



City of Naples

Naples City Council Meeting Agenda

July 9, 2026 - 7:30 p.m.

1420 East 2850 South

Naples, UT 84078

Opening Ceremonies

1. Approval of Agenda
2. Approval of Minutes - June 25, 2026 Regular Council Meeting
3. PUBLIC COMMENT PERIOD
4. Naples Elementary PTA Report and Introduction - Brittney Schlosser
5. Consideration for and adoption of a Parameter Resolution authorizing the issuance of Street Improvement Revenue Bonds of Naples City, Uintah County, Utah and calling of a public hearing to receive input with respect to the issuance of such Bonds and any potential impact to the private sector from the construction of the Project. Resolution No. 26-378
6. Approve Contract and Expenditure for 1900 S Park Lights
7. Sales Tax Incentive Resolution
8. 2000 East Project Update
9. Other Matters or Future Council Matters
10. Motion to Adjourn

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify the Naples City offices at 789-9090, 1420 East 2850 South, Naples, UT 84078 at least 48 hours in advance of the meeting. Meetings are held at 1420 East 2850 South, Naples, UT.

The undersigned, duly appointed City Recorder, does hereby certify that the above agenda was posted at the Naples City Office, on the City's website <https://naplescityut.gov/> and on the State Public Meeting Notice website <https://utah.gov/pmn> Nikki W. Kay

Naples City Council

June 25, 2026

Minutes

A meeting of the Naples City Council was held June 25, 2026, 7:30 p.m., at the Naples City Office, 1420 East 2850 South, Naples, Uintah County, Utah.

DATE, TIME & PLACE OF MEETING

Council members attending were Nate Zilles, Dan Olsen, Ross Morton, Kenneth Reynolds and Jonathan Beede. Brock Arnold was absent.

COUNCIL MEMBERS ATTENDING

Others attending were Brooks Jones, Jeremy Raymond, Brett Reynolds, Willis LeFever, Szeth Simmons, Ryan Cook, Gwen Harrison and Micheal Davis.

OTHERS ATTENDING

Mayor Pro Tem Dan Olsen welcomed everyone and asked Kenneth Reynolds if he would lead everyone in the pledge of allegiance. Jonathan Beede offered the invocation.

OPENING CEREMONY

Mayor Pro Tem Olsen asked to add an item under item twelve concerning the park lights and asked for approval of the agenda. Ross Morton **moved** to approve the agenda with the addition. Kenneth Reynolds **seconded** the motion. The motion passed with all in attendance voting aye.

APPROVAL OF THE AGENDA

The minutes of the budget workshop meeting of May 14, 2026 were presented for approval. Nate Zilles **moved** to approve the minutes of May 14, 2026 budget workshop. Jonathan Beede **seconded** the motion. The motion passed with all in attendance voting aye.

MINUTES APPROVED

The minutes of the regular council meeting of June 11, 2026 were presented for approval. Kenneth Reynolds **moved** to approve the minutes. Nate Zilles **seconded** the motion. The motion passed with all voting aye.

Mayor Pro Tem Olsen asked for a motion to open the public comment period. Kenneth Reynolds **moved** to enter the public comment period. Jonathan Beede **seconded** the motion. The motion passed with all voting aye. Nothing was brought forward from the public. Jonathan Beede **moved** to close the public comment period. Ross Morton **seconded** the motion. The motion passed with all voting in the affirmative.

PUBLIC COMMENT PERIOD

Gwen Harrison came before the Council to discuss proposed changes to the Commercial Zone in the Land Use Ordinance. Gwen stated the Planning Commission has been reviewing this for several months looking to amend and add some new business uses. She said that State law has now required, in a commercial zone, that cities include a statement that, if a business use is not listed as permitted, a business can appeal to the land use administrator for it to be considered and if denied, they can appeal to the city council. Gwen stated if the council approves it the use would then be added to the ordinance as permitted. Gwen said they also did a general clean up of the ordinance. She said they made changes in the requirements of the facade of a business and instead of denying metal buildings they listed that it can't have the appearance of a metal building. Gwen stated they did hold a public hearing to allow comment on the proposed changes and didn't have any public comments. Gwen said someone has approached the City about allowing day care facilities in a commercial zone and they did add that as an allowed use. Councilman Zilles said he appreciated that they added so many different categories to the list. He also asked if the land use authority is found in the definitions? Gwen said it is. Councilman Zilles approved of the changes that were made and appreciated the work put into it. Nate Zilles **moved** to approve the changes to the commercial zone of the Land Use Ordinance and to approve Ordinance 26-267 as presented. Kenneth Reynolds **seconded** the motion. The motion passed with the following roll call vote:

Jonathan Beede	Aye
Kenneth Reynolds	Aye
Ross Morton	Aye
Dan Olsen	Aye
Nate Zilles	Aye

Gwen Harrison presented the proposed changes to the planning commission bylaws in the Land Use Ordinance. Gwen stated the changes to this section of the ordinance are primarily legislative based. She said the Legislature has determined certain criteria that a planning commission member could be removed for cause. Gwen read what those reasons were. She said commission members are also required to complete annual land use training. Gwen said these changes were presented during a public hearing and they received no comments. Kenneth Reynolds stated these are mainly legislative changes and because of that he

***APPROVE CHANGES TO
LAND USE ORDINANCE
COMMERCIAL ZONE -
ORDINANCE 26-267***

***APPROVE CHANGES TO
THE LAND USE
ORDINANCE PLANNING
COMMISSION BYLAWS -
ORDINANCE 26-268***

moved to approve Ordinance 26-268. Jonathan Beede **seconded** the motion. The motion passed with the following roll call vote:

Nate Zilles	Aye
Dan Olsen	Aye
Ross Morton	Aye
Kenneth Reynolds	Aye
Jonathan Beede	Aye

Gwen Harrison presented the proposed changes to the Land Use Ordinance for accessory dwelling units (ADU's). Gwen stated this would be a new section of the ordinance. She said everyone is aware of the issues with housing and the price of homes. Gwen said legislation is coming on this and they would like to get ahead of it and be ready to address any issues when the requirements come. She said the purpose of an accessory dwelling unit is to provide housing, typically for family members. Gwen said this could include converting a garage into an ADU, converting your basement, or having a detached ADU. She explained there is a size limitation on the detached and the internal unit has to be separate from the rest of the house with it's own kitchen, bedroom, bathroom, and entrances. Gwen said only one ACU would be allowed per parcel, someone couldn't have an internal ADU and an external ADU. She said an ADU cannot be used as a short-term rental. Gwen stated if a garage is converted to an ADU then they would need to replace that parking somewhere on the property. She referred to the lot size requirements for either type of ADU and a detached ADU would have to comply with setback requirements. Gwen reviewed the size limitations for the detached ADU and pointed out that ownership could not be transferred upon the sale of the original lot, it would be conveyed with the primary dwelling as a single property. Gwen said a public hearing was held with no comment from the public. Councilman Reynolds said they also talked about the need to clear these with Ashley Valley Water & Sewer. He said they discussed this at length and felt like it was the best compromise they could come up with. Councilman Beede felt the size limitation and the need to obtain water would restrict how many people could do it. He said he tried to think of ways someone might try and get around it but he couldn't really come up with anything. Councilman Zilles said the requirement of the owner to live on premise and the requirement for the ADU to be on a permanent foundation alleviated some of his concerns. Councilman Olsen wanted to

***APPROVE CHANGES TO
THE LAND USE
ORDINANCE FOR
ACCESSORY DWELLING
UNITS - ORDINANCE 26-
269***

know how they would address those who currently have relatives living on a piece of property. Gwen said it's hard to change what is already existing so what exists will remain, but if any changes were made they would fall under the new requirements. Kenneth Reynolds **moved** to approve Ordinance 26-269. Jonathan Beede **seconded** the motion. The motion passed with the following roll call vote:

Jonathan Beede	Aye
Kenneth Reynolds	Aye
Ross Morton	Aye
Dan Olsen	Aye
Nate Zilles	Aye

Council members received a copy of Resolution 26-376 listing the changes made to the FY 2025/2026 budget. The general fund budget was amended to \$4,007,200 and the vitalization fund was amended to \$605,000. Jonathan Beede **moved** to approve Resolution 26-376. Nathan Zilles **seconded** the motion. The motion passed with the following vote:

Nate Zilles	Aye
Dan Olsen	Aye
Ross Morton	Aye
Kenneth Reynolds	Aye
Jonathan Beede	Aye

***APPROVE RESOLUTION
26-376 AMENDING FY
2025/2026 BUDGET***

Council members received a copy of Resolution 26-377 adopting the FY 2026/2027 budget. The amounts presented were \$3,656,900 for general fund; \$169,000 for debt service fund; \$5,000 for asset acquisition; \$5,000 for equipment fund; \$3,268,000 for capital project road fund; \$5,000 municipal building fund; \$15,000 capital project park fund; \$25,000 building authority fund; \$5,000 vitalization fund; \$5,000 redevelopment #1 and \$2,500 redevelopment #2. Micheal stated the amounts have not changed since the public hearing discussion. Micheal said the amounts reflect a 3% COLA increase along with the 3% step increase. He said the Mayor asked him to include the year-end employee appreciation bonus in the budget, so if everything is going well, that can be an automatic payment. Micheal said he did want to discuss one item that is not in the budget and that would be the park lighting. He said they would need to add an additional \$60,000 to the capital project park budget. He said this would just be lights along the sidewalk at the park from the parking lot by the splash pad to the parking lot west of that. Micheal said the bid was for \$55,144.58 and does not

***APPROVE RESOLUTION
26-377 ADOPTING FY
2026/2027 BUDGET***

include any repairs to sprinkler lines cut during installation of the conduit. The contractor said he spoke with Dustin of the Recreation District and Dustin said they would fix those. Micheal said he's not talked with Dustin but the contractor and one other person said Dustin stated he would fix them. Councilman Zilles asked if he needs a motion to add that amount to the budget. Micheal said, yes. Councilman Reynolds asked if they are the lights that shine down. Micheal said they are directional lights. Nathan Zilles **moved** to adopt Resolution 26-377 with an increase of \$60,000 to the capital project park fund for a total of \$75,000. Jonathan Beede **seconded** the motion. The motion passed with all voting aye on roll call.

Jonathan Beede	Aye
Kenneth Reynolds	Aye
Ross Morton	Aye
Dan Olsen	Aye
Nate Zilles	Aye

Council members received a copy of Ordinance 26-266 setting the compensation of elective and statutory officers. The amounts listed had not changed from those presented at the public hearing. Kenneth Reynolds **moved** to approve ordinance 26-266. Ross Morton **seconded** the motion. The motion passed with the following vote:

Jonathan Beede	Aye
Kenneth Reynolds	Aye
Ross Morton	Aye
Dan Olsen	Aye
Nate Zilles	Aye

Fire Marshall Jeremy Raymond and Naples Fire Chief Brett Reynolds were in attendance for a discussion on fireworks in Naples City for the upcoming July 4th holiday. Jeremy Raymond said there has been a huge discussion concerning fireworks in municipalities because of the ban on fireworks by Governor Cox. He said, in State Code, municipalities can create areas where you can or can't discharge fireworks. Mr. Raymond said the area needed to be defined, on a map, before May 1st. Fire Marshall Raymond said they were going to work on a map for next year but because of the order from Governor Cox, the cut off date of May 1st was suspended. He said, because of that, the State Forester can now ban fireworks within city limits. Fire Marshall Raymond said he believes that will happen unless the City has a map where

ADOPT ORDINANCE 26-266 SETTING THE COMPENSATION OF ELECTIVE AND STATUTORY OFFICERS

DISCUSSION REGARDING FIREWORKS

people can discharge fireworks. He said the Governor has placed the decision with the Mayor and the Fire Chief. Fire Marshall Raymond said, in his discussions with Micheal and with Vernal City, he has gone back and forth. He said the conditions are still hazardous. Fire Marshall Raymond stated the Governor did not ban firework sales and so people in the area have been selling fireworks and people have been buying them. He said the question is, do they ban fireworks, and if they do, are people still going to be setting them off? Councilman Zilles wanted to know if people would then be cited with a Class B misdemeanor and a \$1,000 fine? Fire Marshall Raymond said that is specifically for the County. He said the City would have to get with their own law enforcement and see what they would be cited under. Councilman Zilles believed it would revert back to the State Code if the City didn't have something specific. Fire Marshall Raymond said the other entities have been inclined to allow fireworks but with the understanding that if the fire department is called out they will be cited and they will be fined and pay restitution. Fire Chief Reynolds said he's not usually called to a fire by someone that has been following the rules and he has a hard time penalizing the non-problem people. Councilman Zilles wanted to know if they are still allowed to create a map for this area? Fire Marshall Raymond said yes. Councilman Zilles asked what they would recommend. Fire Marshall Raymond said Vernal City is leaning toward allowing fireworks with the understanding that people will be cited and penalized if the fire department has to respond. Councilman Morton asked about the time frame people are allowed to discharge them and if the City can limit that. Fire Marshall Raymond said it is two days before, the day of and one day after and the Governor did not give cities allowances with that. He said the gulch worries him and Ashley Creek worries him, so they need to decide if they want to create the areas where they are not allowed. Councilman Morton wanted to know how many fires they have responded to over the 4th due to fireworks? Chief Reynolds said, one. Fire Marshall Raymond said Naples City has not had many, but it has been more of an issue in Vernal City. He also said he has not seen as many "red flag" days in his career as he has in the last month. Councilman Morton wanted to know if they could put out a flyer with some "good practices?" Micheal said they've put information out on social media. Fire Marshall Raymond said they are working hard on education through public service announcements. Councilman Zilles said the City already has their WUI (Wildland Urban Interface) map and could they just use it for the restricted areas? Fire

Marshall Raymond said they could use the WUI map and increase it to 100-200 feet beyond that as the restricted area and then make sure the map is shared on the City's website and social media. Councilman Zilles asked if he and the Mayor would work on that. Fire Marshall Raymond said he would and he would get with Micheal to publish the map and other material they have. Councilman Olsen asked about the City's firework celebration for the 24th? Fire Chief Reynolds said he doesn't worry about it as much because they are right there and they try and spray everything down before they begin the show.

Fire Marshall Raymond also wanted the Council to know they are headed out to a preconstruction meeting for the new fire truck and then it usually takes about a year after that meeting to have the new truck here.

Councilman Olsen urged Micheal to get the information out to the public and list the areas fireworks are not allowed, what the penalties can be, and ask people to act responsibly.

Nothing was brought forth under other matters.

***OTHER MATTERS OR
FUTURE COUNCIL
MATTERS***

With no other business before the Council, Nate Zilles **moved** to adjourn the meeting at 8:30. Ross Morton **seconded** the motion. The motion passed with all voting aye.

MOTION TO ADJOURN

APPROVED BY COUNCIL ON THE 9TH DAY OF JULY 2026

BY: _____

ATTEST: _____

Naples, Utah

July 9, 2026

The Mayor and City Council of Naples City, Uintah County, Utah met in regular session at its regular meeting place in said Municipality at 7:30 p.m. on the 9th day of July, 2026, with the following members of the Governing Body present:

Brock Arnold	Mayor
Jonathan Beede	Councilmember
Ross Morton	Councilmember
Dan Olsen	Councilmember
Kenneth Reynolds	Councilmember
Nate Zilles	Councilmember

Also present:

Nikki W. Kay	City Recorder
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Absent:

After the meeting had been duly called to order and after other matters not pertinent to this Bond Resolution had been discussed, the City Recorder presented to the Mayor and City Council a Certificate of Compliance With Open Meeting Law with respect to this July 9, 2026, meeting.

STATE OF UTAH)
 : SS.
COUNTY OF UINTAH)

I, NIKKI W. KAY, the undersigned City Recorder of Naples City, Uintah County, Utah (the "City") do hereby certify according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the July 9, 2026, public meeting held by the City as follows:

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

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

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

In addition, the Notice of 2026 Annual Meeting Schedule for the City (attached hereto as Schedule 2) was given specifying the date, time and place of the regular meetings of the Mayor and City Council to be held during the year, by causing said Notice to be (i) posted in January __, 2026, at the principal office of said Governing Body, (ii) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) and (iii) posted on the City's official website.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this 9th day of July, 2026.

City Recorder

(SEAL)

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Notice Added

Notice Added Successfully

Your notice has been created successfully.

General Information

Government Type:

Municipality

Entity:

Naples

Public Body:

City Council

Notice Information

Emergency Notice:

No

Notice Title:

Naples City Public Notice

NOTICE OF AGENDA OF REGULAR MEETING

* * * * *

PLEASE TAKE NOTICE that the Mayor and members of the City Council of Naples City, Uintah County, State of Utah, will hold a Regular Meeting on Wednesday, the 9th day of July, 2026, at its regular meeting place, the Naples City Offices, 1420 East 2850 South, Naples City, Utah, at the hour of 7:30 o'clock P.M.

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

- (1) Consideration for and adoption of a Parameter Resolution authorizing the issuance of Street Improvement Revenue Bonds of Naples City, Uintah County, Utah and calling of a public hearing to receive input with respect to the issuance of such Bonds and any potential impact to the private sector from the construction of the Project; and
- (2) Any other business that may come before said meeting.

DATED this 8th day of July, 2026.

City Recorder

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

Yea: Jonathan Beede
Ross Morton
Dan Olsen
Kenneth Reynolds
Nate Zilles

Nay: None

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

The Resolution is as follows:

NAPLES CITY, UINTAH COUNTY, UTAH
RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE AND CONFIRMING THE SALE OF STREET IMPROVEMENT REVENUE BONDS IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$1,500,000 (THE "BONDS") OF NAPLES CITY, UINTAH COUNTY, UTAH (THE "ISSUER"); CALLING A PUBLIC HEARING AND ESTABLISHING A TIME, PLACE AND LOCATION FOR SAID PUBLIC HEARING TO RECEIVE INPUT FROM THE PUBLIC WITH RESPECT TO THE ISSUANCE OF BONDS AND ANY POTENTIAL ECONOMIC IMPACT TO THE PRIVATE SECTOR FROM THE CONSTRUCTION OF THE PROJECT TO BE FUNDED BY THE BONDS; PROVIDING FOR A PLEDGE OF EXCISE TAX REVENUES FOR THE PAYMENT OF THE BONDS; FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AND RELATED MATTERS.

WHEREAS subject to the limitations set forth herein, Naples City, Uintah County, State of Utah (the "Issuer"), desires to issue its Street Improvement Revenue Bonds (the "Bonds") to (a) construct street improvements on 2500 South Street, together with other related improvements (the

“Project”), and (b) pay costs of issuance of the Bonds, pursuant to this Resolution and a Master Resolution (the “Master Resolution”), in substantially the form presented at the meeting at which this Resolution was adopted and which is attached hereto as Exhibit “B”; and

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

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

WHEREAS the revenues to be derived by the Issuer from excise tax funds received by the Issuer (as hereinafter defined) have not been pledged or hypothecated in any manner or for any purpose and the Issuer desires to issue its Street Improvement Bonds payable from such revenues in the manner for which provision is hereinafter made in order to pay all or part of the cost of the Project; and

WHEREAS the Utah Local Government Bonding Act, Sections 11-14-101, et seq., Utah Code Annotated, 1953, as amended, provides that, prior to issuing bonds an issuing entity must (i) give notice of its intent to issue such bonds and (ii) hold a public hearing to receive input from the public with respect to the issuance of such bonds and any potential economic impact to the private sector from the construction of the Project to be funded by the Bonds; and

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

WHEREAS the State of Utah acting through its Permanent Community Impact Fund Board (“Community Impact Board”) has offered to purchase the Street Improvement Revenue Bonds at an interest rate not to exceed 2.0% per annum and on the general and special terms and conditions as set forth herein;

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

Section 1. The Mayor and City Council (the “Governing Body”) of Naples City, Uintah County, Utah (the “Issuer”), hereby finds and determines that it is in the best interests of the residents within Naples City for the Issuer to issue its Street Improvement Revenue Bonds (the

"Bonds") in the principal amount of not to exceed \$1,500,000 at an interest rate not to exceed 2.0% per annum, to mature in not more than ten (10) years from its date or dates, pursuant to a resolution to be adopted by the Governing Body authorizing and confirming the issuance and sale of the Bonds.

Therefore, the Issuer hereby declares its intention to issue the Bonds according to the provisions of this Section. The Bonds are to be issued for the purpose of paying all or part of the cost of constructing street improvements on 2500 South Street, together with other related improvements (the "Project") of the Issuer.

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

The form of the Master Resolution attached hereto as Exhibit "B" is approved as to form only and is subject to revision by the Mayor and City Recorder of the Issuer consistent with the final terms and provisions of the Bond within the maximum provisions set forth hereinabove.

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

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

Section 4. The Issuer shall hold a public hearing on August 13, 2026, to receive input from the public with respect to the issuance of the Bonds and any potential impact to the private sector from the construction of the Project to be funded by the Bonds, which hearing date shall be not less than fourteen (14) days after notice of the public hearing is (A) first published once a week for two consecutive weeks in the Vernal Express, a newspaper of general circulation in the Issuer and (B) published on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended. The Issuer directs its officers and staff to publish a Notice of Public Hearing in substantially the following form:

NOTICE OF PUBLIC HEARING

PUBLIC NOTICE IS HEREBY GIVEN that on July 9, 2026, the Mayor and City Council of Naples, City (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Street Improvement Revenue Bonds in the principal amount of up to \$1,500,000 with interest at

a rate not to exceed 2.0% per annum payable over a period of not more than 10 years (the "Bonds") pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and to call a public hearing to receive input from the public with respect to the issuance of the Bonds.

The Issuer shall hold a public hearing on August 13, 2026, at the hour of 7:30 p.m. The location of the public hearing is in the City Office, 1420 East 2850 South, Naples, Utah. The purpose of the meeting is to receive input from the public with respect to the issuance of the Bonds and any potential economic impact to the private sector from the construct street improvements on 2500 South Street, together with other related improvements. All members of the public are invited to attend and participate.

DATED this 9th day of July, 2026.

/s/ Nikki W. Kay
City Recorder

[Publish once each week for two consecutive weeks.]

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

NOTICE OF BONDS TO BE ISSUED

PUBLIC NOTICE IS HEREBY GIVEN that on July 9, 2026, the Mayor and City Council of Naples, City (the "Issuer"), adopted a resolution (the "Resolution") declaring its intention to issue its Street Improvement Revenue Bonds (the "Bonds") pursuant to the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended.

The Issuer intends to issue the Bonds in the principal amount of not to exceed \$1,500,000, to bear interest at a rate not to exceed 2.0% per annum, to mature in not to more than 10 years from their date or dates, and to be sold at a price not less than 100% of the total principal amount thereof, plus accrued interest to the date of delivery. The Bonds will specify that any installment of principal and interest on the Bonds which shall not be paid when due shall bear interest at the rate of 18% per annum from the due date thereof until paid.

The Issuer intends to issue the Bonds for the purpose of (i) financing all or a portion of the cost of constructing street improvements on 2500 South Street, together with other related improvements; and (ii) paying costs of issuing the Bonds.

EXCISE TAXES PROPOSED TO BE PLEDGED

The Issuer proposes to pledge all of the excise tax revenues received by the Issuer pursuant to Sections 59-12-103, et. seq., Utah Code Annotated 1953, as amended for the repayment of the Bonds.

OUTSTANDING BONDS SECURED BY THE SAME REVENUE

There are no outstanding bonds secured by the revenues from excise tax, which revenues are being pledged to secure the payment of the Bonds.

ESTIMATED TOTAL COST OF THE BONDS

Although the Resolution authorizes the issuance of Bonds in the aggregate principal amount of up to \$1,500,000, the Issuer anticipates that the actual principal amount of the Bonds will be \$969,000, in which case the estimated total cost to the Issuer for the proposed Bonds is \$995,825, including an estimated cost of interest on the Bonds is \$26,825.

A copy of the Resolution is on file in the office of the City Recorder in Naples, Utah, where it may be examined during regular office hours of the City Recorder from 9:00 a.m. to 5:00 p.m., Monday through Friday, for a period of at least 30 days from and after date of the last date of publication of this Notice.

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

DATED this 9th day of July, 2026.

/s/ Nikki W. Kay
City Recorder

[Publish one time only.]

* * * * *

Section 6. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

PASSED AND APPROVED this 9th day of July, 2026

NAPLES CITY

By _____
Mayor

ATTEST AND COUNTERSIGN:

By _____
City Recorder

[SEAL]

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

NAPLES CITY

By _____
Mayor

ATTEST:

By _____
City Recorder

[SEAL]

STATE OF UTAH)
 : ss.
COUNTY OF UINTAH)

I, NIKKI W. KAY, the undersigned, do hereby certify that I am the duly qualified and acting City Recorder of Naples City, Uintah County, Utah, the above and foregoing constitutes a true and correct copy of the minutes of a regular public meeting of the Mayor and City Council of the Issuer, held on July 9, 2026, including a Resolution adopted at such meeting, together with exhibits and appendices attached thereto, as said minutes, resolution and appendices are recorded in the regular official book of minutes of the proceedings of the Governing Body kept in the office of the City Recorder that said proceedings were duly had and taken as therein shown, that the meeting thereon shown was in all respects called, held and conducted in accordance with law, and that the persons therein named were present at said meeting, as therein shown.

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

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

[SEAL]

City Recorder

EXHIBIT “B”

[Master Resolution]

MASTER RESOLUTION
OF
NAPLES CITY, UINTAH COUNTY, UTAH
AS ISSUER
DATED AS OF *, 2026

MASTER RESOLUTION

WHEREAS, Naples City, Uintah County, State of Utah, considers it desirable and necessary and for the benefit of the Issuer to construct the Project (as hereinafter defined), but does not have on hand money sufficient to pay for the Project (as hereinafter defined); and

WHEREAS, pursuant to the provisions of a Resolution adopted on July 9, 2026 (the "Authorizing Resolution"), the Governing Board of the City (the "Governing Board") has authorized and approved certain actions to be taken by the City in connection with the financing of the Project, including the adoption this Master Resolution and the issuance of the Series 2026 Bonds hereunder; and

WHEREAS, it has been determined by the City that the estimated amount necessary to finance the Project, including necessary expenses incidental thereto, will require the issuance, sale and delivery of the Series 2026 Bonds in the aggregate principal amount of \$969,000, as hereinafter provided; and

WHEREAS, the City has determined that the Series 2026 Bonds shall be secured as provided herein and has ascertained and determined that the provisions herein contained for protecting and enforcing the rights and remedies of the registered owners of such Series 2026 Bonds are reasonable, proper and in accordance with law, and that this Master Resolution is necessary to the performance of its duties and the execution of its powers under law, and does deem and determine all of the provisions herein contained to be reasonable and proper for the security of the registered owners of the Series 2026 Bonds; and

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

WHEREAS, the Series 2026 Bonds in registered form are to be in substantially the appropriate form set forth in Section 2.05 and if issued as Exchange Bonds are to be in substantially the appropriate form set forth in Section 2.07, with appropriate variations, omissions and insertions as permitted or required by this Master Resolution; and

WHEREAS, all things necessary to make the Series 2026 Bonds when authenticated by the City and issued as in this Master Resolution provided, the valid, binding and legal obligations of the City according to the import thereof, and to constitute this Master Resolution a valid assignment and pledge of the amounts pledged to the payment of the principal on the Series 2026 Bonds, and to constitute this Master Resolution a valid assignment of the rights of the City with respect to the Project have been done and performed and the creation, execution and delivery of this Master

Resolution, and the creation, execution and issuance of the Series 2026 Bonds, subject to the terms hereof, have in all respects been duly authorized:

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

ARTICLE I

DEFINITIONS

Section 1.01. Definitions. As used herein the following terms shall have the following meanings, unless the context otherwise clearly requires.

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

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

"Bond" or "Series 2026 Bond" means the bond described in Article II hereof and hereby authorized to be issued by the Issuer, and in Articles III through V, inclusive, also including Future Parity Bonds if bonds on a parity with the Bonds are authorized as therein permitted or provided.

"Bond Documents" means this Master Resolution.

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

"City Recorder" means the duly appointed and acting City Recorder of the Issuer.

"Class 'B' and 'C' Road Funds" means all of the funds made available for use upon Class "B" and "C" roads within Naples City apportioned by the Utah State Department of Transportation as provided in §§72-2-107 and 72-2-108, Utah Code Annotated 1953, as amended.

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

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

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

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

"Escrow Agent" means the Utah State Treasurer.

"Excise Taxes" means all excise taxes levied and collected by the State for deposit in the State Transportation Fund and rebated to local governmental entities pursuant to Utah Code Annotated, §§72-2-107 and 72-2-108, as amended.

"Executive Officer" means the Mayor of the Issuer.

"Expense of Maintenance and Operation" means all expenses reasonably and necessarily incurred in connection with the operation and maintenance of the Roads, including the cost of service and repairs (other than capital improvements) necessary to keep the Roads in efficient operating condition, the cost of audits and financial reports hereinafter required, payment of paying agent's fees, depository fees, legal fees, architect's fees, engineering fees, fiscal agent's fees escrow agent's fees, properly allocated charges for insurance, any other expenses described as Expenses of Maintenance and Operation and generally all expenses which under general accounting practices are properly chargeable to maintenance and operation, but excluding depreciation.

"First Payment Date" means a payment of principal on June 1, 2028.

"Fully Registered Bond" means a single Bond registered as to both principal and interest in the denomination equal to the amount of the Bonds authorized herein.

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

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

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

"Issue Amount" means the principal amount of the Bond authorized to be issued hereunder and is the amount of \$969,000.

"Issuer" means Naples City, Uintah County, Utah.

"Net Revenues" means, for any period, the Revenues during such period less Expenses of Maintenance and Operation during such period.

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

"Payment Date" means the 1st day of June in each year beginning with the year 2027.

"Payment Years" means the Years in which Installment Amounts come due, described as the years 2027 through 2036 with respect to the Bond.

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

"Pledged Revenues" means 100% of that portion of the Class B and C Road Funds received by the Issuer pursuant to §§72-2-107 and 72-2-108, Utah Code Annotated 1953, as amended, derived from excise taxes, as certified by the Utah State Department of Transportation.

"Project" means the construction of street improvements on 2500 South Street, together with other related improvements, the acquisition of necessary land and easements and in all other respects to pay the cost of foregoing including engineering and expenses and costs of and issuance of the bonds and to acquire and provide all appurtenant facilities therefor, together with all necessary or related work and improvements.

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

"Reserve Fund Installment" for the Bond means a monthly payment in an amount equal to 1/72nd of the Reserve Fund Requirement. Upon the issuance of any Parity Bonds, the Reserve Fund Installment shall be increased as provided in Section 5.07(a) (5) hereof.

"Reserve Fund Requirement" means an amount equal to the maximum Annual Debt Service on the Bond. Upon the issuance of Parity Bonds, the Reserve Fund Requirement shall be increased as provided in Section 5.07(a)(5) hereof.

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

"Revenues" means all revenues and income of any kind available for the retirement of the Bond authorized hereby including but not necessarily limited to Class "B" and "C" Road Funds and all apportionments and allocations of funds to the Issuer under §§72-2-107 and 72-2-108, Utah Code Annotated 1953, as amended or any successor, counterpart or corresponding provision authorizing disbursement of or allocation of funds to be used in the Issuer's budget for Road construction, repair or maintenance.

"Road" or "Roads" means the total system of streets, roads, alleys or accommodations for vehicles and other transportation accommodations as provided in the corporate limits of the Issuer and may include facilities outside the corporate limits of the Issuer appurtenant or convenient to operation of the street system of the Issuer.

"Serial Bonds" means the registered \$1000 denomination (or multiples of \$1000) Parity Street Improvement Revenue Bond, Series 2026 which may be issued in exchange for the Fully Registered Bond.

"State of Utah" or "State" means the Permanent Community Impact Fund Board, its assigns, or any successor boards, committees or bodies.

"System" means the entirety of Roads as hereinabove defined and also includes machinery, rolling stock, equipment or any facility or implement used by the Issuer within the meaning of Chapter 6, Title 72 of the Code and where deemed in the interests of the Issuer or to associate them, the System shall include curb, gutter, and sidewalks from property line through the network of roads and public ways as defined in §§72-2-107 and 72-2-108 of the Code.

"Year" means the 12-month period beginning on January 1st of each calendar year and ending on the next succeeding December 31st.

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

ARTICLE II

TERMS AND PROVISIONS OF THE SERIES 2026 BOND

Section 2.01. Purpose and Authority.

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

(b) For the purpose of paying the cost of the Project, including the payment of all fees and expenses incident thereto and to the issuance of the Bond, the Bond shall be issued in the amount or amounts set forth on the Bond. The Bond shall be payable solely from Excise Taxes, as more specifically provided herein, and, to the extent available, monies remaining in the Escrow Account as described in Section 3.01(c) upon completion of the Project.

Section 2.02. Designation and Terms of the Series 2026 Bond.

(a) Series 2026 Bond. The Bond shall be designated as provided in Section 2.05, shall be issued in an amount not to exceed \$969,000, shall be dated as of the date of delivery to the Community Impact Board, shall be issued as a single fully-registered bond, without coupons, in the denomination of the amount or amounts set forth on the Bond and shall be numbered R-1, the principal amount of which shall bear interest at the rate of 0.5% per annum and shall be in such amount as set forth in the table and column of Payment Dates and Amounts as set forth in the form of the Bond. Interest shall be payable on the same day as the due date for a payment of principal.

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

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

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

Section 2.03. Prepayment Provisions and Provisions Regarding Notation of Payments.

(a) The Bond shall be subject to prepayment at the option of the Issuer at any time in whole or in part in multiples of \$1000 as to each bond plus accrued interest, if any, to the date of prepayment, and without premium. In the event of a partial prepayment, each installment payment due on the Payment Date of each Payment Year after such partial prepayment shall remain in the Installment Amount regardless of any such partial prepayment; provided that any such partial prepayment shall reduce the principal due on the Bond in inverse order of installment maturities; and provided further that the final payment on the Bond shall be fully sufficient to pay all principal and interest, if any, remaining due thereon. With the exception of prepayments described in Section 3.01(c), each prepayment on the Bond shall be applied to any interest then due on the Bond and then

to principal. Notice of any call for prepayment shall be given by registered mail not less than 30 days prior to the prepayment date to the State or to its designee, or to such other registered owner of the Bond as is shown on the registration books at the close of business on the fifteenth day next preceding the mailing of such prepayment notice at the registered owner's address as shown on such registration books or at such other address furnished in writing by such registered owner to the Issuer.

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

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

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

Section 2.04. Execution of Series 2026 Bond and Representations Relating to the Master Resolution. The Bond shall be executed on behalf of the Issuer by the manual signature of the Executive Officer and attested and countersigned by the manual signature of the City Recorder. The City Recorder shall impress or imprint the official seal of the Issuer on the Bond. All of the covenants, promises, statements, recitals, representations and agreements contained in the Bond and this Master Resolution are hereby considered and understood, and it is hereby ordered and declared that the covenants, promises, statements, recitals, representations and agreements therein and herein are covenants, promises, statements, recitals, representations and agreements of the Issuer.

Section 2.05. Form of Series 2026 Bond: The Bond is designated the "Naples City, Uintah County, Utah, Street Improvement Revenue Bond, Series 2026" and shall be in substantially the following form:

**UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF UINTAH
NAPLES CITY**

R-1

STREET IMPROVEMENT REVENUE BOND, SERIES 2026

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

<u>Principal Sum</u>	<u>Interest Amount</u>	<u>Original Issue Date</u>
\$969,000.00	0.5%	_____, 2026

Naples City, Uintah County, Utah (the "Issuer") for value received, promises to pay from the special fund hereinafter described and in the manner hereinafter set forth, and not otherwise, to the order of the registered owner hereof, the Total Principal Sum set forth above, payable annually on June 1 of each year, beginning June 1, 2028, as set forth in the following Repayment Schedule:

<u>Maturity Date</u> <u>June 1st</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Amount</u>	<u>Total</u> <u>Amount</u>
2027	\$95,000.00	\$ TBD	\$ TBD
2028	\$95,000.00	\$4,370.00	\$99,370.00
2029	\$96,000.00	\$3,895.00	\$99,895.00
2030	\$96,000.00	\$3,415.00	\$99,415.00
2031	\$97,000.00	\$2,935.00	\$99,935.00
2032	\$97,000.00	\$2,450.00	\$99,450.00
2033	\$98,000.00	\$1,965.00	\$99,965.00
2034	\$98,000.00	\$1,475.00	\$99,475.00
2035	\$99,000.00	\$ 985.00	\$99,985.00
2036	\$98,000.00	\$ 490.00	\$99,490.00

To each installment of principal there shall be added interest, at the rate of one-half (0.5%) per cent per annum, accruing from the Original Issue Date, on the entire balance remaining due under this Bond. Interest shall be payable on the same day as the due date for a payment of principal.

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

Principal and interest on this Bond are payable solely from a Special Fund designated "Naples City, Uintah County, Utah Street Improvement Revenue Bond, Series 2026 Bond Fund" into which fund and into a reserve therefor, to the extent necessary to assure prompt payment of principal on said Bond, shall be pledged 100% of the Revenues derived and to be derived from the apportionment of funds available from the Utah State Department of Transportation for Class "B" and "C" Roads within the boundaries of the Issuer pledged therefor, all as more fully described and provided in the Master Resolution adopted by the governing body of said Issuer on the * day of *, 2026 (the "Master Resolution").

Both principal and interest on this Bond shall be payable in lawful money of the United States of America, to the registered owner hereof at the address of such owner shown on the registration books of the Issuer. Any holder of this Bond subsequent to its original holder is hereby placed on notice of all payments of both principal and interest on this Bond prior to its transfer to it and all subsequent holders hereof hereby acknowledge that they have ascertained the actual unpaid principal amount of this Bond as of the date of transfer to it and hereby release the Issuer from all obligation as to all principal and interest, if any, paid by the Issuer prior to such date.

The Issuer hereby reserves the right, at its option, to prepay the principal amount outstanding, in whole or, in the manner hereinafter provided, in part, at any time.

Prepayments shall be made on the date, at the place and in the manner provided herein for making regularly scheduled Installment payments. Any prepayments shall be in the amount of principal being prepaid, together with interest, if any, thereon to the date of prepayment, and shall be made without penalty or additional charges.

All prepayments, after application to accrued interest, if any, shall be applied to the reduction of the principal portion of each installment payment due on the Bond in inverse order of installment maturities.

Notice of any prepayment of all or part of any Installment shall be mailed by the Issuer, postage prepaid, not less than thirty (30) days prior to the prepayment date by mailing a copy of such Notice by registered or certified mail to the registered holder of this Bond at its address shown on the registration books. Failure to give such notice or any defect therein or in the mailing thereof shall not affect the effectiveness of the call for the redemption or prepayment by the Issuer.

This Bond is issued for the purpose of paying part of the cost of constructing street improvements on 2500 South Street, together with other related improvements and such legal, engineering and fiscal agent expenses reasonably incurred, under the authority of the Utah Local Government Bonding Act, Section 11-14-101, et. seq., Utah Code Annotated, 1953, as amended, and under and by virtue of and in full conformity with the Constitution and laws of the State of Utah and a Master Resolution duly adopted by the Issuer on *, 2026.

This Bond does not now and shall never constitute an indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation nor a charge against the general

credit or taxing powers of the Issuer.

This Bond shall be registered as to principal in the name of the initial purchaser and any subsequent purchasers in an appropriate book in the office of the City Recorder of the Issuer, who shall be the Registrar, each registration to be noted hereon by said Registrar. This Bond is transferable only by appropriate 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, a new bond in the same form as this Bond shall be issued to the registered owner in the name of the transferee.

The Issuer hereby represents that the principal amount of this Bond anticipated to be paid from Revenues shall not, at any one time, exceed an amount for which the average annual installments of principal and interest, if any, will exceed 80% of the Pledged Revenues to be derived from the collection or rebate of Excise Taxes (as defined in the Master Resolution) at the rate established at the time of the adoption of the Master Resolution authorizing the issuance of this Bond.

The Issuer hereby covenants with the registered owner of this Bond to keep and perform all covenants and agreements contained in the Master Resolution of the Issuer authorizing the issuance of this Bond, and the Issuer will cause to be collected and accounted for sufficient Net Revenues as defined in the Master Resolution as will at all time be sufficient to pay the principal and interest, if any, payment on this Bond according to the payment terms set forth in this Bond and pursuant to the Master Resolution authorizing this Bond.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond do exist, have happened and have been done and that every requirement of law affecting the issue thereof has been duly complied with; that this Bond does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that One Hundred (100%) per cent of the Net Revenues to be derived from the operation of the System, including any future improvements, additions and extensions thereto, have been and are hereby pledged and will be set aside into said Special Fund by the Issuer to be used for the payment of the principal of and interest, if any, on this Bond authorized and issued pursuant to the Master Resolution aforementioned.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by its Mayor and countersigned by its City Recorder under the corporate seal of said Issuer this ____ day of _____, 2026.

NAPLES CITY

(FORM ONLY - DO NOT SIGN)

By _____
Mayor

Countersigned:
(FORM ONLY - DO NOT SIGN)

City Recorder
(SEAL)

REGISTRATION CERTIFICATE

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

<u>Date of Registration</u>	<u>Name of Registered Owner</u>	<u>Signature of Bond Registrar</u>
* , 2026	Utah Permanent Community Impact Fund Board	_____
_____	_____	_____
_____	_____	_____

PAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the Bond to which this Payment Record is attached (the "Owner") hereby certify that the Owner has received from Naples City, Uintah County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of \$969,000 to Naples City, Uintah County Utah, as referenced by the Bond to which this Payment record is attached and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

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

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

PREPAYMENT RECORD

I, the undersigned registered owner or authorized officer of the registered owner of the bond to which this Payment Record is attached (the "Owner"), hereby certify that the Owner has received from Naples City, Uintah County, Utah, the amounts indicated below on the dates set forth opposite such amounts in repayment of the loan of \$969,000 to Naples City, Uintah County, Utah, as referenced by the bond to which this Prepayment Record is attached and have placed my signature in the space provided opposite such amounts to evidence receipt of same.

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

Principal Due

<u>Date</u>	<u>Amount</u>	<u>Payment</u>	<u>Principal Balance</u>	<u>Date Paid</u>	Name, Title and Signature of Owner or Authorized Officer Thereof
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM- as tenants in common

TEN ENT- as tenants by the entireties

JT TEN- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT- _____ Custodian _____
(Cust) (Minor)

Additional abbreviations may also be used though not in the list above.

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

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

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

Dated: _____ Signature: _____

Signature Guaranteed:

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

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

Section 2.06. Exchange of the Series 2026 Street Improvement Revenue Bond for Serial (Exchange) Bonds. It is recognized that the State may sell or otherwise transfer the Bond pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated, 1953, as amended, or otherwise. The Bond, may be exchanged at the office of the Issuer for a like aggregate principal amount of Serial Bonds in accordance with the provisions of this Section 2.06. Serial Bonds shall be substantially in the form set forth in Section 2.07 hereof and shall be in increments of \$1000. Each Principal Installment on the Bond not previously paid or canceled shall be represented by an equivalent principal amount of Serial Bonds, in authorized denominations and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Bond for Serial Bonds and the Issuer shall pay or cause to be paid all costs and other charges incident to such exchange.

Section 2.07. Form of Serial Bond. The Serial Bond shall be in substantially the following form:

REGISTERED

REGISTERED

No. R-__

\$ _____

**UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF UTAH
NAPLES CITY**

STREET IMPROVEMENT REVENUE BOND, SERIES 2026

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

[SEE REVERSE SIDE FOR ADDITIONAL PROVISIONS]	MATURITY DATE _____, 1, ____	INTEREST RATE _____%	DATED DATE _____, 20__
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Registered Owner:

Principal Amount: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS that Naples City, Uintah County, Utah (the "Issuer"), a duly organized and existing political subdivision of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the registered owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender hereof, the principal amount identified above, and in like manner to pay interest thereon accruing from _____, 20____ at the Interest Rate specified above (calculated on the basis of a 360-day year of twelve thirty-day months), payable on June 1 of each year (each an "Interest Payment Date") commencing _____ 1, 20____, except as the provisions hereinafter set forth with respect to prepayment of this Series 2026 Bond may become applicable hereto. Any installment of principal amount of this Bond and any installment of interest which is not be paid when due shall bear interest at the rate of eighteen (18%) per annum from the due date of such installment until paid. Principal of, premium, if any, on this Bond shall be payable at the office of the Issuer, as paying agent, or its successor as such paying agent. The principal of, premium, if any, and interest on this Bond shall be payable in any coin or currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts. Payments received on this Bond shall be applied first to the payment of interest payable and then to principal.

THE ISSUER IS OBLIGATED TO PAY PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND SOLELY FROM THE REVENUES (THE "REVENUES") DERIVED FROM APPORTIONMENT OF FUNDS AVAILABLE FROM THE UTAH STATE DEPARTMENT OF TRANSPORTATION FOR CLASS "B" AND "C" ROADS WITHIN THE BOUNDARIES OF ISSUER (THE "SYSTEM") UNDER THE TERMS OF THE MASTER RESOLUTION (AS HEREINAFTER DEFINED). THIS BOND IS NOT A DEBT OF THE ISSUER WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION ON INDEBTEDNESS. PURSUANT TO THE MASTER RESOLUTION, REVENUES HAVE BEEN PLEDGED AND WILL BE SET ASIDE INTO SPECIAL FUNDS BY THE ISSUER TO PROVIDE FOR THE PROMPT PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, AND INTEREST, IF ANY, ON THIS BOND AND ALL BONDS OF THE SERIES OF WHICH IT IS A PART.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Utah Local Government Bonding Act, Sections 11-14-101, et. seq., Utah Code Annotated, 1953, as amended (the "Act") and all other laws applicable thereto.

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

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

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

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

NAPLES CITY

(FORM ONLY-DO NOT SIGN)

By _____
Mayor

ATTEST AND COUNTERSIGN:
(FORM ONLY-DO NOT SIGN)

By _____
City Recorder

(SEAL)

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Master Resolution and is one of the Street Improvement Revenue Bond, Series 2026, of Naples City, Uintah County, Utah.

NAPLES CITY
as Bond Registrar

By _____
City Recorder

Date of Registration and Authentication:

Bond Registrar and Paying Agent:
Naples City, Uintah County, Utah

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

This Bond is a special obligation of the Issuer and is one of an issue of a total series of fully-registered Street Improvement Revenue Bonds, Series 2026, designated as "Street Improvement Revenue Bond, Series 2026", in the aggregate principal amount of \$969,000 dated as of the date set forth below, issued under, by virtue of, in full conformity with and after full compliance with the Constitution and laws of the State of Utah, including particularly the Utah Local Government Bonding Act, Chapter 14 of Title 11, Utah Code Annotated 1953, as amended, the Registered Public Obligations Act, Chapter 7 of Title 15, Utah Code Annotated 1953, as amended, and a Master Resolution duly adopted by the City Council of the Issuer (the "Governing Body") on *, 2026, authorizing this Bond (the "Master Resolution"), for the purpose of paying all or part of the cost of constructing street improvements on 2500 South Street, together with other related improvements, including, without limitation, all fees and expenses reasonably incurred in connection therewith and with the issuance of such Bonds as may be properly payable from the proceeds thereof. Principal of, premium, if any, and interest, if any, on this Bond is payable solely from the revenues, funds and other monies pledged or provided therefor under the terms of the Master Resolution.

The Issuer hereby represents that the principal amount of this Bond anticipated to be paid from Revenues shall not, at any one time, exceed an amount for which the average annual installments of principal and interest, if any, will exceed 80% of the Pledged Revenues to be derived from the collection or rebate of Excise Taxes (as defined in the Master Resolution) at the rate established at the time of the adoption of the Master Resolution authorizing the issuance of this Bond.

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

The Bonds are dated as of _____, 2026 and are duly issued under and by virtue of the Act and under and pursuant to the Master Resolution. A copy of the Master Resolution is on file at the office of the City Recorder of the Issuer in Naples City, Uintah County, Utah, and reference to the Master Resolution and to the Act is made for a description of the pledge and covenants securing the Bonds, the nature, manner and extent of enforcement of such pledge and covenants, the terms and conditions upon which the Bonds are issued and a statement of the rights, duties, immunities and obligations of the Issuer. Such pledge and other obligations of the Issuer under the Master Resolution may be discharged at or prior to the maturity or redemption of the Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Master Resolution.

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

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

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

If less than all of the Bonds of any maturity are to be redeemed, the particular Bonds to be redeemed shall be selected as provided in the Master Resolution; provided, however, that subject to other applicable provisions of the Master Resolution, the portion of any Bond to be redeemed shall be in a principal amount equal to a denomination in which the Bond was authorized to be issued, and that in selecting Bonds for redemption, the Issuer shall treat each Bond as representing

that number of Bonds which is obtained by dividing the principal amount of such Bond by \$1000. If part but not all of a Bond in a denomination in excess of \$1000 is to be redeemed, the registered owner thereof shall present and surrender such Bond to the Issuer, and the Issuer shall execute and authenticate and deliver to the registered owner thereof, without charge therefor, a Bond or Bonds of the same maturity for unredeemed balance of the principal amount of such Bond, all as more fully set forth in the Master Resolution.

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

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

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

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM- as tenants in common

TEN ENT- as tenants by the entireties

JT TEN- as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT- _____ Custodian _____
(Cust) (Minor)

Under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

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

Insert Social Security or Other
Identifying Number of Assignee

(Please Print or Typewrite Name and Address of Assignee)

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

Dated: _____ Signature: _____

Signature Guaranteed:

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

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

ARTICLE III

SALE OF BONDS; SYSTEM OF REGISTRATION

Section 3.01. Sale of Series 2026 Bond; Escrow Account.

(a) The sale of the Bond to the Community Impact Board at a price equal to the Issue Amount is hereby approved, ratified and confirmed. The Bond shall be delivered to the Community Impact Board as soon as may be conveniently done hereafter. The purchase price for the Bond will be deposited with the Escrow Agent, to be held by the Escrow Agent in accordance with the provisions of this Master Resolution and the Escrow Agreement.

The proceeds of the sale of the Series 2026 Bond shall be deposited at the time of sale in the Escrow Account as defined in Article I herein to be administered by the Escrow Agent. All monies so deposited in said fund shall be used solely for the purpose of acquiring the necessary property and constructing improvements, additions and extensions to the System, including any architectural, engineering, legal, fiscal agent and other expenses incidental thereto.

Any unexpended proceeds remaining in said Escrow Account after completion of the Project shall be paid immediately into the "Naples City, Uintah County, Utah Series 2026 Street Improvement Revenue Bond Fund" hereafter described. The said unexpended proceeds shall be used only for the prepayment of amounts of principal due or to become due on the Bonds in inverse order of maturities or for redemption of any Serial Bonds at a price (exclusive of accrued interest) not exceeding the face amount thereof and as provided in the Escrow Agreement. Redemptions made under this condition shall be made pro-rata, in direct proportion to the respective amounts then remaining unpaid under the Bonds. Any bonds so redeemed shall be cancelled and shall not be reissued. Following the transfer of unexpended funds from the Escrow Account to the said Revenue Fund, the Escrow Account will be closed.

(b) Proceeds of the sale of the Bond shall be paid into and disbursed from a special fund held by the Escrow Agent in the Escrow Account heretofore established and confirmed and to be known as the Escrow Account. Money in the Escrow Account shall be held, used and paid out solely for the purpose set out in Section 2.01 hereof or to prepay the Bond as hereinafter provided, pursuant to the provisions of the Constitution and laws of the State of Utah and the provisions of the Escrow Agreement, which provisions shall include a requirement that each disbursement of monies from the Escrow Account shall be made only upon the written authorization of the State and the Issuer in the manner provided in the Escrow Agreement. Monies held in the Escrow Account shall be invested as provided in the Escrow Agreement.

(c) Upon completion of the Project, the Issuer shall immediately notify the State in writing of such completion and shall immediately transfer, or cause the Escrow Agent to immediately transfer, in the manner set forth in the Escrow Agreement, any funds remaining in the Escrow Account to the Bond Fund. Such funds shall be used to the fullest extent possible and as soon as possible hereunder, to prepay principal installments on the Bond in the manner set forth in

this Master Resolution by applying such amounts against principal installments in inverse order of maturity.

Section 3.01. Registration and Exchange of Bonds.

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

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

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

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

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

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

Section 3.02. Mutilated, Lost, Destroyed or Stolen Bond. If any of the Bonds shall become mutilated, the Issuer, at the expense of the registered owner thereof, shall execute and deliver a new

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

ARTICLE IV

FLOW OF FUNDS

Section 4.01. Pledge Effected by the Master Resolution.

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

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

Section 4.02. Establishment of Funds. The following funds are hereby established and confirmed:

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

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

Section 4.03. Revenue Fund.

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

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

Section 4.04. Flow of Funds.

(a) As soon as practicable in each month after the deposit of Revenues in the Revenue Fund, and after payment of unpaid Expenses of Maintenance and Operation then due, but in any case, prior to the end of such month, the Issuer shall transfer, or cause the Depository to transfer, to the extent of monies available in the Revenue Fund, to the following funds in the following order the amounts set forth below:

(1) In the Bond Fund, in each Year, one-twelfth of the amount of the principal and interest, if any, due on the Bond on the next succeeding Payment Date; and

(2) In the Reserve Fund, beginning the month next following the month in which the Bond is issued hereunder, a sum equal to the Reserve Fund Installment for the Bond, so as to cause to be on deposit in the Reserve Fund an amount equal to the Reserve Fund Requirement for the Bond not later than 72 months following the commencement of such monthly transfers; provided, however, that if monies shall ever be paid out of the Reserve Fund, monies shall be deposited, in addition to other deposits required by this paragraph (2), into the Reserve Fund from available Revenues (after making all other payments of Expenses of Maintenance and Operation and deposits into the Reserve Fund heretofore provided in this Section) to the extent necessary to cause the amount paid out to be replaced.

(b) Amounts remaining in the Revenue Fund on the final day of each month in each year after payment of the amounts required by paragraph (a) of this Section and not required to meet Expenses of Maintenance and Operation or used for remedying any deficiencies in the payments previously made to the funds herein established, may be used, at the option of the Issuer and to the extent permitted by law, (1) to purchase or prepay any Bond in accordance with the provisions hereof governing prepayment of Bonds authorized hereunder in advance of maturity or, in the case of Future Parity Bonds, in accordance with the provisions of the resolution authorizing such Future Parity Bonds governing prepayment of such Future Parity Bonds in advance of maturity, including payment of expenses in connection with such purchase or prepayment; (2) to pay the principal or prepayment price of and interest, if any, on any bonds, including general obligation or junior lien revenue bonds of the Issuer issued to acquire, construct, improve or extend the System; (3) to pay the costs of capital improvements to the System; and (4) for any other lawful purpose, including,

without limitation, payment of other obligations of the Issuer.

Section 4.05. Bond Fund. Monies in the Bond Fund shall be used for the purpose of paying principal, prepayment premium, if any, and any applicable interest when due on the Bond. The Bond Fund shall be kept on deposit with the Depository.

Section 4.06. Reserve Fund. In the event that the money on deposit in the Bond Fund on the final day of any month is less than the amount required to be in the Bond Fund pursuant to Section 4.04(a)(1) hereof, then the Issuer shall cause any funds on deposit in the Reserve Fund to be immediately transferred by the Depository to the Bond Fund in the amount required to eliminate the deficiency in the Bond Fund. Monies in the Reserve Fund may, if not required to be transferred to the Bond Fund as provided in this section, be used for the purpose of making emergency repairs or replacements to the System as shall be necessary to insure the continued operation thereof and the capacity of the System to earn Revenues. The Reserve Fund shall be kept on deposit with the Depository.

Section 4.07. Investment of Funds. All money maintained on deposit with the Depository shall be held as special and not as general deposits, the beneficial interest in which shall be in the registered owners from time to time of the Bond. All money so maintained on deposit with the Depository shall be secured to the fullest extent required or permitted by the laws of the State of Utah pertaining to the securing of public deposits. All or part of the money in the Bond Fund and in the Reserve Fund shall be invested by the Depository, at the direction of the Issuer, in Permitted Investments, but any such investments so made shall always be such that the obligations mature or become optional for redemption in amounts and at times so as to assure the availability of the proceeds thereof when needed for the purpose for which such funds were created. Interest received on all such investments permitted hereunder shall be deposited in the Revenue Fund, except that at any time less than the required amount is on deposit in either the Bond Fund or the Reserve Fund, then interest attributable to such fund, respectively, shall be deposited into such fund. Whenever any money so invested from the Bond Fund or the Reserve Fund is needed for the purpose for which such fund was created, such investments, to the amount necessary, shall be liquidated by the Depository at the direction of the Issuer, and the proceeds thereof applied to the required purpose.

Section 4.08. Use of Funds When Reserves Sufficient to Pay Outstanding Bonds. Whenever there is sufficient available money in the Bond Fund and in the Reserve Fund to pay in full all principal and interest, if any, under these Bonds and all Bonds in accordance with their terms and the terms of this Master Resolution or, in the case of Future Parity Bonds, the resolution authorizing the issuance of such Future Parity Bonds, the money in such funds shall be used for such purpose and no other purpose but no additional payments need to be made into either fund unless necessary to replace monies lost or otherwise dissipated therefrom.

ARTICLE V

COVENANTS AND UNDERTAKINGS

Section 5.01. Covenant of Issuer. The Issuer hereby covenants and agrees with each and every holder of the Bonds the following:

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

(b) So long as any 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 Pledged 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 fifty (150) days following the close of each fiscal year (the term "fiscal year" as used in this subsection meaning whatever twelve-month period the Issuer may from time to time be using for general financial accounting purposes) 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 Pledged Revenues, and that such audit will be available for inspection by each Bondholder; provided, however, during such periods of time as the Community Impact Board is the Registered Owner of the Bond, each such audit will be supplied to the Community Impact Board as soon as completed without prior request therefor by the Community Impact Board. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

(i) A statement in detail of the receipt and expenditure of Pledged Revenues for such fiscal year;

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

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

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

(v) An analysis of all funds created in this Master Resolution, setting out all

deposits and disbursements made during the fiscal year and the amount in each fund at the end of the fiscal year.

The Community Impact Board 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 fiscal year set forth in this Subsection 5.01(b), provided, however, that such waiver shall not apply to the reporting requirements of the Issuer set forth in Subsection 5.01(c) herein.

(c) In addition to the reporting requirements set forth in Subsection 5.01(b) above, the Issuer shall submit to the Community Impact Board within one hundred fifty (150) days following the close of the Issuer's fiscal year, a summary report substantially in the form as provided by the Community Impact Board to the Issuer upon purchase of the Bonds.

All expenses incurred in compiling the information required by this section shall be regarded and paid as an operation and maintenance expense of the Project. 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 fiscal 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.

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

(e) Every officer, agent or employee of the Issuer having custody or control of any of the Revenues or of the proceeds of the Bonds shall be bonded by a responsible corporate surety in an amount not less than the greatest amount reasonably anticipated to be within the custody or control of such officer, agent or employee at one time. The premiums on such surety bonds shall not be an operation and maintenance expense of the Project.

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

(g) 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 Project 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 Revenues or any part thereof or which might impair the security of the Bond, except when the Issuer in good faith contests its liability to pay the same.

(h) All payments falling due on the 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.

(i) 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 System.

Section 5.02. Covenant of State of Utah. In accordance with Section 11-14-307, Utah Code Annotated 1953, as amended, the State of Utah hereby pledges and agrees with the holders of the Bonds, that it will not alter, impair or limit the excise taxes in a manner that reduces the amounts to be rebated to the Issuer which are devoted or pledged herein until the Bonds, together with applicable interest, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment, or limitation if and when adequate provision shall be made by law for the protection of the holders of the Bonds.

Section 5.03. Observance of Laws and Regulations; Permits, Licenses and Claims.

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

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

Section 5.04. Insurance and Fidelity Bonds.

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

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

(c) The provisions of this Section relating to the procurement and maintenance of

insurance are subject to the condition that insurance of the type described herein is obtainable at reasonable rates and upon reasonable terms and conditions.

Section 5.05. Against Sale or Other Disposition of System Property Except Under Conditions. The Issuer will not sell, lease, encumber, alienate or in any manner dispose of the System or any substantial part thereof until all of the Bonds have been paid in full; provided, however, that nothing herein contained shall be construed to prevent disposal by the Issuer, upon prior written notice to the registered owners of the Bonds, of property which it deems has become inexpedient to use in connection with the System, when other property of equal value is substituted therefor.

Section 5.06. Against Competition with System Services. The Issuer, so far as it legally may, covenants and agrees that it will not operate or grant a franchise for the operation of any system competing with the System within the boundaries of the Issuer as long as any of the Bonds are Outstanding.

Section 5.07. Future Parity Bonds.

(a) The Issuer will issue no other bonds or obligations of any kind or nature payable from or enjoying a lien on the Revenues, unless such other bonds or obligations together with all then Outstanding Bonds payable from the Revenues do not exceed an amount for which the average annual installment of principal and interest, if any, exceeds 80% of the total excise tax revenues received by the Issuer from the collection or rebate of the excise tax revenues during the fiscal year of the Issuer immediately preceding the year in which the resolution authorizing the issuance of Future Parity Bonds is adopted and Issuer otherwise complies with the provisions of Section 11-14-307, Utah Code Annotated, as amended; provided that at any time Future Parity Bonds may be authorized by resolution of the Governing Body the following conditions shall be met:

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

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

(3) The resolution authorizing the issuance of such Future Parity Bonds shall provide that the last maturity date of the Future Parity Bonds shall not be earlier than the last maturity date of any Bonds theretofore issued and then outstanding and shall provide for

fixed serial maturities or mandatory minimum sinking fund payments, of any combination thereof, in such amounts as will be sufficient to provide for the payment or retirement of all such Future Parity Bonds on or before their respective maturity dates;

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

(5) Any proceedings authorizing issuance of Future Parity Bonds must provide that the Reserve Fund therein is to be accumulated to an amount not less than the maximum annual debt service within 36 months from the date of delivery of such Future Parity Bonds, in 36 approximately equal monthly installments. The Reserve Fund requirement for Future Parity Bonds will be in addition to the requirement that the reserves of all outstanding bonds, both Prior Lien Bonds and Parity Bonds, shall (without contradictory redundancy) be raised and maintained to an amount which is the greater of the reserve fund requirement established in each respective resolution authorizing the issuance of any then outstanding Bonds or the maximum annual debt service on each Bond.

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

Section 5.08. Rights and Remedies of Bondholders.

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

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

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

Section 5.09. Bank Deductibility. Pursuant to Section 265 of the Code, the Issuer hereby designates the Series 2026 Bond 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 to the extent permitted by law. The Issuer reasonably anticipates that the total amount of tax-exempt obligations [other than private activity bonds, as defined in Section 141 of the Code (a qualified 501(c)(3) bond, as defined in Section 145 of the Code, any bond issued to refund certain obligations issued before August 8, 1986 as described in Section 265(b)(3)(B)(ii)(II) of the Code, and any obligation to which Section 141(a) of the Code does not apply by reason of Sections 1312, 1313, 1316(g) or 1317 of the Tax Reform Act of 1986 and which is described in Section 265(b)(3)(C)(ii)(II) of the Code not being treated as a private activity bond for this purpose)] which will be issued by the City and by an aggregated issuer during the current calendar year will not exceed \$10,000,000. For purposes of this Section 5.09, "aggregated issuer" means any entity which (i) issues obligations on behalf of the City, (ii) derives its issuing authority from the City, or (iii) is subject to substantial control by the City. The Issuer hereby represents that (a) it has not created, 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 issued by the City and aggregated issuers for the current calendar year does not exceed \$10,000,000.

Section 5.10. Arbitrage Rebate Exemption for Small Issuer. The Issuer hereby certifies for the purpose of qualifying for the exception contained in Section 148(f)(4)(D) of the Code from the requirement to rebate arbitrage earnings from investment of proceeds of the Series 2026 Bonds (the "Rebate Exemption") as follows:

- (a) The Series 2026 Bond is issued by the City which has general taxing powers.
- (b) Neither the Series 2026 Bond nor any portion thereof is a private activity bond as defined in Section 141 of the Code ("Private Activity Bond").
- (c) Ninety-five percent (95%) or more of the net proceeds of the Series 2026 Bond are to be used for local government activities of the City (or of a governmental unit, the jurisdiction of which is entirely within the jurisdiction of the City).
- (d) Neither the City nor any aggregated issuer has issued or is reasonably expected to issue any tax-exempt bonds other than Private Activity Bonds (as those terms are used in Section 148(f)(4)(D) of the Code) during calendar year 2026-2027.

For purposes of this Section 5.10, "aggregated issuer" means any entity which (a) issues obligations on behalf of the City, (b) derives its issuing authority from the City, or (c) is subject to substantial control by the City.

The Issuer hereby represents that it has not created, does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 148(f)(4)(D)(IC) of the Code.

Accordingly, the Issuer will qualify for the Rebate Exemption granted to small governmental

units under Section 148(f)(4)(D) of the Code, and the Issuer shall be treated as meeting the requirements of Paragraphs (2) and (3) of Section 148(f) of the Code relating to the required rebate of arbitrage earnings to the United States with respect to the Series 2026 Bond.

Section 5.11. Master Resolution to Constitute Contract Between the Issuer and the Holders of the Bond. The provisions of this Master Resolution shall constitute a contract between the Issuer and the registered owners from time to time of the Bond. After the issuance of any such Bond, no change, variation or alteration in the provisions of this Master Resolution may be made, except as provided in Article V hereof. The provisions of such contract shall be enforceable by appropriate proceedings to be taken by any of such registered owners either at law or in equity, to the extent permitted by law.

Section 5.12. Compliance with Resolution. The Issuer will not issue, or permit to be issued, any bonds or other obligations in any manner other than in accordance with the provisions of this Master Resolution and will not suffer or permit any default to occur under this Master Resolution, but will faithfully observe and perform all of the covenants, conditions and requirements hereof. The Issuer will make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Master Resolution and for the better assuring and confirming to the registered owners of the Bonds of the rights, benefits and security provided in this Master Resolution. The Issuer for itself, its successors and assigns represents, covenants and agrees with the registered owners of the Bonds, as a material inducement to the purchase of the Bonds, that so long as any of the Bonds shall remain outstanding and the principal thereof, prepayment premium, if any, or interest, if any, thereon shall be unpaid or unprovided for, it will faithfully perform all of the covenants and agreements contained in this Master Resolution and the Bonds.

Section 5.13. Power to Issue Bond and Pledge Revenues and Funds; Ownership of Project. The Issuer is duly authorized under all applicable laws to create and issue the Bond and to adopt this Master Resolution and to pledge the Revenues purported to be pledged by Resolution in the manner and to the extent provided herein. The Bond and the provisions of this Master Resolution are and will be the valid and legally enforceable obligations of the Issuer in accordance with the terms of the Bond and the terms of this Master Resolution. The Issuer shall at all times, to the extent permitted by law, defend, preserve and protect the pledge of the Revenues under this Master Resolution and all the rights of the registered owners of the Bond under this Master Resolution against all claims and demands of all persons whomsoever. The Issuer will, so long as any Bonds are Outstanding, own and operate the Project.

ARTICLE VI

MODIFICATION OR AMENDMENT OF RESOLUTION

Section 6.01. Amendments Permitted. The registered owners of seventy-five percent (75%) in principal amount of the outstanding Bonds (not including any Bonds which may then be held or owned by or for the account of the Issuer), shall have the right from time to time to approve the

adoption by the Governing Body of any amendment to this Master Resolution which may be deemed necessary or desirable by the Governing Body; provided, however, that nothing herein contained shall permit or be construed to permit the modification of the terms and conditions in this Master Resolution or in the Bonds so as to:

- (1) Make any change in the maturity of the Bonds;
- (2) Reduce the rate of interest borne by any of the Bonds;
- (3) Reduce the amount of the principal payable on the Bonds;
- (4) Modify the terms of payment of principal of, prepayment premium, if any, or interest on the Bonds or impose any conditions with respect to such payment;
- (5) Affect the rights of the registered owners of less than all of the Bonds then Outstanding;
and
- (6) Make any change in the provisions of this Article.

Section 6.02. Notice of Proposed Amendment; Consent of Bondholders.

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

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

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

revocation consented to and approved the amendatory resolution.

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

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

ARTICLE VII

MISCELLANEOUS

Section 7.01. Discharge of Indebtedness. Any Bond or Parity Bond shall not be deemed Outstanding when:

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

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

Section 7.02. Execution of Escrow Agreement. The Escrow Agreement, in substantially the form presented at the meeting at which this Master Resolution is adopted, is hereby approved and the Executive Officer and the City Recorder are hereby authorized and directed to execute and deliver the Escrow Agreement to the parties thereto, with such changes, if any, as the Executive Officer may direct prior to such execution and delivery. Said execution of the Escrow Agreement shall constitute conclusive evidence of the approval thereof by the Executive Officer.

Section 7.03. Depository. The Depository hereunder shall be a Qualified Depository. If at any time the Depository hereunder shall cease to be a Qualified Depository, the Issuer shall, as soon as reasonably practicable, select a successor thereto who shall be a Qualified Depository.

Section 7.04. Resolution Not to be Construed to Make the Bond an Indebtedness of the Issuer. Nothing in this Master Resolution shall be construed in such a manner as to result in making the Bond an indebtedness of the Issuer, and if it shall ever be held by any court of competent jurisdiction that any or all of the provisions of this Master Resolution are invalid or that the enforcement of the provisions of this Master Resolution would make the Bond invalid or unenforceable, said provisions of this Master Resolution shall be considered to be null and void.

Section 7.05. Partial Invalidity. If any one or more articles, sections, paragraphs, clauses or provisions of this Master Resolution or the application thereof to any person or circumstances are held to be invalid by final decision in any court of competent jurisdiction, such invalidity shall not affect the other articles, sections, paragraphs, clauses and provisions of this Master Resolution which can be given effect without the article, section, paragraph, clause or provision so held to be invalid or the application of which is held to be invalid and shall not affect the application of such article, section, paragraph, clause or provision to other persons or circumstances and to this end the provisions of this Master Resolution are declared to be severable.

Section 7.06. Article and Section Headings. All references herein to "Articles", "Sections" and subdivisions are to the corresponding articles, sections or words of similar import refer to this Master Resolution as a whole and not to any particular Article, Section or subdivision hereof. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience or reference and shall not affect the meaning, construction or effect of this Master Resolution.

Section 7.07. Publication of Notice of Bonds to Be Issued. In accordance with the provisions of Section 11-14-316, Utah Code Annotated, 1953, as amended, the City Recorder has heretofore caused "Notice of Bonds to be Issued" to be published one (1) time in the Vernal Express, a newspaper having general circulation in Naples, Utah, which is hereby confirmed and ratified.

Section 7.08. Conflicting Resolutions. All resolutions and parts thereof in conflict herewith and hereby repealed to the extent of such conflict.

Section 7.09. Effective Date. Immediately after its adoption, this Master Resolution shall be signed by the Mayor and the City Recorder shall have the official seal of the Issuer impressed or imprinted hereon, shall be recorded in a book kept for that purpose and shall take immediate effect.

PASSED AND APPROVED this ____ day of _____, 2026.

NAPLES CITY

By _____
Mayor

ATTEST AND COUNTERSIGN:

By _____
City Recorder
[SEAL]

Basin I&E, Inc.
Instrumentation Electrical

PO Box 120 • Vernal, UT 84078
(435) 789-9515 • blakes@basinie.com

June 25, 2026

RE: Naples City: LED
Lights and Pole at Naples City Park
Mike Davis
435-828-2878
mcdavis@naples.utah.gov

Basin I&E, Inc. proposes to furnish the material, and labor for the electrical work to complete the work below:

This is to provide lighting from the transformer located in front of the splash park then running approximately 650 feet to the west, towards the fire station. There will be 6 light poles with single street LED fixture. This is to provide safety and lighting broadcasting into the road on the south side of this sidewalk, where cars park.

Bid Includes:

- Provide a 100-amp meter main panel with safety by-pass link as required by power company.
- Provide and install needed breaker.
- Provide and install a stand for new meter panel. Attached to the existing stand.
- Provide and install 3" conduit and fittings from transformer to new meter main panel.
- Provide building permit.
- Provide and install all conduit and wiring for 6 new 20 foot pole lights.
- Provide and install 6 cement pole light pillars for the 20 foot pole lights.
- Provide and install 6 light poles with a single LED light fixture. Photocell operated.
- Provide all needed hydro vac trenching, trenching, sanding, and back filling.
- Provide labor to remove the existing pole light that is owned by the power company.

Exclusions:

- Repair of sprinkler lines that are cut during conduit installation.
- Replacing of grass.

TOTAL PROPOSAL: \$55,144.58

Payment

Payment is due 30 days from the invoice date. Invoices that are past 30 days will be charged 1.5%/APR 18%. If there is an issue with any invoice, please notify our office within 10 business days of the invoice date.

Acceptance

This proposal will be valid 30 days from the date on the proposal, if it is not signed and returned within the 30 days it will be voided. This proposal is in sole agreement between the parties noted on this proposal.

Change Orders

All changes to the scope of work (additions/deletions) will need to be in writing. Basin I & E will not proceed with any changes until a change order has been signed.

Company: Basin I & E, Inc.

By: _____

Print: Blake Sutton

Title: President

Date: _____

Company: Naples City

By: _____

Print: _____

Title: _____

Date: _____