solely from a special fund designated "Heber Valley Special Service District, Utah Sewer Revenue Bond Fund," into which fund and into a reserve therefor, to the extent necessary to assure prompt payment of this Bond, shall be pledged 100% of the Net Revenues, as defined in the Supplemental Master Resolution dated as of April 1, 2026 and together with the Original Master Resolution the "Master Resolution").

This Bond is issued pursuant to (a) Master Resolution and (b) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended, for the purpose of financing the construction of wastewater system improvements, including the construction of a mechanical plant aeration upgrades, rebuilding a pump station, constructing a laboratory building, farm shop and storage building and installing a new back-up generator, and all related improvements (the "Series 2026 Project"). This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Master Resolution) and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues (as defined in the Master Resolution).

As provided in the Master Resolution, bonds, notes, and other obligations may be issued from time to time in one or more series in various principal amounts, may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Master Resolution, and the aggregate principal amount of such bonds, notes, and other obligations which may be issued is not limited. This Bond and all other bonds, notes and other obligations issued and to be

issued under the Master Resolution on a parity with this Bond are and will be equally and ratably secured by the pledge and covenants made therein, except as otherwise expressly provided or permitted in or pursuant to the Master Resolution.

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

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

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

The Issuer covenants and agrees that any resolution, ordinance, or other enactment of the governing body of the Issuer applying the Net Revenues for the payment of the Bonds shall be irrevocable until these Bonds have been paid in full, and shall not be subject to amendment in any manner which would impair the rights of the holders of such Bonds or which would in any way jeopardize the timely payment of principal when due.

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

It is hereby declared that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened, and have been performed in regular and due time, form, and manner as required by law, that the amount of this Bond does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues (as defined in the Master Resolution) have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of this Bond and all bonds issued on a parity with this Bond, if any, and that said Net

Revenues are not pledged, hypothecated, or anticipated in any way other than by the issue of this Bond and all bonds issued on a parity with this Bond, if any.

IN TESTIMONY WHEREOF, the Issuer has caused this Bond to be signed (by manual or facsimile signature) by its Chair and countersigned (by manual or facsimile signature) by its District Clerk under the seal of said Issuer this [April __, 2026].

(SEAL)

By:_____
Chair

ATTEST:

By:_____
District Clerk

REGISTRATION CERTIFICATE

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

Date of Registration	Name of Registered Owner	Signature of Bond Registrar
	State of Utah Permanent Community Impact Fund Board	

EXHIBIT B
FORM OF EXCHANGE BONDS
UNITED STATES OF AMERICA
STATE OF UTAH
HEBER VALLEY SPECIAL SERVICE DISTRICT
SEWER REVENUE BONDS, SERIES 202

INTEREST RATE	MATURITY DATE	ISSUE DATE
_____%	_____	_____

Registered Owner:_____

Principal Amount:_____Dollars

Heber Valley Special Service District, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the Net Revenues and sources hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender thereof, the Principal Amount identified above. Interest at the Interest Rate specified above on the Principal Amount hereof (calculated on the basis of a year of 360 days comprised of twelve 30-day months) shall be payable by check or draft mailed by the District Clerk of Heber Valley Special Service District, Utah (the "Paying Agent") to the Registered Owner hereof beginning _____ and on each _____ thereafter until this Bond is paid in full. Principal and redemption price of this Bond shall be payable upon presentation of this Bond to the Paying Agent, or its successor as such paying agent, for payment at maturity.

If this Bond or any installment of interest hereon is not paid when due and payable, the Issuer shall pay interest on the unpaid amount at the rate of eighteen percent (18%) per annum from the due date thereof until paid in full.

This Bond is one of an authorized issue of bonds of like date, term and effect except as to maturity, in the aggregate principal amount of _____ Dollars ($_____) issued in exchange for the conversion of the Issuer's Sewer Revenue Bonds, Series 2026 dated _____, in the total principal sum of $_____, authorized by a Parameters Resolutions adopted on November 14, 2024 and November 21, 2025 (together the "Resolution"), and a Master Resolution dated as of _____, 2026. This Bond and the issue of Bonds of which it is a part is issued pursuant to (i) the Master Resolution and (ii) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended, for the purpose of financing the construction of wastewater system improvements, including the construction of a mechanical plant aeration upgrades, rebuilding a pump station, constructing a laboratory building, farm shop and storage building and installing a new back-up generator, and all related improvements (the "Series 2026 Project"). This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Master Resolution) and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues (as defined in the Master Resolution).

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

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

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

The Issuer covenants and agrees that any resolution, ordinance or other enactment of the governing body of the Issuer applying the Net Revenues for the payment of the Bonds shall be irrevocable until the Bonds have been paid in full, and shall not be subject to amendment in any manner which would impair the rights of the holders of such Bonds or which would in any way jeopardize the timely payment of principal when due.

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

It is hereby certified, recited, and declared that all conditions, acts, and things essential to the validity of this Bond and the issue of which it forms a part do exist, have happened, and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that this Bond and the issue of which it forms a part does not exceed any limitation prescribed

by the Constitution and laws of the State of Utah; that one hundred percent (100%) of the Net Revenues (as defined in the Master Resolution) have been pledged and will be set aside into said special fund by the Issuer to be used for the payment of this Bond and the issue of which it forms a part and all bonds issued on a parity with this Bond, if any, and that said Net Revenues are not pledged, hypothecated, or anticipated in any way other than by the issue of Bonds of which this Bond is one and all bonds issued on a parity with this Bond, if any.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed (by manual or facsimile signature) by its Chair and countersigned (by manual or facsimile signature) by its District Clerk with the seal of said Issuer affixed, all as of _____.

(SEAL)

By:_____(Do Not Sign)_____
Chair

ATTEST:

By:_____(Do Not Sign)_____
District Clerk

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto _____ (Tax Identification or Social Security No._____ the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

_____

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

Signature Guaranteed:

_____

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

LOUGHLIN
WATER ASSOCIATES LLC
a Geo-Logic Company

April 3, 2026

Heber Valley Special Service District
Attn: Mr. Jim Goodley, P.E. General Manager
PO Box 427
1000 East Main
Heber, UT 84049

Subject: **Proposal to Prepare Draft Sampling and Analysis Plan**
Heber Valley Special Service District, Wasatch County, Utah
for Heber Valley Special Service District

Dear Jim:

Thank you for the opportunity to help the Heber Valley Special Service District (HVSSD) prepare a draft Sampling and Analysis Plan (SAP) to support the Utah Ground Water Discharge Permit (GWDP) application for the HVSSD wastewater treatment and disposal facility (facility) in Wasatch County, Utah. We prepared our proposal in response to your request in our conference call on March 31, 2026.

BACKGROUND

The HVSSD met with representatives of the Utah Division of Water Quality UDWQ, Aqua Engineering, and Loughlin Water Associates, LLC (Loughlin Water) on January 27, 2026, to discuss the results of the Phase I Hydrogeologic Report of the HVSSD Wastewater Treatment Plant dated January 8, 2026. This Phase I Report (1) identified data gaps in the facility monitoring network, (2) provided information to help make informed decisions regarding additional on-site investigations, (3) recommended locations and designs of three new monitor wells, and (4) presented a work scope to complete additional groundwater investigations.

In their letter to the HVSSD dated March 27, 2026, the UDWQ (1) stated that they generally agreed with the findings and did have questions concerning the Phase I Report and (2) asked the HVSSD to prepare a draft SAP for their review. The UDWQ further indicated that development of the SAP would be an iterative back and forth process between them and the HVSSD.

SCOPE OF SERVICES

We propose the following scope of services to help the HVSSD develop and obtain UDWQ approval for an SAP:

- Task 1 – Prepare Draft Sampling and Analysis Plan (SAP)
- Task 2 – Prepare for and Attend SAP Development Meetings.

3100 W. Pinebrook Road, Ste. 1100 ▲ Park City, Utah 84098
Phone: 435.649.4005 ▲ Fax: 435.649.4085 ▲ Mobile: 435.659.1752 ▲ www.LoughlinWater.com

Task 1 - Prepare Draft Sampling and Analysis Plan – We will prepare a draft SAP which conforms to U.S. Environmental Protection Agency (EPA) Guidance for Quality Assurance Project Plans, EPA QA/G-5 (EPA/600/R-98/018, February 1998). Monitor well construction and groundwater sampling will conform where applicable to the Handbook of Suggested Practices for Design and Installation of Ground-Water Monitoring Wells (EPA/600/4-89/034, March 1991), Practical Guide for Groundwater Sampling EPA/600/2-85/104, (November 1985) and RCRA Groundwater Monitoring Technical Enforcement Guidance Document (1986).

Task 2 – SAP Development Meetings - We anticipate that we will (1) meet with the UDWQ on two occasions to develop the draft SAP, provide presentations as necessary, (2) respond in writing to UDWQ as necessary for comments on the draft SAP, (3) make necessary changes to the draft prior to initiating sample collection and new monitor well installation, (4) provide a draft SAP that can be incorporated into the GWDP as an appendix.

TERMS AND CONDITIONS AND ESTIMATED FEE

We will perform our services on a time and expense (T&E) basis in accordance with the attached terms. Our estimated fee is as follows:

Draft Sampling and Analysis Plan	Estimated Fee
Task 1 - Prepare Draft Sampling and Analysis Plan	$10,000
Task 2 – SAP Development Meetings	$7,900
Total Estimated Fee	**$17,900**

Our fee for preparation of the draft SAP will not exceed **$17,900** without written authorization from Heber Valley Special Service District.

You may indicate your acceptance of our proposed scope of services, fees, terms and conditions and authorize us to proceed with the scope of services described herein with the signature of an authorized representative of Heber Valley Special Service District in the space provided on the signature page of this proposal.

Please return an executed copy of this proposal to authorize Loughlin Water to proceed.

SCHEDULE

Loughlin Water is prepared to initiate the proposed scope of services following our receipt of written authorization to proceed.

If you have any questions or need more information, please do not hesitate to call me at (435) 649-4005 (office).

Loughlin Water Associates, LLC



John S. Brown, P.G.
Principal Hydrogeologist



William D. Loughlin, P.G.
Manager, Principal Hydrogeologist

Heber Valley Special Service District agrees to the scope of services, fees, and terms and conditions described herein.

By: _____

Title: _____

Date: _____

TERMS AND CONDITIONS

Services. This Agreement is entered into between Client and Loughlin Water Associates, LLC ("Consultant") wherein Client engages Consultant to provide professional services ("Services").

Invoicing and Payment. Invoices will be submitted no less than monthly and will include the charges incurred during the preceding accounting period. Payment is due within thirty (30) days of the invoice date. Payments made after 30 days incur a late payment fee of 1.5 percent per month.

Fixed Fee Cost and Schedule. Consultant will work on a best-efforts basis to accomplish client's objectives within the cost and schedule estimates provided in the proposal. These estimates are based on Consultant's best judgment of requirements known at the time the proposal is prepared, requirements which can be influenced by changes in the work scope, client schedule demands, and other unforeseen circumstances. If the schedule or scope of services is expected to change, Consultant will notify the client with a change order request for the client's consideration.

Time-and-Expense Cost Estimate and Schedule. Consultant will work on a best-efforts basis to accomplish client's objectives within the cost and schedule estimates provided in the proposal. These estimates are based on Consultant's best judgment of requirements known at the time the proposal is prepared, requirements which can be influenced by changes in the work scope, client schedule demands, and other unforeseen circumstances. If schedule or costs are expected to exceed the proposed estimates, Consultant will notify the client before incurring additional costs on the client's behalf. In the situation where Consultant notifies the client in advance that the schedule or the costs are expected to exceed the proposed estimates, the client will have three options: 1) authorize additional funds so that Consultant can complete the work as currently defined; 2) redefine the scope of work to stay within the remaining funds; or 3) stop work at a specific expenditure level, with no further obligation or liability to either party except for payment for work performed.

Standard of Care. Consultant will strive to perform the Services in a manner consistent with that level of care and skill ordinarily exercised by members of the consultant's profession practicing in the same locality under similar circumstances at the time the services are performed. This Agreement creates no other representation, warranty or guarantee, express or implied.

Limitation of Liability. Consultant's potential liability to Client and others is grossly disproportionate to Consultant's fee due to the size, scope, and value of the Project. Therefore, unless Client and Consultant otherwise agree in writing in consideration for an increase in Consultant's fee, Client, including its directors, officers, partners, employees, agents, contractors and their respective assigns, agree to limit Consultant's liability (whether arising from contract, statutory violation or tort) to the greater of $10,000 or the amount of Consultant's fee. This limitation of liability shall apply to all phases of Services performed in connection with this Project, whether subsequent to or prior to the execution of this Agreement. In no event shall Consultant be liable for consequential, incidental or special damages.

Indemnification. Consultant and Client each agree to defend, indemnify and hold harmless the other from any claim, damage or liability for injury, loss, cost or expense, including, but not limited to reasonable attorney's fees in defending such matters and in enforcing the terms of this paragraph to the extent such claims or damages result directly or indirectly from the negligent actions or willful misconduct of each party. Neither party shall indemnify the other against liability of damages to the extent caused by the negligence or willful misconduct of the other.

Ownership of Documents. Services provided under this Agreement, including all reports, information, recommendations, or opinions ("Reports") prepared or issued by Consultant, are for the exclusive use and benefit of Client or its agents in connection with the project, are not intended to inform, guide or otherwise influence any other entities or persons with respect to any particular business transactions, and should not be relied upon by any entities or persons other than Client or its agents for any purpose other than the project. Client will not distribute or convey such Reports to any other persons or entities without Consultant's prior written consent which shall include a release of Consultant from liability and indemnification by the third party. Consultant's Reports, boring logs, maps, field data, drawings, test results and other work products are part of Consultant's professional services, do not constitute goods or products and are copyrighted works of Consultant. However, such copyright is not intended to limit the Client's use of its work product in connection with the project.

Site Access. Client shall secure the permission necessary to allow Consultant's personnel and equipment access to the project site at no cost to Consultant. Consultant will take reasonable precautions to minimize damage to the Site from its efforts. Consultant will retain responsibility for damage to owner's property to the extent damage occurs due to Consultant's negligence. Consultant and Client acknowledge that, in the performance of Services some damage may occur and is the responsibility of Client, or at Client's direction the damage may be corrected by Consultant and billed to Client at cost. However, damage which exceeds that normally to be expected, based on current industry standards, shall remain the responsibility of Consultant. Client shall be responsible for correctly designating the location of all property lines of the project site and all subsurface installations, such as pipes, tanks, cables, electrical lines, telephone lines and utilities within the project site, unless otherwise agreed in writing.

FARM LEASE

THIS FARM LEASE (hereinafter referred to as the **"Lease"**) is made and entered into effective as of the ___ day of _____, 202_, by and between HEBER VALLEY SPECIAL SERVICE DISTRICT **("Lessor")** and _____ **("Lessee")**.

1. **Property**. Lessor, for and in consideration of the rents, covenants and Leases on the part of Lessee to be paid, kept and performed as hereinafter set forth, does hereby lease and let unto Lessee certain real property located in Wasatch County, Utah, containing approximately ___ acres and more particularly depicted with red boundaries on Exhibit "A" attached hereto (the "**Property**~~"); provided that notwithstanding anything~~"). Subject to the ~~contrary in~~ terms and conditions of this Lease, Lessee shall have the right to use the Property for the Permitted Use (defined below). The Property shall not include~~, and Lessee shall no right to access or use,~~ any existing structures located ~~on the Property.~~ thereon, except that Lessee shall be permitted to use the existing barn, corral, and garage, together with certain unirrigated areas designated by Lessor (collectively, the "Storage Areas"), solely for storage as described in Section 2. Subject to the terms and conditions set forth below, the Lessee shall have and hold the Property from the date this Lease is signed by both parties until the date this Lease is terminated pursuant to Section 8 below.

2. **Use and Management of Property by Lessee**. Lessee shall occupy and use the Property for cultivation of alfalfa and other forage crops purposes (the "**Permitted Use**"). Lessee shall plant and harvest annually, ~~which is no event shall cover less than /___%/ of the Property.~~ and shall maintain the majority of the Property in alfalfa production, in each case at a level of cultivation sufficient to ensure that the requirements of Section 12 (Effluent Use) are continuously satisfied. Lessee's use of the Storage Areas shall be limited to the storage of farm equipment and harvested hay in connection with the Permitted Use, and Lessee shall not make any alterations thereto without Lessor's prior written consent. Except as described in this Section 2, Lessee shall use the Property for no other purpose without Lessor's prior written consent, which consent shall be in Lessor's sole and absolute discretion. Without limiting the foregoing, in no event shall Lessee use the Property ~~for~~to cultivate crops for human consumption. Lessee shall comply with all applicable laws, ordinances and other governmental requirements in the use of the Property, including, without limitation, Utah Admin. Code R317-3.

3. **Rental**. Lessee shall pay Lessor rental for the use of the Property (**"Base Rental"**) in the manner described in this Lease the sum of $___ per acre per year. The Base Rental shall be paid in two equal installments, one on ~~or before~~ the first day of March and the second on the first day of October, each ~~June during the Term,~~ with a 10-day grace period. In addition to the Base Rental, Lessee shall pay Lessor an annual fee of $2,500 for the use of the Storage Areas, which shall be due and payable concurrently with the March 1 installment of Base Rental each year. If Lessee shall default in a Base Rental payment or other amounts due under this Section 3, Lessor may exercise the remedies provided in Section 6(b) below. In the event Lessee fails to make its payment within five (5) days after the annual due date specified above, Lessee shall pay, in addition to the rent payment owed, a late payment fee equal to fifteen percent (15%) of the annual payment owed. If Lessee fails to make its payment within thirty days (30) days after the annual due date specified above, Lessee shall pay, in addition to the rent payment and late fee owed, twenty percent (20%) annual interest on the amount of the rent payment and late fee owed.

4. **Expenses**.

a. Lessee Expenses. Lessee shall furnish all labor, superintendence, equipment, ~~electricity~~, fertilizer, water expenses, and other products and services necessary to raise crops upon the Property and shall apply fertilizers in accordance with prudent, husband-like practices at Lessee's sole cost and expense. Lessee shall pay all expenses associated with the Property except for the Lessor Expenses. All other costs and expenses of every kind and nature pertaining to Lessee's use of the Property shall be borne and paid solely by Lessee.

b. Lessor Expenses. Notwithstanding the foregoing, Lessor shall be responsible to pay (i) all real property taxes for the Property, (ii) costs related to Lessor's water rights, (iii) costs of Lessor's remaining operations on the Property, including use and maintenance of monitoring wells and reporting related thereto, and (iv) utility expenses (collectively, "**Lessor Expenses**").

5. **Maintenance; Alterations**.

a. Maintenance of Property. Lessee shall accept the Property in its "as is, where is, with all faults" condition, and without any representation or warranty by Lessor whatsoever concerning the condition of the Property or otherwise. Lessee shall maintain and utilize the Property and all equipment, fencing and improvements located thereon in a husband-like manner and shall leave the same in good condition and repair upon expiration or earlier termination of this Lease. Lessee shall make all necessary repairs to the Property, including without limitation all fencing and equipment thereon during the term hereof, and shall leave the same in at least as good condition and repair at the end of the term of this Lease as it is in at the commencement thereof. Without limiting the foregoing, Lessee further agrees not to allow or suffer any environmental hazard or any waste on the Property, or sublease or permit any person or persons to occupy or improve the same or make or suffer to be made any alteration therein, except with the prior written approval of Lessor.

b. Irrigation Equipment. This Lease includes use of Lessor's irrigation equipment to be used solely on the Property for the irrigation of the Property. An inventory list is attached as Exhibit "B". Commencing upon the date Lessee first uses all or any portion of the foregoing irrigation equipment, Lessee shall be solely responsible for any and all costs associated with maintaining all of the included equipment, including, but not limited to, pumps, hoses, fittings, main lines, wheel lines, valves, sprinkler heads, and all other associated parts. Lessee shall be responsible for all costs up to an annual amount of $5,000, after which Lessor shall reimburse Lessee any further annual maintenance costs after submission of printed receipts which accurately itemize such costs. Lessee shall not be reimbursed for any maintenance or repairs caused by misuse or negligence on Lessee part. Lessee agrees to maintain all equipment in good and working condition.

c. Farm Equipment. Lessee shall be solely responsible to provide and maintain farming equipment necessary for Lessee's Permitted Use of the Property.

d. Alterations. Lessee may not make any improvements or changes to the Property (including changing existing ground elevation, excavating, constructing any structure, constructing a lighting structure, or landscaping) without Lessor's prior written consent. If Lessee desires to make any changes or improvements to the Property, Lessee shall provide Lessor with detailed plans and specifications for the proposed change or improvement at least thirty (30) days in advance of the proposed start of excavation, construction or installation work. In the event Lessee deems the making of any improvement or the changing of any improvement necessary to remove a hazardous condition, it shall notify Lessor and request that Lessor approve the improvement or change in improvement within a shorter time. Lessor shall have the right to conditionally approve, modify, or deny the requested change or improvement at Lessor's sole discretion.

6. **Default.**

a. Notice of Default. In the event of default by Lessee with respect to any of the terms and provisions of this Lease, Lessor shall give written notice to Lessee designating the default and demanding that the default be cured forthwith. Lessee shall have a period of thirty (30) days following receipt of the written notice within which to correct the default.

b. Remedies. Should Lessee fail to pay Base Rent as described in Section 3 above, or otherwise fail to correct any other default within the time period described in Section 6(a) above, Lessor may, at its option, without further notice to Lessee exercise any remedy available to Lessor at law or in equity, and, without limiting the foregoing, Lessor may immediately terminate this Lease, in which event Lessee shall immediately surrender the Property to Lessor, and if Lessee fails to do so, Lessor may enter upon and take possession of the Property and expel or remove Lessee and any other person who may be occupying the Property or any part thereof, by any legal means.

7. **Term.** The Term of this Lease shall be commence on _____, 202_ and continue until _____, 202_ ***[TBD: TERM WILL BE 5 YEARS]***, and shall automatically renew on a year by year basis thereafter unless terminated by a written notice from either party.

8. **Termination of Lease**. This Lease shall terminate on the date which is the earlier of:

a. Term. The conclusion of the Term, as may be extended, if either party delivers written notice prior to the automatic extension thereof.

b. Uncured Default. The date Lessor shall terminate the Lease pursuant to Section 6(b) above after an uncured default by Lessee; or

c. Early Termination for Convenience. Lessor or Lessee may terminate this Lease at either party's option discretion upon thirty (30) days' prior written notice to the other party; provided, however, that in the event that Lessor terminates pursuant to this Section 8(c), (x) Lessee shall be permitted to complete the growing and harvesting of any crop planted upon the Property prior to Lessee's receipt of such written notice, ~~but shall otherwise not have the right to access the Property following such termination.~~ and (y) with respect to any perennial crop established by Lessee on the Property, if Lessor terminates this Lease for convenience, Lessor shall reimburse Lessee for a prorated portion of Lessee's documented Establishment Costs (defined below) for such perennial crop, recognizing the multi-year productive life of perennial plantings. Reimbursement shall be determined based on the age of the perennial crop stand as of the effective date of termination, as follows:

i. ~~8~~ Less than 1 year from planting: 100%
ii. At least 1 year but less than 2 years: 75%
iii. At least 2 years but less than 3 years: 50%
iv. At least 3 years but less than 4 years: 25%
v. Four years or more: 0%

For purposes of this Section, "**Establishment Costs**" shall be limited to: (i) seed or plant material costs; (ii) direct labor costs reasonably attributable to planting and establishment; and (iii) equipment usage costs for planting and establishment, including reasonable hourly charges for a grain drill, tractor, and similar equipment (based on Lessee's standard internal rates or, if none, commercially reasonable market rates). All reimbursable costs must be actually incurred by Lessee and supported by reasonable written documentation. Notwithstanding any other provision herein, Establishment Costs shall not exceed $____ per acre.

Except as expressly set forth above, Lessee shall have no further right to access or use the Property following the effective date of termination.

9. **Liability Insurance and Indemnity**.

a. Insurance. ~~–~~Lessee shall, at all times during the ~~term~~Term of this Lease ~~keep~~, maintain in effect ~~with~~, at its sole cost and expense, policies of insurance issued by a responsible insurance company licensed to do business in the State of Utah, including: (a) commercial general liability insurance ~~in~~on an ~~amount acceptable to Lessor~~occurrence form with limits of not less than $1,000,000 per occurrence and $2,000,000 aggregate, naming Lessor as an additional insured~~.~~; (b) workers' compensation insurance as required by applicable Utah law; and (c) automobile liability insurance covering owned, hired, and non-owned vehicles, if any are used in connection with Lessee's operations on the Property, with limits reasonably acceptable to Lessor. Such insurance shall be primary and noncontributory with respect to any insurance maintained by Lessor. Lessee shall provide Lessor with a certificate of insurance evidencing ~~such policy,~~the required coverage, together with proof of payment of ~~the premium~~premiums, upon request and upon each renewal of such policies.

b. Indemnity. Lessee acknowledges that Lessor entered into this Lease on the condition that Lessor shall not be liable, responsible, or in any way accountable to Lessee, his/its agents, employees, invitees, or any other third party for loss or damage to any equipment, animals, or other personal property on or about the Property, or for injury or death to any person who may be using, occupying or visiting the Property. Lessee shall indemnify and hold harmless Lessor from and against any claims, demands, loss, cost or expense of any kind arising out of this Lease or in any way connected with Lessee's use or occupancy of the Property, whether validly asserted or not which arise from any acts, conduct, neglect or omissions of Lessee, or any of Lessee's agents or employees and whether or not any such claims arise from activity upon the Property. Lessee's indemnification obligation includes all costs and reasonable attorneys' fees that may be incurred by Lessor in defending/settling any such claims.

c. Assumption of Risk. Lessee agrees that it takes possession of the Property subject to the hazards of operating a farm property and assumes all risk of accidents or other incidents personally as well as for family, employees, invitees or agents in pursuance of farming operations (including without limitation if water is made unavailable for any reason), in performing repairs on equipment, fences, or any reason and so forth, and/or otherwise.

~~9~~10. **Holdover**. If Lessee retains possession of the Property or any part thereof after the termination of this Lease, Lessee shall be deemed to have a tenancy at sufferance, and Lessee shall pay to Lessor a monthly installment of rent, at triple the rate due and payable for the month immediately preceding such holdover, computed on a per-month basis, for each month or part of a month (without reduction for any such partial month) that Lessee remains in possession of the Property. In addition, Lessee shall pay to Lessor all direct and consequential damages sustained by reason of Lessee's retention of possession of the Property. The provisions of this Paragraph shall not be deemed to limit or exclude any of Lessor's rights of reentry or any other right granted to Lessor under this Lease or at law.

~~9~~11. **Compliance with Law.** Lessee shall comply with all applicable Federal, State and local laws pertaining to Lessee's operation respecting the Property including payments to, and tax obligations with respect to, employees and agents.

~~10~~12. **Effluent Use**. Lessor owns and operates a regional wastewater treatment facility in Heber Valley, Utah, which facility receives and processes wastewater from Heber City, Midway City, and portions of Wasatch County, Utah. As part of the treatment operations, Lessor uses treated wastewater to water crops. In connection with the use of the Property for the Permitted Use, Lessee shall be required use all treated wastewater supplied by Lessor as the primary source of water for watering crops on the Property. Lessee shall coordinate with Lessor in order to ensure irrigation is sufficient to satisfy the needs of Lessor, shall comply with all effluent permits of which it has notice, and exercise ~~reasonably~~reasonable efforts to cooperate with and support Lessor's monitoring efforts and requirements.

~~11~~13. **Environmental Regulations**. Lessee shall strictly comply in all material respects with all federal, state, and local environmental laws, regulations, and ordinances, which shall include, without limitation, Lessor's existing permits related to the application of treated wastewater ("**Environmental Laws**"), and shall not use or store on the Property any hazardous or toxic materials without Lessor's prior written consent. In the event of any spill or release of any hazardous or toxic materials, Lessee shall immediately: (a) prevent any further spill or release; (b) notify Lessor of the spill or release; (c) notify any governmental agency that must be notified under any applicable Environmental Laws; and (d) clean up and remedy any such spill or release. Upon termination of this Lease, Lessee shall deliver the Property to Lessor free of any material contamination by hazardous or toxic materials. Lessee covenants and agrees to protect, indemnify, and hold Lessor harmless from any and all liability, loss, costs, damage, or expense, including attorneys' fees, resulting from Lessee's failure to comply with the provisions of this paragraph or resulting from contamination of the Property caused by Lessee or its employees, contractors, invitees, or permittees. The obligations and covenants contained in this paragraph shall survive the expiration or termination this Lease.

~~12~~14. **Restrictions on Use of Property**.

a. Chemicals and Fertilizers. Lessor and Lessee acknowledge that the use of pesticides, chemicals and fertilizers may be necessary to optimize crop production upon the Property. It is also understood that the use of pesticides, chemicals and fertilizers could cause damage to persons, property and natural resources if improperly applied or used. Lessee shall use and/or apply insecticides, herbicides, pesticides, chemicals or fertilizers on the Property only as necessary and in a prudent and responsible manner to minimize any potential harm or damage to the environment. Lessee shall comply in all material respects with existing federal, state and local laws, regulations and ordinances and all manufacturer's instructions and guidelines in the use or application of any insecticide, herbicide, pesticide, chemical or fertilizer on the Property. Lessee shall NOT apply any registered pesticides without written approval by Lessor prior to application; such written approval may or may not be granted in Lessor's sole discretion. Lessee assumes all risk of harm to persons, property, or the environment that may result from Lessee's storage, handling, use or application of any insecticide, herbicide, pesticide, chemical or fertilizer and Lessee agrees to hold Lessor harmless from liability or litigation costs associated with or arising from any such harm

b. Noxious Weeds. Lessee shall control the growth of any noxious weeds or other growth on the Property in accordance with the requirements of any governmental agency having jurisdiction or as otherwise required by Lessor.

c. Storage. Lessee shall not cause or permit any structure, building, motor vehicle, or equipment to be placed, erected, or stored on the Property without Lessor's prior written consent nor shall Lessee, under any circumstances place any structure, building, motor vehicle, equipment, or object within, or allow any person to come within, twenty (20) feet of any existing or future power lines on the Property. Lessee understands and acknowledges that electricity can arc between lines and persons or objects within twenty (20) feet of the lines. Lessee assumes all risk of harm should any person, structure, building, motor vehicle, equipment or object be allowed within twenty (20) feet of an existing or future power line in violation of this provision.

~~12~~15. **Lessor Right of Entry.** Lessor reserves the right, by itself or through agents, employees, or assigns to enter upon the Property at any time to view and inspect the Property and farm operations thereon, market the same for sale, and/or otherwise.

~~13~~16. **Governmental Immunity**. Lessor and Lessee acknowledge that Lessor is a governmental entity as defined in the Utah Governmental Immunity Act, Utah Code Ann. § 63G-7-101 et seq. (the "**Act**"). Nothing contained in this Lease shall be construed as a waiver of any rights, defenses, immunities, or limitations of liability afforded to Lessor under the Act or any other provision of law. Lessor retains all immunities, defenses, and limitations provided by the Act and any amendments thereto, whether arising from contract, tort, or otherwise. Lessee agrees that Lessor's obligations under this Lease are subject to the Act, including the provisions limiting actions against governmental entities and employees. No provision of this Lease shall be interpreted to expand Lessor's liability beyond that permitted under the Act or to require Lessor to indemnify or hold harmless any person or entity. Lessee further acknowledges that Lessor's entering into this Lease and any performance hereunder are governmental functions within the meaning of the Act.

~~14~~17. **Condemnation**. If all or any portion of the Property is taken under the power of eminent domain or sold under the threat of that power (all of which are called "**Condemnation**"), this Lease shall terminate as to the part taken or sold on the date the condemning authority takes title or possession, whichever occurs first. If more than twenty percent (20%) of the Property is taken or such other material portion of the Property is taken and Lessee cannot reasonably continue to conduct the Permitted Use at the Property, either Lessor or Lessee may terminate this Lease as of the date the condemning authority takes title or possession, by delivering written notice to the other within thirty (30) days after receipt of written notice of such taking (or in the absence of such notice, within thirty (30) days after the condemning authority takes title or possession). If neither Lessor nor Lessee terminates this Lease, this Lease shall remain in effect as to the portion of the Property not taken, except that the Base Rental shall be reduced in proportion to the reduction in the acreage of the Property. Lessor shall be entitled to receive the entire award or payment in connection therewith. If this Lease is not terminated, Lessor shall repair any damage to the Property caused by the Condemnation, except that Lessor shall not be obligated to repair any damage for which Lessee has been reimbursed by the condemning authority. If the severance damages received by Lessor are not sufficient to pay for such repair, Lessor shall have the right to either terminate this Lease or make such repair at Lessor's expense.

~~15~~18. **Surety Bond**. Lessee shall obtain a surety bond issued by a company acceptable to Lessor, in an amount equal to ~~$_____~~$300,000, to guarantee payment of damages and performance of all provisions and obligations of Lessee under this Lease. The surety shall be deposited with Lessor and shall remain in effect until the Term has expired and Lessee has surrendered the Property as required by this Lease, and all costs have been paid in full.

~~16~~19. **Tenant Records**. Lessee shall prepare, keep and maintain for a period not less than 2 years following each calendar year and following the expiration or earlier termination of the Term, complete and accurate books of account and records of items requested by Lessor from time to time, which shall include, but are not limited to, an account of the type and mass of applied fertilizer, irrigation rates or amounts for each pivot, and total crops planted and harvested from the Property each year. Lessee shall furnish copies of such books of account and records to Lessor promptly following request by Lessor therefore.

~~17~~20. **Miscellaneous**. This Lease shall be governed by the laws of the State of Utah and applicable federal law, without regard to Utah conflicts of law provisions. Lessor and Lessee hereby stipulate and

agree that the venue of any action or proceeding (i) brought by Lessor, Lessee, or any other party, relating to this Lease and/or any understandings or prior dealings between the parties hereto, or the Property, shall be in Wasatch County, Utah. Any provision held to be illegal, invalid or unenforceable may be severed from, and shall not affect, the remainder of this Lease. The headings herein are for reference only and shall not define or limit the provisions hereof. The word "including" means "including without limitation." This Lease constitutes the entire agreement between Lessor and Lessee with respect to the subject matter addressed herein, and all prior or contemporaneous agreements, whether written or oral, as may relate to the same are hereby superseded by this Lease with respect to the subject matter of this Lease. This Lease may not be altered, modified, amended or changed, in whole or in part, except by a writing executed by the parties. This Lease shall be binding upon the parties and their heirs, successors, assigns, transferees, grantees, executors and administrators. Neither this Lease, nor the rights or obligations of Lessee hereunder, may be assigned, nor shall the Leased Property be sublet, by Lessee without prior written consent of Lessor, which consent may be withheld in Lessor's sole discretion. If Lessor shall bring suit against Lessee as a result of any alleged breach or failure by Lessee to perform any provision under this Lease, Lessor shall, in addition to any other relief awarded by the Court, be entitled to costs and reasonable attorneys' fees incurred by Lessor by reason of such action. Each party shall provide notice to the other at the last known physical or email address provided to them. This Lease may be executed in counterparts through any form of electronic transmission, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have executed this Lease the date and year first above written.

LESSOR:

HEBER VALLEY SPECIAL SERVICE DISTRICT

By: _____
Name: _____
Its: _____

LESSEE:

_____

By: _____
Name: _____
Its: _____

EXHIBIT “A”

[INSERT DEPICTION OF PROPERTY]

EXHIBIT “B”

[INSERT EQUIPMENT LIST]

Heber Valley Special Service District

Board Meeting

April 9, 2026

MANAGER'S REPORT

1. **THE FARM**
    a. Cleaning Up
    b. Performing Pivot Maintenance
    c. Finalizing Lease Terms w/ Prospective Lessee
        i. Updated Lease Terms
        ii. Had Irrigated Area Surveyed/Confirmed
        iii. Had Farm Equipment Appraised- estimated value ~$334k

2. **LAGOONS**
    a. **Dredging And Aeration Project**
        i. Project Update and Completion added to Fact Sheet- on website
        ii. Final Pay Request Submitted – for Retainage- see consent agenda

        iii. Aeration Project
            1. Repair of existing aeration piping too extensive to perform in house
            2. Have asked JB Gordon Construction to assess work and provide a quote to repair three laterals. Offered two options
                a. Install Temporary Dam - ~$45k
                b. Use modified Trench Box - ~$23k

    b. **Odor Control Update**
        i. Minimal odors from lagoons recently
        ii. Awaiting report from DHHS on monitoring results
        iii. Chemical Addition to Lagoons
            1. Does the District want to dose chemical this spring/summer?
            2. Lagoon performance so far indicates chemical addition should not be needed.

    c. **Level Monitoring**
        i. Monitoring water level in winter storage Cell 5 this winter
        ii. Working on data/calculations to estimate seepage

3. **MECHANICAL PLANT**
    a. **South & North Trains**
        i. Both trains in continuous operation past month
        ii. Average Daily Flow: ~1.2 MGD

iii. Sludge bulking evident, poor settling
iv. Performance has been satisfactory

b. **STM Aerotor Issues**
   i. Additional sprocket teeth have broken since last month
   ii. Placed order with WesTech for replacement parts
   iii. Delivery/Field Service tentatively scheduled for early June
   iv. Coordinating with vendor on field service logistics
   v. Potential to purchase replacement/spare parts from Spanish Fork- phased out use of STM Aerotors.

c. **Effluent Diverted to Lagoons**
   i. Began diverting most of mechanical plant effluent to winter storage lagoons in mid-March
   ii. Purpose is to increase stored volume to support irrigation during low water year

d. **Maintenance Work**
   i. STM Aerotors
      1. Tensioned drive chains to account for missing sprocket teeth
   ii. Clarifiers
      1. Cleaned launders on all three clarifiers
   iii. Odor Control System
      1. Lubricated fan drives
      2. Punch List items as VanCon finishing project
   iv. Grinder Stations/Influent Channels
      1. Had Twin-D do semiannual cleaning of influent areas

4. <u>PROJECTS/MISCELLANEOUS</u>

a. **CIB Projects**
   i. Funding Status:
      1. Bonding for $2M for CIB project – see prior agenda item

   ii. Headworks Upgrade
      1. Contractor finishing up final items-railing/electrical in clarifier
      2. Provided preliminary punch list last week
      3. Scheduled to be complete by end of April

b. **Odor Monitoring and Control**
   i. Lift Station Monitoring
      1. NO UPDATES – Continue to add calcium nitrate for odor control and monitor H_2S concentration at manhole
      2. Results have been consistently low
   ii. Lagoons
      1. Refer to Item 2b
      2. Awaiting DHHS report on odor monitoring

c. **Capital Projects**
    i. Focus on STM aerotor repairs
    ii. Composite sampler delivered, working on sampling station for primary clarifier
    iii. Mechanical Plant Aeration -Capacity Restoration
        1. Concept -VorTech Aeration Technology to replace STM Aerotors- 'regain' 0.8 MGD of capacity in mechanical plant
        2. VorTech is a new technology (Based in Ireland)- marketing in the US
        3. Proposal is a 'Try and Buy' arrangement
            a. Vendor installs their equipment in one of our process trains at their cost
            b. Operate system through a trial period
            c. Must meet certain performance metrics- compare against parallel train, SAE, turnup/turndown, etc....
            d. If they meet performance reqt's – we purchase equipment
            e. If they don't: 1) we're not obligated to buy, or 2) they repair the item and retest, or 3) we buy at discounted price or they pay a penalty...TBD
            f. Have offered a turnkey service- they install and arrange ancillary components
            g. Concept now includes two units per train
            h. Budgetary cost ~ $600k to install in one train
            i. Awaiting formal proposal from VorTech

5. <u>REGULATORY/PERMITTNG</u>

a. DWQ Updates
    i. Received response from DWQ on March 27, 2026 regarding Phase I Report.
    ii. Limited feedback provided by DWQ in response.
    iii. In general DWQ agrees with findings of Phase I report but directs District to prepare a Sampling and Analysis Plan (SAP) to guide the next phase.
    iv. SAP will be developed around sampling & analyses of existing 7 wells and three (at least) additional wells.
    v. Loughlin has provided proposal to develop the SAP- see separate agenda item.

6. <u>ADMINISTRATIVE</u>

a. District Clerk
    i. Chris Morgan started 3/30/26
    ii. Tentative schedule: Tuesday afternoon, Wednesday morning, Thursday afternoon
    iii. Eliza's last day was 4/1/2026
    iv. Working to get Chris' settled in/office set up

b. Heber City/MSD Overage
    i. Working to resolve/reimburse overcharges to MSD- initial estimate ~$160k

ii. Meeting next week to discuss
iii. Held follow up meeting with Heber City to resolve issues (tentative)

c. Sewer Summit -Part 2
   i. Tentatively Scheduled Meeting for June 8

d. Capacity Summary -2026
   i. See below for analyses of existing capacity allocations

			Design	Actual	Units	Notes
Plant Capacity		Aerated Lagoons	2.34	2.04	MGD	
		Winter Storage	1.94	1.94	MGD	
		Land Application	1.85	1.85	MGD	Limiting Capacity of Lagoon System
		Mechanical Plant	2.0	1.2	MGD	Limiting Capacity of Mechanical Plant
		RIB's	2.0	2.0	MGD	
		Plant Capacity	3.9	3.1	MGD	
						2025 Avg Flow
Allocation-Flow	0.7	Heber (70%)	2.695	2.135	MGD	1.54
	0.3	Midway (30%)	1.155	0.915	MGD	0.69
Allocation- ERU	170	Heber	15853	12559	ERU's	
	220	Midway	5250	4159	ERU's	
		Total	21103	16718	ERU's	
Current ERU's (2025)		Heber	8878	8878	ERU's	incl TCSSD & Red Ledges
(from billing)		Heber	56%	71%		% of allocation used
		Midway	3882	3882	ERU's	incl JSSD
		Midway	74%	93%		% of allocation used
Available ERU's		Heber	6975	3681	ERU's	
		Midway	1368	277	ERU's	
						Source
Buildout ERU		Heber	?	ERU's		
		TCSSD	5954	ERU's		From TCSSD
		Red Ledges	1200	ERU's		From Red Ledges -estimate
		Midway	5594	ERU's		Per MSD
		JSSD	244	ERU's		
			12992	ERU's		
						Notes: Does not include ~1.0 MGD Emergency
						Flow provision for JSSD