CITY COUNCIL AGENDA

Wednesday, August 26, 2026

NOTICE IS HEREBY GIVEN that the Herriman City Council shall assemble for a meeting in the City Council Chambers, located at
5355 WEST HERRIMAN MAIN STREET, HERRIMAN, UTAH

5:30 PM – WORK MEETING: (Fort Herriman Conference Room)

1. **Council Business**

   1.1. Review of this Evening's Agenda

   1.2. Future Agenda Items

   1.3. Council discussion of future citizen recognitions

2. **Administrative Reports**

   2.1. Discussion and Planning for City Council Retreat – Nathan Cherpeski, City Manager

   2.2. City Status Report: July 2026 – Trevor Ram, Assistant to the City Manager

   2.3. Discussion regarding the Field Rental Fee Policy – Wendy Thomas, Assistant City Manager & Trevor Ram, Assistant to the City Manager

   2.4. Discussion of Field Rental Fees – Wendy Thomas, Assistant City Manager & Trevor Ram, Assistant to the City Manager

2.5. Discussion of a proposed City Council Policy and Fee Schedule for the Herriman Community Center located at 13011 S Pioneer Street – Wendy Thomas, Assistant City Manager and Trevor Ram, Assistant to the City Manager

2.6. CIP Decision Framework – Trevor Ram, Assistant to the City Manager

2.7. Utah Transit Authority Presentation – Chandler Beutler, UTA Government Relations Manager

3. **Adjournment**

7:00 PM – GENERAL MEETING:

4. **Call to Order**

4.1. Invocation/Thought/Reading and Pledge of Allegiance

4.2. City Council Comments and Recognitions

5. **Public Comment**

Audience members may bring any item within the City's purview to the City Council's attention. Comments will be limited to two minutes. State Law prohibits the Council from acting on items that do not appear on the agenda. Public comments for this meeting will also be conducted electronically. Any person interested in addressing the Council may submit a comment by emailing recorder@herriman.gov or by visiting Herriman.gov/agendas-and-minutes, where there is a link to fill out an online public comment form. Your statement will be incorporated into the public record.

6. **City Council Reports**

6.1. Councilmember Jared Henderson

6.2. Councilmember Teddy Hodges

6.3. Councilmember Matt Basham

6.4. Councilmember Terrah Anderson

7. **Mayor Report**

8. **Reports, Presentations and Appointments**

8.1. Salt Lake County Presentation – County Council Member Carlos Moreno

9. **Public Hearing**

9.1. Public hearing and consideration of a Resolution approving an Interfund Loan between the Water Rights Impact Fee Fund and the General Capital Projects Fund – Kyle Maurer, Director of Finance and Administrative Services

10. **Discussion and Action Items**

10.1. Consideration for adoption of a Resolution authorizing the issuance and sale of not more than $16,000,000 aggregate principal amount of Sales and Franchise Tax Revenue Refunding Bonds, Series 2026; and related matters – Kyle Maurer, Director of Finance and Administrative Services

10.2. Extra Space Self Storage Discussion – Nathan Cherpeski, City Manager

11. **Future Meetings**

11.1. Next Planning Meeting: September 2, 2026

11.2. Next City Council Meeting:September 9, 2026

12. **Events**

12.1. Hungry Herriman Food Truck Roundup: Mondays@ Crane Park 5:00 p.m.

12.2. Labor Day: September 7, 2026; City Offices Closed

13. **Closed Session**

The Herriman City Council may temporarily recess the City Council meeting to convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonable imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code

Annotated §52-4-205

14. **Adjournment**

15. **Recommence to Work Meeting (If Needed)**

In accordance with the Americans with Disabilities Act, Herriman City will make reasonable accommodation for participation in the meeting. Request assistance by contacting Herriman City at (801) 446-5323 and provide at least 48 hours advance notice of the meeting.

ELECTRONIC PARTICIPATION: Members of the City Council may participate electronically via telephone, Skype, or other electronic means during this meeting.

PUBLIC COMMENT POLICY AND PROCEDURE: The purpose of public comment is to allow citizens to address items on the agenda. Citizens requesting to address the Council will be asked to complete a written comment form and present it to Jackie Nostrom, City Recorder. In general, the chair will allow an individual two minutes to address the Council. A spokesperson, recognized as representing a group in attendance, may be allowed up to five minutes. At the conclusion of the citizen comment time, the chair may direct staff to assist the citizen on the issue presented; direct the citizen to the proper administrative department(s); or take no action. This policy also applies to all public hearings. Citizens may also submit written requests (outlining their issue) for an item to be considered at a future council meeting. The chair may place the item on the agenda under citizen comments; direct staff to assist the citizen; direct the citizen to the proper administrative departments; or take no action.

I, Jackie Nostrom, certify the foregoing agenda was emailed to at least one newspaper of general circulation within the geographic jurisdiction of the public body, at the principal office of the public body, on the Utah State Public Notice website www.utah.gov/pmn/index.html and on Herriman City's website at www.herriman.gov, Posted and dated this . /s/ Jackie Nostrom, City Recorder

DATE: **August 13, 2026**

TO: The Honorable Mayor and City Council

FROM: Nathan Cherpeski

SUBJECT: Discussion and Planning for City Council Retreat

RECOMMENDATION:
Discuss timing and format options for future City Council retreat. Provide Staff Direction.

ISSUE BEFORE COUNCIL:
Discuss future retreat timing and format.

ALIGNMENT WITH STRATEGIC PLAN:
This effort will directly impact future strategic planning. It has the potential to impact any and all of the currently listed goals.

BACKGROUND/SUMMARY:
The Council has indicated that they would like to hold a retreat to discuss future opportunities and challenges facing the City. Staff is looking for some direction on timing and format for the retreat.

DISCUSSION:
Staff would appreciate direction on the following items:
1. How long do you want the retreat? Half-day, full-day, multi-day?
2. Timing – How soon would you like to hold the retreat?
3. Location ideas

ALTERNATIVES:
Provide Staff direction

FISCAL IMPACT: N/A

DATE: **August 06, 2026**

TO: The Honorable Mayor and City Council

FROM: Trevor Ram

SUBJECT: City Status Report – July 2026

RECOMMENDATION:
Staff recommend accepting the City Status Report.

ISSUE BEFORE COUNCIL:
Should the City Council accept the City Status Report for July 2026?

ALIGNMENT WITH STRATEGIC PLAN:
CE 2 – Promote trust in government.

BACKGROUND/SUMMARY:
This is the City Status Report for July 2026.

DISCUSSION:
Attached is the City Status Report for July 2026.

ALTERNATIVES:
1) City Council accepts the City Status Report (recommended).
2) City Council requires additional information.

FISCAL IMPACT:
None

ATTACHMENTS:

City Status Report - 202607

HERRIMAN CITY STATUS REPORT

AS OF JULY 31, 2026

BUILDING PERMITS - JULY 2026

Issued: (Compare previous year)

Residential	Commercial	Other
11 (20)	**26** (13)	**82** (96)

New Residential Units:

Single Family	Condos	Townhomes	Duplex	I-ADUs
10	**10**	**0**	**0**	**0**

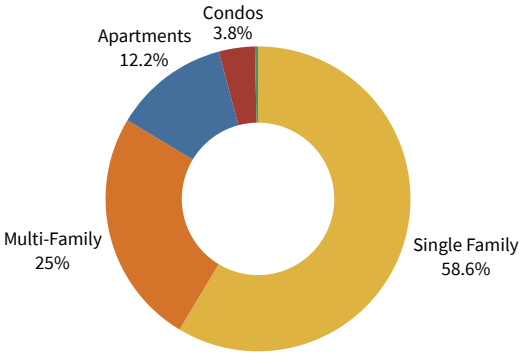
BUSINESSES

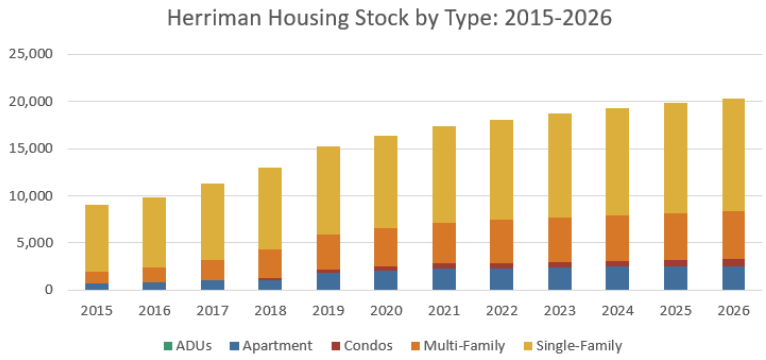
Total Businesses	New Businesses
1,481	**22**

83 *Restaurants/Food*

1,180 *Home Occupation*

HOUSING BY TYPE





Population Estimate	Vacancy Rate
66,061	**4.2%**

PROJECT UPDATES

6000 W (Silver Sky to Herriman Blvd)

-Sewer and storm drain installed
-Secondary water installation complete
-Estimated completion: November 2026

Rosecrest Pipeline Project

-JVWCD waterline project underway
-City's road rehab work to occur near end of project
-Estimated substantial completion: Spring 2028

Fire Station 103

-Exterior and interion finishes nearing completion
-Landscaping nearly complete
-Estimated substantial completion: October 2026

6400 W (Herriman Blvd to Midas Creek)

-Trails are in
-Intersection and signal installed and active

Real Vista Widening and Traffic Signal

-Utility work completed, curb and gutter installed
-Paving completed
-Estimated completion: End of August 2026

Juniper Canyon West Trailhead

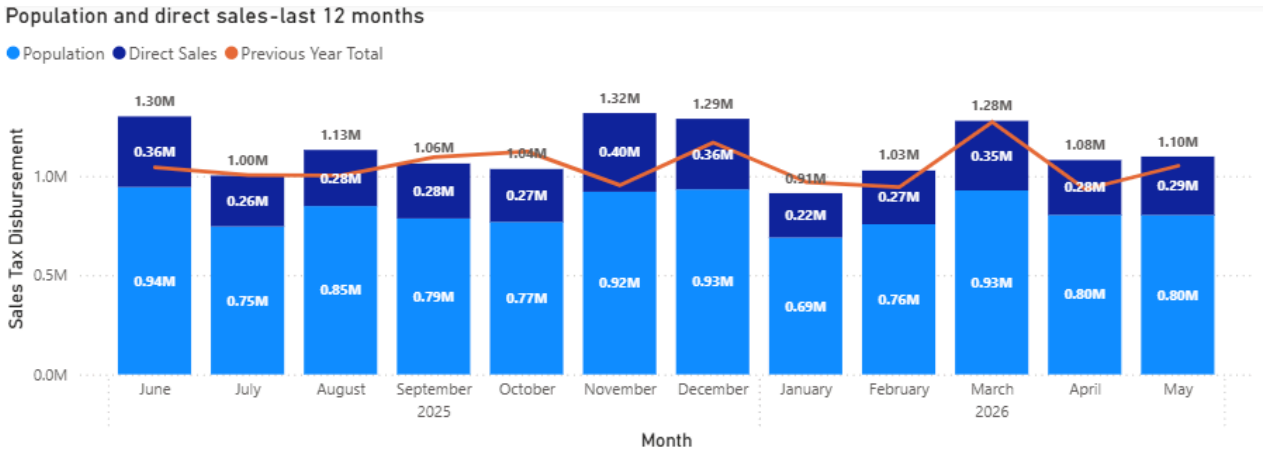
-Excavating and construction underway
-Estimated completion: early Spring 2027

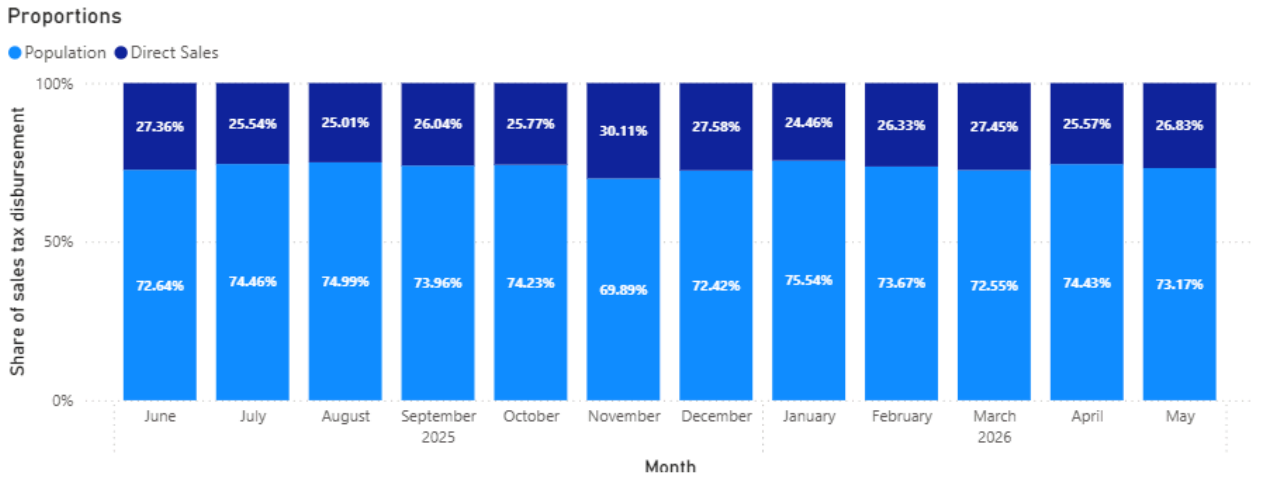
HERRIMAN CITY STATUS REPORT

AS OF JULY 31, 2026

SALES TAX

$1,296,836.77 ***Latest Sales Tax Disbursement***





Note: Months shown above indicate the months in which sales were generated. Disbursement of these funds lags by about 2 months.

DATE: **August 06, 2026**

TO: The Honorable Mayor and City Council

FROM: Trevor Ram

SUBJECT: Field Rental Policy

RECOMMENDATION:
N/A - For discussion only.

ISSUES BEFORE COUNCIL:

1. Should Council establish a policy distinction between contract and non-contract sports field rentals to clarify the rental process?
2. What other policy issues should be addressed by a field rental policy?

ALIGNMENT WITH STRATEGIC PLAN:
LV 7 – Ensure fiscal sustainability within all City functions | LV 8.3 Fees and sustainability of City recreation resources

BACKGROUND/SUMMARY:
To provide clarity in the field rental process, staff are requesting Council to consider adopting a policy that draws a distinction between contract and non-contract field renters. The policy may also consider other matters Council deems necessary to address. Staff are also seeking direction on the delegation of authority to implement any adopted policy. A draft policy is included for Council consideration. Assuming Council would like to adopt a policy, a revised draft would be circulated and brought back for adoption before the field rental booking season begins in January 2027.

DISCUSSION:
Field rental fees are a matter of strong public interest because of the tension inherent to setting them. By partnering with private organizations, cities are often able to strengthen the number and type of programs offered to their residents, improving quality of life. However, quality of life for

residents can be negatively affected if city fees fail to adequately cover the services being provided.

Regarding field rentals, Herriman City currently offers a reduced field rental rate for organizations that, in the City's view, offer a meaningful addition to the City's recreation portfolio. Those who are eligible for these reduced rates contract with the City to rent fields and facilities throughout their various seasons to provide a stable experience for those enrolled in their recreation programs. Others who are interested in renting city fields for private use can do so at a higher non-contract rate published in the City's Master Fee Schedule.

Over time, drawing that distinction has become a somewhat arbitrary exercise leading to confusion over which organizations are eligible for a reduced contract rate and which are not. Staff is looking to Council for direction on how (if at all) Council would draw that line, preferably through adopting a policy.

Attached is a draft field rental policy. It includes the following items that Council might consider as part of a final adopted policy:

- Eligibility requirements for contracted rate:
    - Non-profit status
    - Target audience for programs
- Evaluation criteria to be used by the City in determining whether to grant a contracted rate
- Minimum/Maximum length of agreement
- Scheduling priority
- Annual rate review (adjustments as deemed necessary by City)

An additional issue to consider is the impact of the opening of the City's Southwest Athletic Complex. Fees for the use of the Athletic Complex are likely to be set to cover operating expenditures. Staff anticipate these Complex rates to be significantly higher than the contract rates the City currently charges for use of other fields. Council will need to consider the ways in which the fee disparity between the existing fields and the Complex fields will allocate field usage. This issue could be addressed in this or another policy.

ALTERNATIVES:

1. Council directs staff to revise the attached draft policy and bring it back for adpotion.
2. Council declines to adpot a field rental policy.
3. Council requests further information from staff.

FISCAL IMPACT:

While the adoption of a field rental policy may affect the distribution of contract versus non-contract field renters, staff anticipate this shift in distribution to be minimal. The greater fiscal impact is more likely to come from a rate change than from clarifying which organizations are eligible for a contract field rental rate.

ATTACHMENTS:
Draft Field Rental Policy

Document #	Title: Herriman Field Rental Policy	Print Date:
Revision # 1.0	Prepared By: Trevor Ram	Date Prepared: 8/10/2026
Effective Date: 1/1/2027	Reviewed By: Herriman City Council	Date Reviewed: 8/26/2026

Purpose: The purpose of this policy is to establish consistent criteria and procedures for providing contracted facility rental rates to qualified youth non-profit sports organizations. The City recognizes the value these organizations provide through youth development, recreation, health, and community engagement while ensuring responsible stewardship of public facilities and taxpayer resources.

Policy: The City may enter into annual agreements with eligible youth non-profit sports organizations for the use of City-owned athletic facilities at contracted rates that differ from the City's standard rental fees. Contracted rates are intended to encourage broad community access, maximize facility utilization, and support organizations that primarily serve City residents.

Nothing in this policy creates an entitlement to a contracted rate. Approval remains at the discretion of the City.

1. Eligibility Requirements

To qualify for a contracted rate, an organization shall:

- Be recognized as a nonprofit organization under Section 501(c)(3), 501(c)(4), or another qualifying nonprofit designation acceptable to the City.
- Primarily provide organized recreational or competitive athletic programs for participants 18 years of age or younger.
- Operate in a manner that is open and nondiscriminatory.
- Maintain liability insurance meeting City requirements.
- Be in good standing with the City and have no outstanding balances or unresolved contract violations.
- Comply with all City facility rules, policies, and applicable laws.

2. Evaluation Criteria

When considering a contracted rate, the City may evaluate:

- Number of youth served annually.
- Community benefit provided by the organization.

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- Historical use and care of City facilities.
- Financial sustainability of the organization.
- Availability of facilities and competing demands.
- Alignment with City recreation goals and strategic priorities.

3. Contract Terms

Approved agreements shall include:

- Contracted rental rates.
- Designated facilities.
- Dates and hours of use.
- Scheduling priorities.
- Insurance and indemnification requirements.
- Maintenance responsibilities.
- Reporting requirements.
- Payment schedule.
- Default and termination provisions.

Unless otherwise approved by the City Council, agreements shall not exceed one (1) year.

4. Scheduling Priority

Contracted organizations shall not receive exclusive rights to any public facility.

The City reserves the right to schedule:

1. City-sponsored programs and events.
2. Facility maintenance and improvements.
3. Community events approved by the City.
4. Other users consistent with the City's adopted reservation policies.

5. Annual Reporting

Organizations receiving contracted rates shall annually provide:

- Total participant enrollment.
- Percentage of City resident participants.
- Financial statement or annual budget summary.

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- Proof of nonprofit status.
- Proof of insurance.
- Summary of community programs or volunteer service.

Failure to provide required documentation may result in suspension or termination of contracted rates.

6. Review of Rates

Contracted rates shall be reviewed annually as part of the City's fee schedule review process. The City may adjust rates based on:

- Operating costs.
- Maintenance expenses.
- Utility costs.
- Market comparisons.
- Demand for facilities.
- Budgetary considerations.

7. Revocation

The City may suspend or terminate a contracted rate agreement for:

- Failure to comply with contract terms.
- Misrepresentation of eligibility.
- Nonpayment.
- Damage to City property.
- Failure to maintain insurance.
- Conduct inconsistent with City policies.

8. Exceptions

The City Council may approve exceptions to this policy when doing so serves a significant public purpose or provides substantial community benefit.

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9. Administration

The City Manager, or designee, shall administer this policy, review applications, negotiate agreements within approved parameters, and make recommendations to the City Council when approval is required.

10. Effective Date

This policy becomes effective upon adoption by the City Council and supersedes any previous policies regarding contracted rates for youth nonprofit sports organizations.

References:

Form #	Record/Form/Activity Name	Satisfies Clause
Required by Standard		
XXXXX	Record	
Other Forms/Records		
XXXXX	Record	
XXXXX	Record	
XXXXX	Record	

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DATE: **July 29, 2026**

TO: The Honorable Mayor and City Council

FROM: Trevor Ram

SUBJECT: Field Rental Fees

RECOMMENDATION:
N/A – This is for discussion only. Council is invited to review and discuss the proposed fee increase and provide direction on a preferred approach.

ISSUE BEFORE COUNCIL:
Should the City Council accept the proposed field rental fee increase?

ALIGNMENT WITH STRATEGIC PLAN:
LV 7 – Ensure fiscal sustainability within all City functions | LV 8.3 Fees and sustainability of City recreation resources

BACKGROUND/SUMMARY:
Herriman City owns and maintains athletic fields available for rental by sports organizations, leagues, and other users. Appropriate rental fees have been an ongoing policy discussion tied to the City's strategic commitment to fiscal sustainability. At the January 28, 2026 work meeting, staff presented the current fee structure and raised concerns that existing rates may not adequately reflect maintenance, scheduling, and facility wear costs.

This item includes a potential fee adjustment for both contract and non-contract rental rates. No formal action is requested; the item is intended to allow Council to provide direction on a preferred fee increase approach. Staff will take feedback from this meeting and propose an amendment to the City’s Master Fee Schedule for Council to formally adopt.

DISCUSSION:
Herriman City currently charges fees for the rental of its athletic fields, and staff has identified that these fees have not kept pace with the cost of maintaining and operating the City's parks and recreation facilities.

Staff have developed the following proposal for Council to consider:

- Contract rental rate: $5 per field per day increase (see attached table for specific fields)
- Non-Contract Resident rental rate: $2 per hour ($15 to $17)
- Non-Contract Non-Resident rental rate: $5 per hour ($20 to $25)
- Timeframe: implement in FY2027, hold flat in FY2028

The above timeframe accounts for the Southwest Athletic Complex's potential effect on rental demand across the City's fields. The Complex's rental fees are anticipated to be set at a level where they will cover the Complex's operating costs. This will almost certainly price them at a significantly higher level than even the proposed field rental fees above. With a potential disparity between the rental fees for Complex fields versus other fields in Herriman, it may be wise to consider how to close that gap as phases of the Complex come online, encouraging an optimal distribution of field rentals across the City's fields.

ALTERNATIVES:

1. Council can direct staff to prepare a fee schedule amendment recommendation for field rentals as described above.
2. Council can direct staff to prepare a fee schedule amendment recommendation for field rentals that is different than the proposal above.
3. Council can direct staff to not prepare a fee schedule amendment recommendation for field rentals.
4. Council can request additional information.

FISCAL IMPACT:

There will be a fiscal impact to the City associated with this item; however, the precise magnitude and timing of that impact will vary depending on the fee increase scenario ultimately selected by Council.

ATTACHMENTS:

Table of Current and Proposed Field Rental Fees

Current and Proposed Field Rental Fees

Effective January 1, 2027

Contract Rates

Field	Billing	Day(s)	Current	Proposed
Butterfield Baseball Complex	Per Day	M-F	$25	**$30**
	Per Day	Sat	$25	**$35**
Butterfield Park - Multi-Use	Per Day	M-F	$15	**$20**
	Per Day	Sat	$30	**$35**
Other Baseball	Per Day	M-F	$10	**$15**
	Per Day	Sat	$20	**$25**
Other Multi-Use	Per Day	M-F	$10	**$15**
	Per Day	Sat	$20	**$25**

Non-Contract Rates

Type	Billing	Day(s)	Current	Proposed
Non-Contract, Resident	Per Hour	N/A	$15	**$17**
Non-Contract, Non-Resident	Per Hour	N/A	$20	**$25**

DATE: **August 03, 2026**

TO: The Honorable Mayor and City Council

FROM: Wendy Thomas | Trevor Ram

SUBJECT: Discussion of a proposed City Council Policy and Fee Schedule for the Herriman Community Center located at 13011 S Pioneer Street – Wendy Thomas, Assistant City Manager and Trevor Ram, Assistant to the City Manager

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RECOMMENDATION:
Staff recommend discussion of the proposed policy and fee schedule and for City Council to direct staff to bring the items back to the next available City Council Meeting for adoption.

ISSUE BEFORE COUNCIL:
Does the City Council want to review and adopt a policy and fee schedule for the Herriman Community Center?

ALIGNMENT WITH STRATEGIC PLAN:
LV 2.2 Public Spaces | LV 7.2 Ongoing Operating Costs | CE 1 – Sense of community

BACKGROUND/SUMMARY:
The building at 13011 S Pioneer Street began as the Herriman Lions Club, which later became the Herriman City Hall in 1999 and later remodeled to the Herriman Community Center. The facility also houses a portion of the Herriman Police Department and the Columbus Adult Education Center utilizes the basement for classes.

DISCUSSION:
Staff have drafted a rental policy that is very similar to the Herriman City Hall Room Rental Policy with some changes to the available dates and times. Some of the questions that staff would like clarification on include:

- What do we call the room that is available for rent? Staff feel that calling it the Community Room is too close to what the City Hall room is commonly referred to.
- What feedback do you have on the available dates/times and blackout dates?
- Do you want to allow more than one reservation per day?
- How does the City Council feel about the rental fees being proposed?
- Are there any other questions or concerns about the policy or the Herriman Community Center?

ALTERNATIVES:

Alternative	Challenge	Benefit
Council make recommendations for changes to the policy and fee schedule and direct staff to bring back for formal adoption (RECOMMENDED)	None	Opens up the Community Center for rentals to the community
Council continue the item to a future meeting	Delays community rentals	None

FISCAL IMPACT:

Community Center

Type	Fee	Billing
Rental Fee (Weekday M-F) 10:00 am - 10:00 pm	Resident - $80/hour (4 hour minimum) Non-Resident - $160/hour (4 hour minimum)	Per Hour
Rental Fee (Weekend) 10:00am - 10:00 pm	Resident - $120/hour (4 hour minimum); $1,200 (full day) Non-Resident - $200/hour (4 hour minimum); $2,000 (full day)	Per Hour/Day
Weekday Deposit	Resident - $160 Non-Resident - $320	Per Rental
Weekend Deposit	Resident - $240 (4 hours); $480 (full day) Non-Resident - $400 (4 hours); $800 (full day)	Per Hour/Day
Key Deposit	$50	Per Rental

ATTACHMENTS:
Herriman Community Center Room Rental Policy
Community Center Fees

Document #	Title: Herriman Community Center Room Rental Policy	Print Date:
Revision # 1.0	Prepared By: Wendy Thomas	Date Prepared: 8/3/2026
Effective Date: 9/10/2026	Reviewed By: Herriman City Council	Date Reviewed: 8/26/2026

Purpose: The intent of this policy is to outline the procedures and guidelines for reserving the rooms at the Herriman Community Center. This policy applies to all individuals, groups, external organizations, employees and other members of the public that want to make a reservation.

Policy:

1. The following areas may may be available, if approved in advance:
    a. Community Room Max Occupancy: 271

   Meeting rooms and spaces have maximum occupancy limits based on the type of use and furniture layout. The renter must provide information during the application process to specify the number of people anticipated in the room and how they will be seated in the room. Fire and building code determine the occupancies.

2. Building Rental Hours: Rentals will generally be available for public use during the following times, excluding Blackout dates:
    a. Monday – Sunday 10:00 a.m. - 10:00 p.m.
    b. Blackout dates:
        i. Civil Rights Day
        ii. Presidents' Day
        iii. Memorial Day
        iv. Juneteenth Holiday Observed
        v. Independence Day
        vi. Pioneer Day
        vii. Labor Day
        viii. Veterans Day
        ix. Thanksgiving Holiday (Thursday – Sunday)
        x. Christmas Holiday (December 23 – January 1)

3. Rental Fees: Rental fees are necessary to cover the cost. Renters will be charged a rental fee according to the Master Fee Schedule, which is subject to change by the Council at any time. All rental fees are required to be paid before the reservation is confirmed. Reservation is for the specified date and time only. Set-up and clean-up times are included, and must be completed, within the overall reservation time. Use before or after the reserved time will incur an additional charge of $50 per each 15-minute increment or portion thereof. Such additional charges may be deducted from any available security

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deposit or shall be paid separately if a security deposit is insufficient. City employees are eligible to utilize the Herriman Community Center at the resident rate.

4. Security Deposits: In addition to the hourly rental fees, any private party will be required to pay a security deposit and key deposit according to the Master Fee Schedule, which is subject to change by the Council at any time. The security deposit is refundable if city inspection verifies that no building or property damage has occurred, that no city property is missing, that there has been no violation of the rental agreement, that the reservation times have been strictly complied with, and that the building and surrounding property was left clean and in an orderly condition. If any damage or mistreatment has occurred, deductions will be made from the security deposit as needed to fully repair the damage or mistreatment and, if sufficient, the balance will be assessed to the renter. Blocking doors open or bypassing locks and security systems will result in the forfeiture of the security deposit and may incur additional liability and damages. All security deposits and refunds will be processed, and the city will return any unused security deposit within three weeks after the renter's event has taken place. Security deposits may be paid by credit card, check or cash.
   Key Deposits: In addition to the security deposit, a key deposit will be required to be paid. The key deposit is refundable if the renter has returned the key card by the close of the next business day. All key deposits will be refunded within three weeks after the renter's event has taken place if the key has been returned in accordance with the rental agreement. Renters must pick up a key card prior to the reservation date.

5. Cancellation Policy: a full refund of the rental fee and security deposit except for a $25 administration fee will be made if the reservation is cancelled at least two weeks prior to the scheduled event. A refund of 50% of the rental fee and 100% of the security deposit and key deposit will be made if the reservation is canceled less than two weeks before the event. The city shall not be liable for damages to any individual(s) or group(s) if the premises are not available for use for any reason, including as a result of mis-scheduling, emergency, force majeure, or any other reason, whether due to the city's own actions or omissions. If the city cancels a renter-scheduled event, the city's liability shall be limited to the obligation to promptly refund any rental fee and security deposit previously paid.

6. Equipment: Rental fees include the use of tables, chairs, microphone and kitchen. City staff will not be available to ensure that the A/V system will be functional during the renter's event. Please plan accordingly and call 801-446-5323 to coordinate training with IT before your scheduled event.

7. Food and Beverages: Food and beverages may be served in the Community Center. All food must be catered or pre-prepared. The renter may use the caterer of their choice. The renters are responsible for cleaning any areas used prior to leaving and removing food and food service equipment or will be billed for cleaning services. Service of alcoholic

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beverages, including beer and/or wine, is prohibited. There is not an ice machine at the facility.

8. Reservation Permit: Only one reservation per day will be available. Anyone wishing to rent the Community Center shall submit a completed reservation permit form to Customer Service in advance of the proposed reservation. Staff will have at least 5 business days to determine if the building is available on the date and time requested and whether the proposed use otherwise is permissible. Thereafter, staff will notify the applicant whether or not the proposed rental has been approved and will inform the applicant of any additional information or fees required by the city. Upon being notified that the rental reservation has been approved, the applicant shall immediately remit the entire rental fee, security deposit, and key deposit to the city. No reservation is confirmed until all fees and deposits are paid in full.

9. Permitted Uses: The city reserves the right to reasonably restrict the use of the Community Center to prohibit anything that does not promote the health, safety, prosperity, security, and general welfare of the city or its citizens. The Community Center may not be used to conduct meetings or events that are intended for commercial purposes to generate revenue or any type of compensation for the renter or any third party. Individuals or groups using the Community Center shall comply with the following use regulations:

    a. Participants and guests shall comply with all applicable laws.
    b. No foul or abusive language shall be used.
    c. Shoes and shirts must be worn at all times.
    d. No gambling, smoking, vaping, illegal drugs, or alcohol.
    e. Open flames, sparklers, lighted candles, glitter, rice, confetti, graphite, paints, grass, helium balloons and other similar materials are prohibited in the Community Center.
    f. City tables, chairs and other equipment are not to be taken from the Herriman Community Center for any reason.
    g. Hallways and exits, and other traffic areas are to remain free of tables, chairs, boxes and other items, at all times.
    h. Nothing may be hung, attached or suspended from the walls or ceiling. No nails, tacks, tape or similar items may be used on the walls or ceiling.
    i. Pictures, plaques, flags, podiums, furniture, etc. are not to be removed unless preapproved.
    j. Children must be supervised at all times by a responsible adult. The applicant is responsible for the conduct of all participants and guests.
    k. Except for certified service animals, pets or animals are not allowed.
    l. The city is neither responsible nor liable for the theft, loss or damage to personal property during the rental.

10. Cleaning Community Center: the Reservation Permit constitutes the applicant's agreement that it was clean, in good working order, and in satisfactory condition at the

DRAFT

commencement of the reservation. The city does not provide janitorial services or cleanup for purposes of the rental. The applicant is responsible for thoroughly cleaning the Herriman Community Center and kitchen by removing all foreign matter, garbage and debris and depositing it in the appropriate outside receptacles. No food, oil, or grease is allowed to be deposited in the kitchen sink. City staff will determine whether the cleaning has been properly performed.

11. Liability, Loss, and Damage: the renter will assume liability for the use of the Herriman Community Center and take necessary action to hold the city harmless for acts conducted by the renter or their attendees. Groups of 50 or more may be required to provide a certificate of insurance to indemnify the city against claim. Any damage to the Herriman Community Center or the surrounding property shall constitute grounds to immediately terminate current and future use of the facility for that individual or group. The applicant shall be personally liable for any damage or loss to the Community Center, or the surrounding property beyond normal wear and tear, and immediately shall report such damage to the city.

References:

Form #	Record/Form/Activity Name	Satisfies Clause
Required by Standard		
XXXXX	Record	
Other Forms/Records		
XXXXX	Record	
XXXXX	Record	
XXXXX	Record	

DRAFT

Community Center

Type	Fee	Billing
Rental Fee (Weekday M-F) 10:00 am - 10:00 pm	Resident - $80/hour (4 hour minimum) Non-Resident - $160/hour (4 hour minimum)	Per Hour
Rental Fee (Weekend) 10:00am - 10:00 pm	Resident - $120/hour (4 hour minimum); $1,200 (full day) Non-Resident - $200/hour (4 hour minimum); $2,000 (full day)	Per Hour/Day
Weekday Deposit	Resident - $160 Non-Resident - $320	Per Rental
Weekend Deposit	Resident - $240 (4 hours); $480 (full day) Non-Resident - $400 (4 hours); $800 (full day)	Per Hour/Day
Key Deposit	$50	Per Rental

Community Center Costs - Summary

Category	Cost per rental
Personnel-Rental Administration	$39.99
Overhead	$4.00
Credit Card Fee	$1.10
Total	**$45.09**

Category	Cost per hour	Total Costs
Personnel-Routine Maintenance	$6.56	$9,524.00
Personnel-Overtime/On-call	$10.99	$2,000.00
Operations	$31.22	$45,305.36
Capital	$16.41	$23,815.92
Overhead	$6.52	$8,064.53
Credit Card Fee	$1.79	$2,217.75
Total	**$73.50**	**$90,927.56**

*Overhead charged at 10%, CC fee charged at 2.5%

Personnel Costs

Administration of Rentals	Time per rental	Hourly rate	Cost per rental
IT Time (minutes)	30	$47.56	$23.78
Customer Service Time (minutes)	20	$33.10	$11.03
Accounts Payable	10	$31.06	$5.18
Total			**$39.99**

Routine Operations	Hours per year	Hourly rate	Cost per year
Restack tables and chairs	12	$54.00	$648.00
Spot clean carpets	24	$54.00	$1,296.00
Clean tables and chairs	16	$54.00	$864.00
Paint touchup	16	$54.00	$864.00
Clean kitchen	12	$54.00	$648.00
Key card updates (Tina)	100	$52.04	$5,204.00
Total	**180**		**$9,524.00**

On-Call/Overtime	Cost per year
Total	**$2,000**

Operations personnel costs by user

Cost	Arts Council	City Use	Rentals	Total
Routine Maintenance	$3,675.70	$4,653.70	$1,194.60	$9,524.00
On-Call/Overtime	$0.00	$0.00	$2,000.00	$2,000.00
Total	**$3,675.70**	**$4,653.70**	**$3,194.60**	**$11,524.00**

Operations personnel per rental hour

Cost	Total rental cost	Rental Hours	Cost per rental hour
Routine Maintenance	$1,194.60	182.0	$6.56
On-Call/Overtime	$2,000.00	182.0	$10.99
Total	**$3,194.60**	**182.0**	**$17.55**

Operational Costs

Cost	Annual Budgeted Cost	Total Sqft	Cost per Sqft
Sewer	$165	4,116	$0.04
Sanitation	$494	4,116	$0.12
Water	$14,600	4,116	$3.55
Building Insurance	$453	4,116	$0.11
Cleaning Services	$6,791	4,116	$1.65
Carpet Cleaning	$864	4,116	$0.21
Window Cleaning	$453	4,116	$0.11
Pest Control	$329	4,116	$0.08
Fire Systems/Extinguishers	$329	4,116	$0.08
Cleaning Supplies	$947	4,116	$0.23
First Aid	$864	4,116	$0.21
AED	$288	4,116	$0.07
Flags	$576	4,116	$0.14
Fire Alarm Monitor	$288	4,116	$0.07
Elevator Mornitor	$247	4,116	$0.06
Elevator Maintenance	$1,276	4,116	$0.31
Grounds Maintenance	$1,358	4,116	$0.33
Snow Removal	$1,441	4,116	$0.35
Ice Melt	$453	4,116	$0.11
Parking Lot Maintenance	$2,675	4,116	$0.65
Electricity	$7,820	4,116	$1.90
Natural Gas	$2,593	4,116	$0.63
Total	**$45,305**	**4,116**	**$11.01**
Cost per hour	$31.22		

Capital Costs

Item	Replacement Cost	Expected Life (years)	Cost per year
A/V System	$80,000	10	$8,000.00
200 Chairs	$31,233	12	$2,602.78
75 rectangular tables	$50,220	12	$4,185.03
36 round tables	$23,826	12	$1,985.50
Flooring	$28,649	10	$2,864.90
Paint	$6,500	10	$650.00
HVAC System	$36,221	15	$2,414.72
Roof	$27,825	25	$1,113.00
Total	**$284,474**		**$23,815.92**

Capital costs per year	**$23,816**
Total hours used	1,451
Capital costs per hour	**$16.41**

Building Replacement Costs

Budgeted renovation cost (per Easy CIP)	$567,890
Estimated life (years)	50
Renovation cost per year	$11,358
Total use hours per year	1,451
Replacement cost per hour per year	**$391.38**

Rentals	131.5

A	B	AB
2	2	2
2	4	4
4	1	2
4	2	5
-1	4	2
-1		4
-1		4
1		1
2		4
-4		1
1		2
2		2
4		2
5		3
2		2
2		2
-2		3
4		2
3		4
2		4
2		1
2		1
1		1
2		4
1		4
3		1
2		4
2		5
4		2
4		2
1		2
4		
2		
3		
2		
2		
2		
4		
2		
1		
5		
4		
-4		

City Use	273

Admin	6
Public Works	41
HPD	100
Events	44
Joint Meetings	8
HR	50
Elections	20
Cornhole	4
Total	273

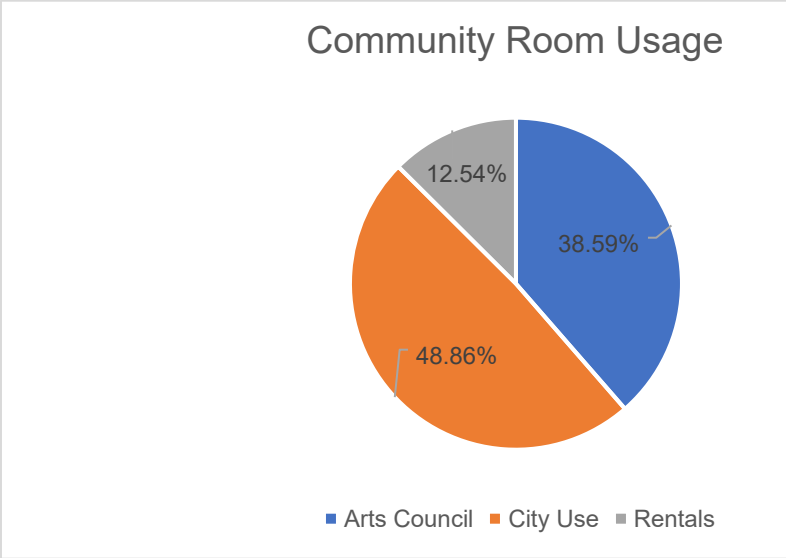
Arts Council
Total
Room A
Room B
Total
Half of room
49000
49700
52677

4
1
1
-2

616		Total Hours Used	1020.5	
616				

User	Hours	Proportion
Arts Council	560.0	38.59%
City Use	709.0	48.86%
Rentals	182.0	12.54%
Total Use	**1,451.0**	**100%**

1268	1355	0.437520181
1829	1742	0.5624798
3097	3097	
1549	1548.5	



0.06320408
0.06231388
0.05879226

DATE: **August 06, 2026**

TO: The Honorable Mayor and City Council

FROM: Trevor Ram

SUBJECT: CIP Decision Framework

RECOMMENDATION:
Staff recommend Council provide feedback on better aligning the staff's CIP recommendation with Council direction.

ISSUE BEFORE COUNCIL:
What criteria would Council like staff to consider in the preparation of staff's CIP recommendation?

ALIGNMENT WITH STRATEGIC PLAN:
LV 7.1 – Capital Improvement Plan

BACKGROUND/SUMMARY:
Council feedback is an essential part of the CIP planning process. Staff plan to incorporate that feedback throughout the process rather than just at the end through the use of a decision framework. This discussion will help align that framework with Council's preferences.

DISCUSSION:
The purpose of this discussion is to improve the CIP recommendations that staff bring to Council by incorporating Council feedback throughout the CIP planning process. The current CIP recommendation process accounts for funding constraints, legal obligations on projects, and aims to time projects in the most efficient manner possible. One additional constraint that staff is proposing is a staff bandwidth constraint. This would be a filter for staff to consider the demands of managing all the projects under consideration for a given fiscal year. Projects could be shifted to ensure adequate staff bandwidth for managing planned projects and taking on unplanned ones as well.
While the current process allows staff to create an adequate CIP recommendation, it only elicits Council feedback at the very end. To better incorporate Council feedback throughout the CIP planning process, staff would like to establish a decision framework that can be used to prepare a CIP recommendation that reflects Council priorities and preferences. This framework can be

thought of as Council's answers to a series of "this or that" questions. Some example questions follow:

- Repair and Replace or New Capacity?
- System Infrastructure or Community Amenities?
- Citywide benefit or Localized benefit?
- Proactive investment or Reactive maintenance/repairs?

An important point is that this decision framework (i.e.-the answers to these questions) is fluid and is expected to change over time. Staff anticipate regularly visiting with Council as time passes to ensure the framework is reflecting Council's strategic priorities.

Staff welcome discussion of these and other decision-making factors that Council would like staff to weigh in bringing forward a CIP recommendation.

ALTERNATIVES:

1. **Council can offer feedback to staff on CIP priorities as part of a decision framework for CIP planning (recommended).**
2. Council can decline to offer feedback.
3. Council can request more information.

FISCAL IMPACT:

None

SALT LAKE COUNTY: 2025 Key Accomplishments

Delivering Results for County Residents



SALT LAKE COUNTY

CARLOS MORENO

County Council Member

District 2

SALT LAKE COUNTY

Understanding the County's Statutory Duties

- Public safety
- Operate The Jail
- Run Elections & Voter Services
- Collect Property Taxes
- Criminal Justice System
- Provide a Health Department
- Mental Health Authority

Additional Statutory Duties

- Meals on Wheels for Seniors
- Parks, Trails & Canyons
- Preserve Land Records
- Flood Control
- Recreation Centers
- Libraries
- Convention Centers

2025

FISCAL ACCOMPLISHMENT

- Cut Mayor's Administration budget (2 FTEs)
- Transitioned subsidized childcare to public/private partnerships
- Froze salaries of elected officials
- Ended Biden-era programs funded by COVID funds
- Moved Clark Planetarium from property taxes to Tourism, Recreation, Culture, and Convention (TRCC)

PUBLIC SAFETY ACCOMPLISHMENTS

- Opened new pod at Oxbow Jail (250+ beds)to address overcrowding, safety
- Addressed $3M in deferred maintenance at ADC using existing funds to extend the life of infrastructure
- Completed a State Legislative Audit of election equipment to protect election security and maintain public trust

2025

INFRASTRUCTURE & TRANSPORTATION

- Completed Parley's multi-use trail
- Began rehabilitation of Jordan River Parkway Trail (north of 2100 S)
- Completed Millcreek Canyon Road (FLAP grant + Forest Service)
- Partnered with local groups to expand and formalize a mountain bike trails in the Kearns Lodestone Trail system

ARTS & CULTURE TOURISM ACCOMPLISHMENTS

- Saved Abravanel Hall
- Began work on Downtown Entertainment District
- Created America 250 Commission
- Salt Palace Renovation adds second ballroom allowing two conventions at once—adding an estimated $105 million in annual economic impact

2025

COUNTY LIBRARIES & COMMUNITY ACCOMPLISHMENTS

- ✓ Legislative Intent to protect trees on county property
- ✓ Resolution to protect The Great Salt Lake
- ✓ Continued progress on several library projects and Designing libraries as community hubs with meeting rooms, maker spaces, and flexible gathering areas (Midvale, Taylorsville, Cottonwood Heights, West Valley)
- ✓ Investments in trails, infrastructure, and events that connect communities

SALT LAKE COUNTY

SPONSORED PROCLAMATIONS 2025



National Day of Prayer

Hispanic Heritage Month Proclamation

Child Abuse Prevention Month

Women's Day Proclamation

Victims of Communism Resolution

SLVLESA BOARD MEMBER

This entity oversees funding for police services in areas like Magna, Kearns, White City, Copperton, Emigration Canyon, Brighton, and unincorporated Salt Lake County.

It contracts with the Unified Police Department of Greater Salt Lake for law enforcement services and is funded largely through property taxes.

Salt Lake Valley Law Enforcement Service Area

CARLOS MORENO

Board of Trustees





Kearns Lodestone Trail Expansion







Community Engagement





Community Engagement





Community Engagement



THANK YOU!

CarlosMoreno@saltlakecounty.gov

DATE: August 13, 2026

TO: The Honorable Mayor and City Council

FROM: Kyle Maurer, Director of Finance and Administrative Services

SUBJECT: Public hearing and consideration of a Resolution approving an Interfund Loan between the Water Rights Impact Fee Fund and the General Capital Projects Fund

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RECOMMENDATION:
Staff recommends approval of the Resolution.

ISSUE BEFORE COUNCIL:
Should the City Council adopt the Resolution as presented?

ALIGNMENT WITH STRATEGIC PLAN:
EV 3.5 – Economic Development Efforts | LV 7 – Ensure fiscal sustainability within all City functions

BACKGROUND/SUMMARY:
An interfund loan to finance land purchases for a future Automall was executed on June 30, 2020, with a due date of June 30, 2025. Because a land sale was not completed by the due date, staff are requesting that a new interfund loan be adopted.

DISCUSSION:

An interfund loan between the Water Rights Impact Fee Fund and Capital Projects Fund was executed on June 30, 2020, with a maturity date of June 30, 2025. The proceeds were used to purchase land within the Automall commercial area, with the expectation that the land would be sold to a developer. As of June 30, 2026, the land has not been sold. Staff are recommending the adoption of another interfund loan, with the expectation the land will be sold and the loan repaid. Below are key terms of the loan:

- Amount of loan: $7,609,747.55
- Term of loan: 2 years
- Interest rate based on Utah Public Treasurer's Investment Fund interest rate for June 2027 and 2028.
- Interest calculation method: Monthly
- No prepayment or early payoff penalties

If the land is sold before the interfund loan's due date, the loan will be paid off.

ALTERNATIVES:
The City Council may choose not to approve the interfund loan.

FISCAL IMPACT:
The interfund loan will require yearly interest payments, currently estimated at approximately $292,000 per year. This is not included in the City's Capital Improvement Plan and a budget amendment will be needed.

ATTACHMENTS:
Original Interfund Loan
Resolution
Amortization Schedule

Herriman City Staff Report
City Council Meeting 06-24-2020

Agenda Item: Promissory Note to Water Rights Impact Fee Fund

Staff Report submitted by: Alan Rae

Recommended City Council Action: Approval

BACKGROUND:

June 30,2019, the Herriman City Capital Projects Fund borrowed $12,500,000 from the Water Rights Impact Fee Fund to purchase the property known as the Auto Mall property. It is proposed that this note be renewed. The new note is proposed to mature on June 30, 2025 to give some time for the Auto Mall property to be sold.

SUPPORT MATERIALS:
Promissory Note

Respectfully Submitted: Alan Rae

Promissory Note

Amount of Loan: 12,500,000 Place: Salt Lake County, State of Utah
Date: June 30, 2020

THIS PROMISSORY NOTE (the "Note") is effective as of the date it is executed by Herriman City Capital Projects Fund "Maker" located at Herriman, Utah, for the purpose of evidencing an obligation from Maker to: Herriman City Water Rights Impact Fee Fund, "Payee", located at Herriman, Utah, arising from a direct borrowing between the parties with an effective date of June 30, 2020.

1. PROMISE TO PAY. For value received, Makers hereby unconditionally promise to pay to the order of Payee the principal sums of TWELVE MILLION FIVE HUNDRED THOUSAND DOLLARS ($12,500,000.00), together with interest as provided for below, on the following terms:

    a. Payment shall be in lump sum on June 30, 2025 with accrued interest at the rate of 1% per annum.

    b. All payments are due to be received no later than 5:00 p.m. on the due date. A five (5) day grace period shall be provided. Any payment received beyond 5 days of its due date shall incur a 5% late fee. In the event of default, the default interest shall accrue at 12% per annum.

    c. All amounts owed shall be due to Payee by June 30, 2025.

    d. All payments made under this Note shall be applied first against any accrued and unpaid interest, if any, and then against the principal balance of this Note.

2. PREPAYMENT. Maker reserves the right to prepay this Note in whole or in part at any time.

3. DEFAULT. If the Maker, whose address is 5355 W Herriman Main Street, defaults on this Note by failing to pay amounts owed when due, and then fails to cure any default within ten (10) days of written notice from the Payee, the Payee reserves the right to then demand payment of the entire outstanding balance owed within thirty (30) days of a written notice, and to exercise any other remedy provided for in the Asset Purchase Agreement, executed herewith.

4. REPORTING. Payee agrees to provide an annual statement of the accrued interest on this Note, including a §1099-I statement of interest paid, to Maker no later than January 31st of the subsequent year for each year amounts are owed or paid on this Note.

5. ATTORNEY'S FEES AND INTEREST. If the event of a default, the defaulting party agrees to pay all reasonable attorneys' fees and collection costs incurred as a result of a default of this Note.

6. CONSTRUCTION. This Note shall be governed by and construed and enforced under the laws of the State of Utah.

7. ASSIGNMENTS. Payee may assign its rights under this Note to a third party; upon which time Payee will provide prompt Notice to Maker and Guarantor. Maker and Guarantor may not assign their rights or obligations under this Note without the written consent of the Payee. Maker and Guarantor agree to be jointly and severally liable for the obligations herein.

8. NO WAIVER. No delay or failure of Payee in exercising any right, remedy or privilege under this Note, or the Asset Purchase Agreement, shall affect such right, remedy, or privilege, nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such a right, remedy or privilege preclude any further exercise thereof or the exercise of any other right, remedy, or privilege. The rights, remedies, and privileges of Payee hereunder are cumulative and not exclusive of any rights, remedies, or privileges Payee would otherwise have. Any waiver, permit, consent or approval of any kind or character on the part of Payee of any breach or default under this Note, or of any provision or condition of this Note, must be in writing and shall be effective only to the extent specifically set forth in such writing. No notice to or demand on Maker shall entitle Maker to any other or further notice or demand in other similar circumstances. A waiver on any one occasion shall not be construed as a waiver or bar to any right, remedy, or privilege on any other occasion.

9. MISCELLANEOUS. Maker hereby waives diligence, demand, presentment for payment, notice of nonpayment, protest, notice of dishonor and notice of protest, and specifically consents to and waives notice of any renewals, modifications or extensions of this Note, and hereby waives any defense by reason of extension of time for payment or other indulgence granted by Payee.

   This Note may be amended or modified only by written agreement duly executed by Makers and Payee or the holder of this Note.

   Each party warrants that they have read, understand, and consent to this Note having the opportunity to consult with an attorney of their choosing.

   Wherever used herein, the words "Maker" and "Payee" shall be deemed to include, to the extent applicable, the heirs, successor, and permitted assigns of Makers and of Payee. This obligation shall bind Maker and, to the extent applicable, their respective successors and permitted assigned, and the benefits hereof shall inure to the Payee and its successors and assigns.

   If any provision hereof is held to be invalid or unenforceable by a court of competent jurisdiction, the other provisions of this Note shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Promissory Note agreement effective as of the date first above written.

MAKER:
Herriman City Capital Projects Fund

_____
Brett Wood, City Manager

State of Utah)
:ss
County of Salt Lake)

On this ___ day of June, 2020, before me, a notary public, personally appeared Brett Wood, proved on the basis of satisfactory evidence to be the person whose name is subscribed to this instrument, and duly acknowledged that he executed the same individually, and is also authorized to do so on behalf of Herriman City Capital Projects Fund.

_____
Notary Public

DATED this ____ day of January, 2019.

Accepted by PAYEE:
Herriman City Water Impact Fee Fund

_____
Justun Edwards, Public Works Director

HERRIMAN, UTAH

RESOLUTION NO. R -2026

A RESOLUTION APPROVING AN INTERFUND LOAN BETWEEN THE WATER RIGHTS IMPACT FEE FUND AND THE GENERAL CAPITAL PROJECTS FUND FOR FINANCING LAND PURCHASES

WHEREAS, THE City is authorized to create and establish an interfund loan from one City fund to another in accordance with Utah Code § 10-6-132; and

WHEREAS, the City Council desires to create an interfund loan between the Water Rights Impact Fee Fund and the General Capital Projects Fund for the purposes of financing land purchased for a future Automall in accordance with Utah Code § 10-6-132: and

WHEREAS, a public hearing was properly noticed and held on August 26, 2026, to consider the interfund loan.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF HERRIMAN CITY, STATE OF UTAH, AS FOLLOWS:

Section 1. **Approval of Interfund Loan.** The City Council has reviewed the proposed interfund loan ("Interfund Loan") between the Water Rights Impact Fee Fund and General Capital Projects Fund, and hereby approves the Interfund Loan, subject to the terms and conditions set forth herein.

Section 2. **Terms and Conditions.** Pursuant to Utah Code § 10-6-132, the Interfund Loan is subject to the following terms and conditions:

Effective Date of Interfund Loan:	June 30, 2026
Name of Loaning Fund:	Water Rights Impact Fee Fund
Name of Borrowing Fund:	General Capital Projects Fund
Amount of the Interfund Loan:	$7,609,747.55
Terms and Repayment:	2-year term with principal repayment at end of year 2; interest due annually
Interest rate:	Public Treasurers Investment Fund (PTIF) rate as of June 2027 and 2028
Interest Calculation Method:	Monthly
Procedure for Applying Interest:	Interest rate applied to outstanding balance
Procedure for Paying Interest:	Interest to be paid annually
Other Terms and Conditions:	No prepayment or early payoff penalties

Section 3. **Severability.** If any section, part, or provision of this Resolution is held invalid or unenforceable, such invalidity or unenforceability shall not affect any other portion of this Resolution, and all sections, parts, and provisions of this Resolution shall be severable.

Section 4. **Effective Date.** This Resolution shall become effective June 30, 2026.

PASSED AND APPROVED by the Council of Herriman, Utah, this 26th day of August, 2026.

HERRIMAN CITY COUNCIL

By: _____
Mayor Lorin Palmer

ATTEST: _____
Jackie Nostrom, MMC
City Recorder

City of Herriman
Interfund Loan Calculator
Water Rights Impact Fee Fund Loan to Capital Projects Fund

Purpose:		Purchase of Automall Property
Loan Amount:	$	7,609,748
Annual Interest Rate:		3.84%
Term (years):		2
Payments Per Year:		1

Date	Description	Principal	Interest	Total	Balance
6/30/2026	Initial Loan	$ 7,609,748	$ -	$ 7,609,748	$ 7,609,748
6/30/2027	Interest Due	-	291,999	291,999	7,609,748
6/30/2028	Interest Due/Principal Payment	7,609,748	291,999	7,901,746	-

DATE: August 17, 2026

TO: The Honorable Mayor and City Council

FROM: Kyle Maurer, Director of Finance and Administrative Services

SUBJECT: Consideration for adoption of a Resolution authorizing the issuance and sale of not more than $16,000,000 aggregate principal amount of Sales and Franchise Tax Revenue Refunding Bonds, Series 2026; and related matters

---

RECOMMENDATION:
Staff recommends approval of the Resolution.

ISSUE BEFORE COUNCIL:
Should the City Council approve the Parameters Resolution as presented?

ALIGNMENT WITH STRATEGIC PLAN:
LV 7 – Ensure fiscal sustainability within all City functions

BACKGROUND/SUMMARY:
The City's current 2015A and B Sales and Franchise Tax Revenue Bonds are eligible for refunding, which will equate to debt service savings once the refunding is executed. This is accomplished by issuing new debt to extinguish the City's existing debt.

DISCUSSION:
The Parameters Resolution is the first step in the bond issuance process and sets the maximum amounts on the following items:

Parameter	Maximum Allowed
Principal Amount of the Bonds	$16,000,000
Years to Maturity	10 Years
Sale Price	Not less than 98% of total principal amount
Interest Rate	Not to exceed 6% per annum

The Parameters Resolution also designates certain "Designated Officers" – Proposed to be the

City Manager and Finance Director — who are granted authority over the following bond-related matters:

- Approval of the principal amounts, interest rates, terms, maturities, redemption features, pledged revenues, and purchase price at which the Series 2026 Bonds shall be sold.
- Selection of the method of sale and the Underwriter/Purchaser of the Series 2026 Bonds.
- Make any changes with respect to the terms which were before the Council at the time of adoption of this Resolution.

ALTERNATIVES:
The Council may choose not to approve the Resolution.

FISCAL IMPACT:
Fiscal impact is dependent on the final bond sale. Overall, the refunding will result in a lower True Interest Cost (TIC) and savings to the City.

ATTACHMENTS:
Parameters Resolution
Bond Purchase Contract
Fifth Supplemental Indenture
Preliminary Official Statement

Herriman, Utah

August 26, 2026

The City Council (the "Council") of Herriman City, Utah (the "Issuer"), met in regular public session at 5355 West Herriman Main Street, Herriman, Utah, on Wednesday, August 26, 2026, at the hour of 7:00 p.m., with the following members of the Council being present:

Lorin Palmer	Mayor
Terrah Anderson	Council Member
Matt Basham	Council Member
Jared Henderson	Council Member
Teddy Hodges	Council Member

Also present:

Kyle Maurer	Director of Finance
Nathan Cherpeski	City Manager
Jackie Nostrom	City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, there was presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this August 26, 2026, meeting, a copy of which is attached hereto as Exhibit A.

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

AYE:

NAY:

The resolution was then signed by the Mayor and recorded in the official records of the Council. The resolution is as follows:

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF HERRIMAN CITY, UTAH (THE "ISSUER"), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN $16,000,000 AGGREGATE PRINCIPAL AMOUNT OF SALES AND FRANCHISE TAX REVENUE REFUNDING BONDS, SERIES 2026 (THE "SERIES 2026 BONDS"); FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE SERIES 2026 BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE SERIES 2026 BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE SERIES 2026 BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE SERIES 2026 BONDS MAY BE SOLD; DELEGATING TO CERTAIN OFFICERS OF THE ISSUER THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE SERIES 2026 BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; AUTHORIZING THE PUBLICATION OF A NOTICE OF BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD; AUTHORIZING AND APPROVING A SUPPLEMENTAL INDENTURE, A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE UNDERTAKING, AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING AND APPROVING THE USE AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT, AND AN OFFICIAL STATEMENT; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the "Council") of the Issuer desires to (a) refund all or a portion of the Issuer's currently outstanding Sales and Franchise Tax Revenue Bonds Series 2015A and Series 2015B (the "Refunded Bonds"), (b) fund any necessary debt service reserve funds, and (c) pay costs of issuance with respect to the Series 2026 Bonds herein described; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, and subject to the limitations set forth herein, the Issuer desires to issue its Sales and Franchise Tax Revenue Refunding Bonds, Series 2026 (the "Series 2026 Bonds") (to be issued from time to time, as one or more series and with such other series or title designation(s) as may be determined by the Issuer), pursuant to (a) the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "Act"), (b) this Resolution, and (c) a General Indenture of Trust dated as of December 1, 2008, as heretofore amended and supplemented (the "General Indenture"), and as further amended and supplemented by a Fifth Supplemental Indenture of Trust (the "Fifth Supplemental Indenture" and together with the General Indenture, the "Indenture"), each between the Issuer and Zions Bancorporation, National Association, as trustee (the "Trustee"), in substantially the form presented at the meeting at which this Resolution was adopted and which are attached hereto as Exhibit B; and

WHEREAS, the Act provides that prior to issuing bonds, an entity must give notice of its intent to issue such bonds; and

WHEREAS, there has been presented to the Council at this meeting a form of a bond purchase agreement (the "Bond Purchase Agreement") to be entered into between the Issuer and the purchaser or underwriter selected by the Issuer for the Series 2026 Bonds (the "Underwriter/Purchaser"), in substantially the form attached hereto as Exhibit C if the Series 2026 Bonds are sold pursuant to a negotiated sale; and

WHEREAS, in the event that the Designated Officers (defined below) determine that it is in the best interests of the Issuer to publicly offer all or a portion of the Series 2026 Bonds, the Issuer desires to authorize the use and distribution of a Preliminary Official Statement (the "Preliminary Official Statement") and a final Official Statement (the "Official Statement"), and other documents relating thereto; and

WHEREAS, in order to allow the Issuer (in consultation with the Issuer's Municipal Advisor, Zions Public Finance, Inc. (the "Municipal Advisor")) flexibility in setting the pricing date or dates of the Series 2026 Bonds to optimize debt service costs to the Issuer, the Council desires to grant to the City Manager and the Director of Finance of the City (each a "Designated Officer"), the authority to (a) approve the principal amounts, interest rates, terms, maturities, redemption features, pledged revenues, and purchase price at which the Series 2026 Bonds shall be sold; (b) select the method of sale and the Underwriter/Purchaser of the Series 2026 Bonds; and (c) make any changes with respect to the terms which were before the Council at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth for such terms in this Resolution (the "Parameters").

NOW, THEREFORE, it is hereby resolved by the City Council of Herriman City, Utah, as follows:

Section 1. For the purpose of (a) refunding the Refunded Bonds, (b)funding a deposit to a debt service reserve fund, if desirable, and (c) paying costs of issuance of the Series 2026 Bonds, the Issuer hereby authorizes the issuance of the Series 2026 Bonds which shall be designated "Herriman City, Utah Sales and Franchise Tax Revenue Refunding Bonds, Series 2026" (to be issued from time to time, as one or more series and with such other series or title designation(s) as may be determined by the Issuer) in the aggregate principal amount of not to exceed $16,000,000. The Series 2026 Bonds shall mature in not more than ten (10) years from their date or dates, shall be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, and shall bear interest at a rate or rates of not to exceed six percent (6.00%) per annum, all as shall be approved by the Designated Officers, within the Parameters set forth herein.

Section 2. The Designated Officers are hereby authorized to determine the method of sale and select the Underwriter/Purchaser, determine the final principal amounts, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2026 Bonds for and on behalf of the Issuer, provided that such terms are within the Parameters set by this Resolution. The selection of the Underwriter/Purchaser and the determination of the final terms and provisions for the Series 2026 Bonds by the Designated Officers shall be evidenced by the execution by the Designated Officers of the Bond Purchase Agreement in substantially the form attached hereto as Exhibit C, or a certificate of award/term certificate, if the Series 2026 Bonds are sold pursuant to a competitive sale. The form of the Bond Purchase Agreement is hereby authorized, approved and confirmed.

Section 3. Should the Designated Officers determine to have the Series 2026 Bonds sold pursuant to a public offering, the Issuer hereby authorizes the utilization of the Preliminary Official Statement in substantially the form attached hereto as Exhibit D, in the marketing of the Series 2026 Bonds and hereby approves the Official Statement in substantially the same form as the Preliminary Official Statement with terms established at the time of sale of the Series 2026 Bonds. The Council further authorizes for the Designated Officers to execute a Continuing Disclosure Undertaking in substantially the form attached to the Preliminary Official Statement.

Section 4. The Fifth Supplemental Indenture, in substantially the form presented to this meeting and attached hereto as Exhibits B is hereby authorized, approved, and confirmed. The Mayor and the City Recorder or Deputy City Recorder (the "City Recorder") are hereby authorized to execute and deliver the Fifth Supplemental Indenture in substantially the form and with substantially the content as the form presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officers, within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 5 hereof.

Section 5. The Designated Officers or other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Indenture, the Series 2026 Bonds, the Bond Purchase Agreement, the Preliminary Official Statement the Official Statement or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2026 Bonds (within the Parameters set by this Resolution), to conform to any applicable bond insurance or reserve instrument or to remove the same, 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 Council or the provisions of the laws of the State of Utah or the United States.

Section 6. The form, terms, and provisions of the Series 2026 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Mayor and the City Recorder are hereby authorized and directed to execute and seal the Series 2026 Bonds and to deliver said Series 2026 Bonds to the Trustee for authentication. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution.

Section 7. The Designated Officers or other appropriate officials of the Issuer are hereby authorized and directed to execute and deliver to the Trustee the written order of the Issuer for authentication and delivery of the Series 2026 Bonds in accordance with the provisions of the Indenture.

Section 8. Upon their issuance, the Series 2026 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2026 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2026 Bonds, the Preliminary Official Statement, the Official Statement or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 9. The Designated Officers or other appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers (including, without limitation, any tax and disclosure compliance policies and procedures) and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 10. After the Series 2026 Bonds are delivered by the Trustee to the Underwriter/Purchaser, and upon receipt of payment therefor, this Resolution shall be and remain irrepealable until the principal of, premium, if any, and interest on the Series 2026 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 11. In accordance with the provisions of the Act, a "Notice of Bonds to be Issued" shall be posted as a (1) Class A notice under Section 63G-30-102, Utah Code Annotated 1953, as amended (i) on the Issuer's official website, (ii) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, and (iii) in a public location that is reasonably likely to be seen by residents within the geographical bounds of the Issuer, and (2) as required in Section 45-1-101, Utah Code Annotated 1953, as amended, and shall also cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the principal office of the Issuer for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the last date of publication thereof. The "Notice of Bonds to be Issued" shall be in substantially the following form:

NOTICE OF BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "Act"), that on August 26, 2026, the City Council (the "Council") of Herriman City, Utah (the "Issuer"), adopted a resolution (the "Resolution") in which it authorized the issuance of the Issuer's Sales and Franchise Tax Revenue Refunding Bonds, Series 2026 (the "Bonds") (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer).

PURPOSE FOR ISSUING THE BONDS

The Bonds will be issued for the purpose of (a) refunding a portion of the Issuer's outstanding sales and franchise tax revenue bonds (the "Refunded Bonds") in order to achieve a debt service savings, (b) funding a deposit into a debt service reserve fund, if necessary, and (c) paying costs of issuance of the Bonds.

PARAMETERS OF THE BONDS

The Issuer intends to issue the Bonds in the aggregate principal amount of not more than Sixteen Million Dollars ($16,000,000), to mature in not more than ten (10) years from their date or dates, to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, and bearing interest at a rate or rates of not to exceed six percent (6.00%) per annum. The Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a General Indenture of Trust and a Fifth Supplemental Indenture of Trust (collectively, the "Indenture") which were before the Council in substantially final form at the time of the adoption of the Resolution.

REVENUES PROPOSED TO BE PLEDGED

The Issuer proposes to pledge 100% of the (i) local sales and use tax revenues received by it pursuant to the Local Sales and Use Tax Act, Title 59, Chapter 12, Part of the Utah Code, Annotated 1953, as amended (Utah Code) (ii) the Municipal Energy Sales and Use Tax Revenues received by the Issuer pursuant to Title 10, Chapter 1, Part 3, Utah Code; and (iii) the Telecommunications Franchise Tax Revenues received by the Issuer pursuant to Title 10, Chapter 1, Part 4, Utah code for the payment of the Series 2026 Bonds, (collectively, the "Revenues")

A copy of the Resolution and the Indenture are on file in the office of the Herriman City Recorder, 5355 West Herriman Main Street, Herriman, Utah, where they may be examined during regular business hours of the City Recorder from 7:30 a.m. to 5:30 p.m., Monday through Friday, for a period of at least thirty (30) days from and after the date of publication of this notice.

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

DATED this August 26, 2026.

/s/ Jackie Nostrom
City Recorder

Section 12. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

APPROVED AND ADOPTED this August 26, 2026.

(SEAL)

By:_____
Mayor

ATTEST:

By:_____
City Recorder

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

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

(SEAL)

By:_____
Mayor

ATTEST:

By:_____
City Recorder

STATE OF UTAH)
: ss.
COUNTY OF SALT LAKE)

I, Jackie Nostrom, the duly appointed and qualified City Recorder of Herriman City, Utah (the "City"), do hereby certify according to the records of the City Council of the City (the "Council") in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the Council held on August 26, 2026, including a resolution (the "Resolution") adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on August 26, 2026, and pursuant to the Resolution, a "Notice of Bonds to be Issued" will be posted (1) as a Class A notice under Section 63G-30-102, Utah Code, Annotated 1953, as ameneded, (a) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, (b) on the City's official website and (c) in a public location within the City that is reasonably likely to be seen by residents of the City, and (2) as required in Section 45-1-101, Utah Code Annotated 1953, as amended.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this August 26, 2026.

(SEAL)

By:_____
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Jackie Nostrom, the undersigned City Recorder of Herriman City, 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 August 26, 2026 public meeting held by the City Council of the City (the "Council"), as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, (the "Notice") to be posted at the principal offices of the City at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, 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; and

(c) 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.

In addition, the 2026 Notice of Annual Meeting Schedule for the Council (attached hereto as Schedule 2) (the "Annual Notice") was given specifying the date, time and place of the regular meetings of the Council to be held during the year, by causing said Annual Notice to be posted at least annually (a) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code Annotated 1953, as amended, (b) on the City's official website and (c) in a public location within the City that is reasonably likely to be seen by residents of the City.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this August 26, 2026.

(SEAL)

By:_____
City Recorder

SCHEDULE 1

NOTICE OF MEETING

SCHEDULE 2

ANNUAL MEETING SCHEDULE

EXHIBIT B

FORM OF INDENTURE

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT D

FORM OF PRELIMINARY OFFICIAL STATEMENT

BOND PURCHASE CONTRACT

HERRIMAN CITY, UTAH

$_____
SALES AND FRANCHISE TAX REVENUE REFUNDING BONDS,
SERIES 2026

_____, 2026

Herriman City, Utah
5355 West Herriman Main Street
Herriman, Utah 84096

Ladies and Gentlemen:

_____, acting on behalf of itself and not as an agent or representative of you (the "Underwriter"), offers to enter into this purchase contract (the "Purchase Contract") with Herriman City, Utah (the "Issuer"), which will be binding upon the Issuer and the Underwriter upon the acceptance hereof by the Issuer. This offer is made subject to its acceptance by the Issuer by execution of this Purchase Contract and its delivery to the Underwriter, on or before 5:00 p.m., Utah time, on the date hereof. All terms used herein and not otherwise defined shall have the meanings given to such terms in the Official Statement (as hereafter defined).

1. Purchase and Sale. Upon the terms and conditions and in reliance upon the respective representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the Issuer hereby agrees to cause to be delivered to the Underwriter, all (but not less than all) of $_____ aggregate principal amount of Herriman City, Utah Sales and Franchise Tax Revenue Refunding Bonds, Series 2026 (the "Series 2026 Bonds"). The Series 2026 Bonds will mature in the amounts and on the dates, bear interest at the rates and be subject to redemption as set forth on Exhibit A hereto. The Underwriter will purchase the Series 2026 Bonds for the aggregate purchase price of $_____ (representing the aggregate principal amount of the Series 2026 Bonds plus [original issue] premium of $_____ and less an Underwriter's discount of $_____).

2. Description and Purpose of the Series 2026 Bonds. The Series 2026 Bonds shall be as described in the Official Statement of the Issuer dated _____, 2026, relating to the Series 2026 Bonds (which, together with all exhibits and appendices included therein or attached thereto and such amendments or supplements thereto which shall be approved by the Underwriter, is hereinafter called the "Official Statement") and shall be issued and secured under and pursuant to (a) the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the "Act"); (b) a resolution of the Issuer adopted on August 26, 2026 (the "Resolution"), by the City Council of the Issuer (the "City Council") providing for the issuance and sale of the Series

2026 Bonds, and (c) a General Indenture of Trust, dated as of December 1, 2008 (the "General Indenture"), as previously supplemented, and a Fifth Supplemental Indenture of Trust, dated as of _____, 2026 (the "Fifth Supplemental Indenture" and, together with the General Indenture, the "Indenture") between the Issuer and Zions Bancorporation, National Association, as trustee (the "Trustee"). The proceeds of the sale of the Series 2026 Bonds will be used for the purpose of (i) refund a portion of the Issuer's currently outstanding sales and franchise tax revenue bonds (the "Refunded Bonds") and (ii) paying costs of issuance with respect to the Series 2026 Bonds.

The Series 2026 Bonds are special obligations of the Issuer payable solely from and secured solely by the Revenues (as defined in the Indenture) and to the extent provided in the Indenture. The Series 2026 Bonds are not general obligations of the Issuer, the State of Utah, or any other political subdivision, and the full faith and credit of the Issuer is not pledged to the payment of the Series 2026 Bonds.

3. Purchase of Bonds. The Underwriter intends to make a bona fide initial public offering of all Bonds. The Underwriter agrees to purchase all the Series 2026 Bonds at the offering prices (or yields) set forth in Exhibit A. Subsequent to the initial purchase, the Underwriter reserves the right to sell or transfer the Series 2026 Bonds to certain dealers and other investors at prices higher or lower than such initial purchase prices.

4. Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Series 2026 Bonds and shall execute and deliver to the Issuer at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel (defined below), to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2026 Bonds. All actions to be taken by the Issuer under this section to establish the issue price of the Series 2026 Bonds may be taken on behalf of the Issuer by the Issuer's financial advisor, Zions Public Finance, Inc. (the "Financial Advisor"), and any notice or report to be provided to the Issuer may be provided to the Financial Advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Series 2026 Bonds (the "10% test") is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Contract, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Series 2026 Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Series 2026 Bonds of that maturity or (ii) the 10% test has been satisfied as to the Series 2026 Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates,

each separate CUSIP number within that maturity will be treated as a separate maturity of the Series 2026 Bonds.

(c) The Underwriter confirms that it has offered the Series 2026 Bonds to the public on or before the date of this Purchase Contract at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Contract, the maturities, if any, of the Series 2026 Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the "hold-the-offering-price rule"). So long as the hold-the-offering-price rule remains applicable to any maturity of the Series 2026 Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5^{th}) business day after the sale date; or

(2) the date on which the Underwriter has sold at least 10% of that maturity of the Series 2026 Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5^{th}) business day after the sale date whether it has sold 10% of that maturity of the Series 2026 Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Series 2026 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an

underwriter participating in the initial sale of the Series 2026 Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Series 2026 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Series 2026 Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Series 2026 Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this Section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Series 2026 Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Series 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026 Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Series 2026 Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Series 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026 Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Series 2026 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Series 2026 Bonds.

(f) The Underwriter acknowledges that sales of any Series 2026 Bonds to any person that is a related party to an underwriter participating in the initial sale of the Series 2026 Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2026 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2026 Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Series 2026 Bonds to the public),

(iii) a purchaser of any of the Series 2026 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Purchase Contract by all parties.

5. Compliance with Rule 15c2-12; Use of Documents.

(a) A copy of the Preliminary Official Statement, dated _____. 2026 (the "Preliminary Official Statement"), of the Issuer relating to the Series 2026 Bonds has been provided to the Underwriter by the Issuer.

(b) The Preliminary Official Statement and the Official Statement have been prepared by the Issuer for use by the Underwriter in connection with the public offer, sale and distribution of the Series 2026 Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was deemed "final" by the Issuer as of its date, except for the omission of such information which is dependent upon the final pricing of the Series 2026 Bonds for completion, all as permitted to be excluded by Section (b)(1) of Rule 15c2-12 (defined below).

(c) The Issuer hereby authorizes the Underwriter to use and distribute, in connection with any offer and sale of the Series 2026 Bonds: the Official Statement, the Indenture, the Resolution, and the Continuing Disclosure Undertaking (as hereinafter defined), and other documents or contracts to which the Issuer is a party in connection with the transactions contemplated by this Purchase Contract, including this Purchase Contract and all information contained herein, and all other documents, certificates and statements

furnished by the Issuer to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

6. The Closing. At _____ a.m., Utah time, on _____, 2026 (the "Closing Date"), or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will cause to be executed and delivered (i) the Series 2026 Bonds in book-entry form through the facilities of The Depository Trust Company, or its agent, on behalf of the Underwriter and (ii) the closing documents hereinafter mentioned at the offices of Gilmore & Bell, P.C. ("Bond Counsel") in Salt Lake City, Utah, or another place to be mutually agreed upon by the Issuer and the Underwriter. The Underwriter will accept such delivery of the Series 2026 Bonds and pay the purchase price of such Series 2026 Bonds as set forth in Section 1 hereof in immediately available funds to the order of the Issuer. This payment for and delivery of the Series 2026 Bonds, together with the execution and delivery of the aforementioned documents, is herein called the "Closing."

7. Issuer Representations, Warranties and Covenants. The Issuer represents, warrants and covenants to the Underwriter that:

(a) Due Organization, Existence and Authority. The Issuer is a political subdivision of the State of Utah (the "State"), duly organized and validly existing under the laws of the State, with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Series 2026 Bonds, the Indenture, and the Continuing Disclosure Undertaking (collectively, the "Bond Documents"), and to carry out and consummate the transactions contemplated by the Bond Documents and the Official Statement.

(b) Resolution. The Issuer has and will have on the Closing Date the power and authority to adopt the Resolution, perform its obligations thereunder and collect the Revenues.

(c) Due Authorization and Approval. By all necessary official action of the Issuer, the Issuer has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations contained or described in the Official Statement, the Bond Documents, and the Resolution and as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, the Bond Documents, and the Resolution will constitute the legally valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or similar laws or equitable principles relating to or affecting creditors' rights generally or by the exercise of judicial discretion in appropriate cases or by limitations on legal remedies against public agencies in the State.

(d) Official Statement Accurate and Complete. The Preliminary Official Statement as of its date and the date of this Purchase Contract, and the Official Statement is, and at all times subsequent to the date of the Official Statement up to and including the Closing will be, true and correct in all material respects, and the Official Statement

contains, and up to and including the Closing, will contain no misstatement of any material fact and does not, and up to and including the Closing, will not omit any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system).

(e) Underwriter's Consent to Amendments and Supplements to the Official Statement. The Issuer will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Issuer will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Series 2026 Bonds.

(f) Issuer Agreement to Amend or Supplement the Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the period described in paragraph (f)(2) of Section 240 15c2-12 in Chapter II of Title 17 of the Code of Federal Regulations ("Rule 15c2-12"), any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and, in the reasonable opinion of the Underwriter, an amended or supplemented Official Statement should be delivered in connection with the offers or sales of the Series 2026 Bonds to reflect such event, the Issuer promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the Issuer shall promptly furnish to the Underwriter a reasonable number of copies of such amendment or supplement. The Underwriter hereby agrees to deposit the Official Statement with the Municipal Securities Rulemaking Board (the "MSRB"). The Underwriter acknowledges that the end of the period described above will be the date of Closing unless the Underwriter otherwise notifies the Issuer.

If the Official Statement is supplemented or amended pursuant to the paragraph above, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto during the period up to and including the Closing Date, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

(g) No Material Change in Finances. The Issuer is not aware of the financial statements of or other financial information regarding the Issuer included in the Preliminary Official Statement and the Official Statement containing any untrue statement of a material fact or omitting to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading. Except as otherwise described in the Official Statement, there shall not

have been any material adverse changes in the financial condition of the Issuer since the end of the fiscal year of its most recent audited financial report.

(h) No Breach or Default. As of the time of acceptance hereof, (A) the Issuer is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued by the Issuer, and (B) the Issuer is not and will not be, in any manner which would materially adversely affect the transactions contemplated by the Bond Documents or the Resolution, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer is a party or is otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute, in any manner which would materially adversely affect the transactions contemplated by the Bond Documents or the Resolution, a default or event of default under any such instrument; and, as of such time, the authorization, execution and delivery of the Bond Documents, the adoption of the Resolution, and compliance with the provisions of each of such agreements or instruments do not and will not, in any manner which would materially adversely affect the transactions contemplated by the Bond Documents or the Resolution, conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Issuer (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound, nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Bond Documents.

(i) No Litigation. As of the time of acceptance hereof and as of the date of Closing, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, is pending or, to the best knowledge of the Issuer after due investigation, threatened (A) in any way questioning the corporate existence of the Issuer or the titles of the officers of the Issuer to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Series 2026 Bonds, or in any way contesting or affecting the validity of the Series 2026 Bonds or the Bond Documents or the Resolution or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Series 2026 Bonds from gross income for federal income tax purposes or contesting the powers of the Issuer to enter into the Bond Documents or to adopt the Resolution; (C) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the Issuer; or (D) contesting the completeness or accuracy of the Official Statement or any supplement or amendment thereto or asserting that the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and

there is no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (A) through (D) of this sentence.

(j) No Prior Liens on Revenues. There are no bonds, notes or other obligations of the Issuer that are secured by a pledge of the Revenues that is prior to the pledge made in favor of the Series 2026 Bonds pursuant to the Indenture. Between the time of acceptance hereof and the Closing Date, the Issuer will not, without the prior written consent of the Underwriter, issue any revenue bonds or securities payable from the Revenues (as defined in the Indenture) other than the Series 2026 Bonds.

(k) Further Cooperation; Blue Sky. The Issuer will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may reasonably request in order (A) to qualify the Series 2026 Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate and (B) to determine the eligibility of the Series 2026 Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Series 2026 Bonds; provided, however, that the Issuer shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(l) Consents and Approvals. All authorizations, approvals, licenses, permits, consents and orders of or filings with any governmental authority, legislative body, board, agency or commission having jurisdiction in the matters which are required for the due authorization of, which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the Issuer of its obligations in connection with, the Bond Documents or the collection by the Issuer of the Revenues as contemplated in the Official Statement have been duly obtained or made, except as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Series 2026 Bonds.

(m) Deemed Representations. Any certificate signed by any official of the Issuer and delivered to the Underwriter shall be deemed to be a representation and warranty by the Issuer to the Underwriter as to the statements made therein.

(n) Delivery of Official Statement. As promptly as practicable after the execution of this Purchase Contract, but in any event no later than the seventh business day after the date of this Purchase Contract, the Issuer shall prepare and deliver to the Underwriter one copy, in "designated electronic format" (as defined in MSRB Rule G-32), of the Official Statement of the Issuer relating to the Bonds, such Official Statement to be in substantially the same form as the Preliminary Official Statement, with only such changes as shall be necessary to reflect the terms of the Series 2026 Bonds or to conform to the provisions of the Bond Documents or as may be approved by the Underwriter (said document, including its cover page and Appendices, is herein called the "Official Statement").

(o) Continuing Disclosure. Except as described in the Official Statement, during the past five years, the Issuer has not failed to comply in any material respect with any continuing disclosure undertaking previously entered into by the Issuer pursuant to Rule 15c2-12 of the Securities and Exchange Commission. The Issuer will undertake, pursuant to a continuing disclosure undertaking (the "Continuing Disclosure Undertaking"), to provide annual reports and notices of certain events in accordance with the requirements of Rule 15c2-12. A form of the Continuing Disclosure Undertaking is set forth in Appendix D to the Official Statement.

8. Closing Conditions. The Underwriter has entered into this Purchase Contract in reliance upon the representations, warranties and covenants herein and the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. The Underwriter's obligations under this Purchase Contract are and shall be subject to the following additional conditions:

(a) Bring-Down Representation. The representations, warranties and covenants of the Issuer contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the date of the Closing.

(i) Executed Agreements and Performance Thereunder. At the time of the Closing (A) the Bond Documents shall be in full force and effect, and shall not have been amended, modified or supplemented except with the written consent of the Underwriter, (B) the Resolution and any other resolutions or ordinances as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the Bond Documents shall be in full force and effect, (C) the Issuer shall perform or have performed its obligations required or specified in the Bond Documents and the Resolution to be performed at or prior to Closing, and (D) the Official Statement shall not have been supplemented or amended, except pursuant to Paragraphs 7(e)and 7(f) hereof or as otherwise may have been agreed to in writing by the Underwriter.

(ii) No Default. At the time of the Closing, no default, or any event that with the passage of time would be reasonably likely to result in default, shall have occurred or be existing under the Resolution, the Bond Documents, or any other agreement or document pursuant to which any of the Issuer's financial obligations were issued and the Issuer shall not be in default in the payment of principal or interest on any of its financial obligations which default would materially adversely impact the ability of the Issuer to collect the Revenues.

(b) Termination Events. The Underwriter shall have the right to terminate this Purchase Contract, without liability therefor, by written notification to the Issuer if at any time at or prior to the Closing:

(i) an event shall occur which makes untrue or incorrect in any material respect, as of the time of such event, any statement or information contained in the Official Statement or which is not reflected in the Official Statement but should be reflected therein in order to make the statements contained therein not misleading

in any material respect and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information or the effect of the Official Statement as so supplemented is, in the judgment of the Underwriter, to materially adversely affect the market for the Series 2026 Bonds; or

(ii) legislation shall be introduced in, enacted by, reported out of committee, or recommended for passage by the State, either House of the Congress, or recommended to the Congress or otherwise endorsed for passage (by press release, other form of notice or otherwise) by the President of the United States, the Treasury Department of the United States, the Internal Revenue Service or the Chairman or ranking minority member of the Committee on Finance of the United States Senate or the Committee on Ways and Means of the United States House of Representatives, or legislation is proposed for consideration by either such committee by any member thereof or presented as an option for consideration by either such committee by the staff or such committee or by the staff of the Joint Committee on Taxation of the Congress of the United States, or a bill to amend the Code (which, if enacted, would be effective as of a date prior to the Closing) shall be filed in either House, or a decision by a court of competent jurisdiction shall be rendered, or a regulation or filing shall be issued or proposed by or on behalf of the Department of the Treasury or the Internal Revenue Service of the United States, or other agency of the federal government, or a release or official statement shall be issued by the President, the Department of the Treasury or the Internal Revenue Service of the United States, in any such case with respect to or affecting (directly or indirectly) the taxation of interest received on obligations of the general character of the Series 2026 Bonds which, in the opinion of the Underwriter, materially adversely affects the market for the Series 2026 Bonds; or

(iii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall be issued or made to the effect that the issuance, offering, sale or distribution of obligations of the general character of the Series 2026 Bonds is in violation or would be in violation of any provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended or the Trust Indenture Act of 1939, as amended; or

(iv) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Series 2026 Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering, or sale of obligations of the general character of the Series 2026

Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(v) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis, or the escalation thereof, the effect of which on financial markets is such as to make it, in the reasonable judgment of the Underwriter, impractical or inadvisable to proceed with the reselling of the Series 2026 Bonds as contemplated in the Official Statement; or

(vi) there shall have occurred a general suspension of trading, minimum or maximum prices for trading shall have been fixed and be in force or maximum ranges or prices for securities shall have been required on the New York Stock Exchange or other national stock exchange whether by virtue of a determination by that Exchange or by order of the Securities and Exchange Commission or any other governmental agency having jurisdiction or any national securities exchange shall have: (A) imposed additional material restrictions not in force as of the date hereof with respect to trading in securities generally, or to the Series 2026 Bonds or similar obligations; or (B) materially increased restrictions now in force with respect to the extension of credit by or the charge to the net capital requirements of underwriters or broker-dealers such as to make it, in the judgment of the Underwriter, impractical or inadvisable to proceed with the reselling of the Series 2026 Bonds as contemplated in the Official Statement; or

(vii) a general banking moratorium shall have been declared by federal or New York or State authorities or a major financial crisis or a material disruption in commercial banking or securities settlement or clearances services shall have occurred such as to make it, in the judgment of the Underwriter, impractical or inadvisable to proceed with the reselling of the Series 2026 Bonds as contemplated in the Official Statement; or

(viii) a downgrading or suspension of any rating (without regard to credit enhancement) by Moody's Investors Service ("Moody's"), S&P Global Ratings ("S&P"), or Fitch Ratings ("Fitch") of any debt securities issued by the Issuer, or (ii) there shall have been any official statement as to a possible downgrading (such as being placed on "credit watch" or "negative outlook" or any similar qualification) of any rating by Moody's, S&P or Fitch of any debt securities issued by the Issuer, including the Series 2026 Bonds or the Outstanding Parity Bonds;

(ix) the commencement of any action, suit or proceeding described in Paragraph **Error! Reference source not found.** hereof which, in the reasonable judgment of the Underwriter, materially adversely affects the market for the Series 2026 Bonds; or

(x) there shall have occurred any change in the affairs or financial condition of the Issuer materially adverse to the Series 2026 Bonds.

(c) Closing Documents. At or prior to the Closing, the Underwriter shall receive with respect to the Series 2026 Bonds the following documents:

(i) Bond Opinion. An approving opinion of Gilmore & Bell, P.C., Bond Counsel to the Issuer, dated the date of the Closing and substantially in the form included as Appendix E to the Official Statement, together with a letter from such counsel, dated the date of the Closing and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the Issuer may be relied upon by the Underwriter to the same extent as if such opinion were addressed to it;

(ii) Supplemental Bond Counsel Opinion. An opinion and letter of Gilmore & Bell, P.C., as Bond Counsel to the Issuer, addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the date of the Closing substantially to the following effect:

(A) This Purchase Contract has been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto is a valid and binding agreement of the Issuer enforceable in accordance with its terms, except that the rights and obligations under the Purchase Contract are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State;

(B) The Series 2026 Bonds are exempt securities that do not require registration under the Securities Act and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended;

(C) The statements contained in the Official Statement on the cover page and under the captions "THE SERIES 2026 BONDS" (except under the caption "Book-Entry Only System"), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Flow of Funds," "—Additional Bonds," and "TAX MATTERS" and in Appendices C and E thereto, insofar as such statements purport to summarize certain provisions of the Series 2026 Bonds, the Indenture, and Bond Counsel's opinions concerning certain tax matters relating to the Series 2026 Bonds, present a fair and accurate summary of such provisions; and

(iii) Opinion of Counsel to the Issuer. An opinion of the City Attorney for the Issuer, dated the Closing Date, addressed to the Underwriter, the Issuer, the Trustee and to Bond Counsel, in substantially the form set forth in Exhibit B hereto;

(iv) Issuer Certificate. A certificate of the Issuer, dated the date of the Closing, signed on behalf of the Issuer by a duly authorized officer of the Issuer to the effect that:

(A) The representations, warranties and covenants of the Issuer contained in the Purchase Contract are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing and the Issuer has complied with all of the terms and conditions of the Purchase Contract required to be complied with by the Issuer at or prior to the date of the Closing;

(B) No event affecting the Issuer has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto which event should be disclosed in the Official Statement in order to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading (except no representation is made with respect to information relating to DTC or DTC's book-entry system); and

(C) No event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute an event of default under the Bond Documents;

(v) Trustee's Certificate. A certificate, dated the date of Closing, signed by a duly authorized official of the Trustee satisfactory in form and substance to the Underwriter, to the effect that:

(A) The Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full corporate power and authority to enter into and perform its duties under the Indenture;

(B) The Trustee is duly authorized to enter into the Indenture and has duly executed and delivered the Indenture, and assuming due authorization and execution by the other parties thereto, the Indenture is legal, valid and binding upon the Trustee, and enforceable against the Trustee in accordance with its terms;

(C) The Trustee has duly authenticated the Series 2026 Bonds under the Indenture and delivered the Series 2026 Bonds to or upon the order of the Underwriter; and

(D) No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the banking or trust powers of the Trustee that has not been obtained is or will be required for the execution and delivery of the Series 2026 Bonds or the consummation by the Trustee of its obligations under the Indenture;

(vi) Official Statement. The Official Statement and each supplement or amendment, if any, thereto;

(vii) Documents. An original executed copy of each of the Bond Documents;

(viii) Resolution. A certified copy of the Resolution;

(ix) IRS Form 8038-G. Evidence that the federal tax information form 8038-G has been prepared for filing;

(x) Tax Certificate. A tax certificate in form satisfactory to Bond Counsel;

(xi) Rating. Evidence from _____ and _____ that the Series 2026 Bonds have been assigned the rating of "[AAA]";

(xii) Continuing Disclosure Undertaking. An executed copy of the Continuing Disclosure Undertaking; and

(xiii) Additional Documents. Such additional certificates, instruments and other documents as the Underwriter may reasonably deem necessary.

If the Issuer shall be unable to satisfy the conditions contained in this Purchase Contract, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder, except as further set forth in Section 9 hereof.

9. Expenses. The Underwriter shall be under no obligation to pay and the Issuer shall pay or cause to be paid the expenses incident to the performance of the obligations of the Issuer hereunder including but not limited to (a) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the Issuer; (b) the fees and disbursements of Bond Counsel and disclosure counsel; (c) the fees of the rating agencies; (d) costs associated with the Official Statement and the Preliminary Official Statement; (e) Trustee fees; and (f) the fees of counsel to the Underwriter.

The Underwriter shall pay and the Issuer shall be under no obligation to pay all expenses incurred by it in connection with the initial purchase of the Series 2026 Bonds, including any costs or expenses related to CUSIP Service Bureau fees. The Issuer acknowledges that a portion of the Underwriter's underwriting discount is intended to reimburse the Underwriter for any incidental expenses (including, but not limited to, transportation, lodging and meals of Issuer and Underwriter personnel) incurred by the Underwriter (on behalf of Underwriter personnel and Issuer personnel and advisors, as applicable) in connection with the execution of the transaction contemplated by this Purchase Contract.

The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Series 2026 Bonds.

10. Notice. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to its address set forth above,

and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to:

_____
_____
_____

8. Entire Agreement. This Purchase Contract, when accepted by the Issuer, shall constitute the entire agreement among the Issuer and the Underwriter with respect to the subject matter hereof and is made solely for the benefit of the Issuer and the Underwriter (including the successors of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the representations, warranties and agreements of the Issuer in this Purchase Contract shall remain operative and in full force and effect except as otherwise provided herein, regardless of any investigations made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Series 2026 Bonds.

9. No Advisory or Fiduciary Role. The Issuer acknowledges and agrees that (a) the purchase and sale of the Series 2026 Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the Issuer and the Underwriter, (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the Issuer, (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters) and the Underwriter has no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, (d) the Issuer has consulted its own legal, financial and other advisors to the extent deemed appropriate, and (e) the Issuer received from the Underwriter its letter dated _____ __, 20__, addressed to the Issuer concerning the Underwriter's disclosure obligations relating to the Series 2026 Bonds under MSRB Rule G-17 and the Issuer acknowledged receipt of such letter.

10. Representations, Covenants, and Agreements of the Underwriter. The Underwriter represents and warrants that it is not currently engaged in a boycott of the State of Israel or an economic boycott of a boycotted company, as such terms are defined in the immediately succeeding two sentences. As currently defined in Section 63G-27-102(5) of the Utah Code, "economic boycott" means an action targeting a "boycotted company" with the intention of penalizing or inflicting economic harm to such company. Furthermore, as currently defined in Section 63G-27-102(3) of the Utah Code "boycotted company" means a company that (1) engages in the exploration, production, utilization, transportation, sale, or manufacture of fossil fuel-based energy, timber, mining, or agriculture, (2) engages in, facilitates, or supports the manufacture, distribution, sale, or use of firearms, (3) does not meet or commit to meet environmental standards, including standards for eliminating, reducing, offsetting, or disclosing greenhouse gas-emissions, beyond applicable state and federal law requirements or (4) does not facilitate or commit to facilitate access to abortion or sex characteristic surgical procedures. The Underwriter covenants and agrees not to engage in a boycott of the State of Israel or an economic boycott of a boycotted

company for the duration of any contractual arrangement with the Issuer, including this Purchase Contract.

11. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

12. Electronic Signature. Each party hereto acknowledges and agrees that it may execute this Purchase Contract, and any variation or amendment hereto, using Electronic Signatures, as hereinafter defined. Such Electronic Signatures are intended to authenticate this writing and to have the same force and effect as handwritten signatures.

"Electronic Signature" means any electronic sound, symbol, or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or email electronic signatures, pursuant to applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Utah Uniform Electronic Transaction Act, or any other similar state laws based on the Uniform Electronic Transactions Act, as amended from time to time.

13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

14. STATE LAW GOVERNS. THE VALIDITY, INTERPRETATION AND PERFORMANCE OF THIS PURCHASE CONTRACT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF UTAH.

15. No Assignment. The rights and obligations created by this Purchase Contract shall not be subject to assignment by the Underwriter or the Issuer without the prior written consent of the other party hereto.

_____

_____
[Title]

Accepted as of the date
first stated above

at _____ p.m. MDT

HERRIMAN CITY, UTAH

By_____
Mayor

ATTEST AND COUNTERSIGN:

By_____
City Recorder

EXHIBIT A

Herriman City, Utah

$_____
Sales and Franchise Tax Revenue Refunding Bonds, Series 2026

Maturity Date (_____)	Principal Amount	Interest Rate	Price	Yield	Pricing Rule

_____

c [Yield to optional call on _____, ____.]
* [General rule maturities]
[(Note: There were no undersold maturities.)]

EXHIBIT B

UNDERWRITER'S RECEIPT FOR BONDS AND CLOSING CERTIFICATE

$_____
HERRIMAN CITY, UTAH
SALES AND FRANCHISE TAX REVENUE REFUNDING BONDS, SERIES 2026

The undersigned, on behalf of _____ (the "Underwriter"), as the original purchaser of the above-described bonds (the "Bonds"), being issued on the date of this Certificate by Herriman City, Utah (the "Issuer"), certifies and represents as follows:

1. Receipt of the Bonds. The Underwriter hereby acknowledges receipt of the Bonds pursuant to the Bond Purchase Contract (the "Purchase Contract") by and between the Issuer and the Underwriter dated _____, 2026 (the "Sale Date"). The Bonds are issued as fully registered bonds, and are dated, mature on the dates, bear interest at the rates per annum, and are numbered as set forth in the Indenture (as defined in the Purchase Contract.)

2. Issue Price.

(a) For purposes of this Certificate the following definitions apply:

"Effective Time" means the time on the Sale Date that the Purchase Contract to purchase the Bonds became enforceable.

"Holding Period" means with respect to each Undersold Maturity the period beginning on the Sale Date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the Sale Date; or

(2) the date and time at which the Underwriter has sold at least 10% of that Undersold Maturity of the Bonds to the Public at one or more prices that are no higher than the Initial Offering Price.

"Initial Offering Price" means the price listed on Schedule A for each Maturity.

"Maturity" means Bonds with the same credit and payment terms; Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

"Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriting Firm or a related party to an Underwriting Firm. An Underwriting Firm and a person are related if it and the person are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of

the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other.

"Sale Date" means the date of execution of the Purchase Contract.

"Undersold Maturity" or "Undersold Maturities" means any Maturity for which less than 10% of the principal amount of Bonds of that Maturity were sold as of the Effective Time.

"Underwriting Firm" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) of this definition to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

(b) The Underwriter represents as follows:

1. Attached as Attachment 1 is a copy of the pricing wire or similar communication used to communicate the Initial Offering Price of each Maturity to the Public.

2. As of the Effective Time all the Bonds were the subject of an initial offering to the Public.

3. As of the Effective Time none of the Bonds were sold to any person at a price higher than the Initial Offering Price for that Maturity.

4. For any Undersold Maturity, during the Holding Period each Underwriting Firm did not offer nor sell Bonds of the Undersold Maturity to the Public at a price that is higher than the respective Initial Offering Price for that Undersold Maturity.

5. Any separate agreement among any Underwriting Firm related to the sale of an Undersold Maturity during the Holding Period contained the agreement referenced in 4 above.

_____

By: _____

Its: _____

SCHEDULE A – [*same as in Bond Purchase Contract*]

ATTACHMENT 1 -- Initial Offering Price Documentation
[Attach Pricing Wire or Other Offering Price Documentation]

EXHIBIT C

FORM OF OPINION OF ISSUER'S COUNSEL

_____, 2026

_____
_____
_____

Zions Bancorporation, National Association
_____
_____

Gilmore & Bell, P.C.
15 West South Temple, Suite 1450
Salt Lake City, Utah

Re: Herriman City, Utah $_____ Sales and Franchise Tax Revenue Refunding Bonds, Series 2026

This opinion is being rendered in connection with the issuance by Herriman City, Utah (the "Issuer") of its $_____ Sales and Franchise Tax Revenue Refunding Bonds, Series 2026 (the "Series 2026 Bonds") pursuant to a resolution of the Issuer adopted on August 26, 2026 (the "Resolution"), and a General Indenture of Trust dated as of December 1, 2008, as previously supplemented, and a Fifth Supplemental Indenture of Trust dated as of _____, 2026 (collectively, the "Indenture"), each between the Issuer and Zions Bancorporation, National Association, as trustee (the "Trustee"). The Series 2026 Bonds are being issued to (a) refund a portion of the Issuer's currently outstanding sales and franchise tax revenue bonds and (b) pay the costs associated with the issuance of the Series 2026 Bonds.

All defined terms in this opinion shall have the meanings, respectively, as given them in the Indenture, unless expressly given a different meaning in this opinion or unless the context clearly otherwise requires.

I am the duly appointed City Attorney for Herriman City, Utah, and am of the opinion that:

1. The Issuer is a political subdivision, municipal corporation and body politic duly organized and validly existing under the constitution and laws of the State of Utah, with full governmental powers to execute, deliver and perform its obligations under the Indenture, the Bond Purchase Contract dated _____, 2026, entered into by and between the Issuer and _____ (the "Purchase Contract"), and the Continuing Disclosure Undertaking between the Issuer and the Trustee dated as of _____, 2026 (the "Continuing Disclosure Undertaking"). The Series 2026 Bonds, the Indenture, the Continuing Disclosure Undertaking and the Bond Purchase Contract being sometimes collectively referred to herein as the "Bond Documents."

2. The Resolution has been duly adopted by the Issuer at public meetings of the City Council (at which quorums were present and acting throughout), which were convened pursuant to public notice thereof given in accordance with the requirements of Utah law, have been duly

filed and recorded in the official records and minutes of the Issuer, and remain in full force and effect without change, modification, amendment or rescission as of the date hereof.

3. The Bond Documents have been duly authorized, executed, adopted and delivered by the Issuer and constitute legal and valid obligations of the Issuer enforceable against the Issuer in accordance with their respective terms except that the rights and obligations under the Bond Documents are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of Utah; and the Issuer has full right, power and authority to carry out and consummate all transactions contemplated by the Bond Documents as of the date hereof.

4. The Issuer has taken all action necessary to authorize the execution, delivery, receipt and due performance of such agreements and documents that may be required to be executed, delivered and received by the Issuer in order to carry out, give effect to and consummate the transactions contemplated by the Bond Documents.

5. No additional or further approvals, consents or authorizations of the Issuer are required in connection with the participation by the Issuer in the transactions contemplated by the Bond Documents.

6. The City Council and certain other officers of the Issuer are as set forth in the General Certificate delivered at closing for the Series 2026 Bonds and each of the listed Councilmembers and elected officers has been duly elected and is qualified to hold said position and each of the officers of the Issuer has been duly appointed and is qualified to hold said position.

7. Other than as described in the Indenture, the Issuer does not currently have outstanding any indebtedness or other obligations secured by a lien on the Revenues pledged under the Indenture.

8. The execution and delivery of the Bond Documents do not violate the Constitution or laws of the State of Utah, or any applicable law, rule, order, regulations, licenses or permits of any state or federal government authority or agency to which the Issuer or any of its property is subject or bound, or any court order by which the Issuer or any of its property is or may be bound, and such action does not constitute a material breach of or default under any agreement, indenture, mortgage, lease, note or other obligation or instrument to which the Issuer is a party or is bound; and as of the date hereof, no approval or other action by any state governmental authority or agency is required in connection therewith, except such approvals or actions which have heretofore been obtained or taken.

9. The Issuer has duly approved the Preliminary Official Statement dated as of _____, 2026 (the "Preliminary Official Statement") and the Official Statement dated as of _____, 2026 (the "Official Statement"), and authorized their use in connection with the offer and sale of the Series 2026 Bonds, and no facts have come to my attention that would lead me to believe that the Preliminary Official Statement, as of its date and as of the date of the Purchase Contract, and the Official Statement, as of its date and as of the date hereof, contained or

contains an untrue statement of material fact, or omitted or omits to state a material fact, in order to make the statements and information contained therein relating to the Issuer in any material respect not misleading.

10. To the best of my knowledge, there are no legal or governmental proceedings (including any action, suit, proceeding, inquiry or litigation or investigation at law or in equity before or by any court, public board or body, or any governmental or administrative authority or agency) pending, threatened or contemplated (or any basis therefor):

(a) wherein an unfavorable decision, ruling or finding might materially adversely affect the financial condition or operations of the Issuer, or transactions contemplated by the Bond Documents;

(b) challenging in any way the titles of the members of the City Council or the officials of the Issuer or their rights to their respective offices;

(c) seeking to restrain or enjoin the issuance, sale or delivery of the Series 2026 Bonds or the execution, delivery and performance of the Bond Documents or the source of payment for the Series 2026 Bonds or the imposition, levy or collection of the taxes included in the Revenues;

(d) directly or indirectly contesting or affecting the authority for or the validity of the Bond Documents or the imposition, levy or collection of the taxes included in the Revenues or moneys to pay the Series 2026 Bonds or the application of the proceeds of the Series 2026 Bonds or any of the transactions referred to in the Bond Documents or contemplated thereby or contesting the authority of the Issuer to enter into or perform its obligations under any of the Bond Documents, or under which a determination adverse to the Issuer would have a material adverse effect upon the financial condition or the revenues of the Issuer, or which, in any manner, questions or affects the right or ability of the Issuer to enter into the Bond Documents or affects in any manner the right or ability of the Issuer to impose, levy and collect the taxes included in the Revenues; or

(e) contesting the creation, organization, existence or powers of the Issuer or its authority to adopt the Resolution, to issue the Series 2026 Bonds and to execute and deliver the Bond Documents or which would have a material adverse effect on the boundaries of the Issuer.

11. No action, suit, or proceeding is now pending and, to my knowledge, no inquiry, investigation, or litigation of any nature is threatened, that, in either case, questions or in any manner challenges compliance by the Issuer with the Utah Open and Public Meetings Act, Title 52, Chapter 4, Utah Code Annotated 1953, as amended.

Very truly yours,

[City Attorney]

FIFTH SUPPLEMENTAL INDENTURE OF TRUST

Dated as of _____, 2026

between

HERRIMAN CITY, UTAH,
as Issuer

and

ZIONS BANCORPORATION, NATIONAL ASSOCIATION
as Trustee

and supplementing

General Indenture of Trust
Dated as of December 1, 2008

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FIFTH SUPPLEMENTAL INDENTURE OF TRUST

This Fifth Supplemental Indenture of Trust, dated as of _____, 2026, by and between Herriman City, Utah, a political subdivision, municipal corporation and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "Issuer") and Zions Bancorporation, National Association, a national bank duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal office in Salt Lake City, Utah, as trustee (the "Trustee");

W I T N E S S E T H:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of December 1, 2008, as previously supplemented (the "General Indenture"), with the Trustee; and

WHEREAS, the Utah Refunding Act, Chapter 27 of Title 11, Utah Code Annotated 1953, as amended (the "Act") authorizes the Issuer to refund all or a portion of its outstanding obligations; and

WHEREAS, the Issuer desires to issue bonds in order to refund its outstanding Sales and Franchise Tax Revenue Bonds, Series 2015A and Series 2015B (the "Refunded Bonds"); and

WHEREAS, in order to refund all or a portion of the Issuer's Refunded Bonds, the Issuer has determined to issue its Sales and Francise Tax Revenue Refunding Bonds, Series 2026 in the aggregate principal amount of [$16,000,000,] (the "Series 2026 Bonds"); and

WHEREAS, the Series 2026 Bonds will be authorized, issued, and secured under the General Indenture, as amended and supplemented by this Fifth Supplemental Indenture of Trust (the "Fifth Supplemental Indenture," and collectively with the General Indenture, and any amendments thereto or hereto, the "Indenture"); and

WHEREAS, the execution and delivery of the Series 2026 Bonds and of this Fifth Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2026 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this Fifth Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS FIFTH SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2026 Bonds, and all Additional Bonds issued and outstanding under the Indenture, the payment of the principal or redemption price thereof and interest thereon, the rights of the Registered Owners of the Bonds, to secure the Security Instrument Issuers of Security Instruments for any Bonds, and of all Reserve Instrument Providers of Reserve Instruments for any Bonds, and the performance of all of the covenants contained in such Bonds and herein, and for and in consideration of the mutual covenants herein contained and of the purchase of such Bonds by the Registered Owners thereof from time to time, and the issuance of Reserve Instruments by Reserve Instrument Providers, and of the acceptance by the Trustee of the trusts hereby created, and intending to be legally bound hereby, the Issuer has executed and delivered this Fifth Supplemental Indenture of Trust, and by these presents does, in confirmation of the General Indenture, as amended and supplemented, hereby sell, assign, transfer,

set over and pledge unto Zions Bancorporation, National Association, as Trustee, its successors and trusts and its assigns forever, to the extent provided in the General Indenture, as amended and supplemented, all right, title and interest of the Issuer in and to (i) the Revenues (as defined in the General Indenture), (ii) all moneys in funds and accounts held by the Trustee under the General Indenture and hereunder (except the Rebate Fund), and (iii) all other rights granted under the General Indenture and hereinafter granted for the further securing of such Bonds.

TO HAVE AND TO HOLD THE SAME unto the Trustee and its successors in trust hereby created and its and their assigns forever;

IN TRUST, NEVERTHELESS, FIRST, for the equal and ratable benefit and security of all present and future Registered Owners of Bonds and related Security Instrument Issuers without preference, priority, or distinction as to lien or otherwise (except as otherwise specifically provided), of any one Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, and SECOND, for the equal and proportionate benefit, security and protection of all Reserve Instrument Providers, without privilege, priority or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery or expiration thereof or otherwise for any cause whatsoever.

ARTICLE I
SUPPLEMENTAL INDENTURE; DEFINITIONS

Section 1.1 Supplemental Indenture. This Fifth Supplemental Indenture is supplemental to, and is executed in accordance with and pursuant to Articles II and IX of the General Indenture.

Section 1.2 Definitions. All terms which are defined in the General Indenture, shall have the meanings, respectively, herein (including the use thereof in the recitals and the granting clauses thereof) unless expressly given a different meaning or unless the context clearly otherwise requires. All terms used herein which are defined in the recitals hereto shall have the meanings therein given to the same unless the context requires otherwise and, in addition, the following terms shall have the meanings specified below:

"Cede" means Cede & Co. and any substitute nominee of DTC who becomes the registered Bondholder.

"Dated Date" means, with respect to the Series 2026 Bonds, the date of initial issuance and delivery thereof.

"DTC" means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the laws of the State of New York.

"Interest Payment Date" means, with respect to the Series 2026 Bonds, each [February 1] and [August 1] commencing _____, 2026.

"Issuer" means Herriman City, Utah.

"Refunded Bonds" means all of the Issuer's Outstanding Sales and Franchise Tax Revenue Bonds, [Series 2015A and Series 2015B].

"Regular Record Date" means the fifteenth day immediately preceding each Interest Payment Date.

"Series 2026 Bonds" means the Issuer's [$16,000,000] Sales and Franchise Tax Revenue Refunding Bonds, Series 2026 herein authorized.

"Series 2026 Cost of Issuance Account" means the account established pursuant to Section 3.2 hereof.

"Series 2026 Debt Service Reserve Requirement" means [$0].

"Series 2026 Redemption Account" means the Series 2026 Redemption Account created pursuant to Section 3.1(a) hereof.

"Underwriter" means_____, as underwriter of the Series 2026 Bonds pursuant to a Bond Purchase Agreement dated _____, 2026, by and between the Underwriter and the Issuer..

ARTICLE II
ISSUANCE OF THE SERIES 2026 BONDS

Section 2.1 Principal Amount, Designation and Series. The Series 2026 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) refund the Refunded Bonds and (ii) pay costs incurred in connection with the issuance of the Series 2026 Bonds. The Series 2026 Bonds shall be limited to [$16,000,000] in aggregate principal amount, shall be issued in fully registered form, in denominations of $5,000 or any integral multiple thereof, shall be in substantially the form and contain substantially the terms contained in Exhibit A attached hereto and made a part hereof, and shall bear interest at the rates and be payable as to principal or redemption price as specified herein. The Series 2026 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, "Sales and Franchise Tax Revenue Refunding Bonds, Series 2026."

Section 2.2 Date, Maturities and Interest. The Series 2026 Bonds shall be dated as of the Dated Date, and shall mature in the years and in the amounts and shall bear interest from the Interest Payment Date next preceding their date of authentication thereof unless authenticated as of an Interest Payment Date, in which event such Bonds shall bear interest from such date, or unless such Bonds are authenticated prior to the first Interest Payment Date, in which event such Bonds shall bear interest from their Dated Date or unless, as shown by the records of the Trustee, interest on the Series 2026 Bonds shall be in default, in which event such Bonds shall bear interest from the date to which interest has been paid in full, or unless no interest shall have been paid on such Bonds, in which event such Bonds shall bear interest from their Dated Date, payable on each Interest Payment Date, at the rates per annum as set forth below:

Maturity Date ([August 1])	Principal Amount	Interest Rate

Interest shall be calculated on the basis of a year of 360 days comprised of twelve 30-day months.

Section 2.3 Execution of Bonds. The Mayor is hereby authorized to execute by facsimile or manual signature the Series 2026 Bonds and the City Recorder to countersign by facsimile or manual signature the Series 2026 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2026 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2026 Bonds.

Section 2.4 [Optional Redemption. The Series 2026 Bonds maturing on or prior to _____ are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on or after _____, are subject to redemption at the option of the Issuer on _____, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Issuer, at a redemption price equal to 100% of the principal amount of the Series 2026 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.]

Section 2.5 Delivery of Bonds. The Series 2026 Bonds, when executed, registered, and authenticated as provided herein and by law, shall be delivered by the Issuer to the Underwriter upon compliance with the General Indenture and payment of the purchase price thereof.

Section 2.6 Designation of Registrar. Zions Bancorporation, National Association, Salt Lake City, Utah or Trustee's Principal Corporate Trust Office, is hereby designated as Registrar

for the Series 2026 Bonds, which appointment shall be evidenced by a written acceptance from the Registrar.

Section 2.7 Designation of Paying Agent. Zions Bancorporation, National Association, Salt Lake City, Utah or Trustee's Principal Corporate Trust Office, is hereby designated as Paying Agent for the Series 2026 Bonds, which appointment shall be evidenced by a written acceptance from the Paying Agent.

Section 2.8 Limited Obligation. The Series 2026 Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Revenues (except to the extent paid out of moneys attributable to the Series 2026 Bonds proceeds or other funds created hereunder or under the Indenture or the income from the temporary investment thereof).

Section 2.9 Book-Entry System.

(a) Except as provided in paragraphs (b) and (c) of this Section 2.9, the Registered Owner of all Series 2026 Bonds shall be, and the Series 2026 Bonds shall be registered in the name of Cede & Co. ("Cede"), as nominee of The Depository Trust Company, New York, New York (together with any substitute securities depository appointed pursuant to paragraph (c)(ii) of this Section 2.9, "DTC"). Payment of the interest on any Series 2026 Bonds shall be made in accordance with the provisions of this Fifth Supplemental Indenture to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Bond Registrar.

(b) The Series 2026 Bonds shall be initially issued in the form of a separate single fully registered Bond in the amount of each separate stated maturity of the Series 2026 Bonds. Upon initial issuance, the ownership of each such Series 2026 Bonds shall be registered in the registration books of the Issuer kept by the Registrar, in the name of Cede, as nominee of DTC. With respect to Series 2026 Bonds so registered in the name of Cede, the Issuer, Registrar and any Paying Agent shall have no responsibility or obligation to any DTC participant or to any beneficial owner of any of such Series 2026 Bonds. Without limiting the immediately preceding sentence, the Issuer, Registrar and any Paying Agent shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC participant with respect to any beneficial ownership interest in the Series 2026 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2026 Bonds, including any notice of redemption, or (iii) the payment to any DTC participant, beneficial owner or other person, other than DTC, of any amount with respect to the principal or redemption price of, or interest on, any of the Series 2026 Bonds. The Issuer, the Bond Registrar and any Paying Agent may treat DTC as, and deem DTC to be, absolute owner of each Series 2026 Bonds for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each Series 2026 Bonds, (2) giving notices of redemption and other matters with respect to such Series 2026 Bonds and (3) registering transfers with respect to such Bonds. So long as the Series 2026 Bonds are registered in the name of CEDE & Co., the Paying Agent shall pay the principal or redemption price of, and interest on, all Series 2026 Bonds only to or upon the order of DTC, and all such payments shall be valid and effective to satisfy fully and discharge the

Issuer's obligations with respect to such principal or redemption price, and interest, to the extent of the sum or sums so paid. Except as provided in paragraph (c) of this Section 2.9, no person other than DTC shall receive a Bond evidencing the obligation of the Issuer to make payments of principal or redemption price of, and interest on, any such Bond pursuant to this Fifth Supplemental Indenture. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of this Fifth Supplemental Indenture, the word "Cede" in this Fifth Supplemental Indenture shall refer to such new nominee of DTC.

Except as provided in paragraph (c)(iii) of this Section 2.9 and notwithstanding any other provisions of this Fifth Supplemental Indenture, the Series 2026 Bonds may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

(c) (i) DTC may determine to discontinue providing its services with respect to the Series 2026 Bonds at any time by giving written notice to the Issuer, the Registrar, and the Paying Agent, which notice shall certify that DTC has discharged its responsibilities with respect to the Series 2026 Bonds under applicable law.

(ii) The Issuer, in its sole discretion and without the consent of any other person, may, by notice to the Registrar, terminate the services of DTC with respect to the Series 2026 Bonds if the Issuer determines that the continuation of the system of book-entry-only transfers through DTC is not in the best interests of the beneficial owners of the Series 2026 Bonds or the Issuer; and the Issuer shall, by notice to the Registrar, terminate the services of DTC with respect to the Series 2026 Bonds upon receipt by the Issuer, the Registrar, and the Paying Agent of written notice from DTC to the effect that DTC has received written notice from DTC participants having interests, as shown in the records of DTC, in an aggregate principal amount of not less than fifty percent (50%) of the aggregate principal amount of the then outstanding Series 2026 Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2026 Bonds; or (2) a continuation of the requirement that all of the outstanding Series 2026 Bonds be registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC, is not in the best interests of the beneficial owners of the Series 2026 Bonds.

(iii) Upon the termination of the services of DTC with respect to the Series 2026 Bonds pursuant to subsection (c)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2026 Bonds pursuant to subsection (c)(i) or subsection (c)(ii)(1) hereof the Issuer may within 90 days thereafter appoint a substitute securities depository which, in the opinion of the Issuer, is willing and able to undertake the functions of DTC hereunder upon reasonable and customary terms. If no such successor can be found within such period, the Series 2026 Bonds shall no longer be restricted to being registered in the registration books kept by the Registrar in the name of Cede, as nominee of DTC. In such event, the Issuer shall execute and the Registrar shall

authenticate Series 2026 Bonds certificates as requested by DTC of like principal amount, maturity and Series, in authorized denominations to the identifiable beneficial owners in replacement of such beneficial owners' beneficial interest in the Series 2026 Bonds.

(iv) Notwithstanding any other provision of this Fifth Supplemental Indenture to the contrary, so long as any Series 2026 Bonds is registered in the name of Cede, as nominee of DTC, all payments with respect to the principal or redemption price of, and interest on, such Series 2026 Bonds and all notices with respect to such Series 2026 Bonds shall be made and given, respectively, to DTC.

(v) In connection with any notice or other communication to be provided to Holders of Series 2026 Bonds registered in the name of Cede pursuant to this Fifth Supplemental Indenture by the Issuer or the Registrar with respect to any consent or other action to be taken by such Holders, the Issuer shall establish a record date for such consent or other action by such Holders and give DTC notice of such record date not less than fifteen (15) days in advance of such record date to the extent possible.

Section 2.10 Perfection of Security Interest.

(a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Revenues pledged under the Indenture in favor of the Trustee as security for payment of the Series 2026 Bonds, enforceable by the Trustee in accordance with the terms thereof.

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

ARTICLE III
APPLICATION OF PROCEEDS

Section 3.1 Creation of Series 2026 Accounts. There is hereby established with the Trustee the following accounts:

(a) A Series 2026 Redemption Account, moneys in which shall be used to refund the Refunded Bonds; and

(b) A Series 2026 Costs of Issuance Account.

Section 3.2 Application of Proceeds of the Series 2026 Bonds. The Issuer shall deposit with the Trustee the proceeds from the sale of the Series 2026 Bonds in the amount of $_____, being an amount equal to the principal amount thereof, plus a [net] reoffering premium of $_____, and less an Underwriter's discount of $_____, and the Trustee shall deposit said proceeds into the following accounts:

(c) $_____ shall be deposited into the Series 2026 Redemption Account for the Refunded Bonds; and

(d) $_____ shall be deposited into the Series 2026 Costs of Issuance Account to pay costs of issuance.

Section 3.3 Disbursements from Series 2026 Cost of Issuance Account. Costs of issuance shall be paid by the Trustee from the Series 2026 Cost of Issuance Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request, in substantially the form of Exhibit B attached hereto. Any unexpended balance remaining in the Series 2026 Cost of Issuance Account ninety (90) days after delivery of the Series 2026 Bonds shall be deposited into the Bond Fund.

Section 3.4 [No Series 2026 Reserve Requirement. For purposes of the Series 2026 Bonds, there is no debt service reserve requirement.]

Section 3.5 [Series 2026 Bonds as Additional Bonds. The Series 2026 Bonds are issued as Additional Bonds under the Indenture and are on parity with Bonds previously issued and Outstanding under the General Indenture. The Issuer hereby certifies that the following requirements set forth in Section 2.13 of the General Indenture have been and will be complied with in connection with the issuance of the Series 2026 Bonds.

(i) No Event of Default has occurred under the Indenture; and

(ii) A certificate has been delivered to the Trustee by an Authorized Representative to the effect that the Revenues for the 12 month period beginning July 1, 2025 and ending June 30, 2026 (within the 24 months immediately preceding the date of issuance of the Series 2026 Bonds) were at least equal to 200% of the sum of (x) the maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Series 2026 Bonds plus (y) the maximum annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of the Series 2026 Bonds; and

(iii) All payments required by the Indenture to be made into the Bond Fund have been made in full, and there is on deposit in each account of the Debt Service Reserve Fund (taking into account any Reserve Instrument Coverage) the full amount required by the Indenture, if any, to be accumulated therein at such time; and

(iv) The proceeds of the Series 2026 Bonds will be used to finance a Project (including the funding of necessary reserves and the payment of costs of issuance).]

ARTICLE V

CONFIRMATION OF GENERAL INDENTURE, SALE OF SERIES 2026 BONDS

Section 5.1 Confirmation of General Indenture. As supplemented by this Fifth Supplemental Indenture, and except as provided herein, the General Indenture is in all respects ratified and confirmed, and the General Indenture, and this Fifth Supplemental Indenture shall be read, taken and construed as one and the same instrument so that all of the rights, remedies, terms, conditions, covenants and agreements of the General Indenture shall apply and remain in full force and effect with respect to this Fifth Supplemental Indenture, and to any revenues, receipts and moneys to be derived therefrom.

Section 5.2 Confirmation of Sale of Series 2026 Bonds. The sale of the Series 2026 Bonds to the Underwriter at the price described above, is hereby ratified, confirmed and approved.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Severability. If any provision of this Fifth Supplemental Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever. The invalidity of any one or more phrases, sentences, clauses, or sections in this Fifth Supplemental Indenture contained, shall not affect the remaining portions of this Fifth Supplemental Indenture, or any part thereof.

Section 6.2 Counterparts. This Fifth Supplemental Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Fifth Supplemental Indenture of Trust to be executed as of the date first above written.

HERRIMAN CITY, UTAH

(SEAL)

By:_____
Mayor

COUNTERSIGN:

_____
City Recorder

ZIONS BANCORPORATION,
NATIONAL ASSOCIATION, as Trustee

By:_____
Title:

EXHIBIT A

(FORM OF SERIES 2026 BONDS)

Unless this certificate is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York) to the issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

UNITED STATES OF AMERICA
HERRIMAN CITY, UTAH
SALES AND FRANCHISE TAX REVENUE REFUNDING BONDS
SERIES 2026

Number R - $

Interest Rate	Maturity Date	Dated Date	CUSIP
			___

Registered Owner: CEDE & CO.

Principal Amount: AND NO/100 DOLLARS**********

Herriman City, Utah ("Issuer"), a political subdivision, municipal corporation and body politic duly organized and existing under the Constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above on or before the Maturity Date specified above with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on [February 1] and [August 1] of each year commencing _____, 2026 (each an "Interest Payment Date"), until said Principal Amount is paid. Principal shall be payable upon surrender of this Bond at the principal offices of Zions Bancorporation, National Association, Salt Lake City, Utah ("Trustee" and "Paying Agent") or its successors. Interest on this Bond shall be payable by check or draft mailed on the Interest Payment Date to the Registered Owner of record hereof as of the fifteenth day immediately preceding each Interest Payment Date (the "Record Date") at the address of such Registered Owner as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Interest hereon shall be deemed to be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America.

This Series 2026 Bond is one of an issue of Bonds of the Issuer designated Sales and Franchise Tax Revenue Refunding Bonds, Series 2026 (the "Series 2026 Bonds") in the aggregate principal amount of $_____ of like tenor and effect, except as to date of maturity and interest rate, numbered R-1 and upwards, issued by the Issuer pursuant to a General Indenture of Trust, dated as of December 1, 2008, and a Fifth Supplemental Indenture of Trust dated as of _____, 2026, each by and between the Issuer and the Trustee, (together, the "Indenture") approved by a resolution of the Issuer adopted on August 26, 2026 (the "Resolution"), for the purpose of (i) refunding certain outstanding sales and franchise tax revenue bonds of the Issuer and (ii) paying issuance expenses to be incurred in connection with the issuance and sale of the Series 2026 Bonds, all in full conformity with the Constitution and laws of the State of Utah. Both principal of and interest on this Bond and the issue of which it is a part are payable solely from a special fund designated "Herriman City, Utah Sales and Franchise Tax Revenue Bond Fund" (the "Bond Fund"), into which fund, to the extent necessary to assure prompt payment of the principal of and interest on the issue of which this is one and on all series of bonds issued on a lien parity with this Bond shall be paid the Revenues as defined in and more fully described and provided in the Indenture.

The Series 2026 Bonds shall be payable only from the Revenues and shall not constitute a general indebtedness or pledge of the full faith and credit of the Issuer, within the meaning of any constitutional or statutory provision or limitation of indebtedness.

As provided in the Indenture, additional bonds, notes and other obligations of the Issuer may be issued and secured on an equal lien parity with the Series 2026 Bonds, from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such bonds, notes and other obligations issued and to be issued under the Indenture is not limited.

Reference is hereby made to the Indenture, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Series 2026 Bonds, the terms upon which the Series 2026 Bonds are issued and secured, and upon which the Indenture may be modified and amended, to all of which the Registered Owner of this Bond assents by the acceptance of this Bond.

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

Interest on the initially issued Series 2026 Bonds and on all Series 2026 Bonds authenticated prior to the first Interest Payment Date, shall accrue from the Dated Date specified above. Interest on the Series 2026 Bonds authenticated on or subsequent to the first Interest Payment Date, shall accrue from the Interest Payment Date next preceding their date of authentication, or if authenticated on an Interest Payment Date as of that date; provided, however, that if interest on the Series 2026 Bonds shall be in default, interest on the Series 2026 Bonds issued in exchange for Series 2026 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2026 Bonds surrendered.

The Series 2026 Bonds are subject to optional redemption prior to maturity as provided in the Indenture.

This Series 2026 Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the Principal Corporate Trust Offices of Zions Bancorporation, National Association (the "Registrar"), but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Paying Agent may deem and treat the Registered Holder hereof as the absolute owner hereof (whether or not this Series 2026 Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and neither Issuer nor Paying Agent shall be affected by any notice to the contrary.

This Series 2026 Bond is issued under and pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and this Series 2026 Bond does not constitute a general obligation indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. The issuance of the Series 2026 Bonds shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefor or to make any appropriation for their payment.

The Issuer covenants and agrees that, within the limits provided by law, it will cause to be collected and accounted for sufficient Revenues as defined in the Indenture as will at all times be sufficient to pay promptly the principal of and interest on this Series 2026 Bond and the issue of which it forms a part and to make all payments required to be made into the Bond Fund, and to carry out all the requirements of the Indenture.

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 SERIES 2026 BONDS THAT IT WILL NOT ALTER, IMPAIR OR LIMIT THE TAXES INCLUDED IN THE REVENUES IN A MANNER THAT REDUCES THE AMOUNTS TO BE REBATED TO THE ISSUER WHICH ARE DEVOTED OR PLEDGED AS AUTHORIZED IN SECTION 11-14-307, UTAH CODE ANNOTATED 1953, AS AMENDED, UNTIL THE SERIES 2026 BONDS, TOGETHER WITH APPLICABLE INTEREST THEREON, 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 PROTECTION OF THE HOLDERS OF THE SERIES 2026 BONDS.

It is hereby declared and represented that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2026 Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Series 2026 Bond, together with the issue of which it forms a part,

does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Revenues of the Issuer have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of the principal of and interest on this Series 2026 Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Bonds of which this Series 2026 Bond is one and all bonds issued on a parity with this Series 2026 Bond.

This Series 2026 Bond shall not be valid or become obligatory for any purpose nor be entitled to any security or benefit under the Indenture until the Certificate of Authentication on this Series 2026 Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Series 2026 Bond to be signed by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its City Recorder under its corporate seal or a facsimile thereof.

(SEAL)

(facsimile or manual signature)
Mayor

COUNTERSIGN:

(facsimile or manual signature)
City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Sales and Franchise Tax Revenue Refunding Bonds, Series 2026 of Herriman City, Utah.

Zions Bancorporation, National Association, as Trustee

By:_____(Manual Signature)_____
Authorized Officer

Date of Authentication: _____

ASSIGNMENT

FOR VALUE RECEIVED, _____, the undersigned, hereby sells, assigns and transfers unto:

_____

(Social Security or Other Identifying Number of Assignee)

_____

(Please Print or Typewrite Name and Address of Assignee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:_____

Signature:_____

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

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by an "eligible guarantor institution" that is a member of or a participant in a "signature guarantee program" (e.g., the Securities Transfer Agents Medallion Program, the Stock Exchange Medallion Program or the New York Stock Exchange, Inc. Medallion Signature Program).

ABBREVIATIONS

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 _____
(Cust.)

Custodian for _____
(Minor)

under Uniform Gifts to Minors Act of _____
(State)

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

EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

Zions Bancorporation, National Association
7860 South Bingham Junction Blvd.
Midvale, Utah 84047

Pursuant to Section 3.3 of the Fifth Supplemental Indenture of Trust dated as of _____, 2026, you are hereby authorized to pay the following costs of issuance from the Series 2026 Cost of Issuance Account:

[See Attached Schedule]

_____
AUTHORIZED REPRESENTATIVE,
HERRIMAN CITY, UTAH

COSTS OF ISSUANCE

Series 2026 Bonds

Payee	Purpose	Amount

This PRELIMINARY OFFICIAL STATEMENT and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this PRELIMINARY OFFICIAL STATEMENT constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 3, 2026

NEW ISSUE

Rating: S&P "___"
See "MISCELLANEOUS—Bond Rating" herein.

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended, the interest on the 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel notes that interest on the 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that the interest on the 2026 Bonds is exempt from State of Utah individual income taxes. See "TAX MATTERS" herein.

$14,310,000*
Herriman City, Utah

Sales and Franchise Tax Revenue Refunding Bonds, Series 2026

The $14,310,000* Sales and Franchise Tax Revenue Refunding Bonds, Series 2026 are issued by the City as fully–registered bonds and, when initially issued, will be in book–entry form, registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York. DTC will act as securities depository for the 2026 Bonds.

Principal of and interest on the 2026 Bonds (interest payable February 1 and August1 of each year, commencing August 1, 2027) are payable by Zions Bancorporation, National Association, Midvale, Utah, as Paying Agent, to the registered owners thereof, initially DTC. See "THE 2026 Bonds—Book–Entry System" herein.

The 2026 Bonds are not subject to redemption prior to maturity. See "THE 2026 BONDS—No Redemption" herein.

The 2026 Bonds are being issued to are being issued for the purpose of refunding certain sales and franchise tax revenue bonds previously issued by the City and (ii) pay costs associated with the issuance of the 2026 Bonds. See "THE 2026 BONDS—Sources And Uses Of Funds" and "See "THE 2026 BONDS—Plan Of Refunding" herein. The 2026 Bonds and Outstanding Parity Bonds previously issued by the City will be equally and ratably secured under the Indenture.

The 2026 Bonds are special limited obligations of the City, payable solely from and secured by a pledge of the revenues, moneys, securities and funds pledged therefor in the Indenture. The revenues consist of the Pledged Taxes. No assurance can be given that the Pledged Taxes will remain sufficient for the payment of principal and interest on the 2026 Bonds and the City is limited by Utah law in its ability to increase the rate of such taxes. See "INVESTMENT CONSIDERATIONS IN THE OWNERSHIP OF THE 2026 BONDS" herein. The 2026 Bonds do not constitute general obligation indebtedness or a pledge of the ad valorem taxing power or full faith and credit of the City and are not obligations of the State of Utah or any other agency or other political subdivision or entity of the State of Utah. The City will not mortgage or grant any security interest in all or any portion of the improvements financed or refinanced with the proceeds of the 2026 Bonds to secure payment of the 2026 Bonds. See "SECURITY AND SOURCES OF PAYMENT" herein.

Dated: Date of Delivery[1] **Due:** August 1, as shown on inside front cover

See the inside front cover for the maturity schedule of the 2026 Bonds

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This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire OFFICIAL STATEMENT to obtain information essential to the making of an informed investment decision.

This OFFICIAL STATEMENT is dated September _, 2026, and the information contained herein speaks only as of that date.

STIFEL

* Preliminary; subject to change.

[1] The anticipated date of delivery is Wednesday, September 30, 2026.

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$14,310,000*
Sales and Franchise Tax Revenue Refunding Bonds, Series 2026

Dated: Date of Delivery[1] **Due: August 1, as shown below**

Due August 1	CUSIP® 427754	Principal Amount*	Interest Rate	Yield
2027		$1,495,000		
2028		1,460,000		
2029		1,520,000		
2030		1,615,000		
2031		1,685,000		
2032		1,765,000		
2033		1,855,000		
2034		1,425,000		
2035		1,490,000		

* Preliminary; subject to change.

[1] The anticipated date of delivery is Wednesday, September 30, 2026.

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This OFFICIAL STATEMENT does not constitute an offer to sell, or the solicitation of an offer to buy, nor shall there be any sale of, the 2026 Bonds (as defined herein), by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained herein, and if given or made, such other informational representations must not be relied upon as having been authorized by either Herriman City, Utah (the "City"), Zions Bancorporation, National Association, Midvale, Utah (as Trustee, Bond Registrar and Paying Agent); Zions Public Finance, Inc., Salt Lake City, Utah (as Municipal Advisor); Stifel, Nicolaus & Company, Incorporated, Salt Lake City, Utah (the "Underwriter") or any other entity. All information contained herein has been obtained from the City, The Depository Trust Company, New York, New York and from other sources which are believed to be reliable. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this OFFICIAL STATEMENT nor the issuance, sale, delivery or exchange of the 2026 Bonds, shall under any circumstance create any implication that there has been no change in the affairs of the City since the date hereof.

The 2026 Bonds have not been registered under the Securities Act of 1933, as amended, or any state securities laws in reliance upon exemptions contained in such act and laws. Neither the United States Securities and Exchange Commission nor any state securities commission has passed upon the accuracy or adequacy of this OFFICIAL STATEMENT. Any representation to the contrary is unlawful.

The yields/prices at which the 2026 Bonds are offered to the public may vary from the initial reoffering yields/prices on the inside cover page of this OFFICIAL STATEMENT. In addition, the Underwriter may allow concessions or discounts from the initial offering prices of the 2026 Bonds to dealers and others. With any offering of the 2026 Bonds, the Underwriter may engage in transactions that stabilize, maintain, or otherwise affect the price of the 2026 Bonds. Such transactions may include overallotments in connection with the purchase of 2026 Bonds to stabilize their market price and to cover the Underwriter's positions. Such transactions, if commenced, may be discontinued at any time.

Forward–Looking Statements. Certain statements included or incorporated by reference in this OFFICIAL STATEMENT constitute "forward–looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used, such as "plan," "project," "forecast," "expect," "estimate," "budget" or other similar words. ***The achievement of certain results or other expectations contained in such forward–looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward–looking statements. The City does not plan to issue any updates or revisions to those forward–looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur. See in particular "PROJECTED DEBT SERVICE COVERAGE" herein.***

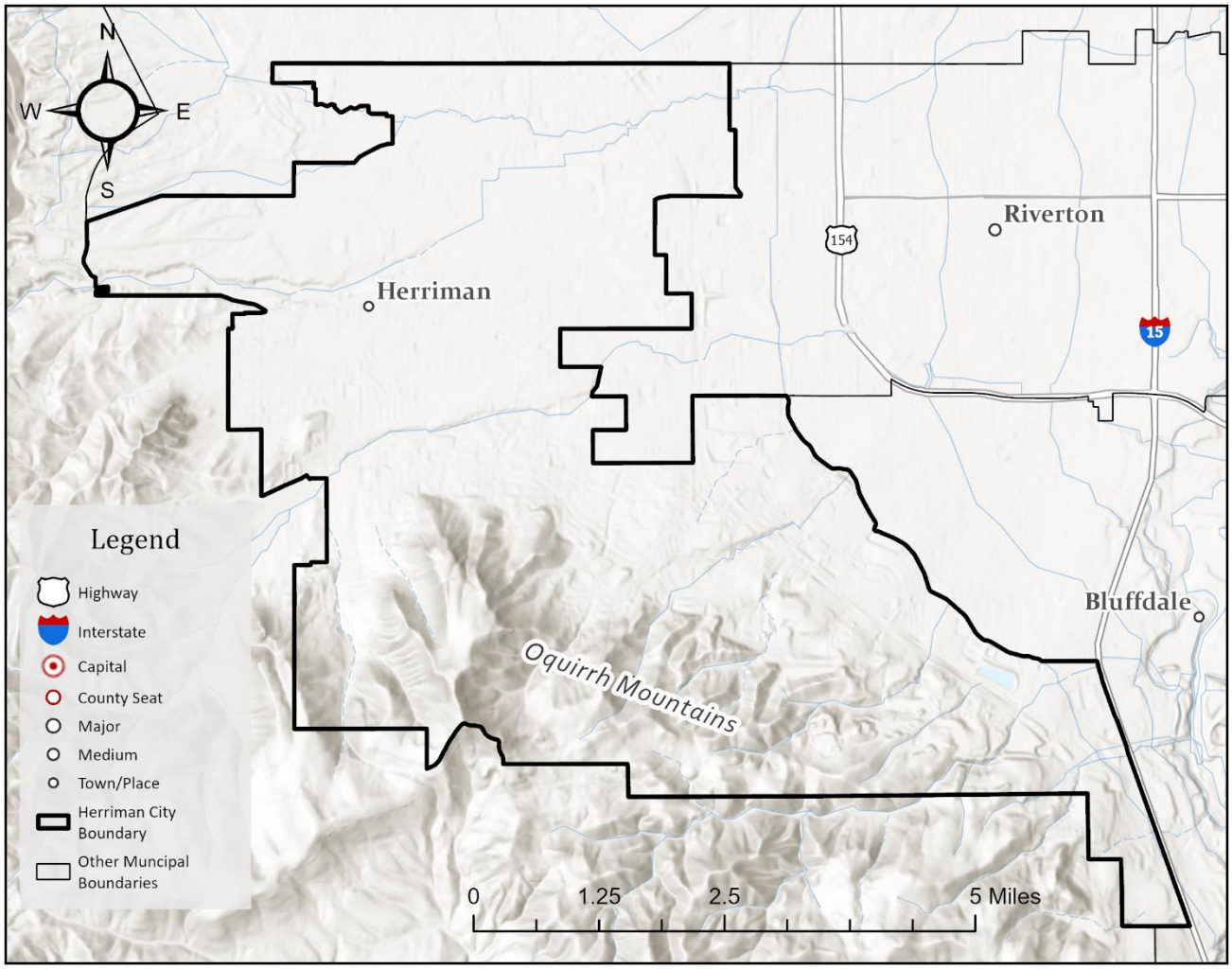
The CUSIP® (the Committee on Uniform Securities Identification Procedures) identification numbers are provided on the inside cover page of this OFFICIAL STATEMENT and are being provided solely for the convenience of bondholders. Neither the City or the Municipal Advisor make any representation with respect to such numbers or undertake any responsibility for their accuracy. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Series 2026 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2026 Bonds.

The content from websites referenced in this OFFICIAL STATEMENT has not been reviewed for accuracy and completeness. Such information has not been provided in connection with the offering of the 2026 Bonds and is not a part of this OFFICIAL STATEMENT.

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HERRIMAN CITY, UTAH LOCATION MAP



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OFFICIAL STATEMENT RELATED TO

$14,310,000*

Herriman City, Utah

Sales and Franchise Tax Revenue Refunding Bonds, Series 2026

INTRODUCTION

This introduction is only a brief description of the OFFICIAL STATEMENT, including a brief description of the 2026 Bonds, as hereinafter defined, the security and source of payment for the 2026 Bonds and certain information regarding Herriman City, Utah (the "City"). The information contained herein is expressly qualified by reference to the entire OFFICIAL STATEMENT. Investors are urged to make a full review of the entire OFFICIAL STATEMENT as well as the documents summarized or described herein.

See the following appendices that are attached hereto and incorporated herein by reference: "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR 2025;" "APPENDIX B—THE GENERAL INDENTURE OF TRUST;" "APPENDIX C—FORM OF OPINION OF BOND COUNSEL;" "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING;" and "APPENDIX E—BOOK–ENTRY SYSTEM."

When used herein the terms "Fiscal Year[s] 20YY" or "Fiscal Year[s] End[ed][ing] June 30, 20YY" shall refer to the year ended or ending on June 30 of the year indicated and beginning on July 1 of the preceding calendar year. Unless otherwise indicated, capitalized terms used in this OFFICIAL STATEMENT shall have the meaning established in the Indenture (as hereinafter defined). See "APPENDIX B—THE GENERAL INDENTURE OF TRUST."

Herriman City, Utah

The City, incorporated in 1999, covers an area of approximately 22 square miles and is located in the southwest portion of Salt Lake County, Utah (the "County"). The City is located approximately 25 miles south of Salt Lake City, Utah. The City had 63,282 residents according to the July 1, 2025, estimate by the U.S. Census Bureau. See "HERRIMAN CITY, UTAH" herein.

The 2026 Bonds

This OFFICIAL STATEMENT, including the cover page, introduction and appendices, provides information in connection with the issuance and sale by the City of its $14,310,000* Sales and Franchise Tax Revenue Refunding Bonds, Series 2026 (the "2026 Bonds" or "2026 Bond"), initially issued in book–entry form only.

Authority And Purpose Of The 2026 Bonds

Authorization. The 2026 Bonds are being issued pursuant to (i) (i) the Utah Refunding Bond Act, Title 11, Chapter 27 (the "Refunding Act"), Utah Code Annotated 1953, as amended (the "Utah Code"), and other applicable provisions of law; (ii) resolutions adopted by the City Council of the City on August 11, 2026 (the "Resolutions"); and (iii) a General Indenture of Trust, dated as of December 1, 2008, as previously supplemented and amended (the "General Indenture") together, between the City and Zions Bancorporation, National Association, Midvale, Utah, as trustee (the "Trustee"), as further supplemented by a Fifth Supplemental Indenture of Trust, dated as of September 1, 2026, between the City and the Trustee (the "Fifth Supplemental Indenture"), providing for the issuance of the 2026 Bonds. The General Indenture, together with all amendments or supplements thereto, including without limitation the Fifth Supplemental Indenture, is sometimes referred to collectively herein, as the "Indenture."

* Preliminary; subject to change.

Purpose. The 2026 Bonds are being issued for the purpose of refunding certain sales and franchise tax revenue bonds previously issued by the City and paying costs associated with the issuance of the 2026 Bonds. See "THE 2026 BONDS—Plan Of Refunding" below.

Outstanding Parity Bonds And Additional Bonds

Outstanding Parity Bonds. The City has outstanding under the General Indenture its:

(i) $16,330,000 (original principal amount) Sales and Franchise Tax Revenue Bonds, Series 2025, dated June 18, 2025, currently outstanding in the aggregate principal amount of $16,330,000 (the "2025 Bonds");
(ii) $10,593,000 (original principal amount) Sales and Franchise Tax Revenue Refunding Bonds, Series 2021, dated September 20, 2021, currently outstanding in the aggregate principal amount of $7,292,000 (the "2021 Bonds");
(iii) $6,045,000 (original principal amount) Sales and Franchise Tax Revenue Refunding Bonds, Series 2015B, currently outstanding in the aggregate principal amount $3,255,000 (the 2015B Bonds") *It is anticipated that the 2026 Bonds will refund all of the outstanding 2015B Bonds on September 30, 2026*; and
(iv) $21,845,000 (original principal amount) Sales and Franchise Tax Revenue Refunding Bonds, Series 2015A, currently outstanding in the aggregate principal amount of $11,990,000 (the "2015A Bonds") *It is anticipated that the 2026 Bonds will refund all of the outstanding 2015A Bonds on September 30, 2026*.

The 2025 Bonds, the 2021 Bonds, the 2015B Bonds and the 2015A Bonds together comprise and are referred to herein as the "Outstanding Parity Bonds."

Additional Bonds. Under the Indenture, the City may issue Additional Bonds if Pledged Taxes for any consecutive 12–month period in the 24 months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to 200% of the maximum annual debt service on all Bonds including the Additional Bonds to be Outstanding following the issuance of the Additional Bonds.

See "SECURITY AND SOURCES OF PAYMENT—Pledged Taxes" and "PROJECTED DEBT SERVICE COVERAGE" herein.

Security And Source Of Payment

The 2026 Bonds are special limited obligations of the City payable on a parity with the Outstanding Parity Bonds, solely from and secured solely by the revenues, moneys, securities and funds pledged therefor under the Indenture between the City and the Trustee. The revenues consist of all the revenues produced by (i) sales and use taxes levied by the City under the Local Sales and Use Tax Act, Title 59, Chapter 12, Part 2, Utah Code (the "Local Sales and Use Tax Act") (the "Pledged Local Sales and Use Taxes"); (ii) sales and use taxes levied by the City under the Municipal Energy Sales and Use Tax Act, Title 10, Chapter 1, Part 3, Utah Code (the "Municipal Energy Sales and Use Tax Act") (the "Pledged Municipal Energy Sales and Use Taxes"); and (iii) sales and use taxes levied by the City under the Municipal Telecommunications License Tax Act, Title 10, Chapter 1, Part 4, Utah Code (the "Municipal Telecommunications and License Tax Act") (the "Pledged Telecommunications License Taxes" and together with the Pledged Local Sales and Use Taxes and the Pledged Municipal Energy Sales and Use Taxes, the "Pledged Taxes").

No assurance can be given that the Pledged Taxes will remain sufficient for the payment of the principal of or interest on the 2026 Bonds and the City is limited by State law in its ability to increase the rate of such taxes. See "INVESTMENT CONSIDERATIONS IN THE OWNERSHIP OF THE 2026 BONDS" herein. The 2026 Bonds do not constitute general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in any of the improvements financed or refinanced with the proceeds of the 2026 Bonds to secure payment of the 2026 Bonds.

See "SECURITY AND SOURCES OF PAYMENT" herein.

The 2026 Bonds are secured on a parity lien with the Outstanding Parity Bonds and with any additional bonds, notes or other obligations that may be issued from time to time under the Indenture (the "Additional Bonds"). See "SECURITY AND SOURCES OF PAYMENT—Issuance Of Additional Bonds" herein. The 2026 Bonds, the Outstanding Parity Bonds and any Additional Bonds which may be issued from time to time under the Indenture are collectively referred to herein as the "Bonds."

Pledged Taxes

Pledged Local Sales and Use Taxes. The City presently levies a local sales and use tax at the rate of 1% (the maximum rate permitted by the Local Sales and Use Tax Act) on all taxable sales of goods and services within the City.

Pledged Energy Sales and Use Taxes. The City presently levies an energy sales and use tax at the rate of 6% (the maximum rate permitted by the Municipal Energy Sales and Use Tax Act) on the delivered value (fair market value) of taxable energy (gas and electricity) delivered for sale in the City.

Pledged Telecommunications License Taxes. The City presently levies a telecommunications license tax at the rate of 3.5% (the maximum rate permitted by the Municipal Telecommunications License Tax Act) on the telecommunications provider's gross receipts from telecommunications service (including land line and cellular telephones) that are attributed to the City.

Collections. The Pledged Local Sales and Use Taxes and the Pledged Telecommunications License Taxes are collected by the Utah State Tax Commission (the "State Tax Commission") and distributed monthly to the City, as provided by law. The City collects the Municipal Energy Sales and Use Taxes from the local providers on a monthly basis.

Pledged Taxes. The Pledged Local Sales and Use Taxes, Municipal Energy Sales and Use Taxes and Telecommunications License Taxes represent all Pledged Taxes. The Pledged Taxes for Fiscal Year 2025 were $15,428,422 and will, if maintained at that level, provide projected coverage of approximately 3.7* times the expected maximum debt service of $4,196,641* on the 2026 Bonds and the Outstanding Parity Bonds. See "SECURITY AND SOURCES OF PAYMENT—Pledged Taxes" and "PROJECTED DEBT SERVICE COVERAGE" herein.

No Redemption Provisions

The 2026 Bonds are not subject to redemption prior to maturity. See "THE 2026 BONDS—No Redemption Provisions" herein.

Registration, Denominations, Manner Of Payment

The 2026 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, ("DTC"). DTC will act as securities depository of the 2026 Bonds. Purchases of 2026 Bonds will be made in book–entry form only, in the principal amount of $5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC's Participants (as defined herein). Beneficial Owners (as defined herein) of the 2026 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2026 Bonds. "Direct Participants," "Indirect Participants" and "Beneficial Owners" are defined under "APPENDIX E—BOOK–ENTRY SYSTEM."

Principal of and interest on the 2026 Bonds (interest payable February 1 and August 1 of each year, commencing August 1, 2027) are payable by Zions Bancorporation, National Association, Midvale, Utah, as paying agent (in such capacity, the "Paying Agent") for the 2026 Bonds, to the registered owners of the 2026 Bonds. So long as Cede & Co. is the sole registered owner, it will, in turn, remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2026 Bonds, as described under "APPENDIX E—BOOK–ENTRY SYSTEM."

So long as DTC or its nominee is the sole registered owner of the 2026 Bonds, neither the City nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2026 Bonds. Under these same circumstances, references herein and in the Indenture to the "Bondowners" or "Registered Owners" of the 2026 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2026 Bonds.

Tax–Exempt Status Of The 2026 Bonds

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under existing law and assuming continued compliance with certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on the 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel

* Preliminary; subject to change.

notes that interest on the 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax. Bond Counsel is also of the opinion that the interest on the 2026 Bonds is exempt from State of Utah individual income taxes.

See "TAX MATTERS" herein.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the 2026 Bonds.

Professional Services

In connection with the issuance of the 2026 Bonds, the following have served the City in the capacity indicated.

Trustee, Bond Registrar, and Paying Agent
Zions Bancorporation National Association
Corporate Trust Department
7860 S. Bingham Junction
Midvale, UT 84047
801.844.7560
crystal.verley@zionsbancorp.com

Bond Counsel and Disclosure Counsel
Gilmore & Bell PC
15 W S Temple Ste 1400
Salt Lake City UT 84101
801.364.5080 | f 801.364.5032
rlarsen@gilmorebell.com

City Attorney
Todd Sheeran
5355 W Herriman Main St
Herriman UT 84096
801.446.5323
tsheeran@herriman.gov

Municipal Advisor
Zions Public Finance, Inc.
Zions Bank Building
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7379
johnathan.ward@zionsbancorp.com

Conditions Of Delivery, Anticipated Date, Manner, And Place Of Delivery

The 2026 Bonds are offered, subject to prior sale, when, as and if issued and received by Stifel Nicolaus and Company Inc., Salt Lake City, Utah (the "Underwriter"), subject to the approval of legality by Gilmore & Bell, P.C., Bond Counsel to the City, and certain other conditions. Certain legal matters will be passed on for the City-by-City Attorney, Todd Sheeran. Certain matters relating to disclosure will be passed on for the City by Gilmore & Bell, P.C as disclosure counsel to the City. It is expected that the 2026 Bonds, in book–entry form, will be available for delivery to DTC or its agent on or about Wednesday, September 30, 2026.

Continuing Disclosure Undertaking

The City will enter into a Continuing Disclosure Undertaking (the "Disclosure Undertaking") for the benefit of the Beneficial Owners of the 2026 Bonds. For a detailed discussion of this undertaking, previous undertakings and timing of submissions see "CONTINUING DISCLOSURE UNDERTAKING" herein and "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING."

Basic Documentation

This OFFICIAL STATEMENT speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the City, the 2026 Bonds, and the Indenture are included in this OFFICIAL STATEMENT. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such documents, and references herein to the 2026 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture. See "APPENDIX B—THE GENERAL INDENTURE OF TRUST."

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Contact Persons

As of the date of this OFFICIAL STATEMENT, additional requests for information may be directed to Zions Public Finance, Inc., Salt Lake City, Utah (the "Municipal Advisor") as Municipal Advisor to the City:

Johnathan Ward, Senior Vice President, johnathan.ward@zionsbancorp.com
Heather Phipps, Financial Analyst, heather.phipps@zionsbancorp.com

Zions Public Finance, Inc.
One S Main St 18th Fl
Salt Lake City UT 84133–1109
801.844.7379

As of the date of this OFFICIAL STATEMENT, the chief contact person for the City concerning the 2026 Bonds is:

Kyle Maurer, Director of Finance, kmaurer@herriman.gov
Herriman City
5355 W Herriman Main St
Herriman UT 84096
801.758.7686

CONTINUING DISCLOSURE UNDERTAKING

Continuing Disclosure Undertaking For 2026 Bonds

The City will enter into a Disclosure Undertaking for the benefit of the Beneficial Owners of the 2026 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access system ("EMMA") pursuant to the requirements of paragraph (b)(5) of Rule 15c2–12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and other terms of the Disclosure Undertaking, including termination, amendment and remedies, are set forth in the form of Disclosure Undertaking in "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING."

During the five years prior to the date of this OFFICIAL STATEMENT, the City has not failed to comply in all material respects with its prior undertakings pursuant to the Rule.

The City will submit its annual comprehensive financial report ("ACFR") (Fiscal Year Ending June 30) and other operating and financial information on or before February 5 (not more than 220 days from the end of the Fiscal Year). The City will submit the Fiscal Year 2026 ACFR and other required operating and financial information for the 2026 Bonds on or before February 5, 2027, and annually thereafter on or before each February 5.

A failure by the City to comply with the Disclosure Undertaking will not constitute a default under the Indenture and the Beneficial Owners of the 2026 Bonds are limited to the remedies described in the Disclosure Undertaking. A failure by the City to comply with the Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2026 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the 2026 Bonds and their market price.

INVESTMENT CONSIDERATIONS IN THE OWNERSHIP OF THE 2026 BONDS

This section contains a general overview of certain risk factors which should be considered, in addition to the other matters set forth in this OFFICIAL STATEMENT, in evaluating an investment in the 2026 Bonds. This section is not meant to be a comprehensive or definitive discussion of the risks associated with an investment in the 2026 Bonds, and the order in which this information is presented does not necessarily reflect the relative importance of various risks. Potential investors in the 2026 Bonds are advised to consider the following factors, among others, and to review this entire OFFICIAL STATEMENT to obtain information essential to making an informed investment decision. Any one or more of the investment considerations discussed herein, among others, could adversely affect the financial condition of the City or its ability to make scheduled debt

service payment on Bonds. There can be no assurance that other risks not discussed herein will not become material in the future.

Uncertainty Of Global, National, And Local Economic Activity

The amount of Pledged Taxes to be collected by the City is dependent on a number of factors beyond the control of the City, including, but not limited to, the state of the United States economy and the economy of the City and the State. One or more of these factors could result in the City receiving less Pledged Taxes than anticipated. During periods in which economic activity declines, Pledged Taxes are likely to fall as compared to an earlier year. In addition, Pledged Taxes are dependent on the volume of the transactions subject to the tax. From time to time, proposals have been made by the Utah State Legislature (the "State Legislature") to add or remove certain types of purchases from the sales tax. See "SECURITY AND SOURCE OF PAYMENT—Pledged Taxes" herein.

The 2026 Bonds Are Limited Obligations

The 2026 Bonds are special limited obligations of the City, payable solely from the Pledged Taxes, moneys, securities and funds pledged therefor in the Indenture. No assurance can be given that the amount of Pledged Taxes received by the City will remain sufficient for the payment of the principal or interest on the 2026 Bonds. The 2026 Bonds do not constitute general obligation indebtedness or a pledge of the ad valorem taxing power or the full faith and credit of the City and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in any of the projects financed with the proceeds of the 2026 Bonds to secure payment of the 2026 Bonds.

Limitation On Increasing Rates For Pledged Taxes

The City is limited by State law in its ability to increase the rate of the Pledged Taxes. *The City currently levies the maximum rate allowed under State Law for all taxes making up the Pledged Taxes.*

No Debt Service Reserve Fund For The 2026 Bonds

Pursuant to the Indenture, each Series of Bonds is secured (if at all) by a separate subaccount in the Debt Service Reserve Fund. *Upon the issuance of the 2026 Bonds, no subaccount of the Debt Service Reserve Fund will be funded with respect to the 2026 Bonds.*

State Legislative Changes To Sales Tax Statutes

The State Legislature has authority to alter the statutes under which the City derives its various sales and use tax revenues, including specifically the Pledged Taxes. From time-to-time proposals have been discussed and introduced to change these statutes, including changes that could significantly reduce the amount of Pledged Taxes the City receives. This can be done by, among other things, expanding or diminishing the sales tax base, reducing rates or altering the formula by which the tax revenues are allocated among the counties, cities and towns within the State. The City cannot predict whether the State Legislature will change sales and use tax base, rates, and/or distributions, including changes that could affect Pledged Taxes at some point in the future. See also, "SECURITY AND SOURCES OF PAYMENT—State Pledge Of Nonimpairment" herein.

Climate Change Risk; Natural Disasters And Global Health Emergencies

There are potential risks to the City that are associated with climate change as the frequency, timing, and severity of extreme weather events increase. The City cannot predict how or when various climate change risks may occur, nor can they quantify the impact on the City or its operations.

Utah is experiencing prolonged drought conditions, including a severe snow drought (Winter 2025-2026) affecting water availability along the Wasatch Front. Extended severe drought conditions may contribute to adverse environmental and public health effects, including reduced air quality caused by wind-driven dust storms from exposed lakebeds, such as the drying Great Salt Lake, which contains arsenic and other contaminants. The State has also experienced significant wildfire and forest fire activity, which has periodically resulted in diminished air quality both from instate events and from wildfires occurring in surrounding regions.

Severe drought and wildfire conditions may adversely affect the State's and the City's economy through impacts including, but not limited to, reduced economic development opportunities, property damage or loss, decreased tourism activity, and

reduced agricultural productivity. Such conditions may also negatively affect wildlife populations, natural habitats, and other natural resources.

Natural disasters (including earthquakes, mudslides, wildfires/forest fires, heat waves, floods, windstorms, droughts, and avalanches) and future, global health emergencies are possible and may affect the State's and the City's economy.

Regional, national, or global epidemics or pandemics, could have materially adverse local, regional, national, or global economic and social impacts. The City's finances may be materially adversely affected by epidemics and pandemics.

The City cannot predict how or when any climate–change–related events, natural disasters, or health emergencies may occur; nor can it quantify the impact of such events on the City or its operations.

THE 2026 BONDS

General

The 2026 Bonds are dated the date of delivery[1] thereof (the "Dated Date") and will mature on August 1 of the years and in the amounts as set forth on the inside cover page of this OFFICIAL STATEMENT.

The 2026 Bonds shall bear interest from the Dated Date at the rates set forth on the inside cover page of this OFFICIAL STATEMENT. Interest on the 2026 Bonds is payable semi–annually on each February 1 and August 1, commencing August 1, 2027. Interest on the 2026 Bonds shall be computed based on a 360–day year comprised of 12, 30–day months. In addition to being the initial Trustee and Paying Agent, Zions Bancorporation, National Association is also the initial Bond Registrar with respect to the 2026 Bonds (in such capacity, the "Bond Registrar").

The 2026 Bonds will be issued as fully–registered bonds, initially in book–entry form, in the denomination of $5,000 or any whole multiple thereof, not exceeding the amount of each maturity.

Plan Of Refunding

The City previously issued its 2015A Bonds and 2015 B Bonds (the "2015 Refunded Bonds"), the original proceeds of which were used to finance the costs of a city office building and road construction, refund previously outstanding sales tax revenue bonds, and pay the costs associated with the issuance of the 2015 Refunding Bonds.

Certain proceeds from the 2026 Bonds, in the aggregate amount of $15,489,457.65*, will be deposited with Zions Bancorporation as Paying Agent to redeem the 2015 Refunded Bonds at a redemption price of 100% of the principal amount thereof on September 30, 2026* (the "Redemption Date") plus interest to the redemption date. The 2015 Refunded Bonds mature on the dates and in the amounts, and bear interest at the rates, as follows:

2015A Bonds

Scheduled Maturity (August 1)	Redemption Date	CUSIP 427754		Principal Amount	Interest Rate	Redemption Price
2027	September 30, 2026	BL9		$1,125,000	4.00%	100%
2028	September 30, 2026	BM7		1,175,000	5.00	100
2029	September 30, 2026	BN5		1,230,000	4.00	100
2030	September 30, 2026	BP0		1,285,000	5.00	100
2031	September 30, 2026	-	(1)	1,340,000	3.25	100
2032	September 30, 2026	BQ8	(1)	1,385,000	3.25	100
2033	September 30, 2026	-	(2)	1,430,000	0.00	100
2034	September 30, 2026	-	(2)	1,485,000	0.00	100
2035	September 30, 2026	BR6	(2)	1,535,000	3.50	100

(1) Apart of a $2,725,000 3.25% Term Bond due August 1, 2032.
(2) Apart of a 4,450,000 3.50% Term Bond due August 1, 2035.
(Source: the Municipal Advisor.)

2015B Bonds

[1] The anticipated date of delivery is Wednesday, September 30, 2026.

* Preliminary; subject to change.

Scheduled Maturity (August 1)	Redemption Date	CUSIP 427754		Principal Amount	Interest Rate	Redemption Price
2027	September 30, 2026	-	(1)	$410,000	4.00%	100%
2028	September 30, 2026	-	(1)	425,000	4.00	100
2029	September 30, 2026	-	(1)	440,000	4.00	100
2030	September 30, 2026	BU9	(1)	465,000	4.00	100
2031	September 30, 2026	-	(2)	480,000	5.00	100
2032	September 30, 2026	-	(2)	505,000	5.00	100
2033	September 30, 2026	BV7	(2)	530,000	5.00	100

(1) Apart of a $2,135,000 4.00% Term Bond due August 1, 2030.
(2) Apart of a $1,515,000 5.00% Term Bond due on August 1, 2033.
(Source: the Municipal Advisor.)

Sources And Uses Of Funds

The proceeds from the sale of the 2026 Bonds are estimated to be applied as set forth below:

	2015A Bonds	2015B Bonds	Issue Summary
Sources of Funds:			
Par amount of 2026 Bonds	$	$	$
[Net] original issue premium			
Total	$	$	$
Uses of Funds:			
Deposit to Current Refunding Account	$	$	$
Cost of Issuance (1)			
Successful Bidder's discount			
Total	$	$	$

(1) Includes legal fees, Trustee, Bond Registrar and Paying Agent fees, Municipal Advisor fees, rating agency fees, rounding amounts and other miscellaneous costs of issuance.
(Source: the Municipal Advisor.)

No Redemption

The 2026 Bonds are not subject to redemption prior to maturity.

Registration, Denominations, Manner Of Payment

The 2026 Bonds are issuable only as fully registered bonds and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the 2026 Bonds. Purchases of 2026 Bonds will be made in book–entry form only, in the principal amount of $5,000 or any whole multiple thereof, through brokers and dealers who are, or who act through, DTC Participants (as defined herein). Beneficial Owners of the 2026 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the 2026 Bonds. "Direct Participants," "Indirect Participants" and "Beneficial Owners" are defined in "APPENDIX E—BOOK–ENTRY SYSTEM" herein.

Principal of and interest on the 2026 Bonds (interest payable February 1 and August 1 of each year, commencing August 1, 2027) are payable by the Paying Agent, to the Registered Owners of the 2026 Bonds. So long as Cede & Co. is the sole registered owner, as nominee of DTC, it is required in turn to remit such principal and interest to its Direct Participants, for subsequent disbursements to the Beneficial Owners of the 2026 Bonds.

So long as DTC or its nominee is the sole registered owner of the 2026 Bonds, neither the City, the Underwriter, nor the Trustee will have any responsibility or obligation to any Direct or Indirect Participants of DTC, or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the Direct Participants, Indirect Participants or the Beneficial Owners of the 2026 Bonds. *Under these same circumstances, references herein and in the Indenture to the "Bondowners" or "Registered Owners" of the 2026 Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the 2026 Bonds.*

Regular Record Date; Transfer Or Exchange Of The 2026 Bonds

Regular Record Date means the 15th day (whether or not a Business Day) next preceding each Interest Payment Date. The City and the Trustee shall not be required to transfer or exchange any Bond: (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date; (ii) during the period from and including the day 15 days prior to any Special Record Date (as herein defined), to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day 15 days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption. "Special Record Date" means such date as may be fixed for the payment of defaulted interest on Bonds in accordance with the Indenture.

Book–Entry System

DTC will act as securities depository for the 2026 Bonds. The 2026 Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered 2026 Bond certificate will be issued for each maturity of the 2026 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or a "fast agent" of DTC. See "APPENDIX E—BOOK–ENTRY SYSTEM" for a more detailed discussion of the book–entry system and DTC.

In the event the book–entry system is discontinued, interest on the 2026 Bonds will be payable by check or draft of the Paying Agent, mailed to the registered owners thereof at the addresses shown on the registration books of the City kept for that purpose by the Bond Registrar. The principal of all 2026 Bonds will be payable at the principal office of the Trustee, as Paying Agent.

Debt Service On The 2026 Bonds

	The 2026 Bonds			
Payment Date	Principal*	Interest	Period Total	Fiscal Total
February 1, 2027	-			
August 1, 2027	$1,495,000.00			
February 1, 2028	-			
August 1, 2028	1,460,000.00			
February 1, 2029	-			
August 1, 2029	1,520,000.00			
February 1, 2030	-			
August 1, 2030	1,615,000.00			
February 1, 2031	-			
August 1, 2031	1,685,000.00			
February 1, 2032	-			
August 1, 2032	1,765,000.00			
February 1, 2033	-			
August 1, 2033	1,855,000.00			
February 1, 2034	-			
August 1, 2034	1,425,000.00			
February 1, 2035	-			
August 1, 2035	1,490,000.00			
Total	$14,310,000.00			

* Preliminary, subject to change.
(Source: the Municipal Advisor.)

SECURITY AND SOURCES OF PAYMENT

The Indenture

The 2026 Bonds are special limited obligations of the City, payable solely from and secured by a pledge of the Pledged Taxes and certain funds and accounts pledged therefor and established by the Indenture. No assurance can be given that Pledged Taxes will remain sufficient for the payment of principal of and interest on the 2026 Bonds and the City is limited by State law in its ability to increase the rate of such taxes. See "INVESTMENT CONSIDERATIONS IN THE OWNERSHIP OF THE 2026 BONDS" herein. The 2026 Bonds do not constitute general obligation indebtedness or a pledge of the ad valorem taxing power or full faith and credit of the City and are not obligations of the State or any other agency or other political subdivision or entity of the State. The City will not mortgage or grant any security interest in any of the improvements financed or refinanced with the proceeds of the 2026 Bonds to secure payment of the 2026 Bonds .

Upon the occurrence of an Event of Default specified in the Indenture, the Trustee or the Registered Owners of the 2026 Bonds may pursue certain remedies to enforce the obligations of the City under the Indenture. These remedies do not include the right to declare all the principal of and interest on the 2026 Bonds to be immediately due and payable. See "APPENDIX B—THE GENERAL INDENTURE OF TRUST—Article VII–Events of Default" (page B–43).

State Pledge Of Nonimpairment

In accordance with the provisions of the State statutes, the State pledges and agrees with the holders of Bonds that it will not alter, impair or limit the sales taxes in a manner that reduces the amounts rebated to the City which are devoted or pledged for the payment of such Bonds until such 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 outstanding Bonds.

The City notes that this provision has not been interpreted by a court of law and, therefore, the extent that such provision would (i) be upheld under constitutional or other legal challenge, (ii) protect the current rates and collection of all Pledged Taxes, or (iii) impact any other aspect of Pledged Taxes, cannot be predicted by the City.

See also "INVESTMENT CONSIDERATIONS IN THE OWNERSHIP OF THE 2026 BONDS —State Legislative Changes To Sales Tax Statutes" herein.

Flow Of Funds

To secure timely payment of the principal of and interest on the 2026 Bonds, the City has pledged and assigned to the Trustee the Pledged Taxes and all money in certain funds and accounts established by the Indenture. The Indenture establishes a Construction Fund, Revenue Fund, a Bond Fund, and certain other funds and accounts.

See "APPENDIX B—THE GENERAL INDENTURE OF TRUST."

Pledged Taxes

Under State law, sales tax is imposed on the amount paid or charged for sales of tangible personal property in the State and for services rendered in the State for the repair, renovation or installation of tangible personal property. The use tax is imposed on the amount paid or charged for the use, storage or other consumption of tangible personal property in the State, including services for the repair, renovation or installation of such tangible personal property. Sales and use taxes also apply to leases and rentals of tangible personal property if the tangible personal property is in the State, the lessee takes possession in the State or the tangible personal property is stored, used or otherwise consumed in the State.

A sales and use tax due and unpaid constitutes a debt due from the vendor and may be collected, together with interest, penalty, and costs, by appropriate judicial proceeding within three years after the vendor is delinquent. Furthermore, if a sales and use tax is not paid when due and if the vendor has not followed the procedures to object to a notice of deficiency, the State Tax Commission may issue a warrant directed to the sheriff of any City commanding the sheriff to levy upon and sell the real and personal property of a delinquent taxpayer found within such City for the payment of the tax due. The amount of the warrant shall have the force and effect of an execution against all personal property of the delinquent taxpayer and shall become a lien upon the real property of the delinquent taxpayer in the same manner as a judgment duly rendered by any district court.

Pledged Local Sales and Use Taxes. The Local Sales and Use Tax Act currently provides that each county, city and town in the State may levy a sales and use tax of up to 1% on the purchase price of taxable goods and services. Although local

governments may elect to levy sales and use taxes at rates less than 1%, various provisions of the Local Sales and Use Tax Act encourage them to levy these taxes at the rate of 1%. The legislative intent contained in the Local Sales and Use Tax Act is to provide the counties, cities and towns of the State with an added source of revenue to assist them to meet their financial needs and to service their bonded indebtedness. *The City has levied the Pledged Local Sales and Use Taxes at the maximum legal rate of 1%.*

Local sales and use taxes are collected by the State Tax Commission, and distributed monthly to each county, city and town. Generally, the distributions are based on a formula, which provides that (i) 50% of sales tax collections will be distributed based on the percentage of the population of the local government to the total population of all similar local governments in the State and (ii) 50% of sales tax collections will be distributed based on the point of sale (the "50/50 Distribution"). The 50/50 Distribution formula is subject to legislative changes and the State Legislature has from time to time discussed altering this 50/50 Distribution formula. Changes to such formula have been and continue to be under discussion and the City cannot predict whether the State Legislature will make any such adjustments.

Pledged Energy Sales and Use Taxes. Under the Municipal Energy Sales and Use Tax Act, municipalities have the authority to impose a municipal energy sales and use tax, or similar charge at a rate not exceeding 6% of the "delivered value" of "taxable energy" delivered within the municipality. Utilities upon which these taxes and fees may be levied include natural gas, electric energy service companies and city–owned public utilities. *The City presently levies the maximum energy sales and use tax (representing all of the Pledged Energy Sales and Use Taxes) of 6% of the delivered value (fair market value) of taxable energy (gas and electricity) delivered for sale or use in the City.*

Utility franchise taxes as well as energy sales and use taxes are, with the exception of the Municipal Telecommunications License Taxes discussed below, remitted by the service provider to the municipality.

Pledged Municipal Telecommunications and License Taxes. The Telecommunications License Tax Act provides that a municipality in the State may levy a municipal telecommunications license tax on the telecommunications provider's gross receipts from telecommunications service that are attributed to the municipality. The Municipal Telecommunications License Taxes imposed shall be at a rate not exceeding 3.5% of the telecommunications provider's gross receipts from telecommunications service (including land lines and cellular telephones) that are attributed to the municipality. *The City currently levies the Municipal Telecommunications License Taxes at a rate of 3.5%. The City has contracted with the Utah State Tax Commission to collect the revenues from the Pledged Telecommunications License Taxes and, as a result, the City receives the revenues derived from the Pledged Telecommunications License Taxes on a monthly basis.*

Collections. The following table shows the amount of Pledged Taxes (Local Sales and Use Taxes, Municipal Energy Sales and Use Taxes, and Municipal Telecommunications and License Taxes) collected and received by the City for the past 10 years.

Fiscal Year Ended June 30	Local Sales and Use Tax [(1)]	Municipal Energy Sales and Use Tax	Municipal Telecommunications and License Taxes	Total Pledges Taxes	% Increase (Decrease) From Prior Year
2025	$12,586,952	$2,683,127	$158,343	$15,428,422	4.9%
2024	11,917,565	2,650,614	144,676	14,712,855	2.0
2023	11,665,326	2,622,064	136,709	14,424,099	12.3
2022	10,606,695	2,111,972	125,237	12,843,904	19.2
2021	8,740,820	1,898,586	134,448	10,773,854	26.6
2020	6,624,476	1,616,760	267,840	8,509,076	20.2
2019	5,338,970	1,541,192	200,581	7,080,743	12.2
2018	4,681,527	1,424,495	203,227	6,309,249	13.6
2017	3,849,515	1,288,496	413,491	5,551,502	11.6
2016	3,352,430	1,229,665	392,948	4,975,043	12.5

(1) Excludes state restricted allocation for transportation projects.

(Source: The City's Annual Comprehensive Financial Report or Supplemental Continuing Disclosure submission for each year specified.)

[*The Larger Sales Taxpayers*. State law prohibits disclosure of actual dollar figures of sales and use tax collections by specific businesses. However, for Local Sales and Use Tax collections for calendar year 2024, the top 10 sales taxpayers account for approximately 57% of such taxes. Those larger sales taxpayers include retail stores, grocery stores, restaurants, and utility providers. The largest tax collection by a single business was approximately 19%. (Source: the City.)]

Because of the diversity of customers being charged the Municipal Energy Sales and Use Tax, there are no single large rate payers or industry sectors that would be significant to the overall collection of revenues. Rocky Mountain Power is the provider of electric service to City residents and Enbridge is the provider of natural gas to City residents. Several firms provide telecommunications services to the City.

Other Sales And Use Taxes

County–Wide Sales and Use Taxes. Within the City are county–wide sales and use taxes *which are **not** pledged to the repayment of Bonds. A*s of the date of this OFFICIAL STATEMENT, other county–wide sales tax levies include:

(i) a 4.25% transient room tax; (ii) a 2.5% motor vehicle leasing tax; (iii) a 1% tourism–restaurant tax; (iv) a 7.0% tourism-short term leasing tax; and (iv) a $1.48 monthly per line county telecommunications (consisting of $0.71 E911 emergency; $0.25 unified state–wide 911; and $0.52 radio network) tax.

State–Wide Sales and Use Tax. The State levies a state–wide sales and use tax, which is currently imposed at a rate of 4.85% (as indicated above) of the purchase price of taxable goods and services; a 0.32% transient room tax; and 1.75% on unprepared food and food ingredients (including the 1% local option tax and 0.25% county option tax; the total statewide rate on unprepared food and food ingredients is 3.0%). For residential energy use, the State currently imposes a tax rate of 2.0%.

Other Sales and Use Taxes. In addition to the state–wide sales and use tax; unprepared food; motor vehicle rental; and the gas, electric and fuel oil sales and use taxes, certain governmental entities may also levy a sales and use tax for: additional mass transit; county option transportation; supplemental state sales and use; rural hospital; botanical, cultural, zoo (county); botanical, cultural, zoo (municipal); highway tax; town option; city or town option; resort community; additional resort community; additional municipal transient room; and tourism–transient. *All other sales and use taxes levied and collected locally by the municipality or by the State Tax Commission are **not** pledged to the payment of the Bonds.*

No Debt Service Reserve Fund For The 2026 Bonds And The Outstanding Parity Bonds

Pursuant to the Indenture, each Series of Bonds, if required, may be secured by a separate subaccount in the Debt Service Reserve Fund as described below.

2026 Bonds. Upon the issuance of the 2026 Bonds there will be no funding of an account of the Debt Service Reserve Fund with respect to the 2026 Bonds.

Outstanding Parity Bonds. No subaccount of the Debt Service Reserve Fund has been required to be funded with respect to the Outstanding Parity Bonds.

Issuance Of Additional Bonds

No bonds payable from the Pledged Taxes, funds and accounts pledged under the Indenture may be issued and secured with a lien senior to that of the Bonds without the consent of the owners of 100% of the Outstanding Bonds. The Indenture permits the issuance of Additional Bonds by the City that are payable on a parity basis with the Bonds, but requires the following must be satisfied as a condition to the issuance of any Additional Bonds:

(a) no Event of Default shall have occurred and be current under the Indenture on the date of authentication of any Additional Bonds. However, this condition shall not preclude the issuance of Additional Bonds if (i) the issuance of such Additional Bonds otherwise complies with the provisions of the Indenture and (ii) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof; and

(b) a certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the Pledged Taxes for any consecutive twelve (12) month period in the twenty–four (24) months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to two hundred percent (200%) of the sum of (x) the Maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Additional Bonds plus (y) the maximum annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of such Additional Bonds; and provided, however, that such Revenue coverage test set forth above shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued under the Indenture, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith, and

(iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and

(c) all payments required by the Indenture to be made into the Bond Fund must have been made in full, and there must be on deposit in each account of the Debt Service Reserve Fund (taking into account any Reserve Instrument coverage) the full amount required to be accumulated therein at the time of issuance of the Additional Bonds; and

(d) the proceeds of the Additional Bonds must be used (i) to refund Bonds issued under the Indenture or other obligations of the City (including the funding of necessary reserves and the payment of costs of issuance) and/or (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance).

The Indenture does not limit or restrict the issuance of subordinate lien obligations by the City.

HISTORICAL DEBT SERVICE COVERAGE

The following table shows the past ten Fiscal Years of debt service requirements for the Outstanding Parity Bonds, the historical Pledged Taxes and the debt service amounts coverage factor of Pledged Taxes to debt service on the Outstanding Parity Bonds. The City's first issuance of Sales and Franchise Tax Revenue Refunding Bonds was in 2008.

Fiscal Year Ending June 30	Debt Service on Outstanding Sales And Franchise Tax Revenue Bonds	Pledged Taxes	Debt Service Coverage [1]
2025	$2,906,213	$15,428,422	5.3X
2024	2,903,980	14,712,855	5.1
2023	2,907,894	14,424,099	5.0
2022	2,156,794	12,843,904	6.0
2021	2,105,988	10,773,854	5.1
2020	2,106,083	8,509,076	4.0
2019	2,102,215	7,080,743	3.4
2018	2,100,203	6,309,249	3.0
2017	2,104,991	5,551,502	2.6
2016	576,959	4,975,043	8.6

(1) Multiple by which Pledged Taxes exceed Total Debt Service.

(Source: the City.)

PROJECTED DEBT SERVICE COVERAGE

Forward Looking Projected Information. The City does not, as a matter of course make public projections as to future revenues, income or other results. However, the City prepared the prospective financial information set forth below in the table "Projected Debt Service Coverage," to present Pledged Taxes of the City beginning in Fiscal Year 2026. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the City management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments and presents, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of the City or was prepared by carrying forward historical information to future years. However, this information is not fact and should not be relied upon as necessarily indicative of future results, and readers of this OFFICIAL STATEMENT are cautioned not to place undue reliance on the prospective financial information.

Neither the City's independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The assumption and estimates underlying the prospective financial information are inherently uncertain and, although considered reasonable by City management as of the date hereof, are subject to a wide variety of significant business, economic,

competitive risks and uncertainties, that could cause actual results to differ materially from those contained in the prospective financial information. Accordingly, there can be no assurance that the prospective results are indicative of the future performance of the City or that the actual results will not differ materially from those presented in the prospective financial information. Inclusion of the prospective financial information in this OFFICIAL STATEMENT should not be regarded as a representation by any person that the results contained in the prospective financial information will be achieved.

For Fiscal Year 2025, the City collected Pledged Taxes of $15,428,422 which is 4.9% more as compared to the same time period in Fiscal Year 2024 of $14,712,855.

The following table shows the debt service requirements for the 2026 Bonds, the Outstanding Parity Bonds, total debt service and projected debt service coverage based upon Fiscal Year 2025 Pledged Taxes for all years during which the 2026 Bonds and the Outstanding Parity Bonds are scheduled to be outstanding.

Projected Debt Service Coverage

Fiscal Year Ending June 30	2026 Bonds Debt Service*[(a)]	2025 Bonds Debt Service	2021 Bonds Debt Service	Total Debt Service	Pledged Taxes [(1)]	Debt Service Coverage [(2)]
2026	–	$505,776	$798,997	$1,304,773	$15,428,422	11.8X
2027	$2,093,238	1,289,375	799,971	4,182,583	15,428,422	3.7
2028	2,100,750	1,289,500	799,189	4,189,439	15,428,422	3.7
2029	2,087,750	1,293,250	799,631	4,180,631	15,428,422	3.7
2030	2,106,750	1,290,625	799,266	4,196,641	15,428,422	3.7
2031	2,096,000	1,291,625	799,070	4,186,695	15,428,422	3.7
2032	2,091,750	1,291,125	799,008	4,181,883	15,428,422	3.7
2033	2,093,500	1,294,000	799,043	4,186,543	15,428,422	3.7
2034	1,570,750	1,290,250	799,133	3,660,133	15,428,422	4.2
2035	1,564,500	1,289,875	799,047	3,653,422	15,428,422	4.2
2036	–	1,292,625	799,529	2,092,154	15,428,422	7.4
2037	–	1,293,375	799,701	2,093,076	15,428,422	7.4
2038	–	1,292,125	–	1,292,125	15,428,422	11.9
2039	–	1,293,750	–	1,293,750	15,428,422	11.9
2040	–	1,293,125	–	1,293,125	15,428,422	11.9
2041	–	1,290,250	–	1,290,250	15,428,422	12.0
2042	–	1,290,000	–	1,290,000	15,428,422	12.0
2043	–	1,292,125	–	1,292,125	15,428,422	11.9
2044	–	1,291,500	–	1,291,500	15,428,422	11.9
2045	–	1,293,000	–	1,293,000	15,428,422	11.9
2046	–	1,291,500	–	1,291,500	15,428,422	11.9

* Preliminary; subject to change.

(a) For purposes of this OFFICIAL STATEMENT, the 2026 Bonds will be considered issued and outstanding, and the 2015 Refunded Bonds will be considered defeased.

(1) Based on collections of Pledged Taxes for Fiscal Year 2025 and assuming no change.

(2) The multiple by which Pledged Taxes exceeds Total Debt Service.

(Source: the Municipal Advisor.)

HERRIMAN CITY, UTAH

General

The City, incorporated in 1999, covers an area of approximately 22 square miles and is located in the southwest portion of Salt Lake County, Utah (the "County"). The City is located approximately 25 miles south of Salt Lake City, Utah. The City had 63,282 residents according to the July 1, 2025, estimate by the U.S. Census Bureau. The County is situated in the north central portion of the State of Utah (the "State"). The County is bordered on the south by Utah County, Utah and encompasses approximately 742 square miles of land. The County had 1,220,916 residents according to the July 1, 2025, estimate by the U.S. Census Bureau, ranking the County as the most populous county in the State.

The City maintains a website at www.herriman.gov. For the contact persons for the City see "INTRODUCTION—Contact Persons" above.

Form Of Government

State statutes detail the functions to be performed by State municipalities. Title 10, Utah Code, generally sets out laws to provide for the incorporation, organization, and classification of cities and towns based upon population. The City is a third–class city. The City is organized under general law and governed by a council–manager form of government. Under the City's council–manager form of government, four Council members are elected by district and serve four–year terms and the Mayor, who is elected at large by voters, also serves a four–year term. The Mayor chairs the city council and holds the same voting rights as other members of the council. City Manager powers are described and governed by an ordinance or resolution passed by the City Council. The City Council directs the City Manager to carry out day–to–day City functions and department directors report to the City Manager.

The City Council is charged with the responsibility of performing the legislative functions of the City.

The principal powers and duties of State municipalities are to maintain law and order, abate nuisances, guard public health and sanitation, promote recreation, provide fire protection, and to construct and maintain streets, sidewalks, waterworks, and sewers. Municipalities also regulate commercial and residential development within their boundaries by means of zoning ordinances, building codes and licensing procedures.

The current Mayor, City Council and certain administrative officers of the City are listed below with their respective terms in office:

Office	Person	Years of Service	Expiration of Current Term
Mayor	Lorin Palmer	4	January 2030
Council Member	Jared Henderson	10	January 2028
Council Member	Teddy Hodges	4	January 2030
Council Member	Matt Basham	1	January 2030
Council Member	Terrah Anderson	1	January 2028
City Manager	Nathan Cherpeski	5	Appointed
Assistant City Manager	Wendy Thomas	10	Appointed
City Recorder	Jackie Nostrom	12	Appointed
City Attorney	Todd Sheeran	4	Appointed
Direct of Finance	Kyle Maurer	4	Appointed
Director of Operations	Monte Johnson	20	Appointed
Director of Public Works	Justun Edwards	21	Appointed
Chief of Police	Cody Stromberg [1]	1	Appointed

(1) Cody Stromberg has served with the Herriman City Police Department since it's founding in 2018. He was named Chief of Police earlier this year in May.
(Source: the City.)

Employee Workforce And Retirement System; Other Post–Employment Benefits

Employee Workforce and Retirement System. The City currently employs approximately 213 full–time employees. The City participates in cost–sharing multiple employer defined benefit pension plans covering public employees of the State and employees of participating local government entities administered by the Utah State Retirement Systems ("URS"). The retirement system provides refunds, retirement benefits, annual cost of living adjustment and death benefits to plan members and beneficiaries in accordance with retirement statutes.

For a detailed discussion regarding retirement benefits and contributions see "APPENDIX A— ANNUAL COMPREHENSIVE FINANCIAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR 2025–Notes to the Financial Statements–Note 12. Pension Plans" (ACFR page 65).

Other Post–Employment Benefits. As of the date of this OFFICIAL STATEMENT, the City does not offer post–employment benefits and has no post–employment benefits liabilities.

Risk Management And Cybersecurity

Risk Management. The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the City to purchase commercial insurance for these risks. Various policies are purchased through an insurance agency to cover liability, theft, damage, and other losses. A minimal deductible applies to these policies, which the City pays in the event of any loss. There have been no significant reductions in coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The City also maintains a workers compensation policy through a commercial vendor. The City believes its risk management policies and coverage are normal and within acceptable coverage limits for the type of services the City provides.

Cybersecurity. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City's systems technology for the purposes of misappropriating assets or information or causing operational disruption and damage. To mitigate the risk of business operations impact and/or damage by cybersecurity incidents or cyberattacks, the City invests in multiple forms of cybersecurity and operational safeguards. Operational safeguards include a firewall/router with extensive access control lists, separate internal networks, protection of wireless access to city networks, secure authenticated virtual private network connections and anti–virus programs. The City also utilizes a security information and event management (SIEM) service to monitor activity across the network and endpoints. Additionally, the City has a group cybersecurity insurance policy to help cover potential data or network breaches.

See "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR 2025–Notes to the Financial Statements–Note 4. Cash, Cash Equivalents and Investments" (ACFR page 49).

Investment Of Funds

The State Money Management Act. The State Money Management Act, Title 51, Chapter 7 of the Utah Code (the "Money Management Act"), governs and establishes criteria for the investment of all public funds held by public treasurers in the State. The Money Management Act provides a limited list of approved investments, including qualified in–state and permitted out–of–state financial institutions, obligations of the State and political subdivisions of the State, U.S. Treasury and approved federal government agency and instrumentality securities, certain investment agreements and repurchase agreements and investments in corporate securities meeting certain ratings requirements. The Money Management Act establishes the State Money Management Council (the "Money Management Council") to exercise oversight of public deposits and investments. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all provisions of the Money Management Act for all City funds.

The Utah Public Treasurers' Investment Fund. A significant portion of City funds may be invested in the Utah Public Treasurers Investment Fund ("PTIF"). The PTIF is a local government investment fund, established in 1981, and managed by the State Treasurer. All investments in the PTIF must comply with the Money Management Act and rules of the Money Management Council. The PTIF invests primarily in money market securities. Securities in the PTIF include certificates of deposit, commercial paper, short–term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the federal government. By policy, the maximum weighted average adjusted life of the portfolio is not to exceed 90 days and the maximum final maturity of any security purchased by the PTIF is limited to five years. Safekeeping and audit controls for all investments owned by the PTIF must comply with the Money Management Act.

All securities purchased are delivered versus payment to the custody of the State Treasurer or the State Treasurer's safekeeping bank, assuring a perfected interest in the securities. Securities owned by the PTIF are completely segregated from securities owned by the State. The State has no claim on assets owned by the PTIF except for any investment of State moneys in the PTIF. Deposits are not insured or otherwise guaranteed by the State.

Investment activity of the State Treasurer in the management of the PTIF is reviewed monthly by the Money Management Council and is audited by the State Auditor. The PTIF is not rated.

See "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR 2025–Notes to the Financial Statements–Note 4. Cash, Cash Equivalents and Investments" (ACFR page 49).

Population

The population of the City, the County and the percent change from the prior period is as follows.

	City		% Change From Prior Period		County	% Change From Prior Period
2025 Estimate [1]……	60,049		14.7%		1,220,916	3.0%
2020 Census…….	55,177		153.3		1,185,230	15.1
2010 Census…….	21,785		1,330.4		1,029,655	14.6
2000 Census…….	1,523		-	[2]	898,387	23.8
1990 Census…….	-	[2]	-	[2]	725,956	11.8

(1) Percent change is calculated from the 2020 Census.
(2) The City was incorporated in 1999.

(Source: U.S. Department of Commerce, Bureau of the Census.)

Personal Income; Per Capita Personal Income; Median Household Income Within Salt Lake County And The State Of Utah

	2024	2023	2022	2021	2020
Total Personal Income (in $1,000's) [1]*:*					
Salt Lake County, Utah	$91,748,267	$86,904,107	$80,769,549	$76,936,492	$67,960,140
% change from prior year	5.6	7.6	5.0	13.2	8.9
State of Utah	235,907,386	222,237,811	206,055,695	194,799,076	169,991,561
% change from prior year	6.2	7.9	5.8	14.6	9.2
Total Per Capita Personal Income [1]*:*					
Salt Lake County, Utah	75,434	72,387	67,745	64,843	57,252
% change from prior year	4.2	6.9	4.5	13.3	8.1
State of Utah	67,333	64,544	60,765	58,328	51,762
% change from prior year	4.3	6.2	4.2	12.7	7.5
Median Household Income [2]*:*					
Salt Lake County, Utah	97,494	94,658	90,011	82,206	77,128
% change from prior year	3.0	5.2	9.5	6.6	3.0
State of Utah	95,166	91,750	86,833	79,133	74,197
% change from prior year	3.7	5.7	9.7	6.7	3.6

(1) U.S. Bureau of Economic Analysis: County personal income and per capita income.
(2) U.S. Census Bureau American Community Survey, five-year estimate.

(Sources: Illustrated by footnotes and compiled by the Municipal Advisor.)

Rate of Unemployment

Year	Salt Lake County		State of Utah		United State	
2026……	3.8%	[1]	3.8%	[1]	4.3%	[2]
2025 [3] ……	3.6		3.2		4.1	
2024……	3.3		2.6		3.7	
2023……	2.8		2.4		3.5	
2022……	2.4		2.8		3.9	

(1) Data for Salt Lake County and State of Utah as of May 2026. Seasonally adjusted.
(2) Data for the United States as of June 2026. Seasonally adjusted.
(3) Data for the month of October 2025 is unavailable due to the 2025 lapse in federal appropriations. Seasonally adjusted.

(Source: Utah Department of Workforce Services.)

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Labor Force, Nonfarm Jobs and Wages within Salt Lake County

	Calendar Year					Percent Change Between Years				
	2025	2024	2023	2022	2021	2024–25	2023–24	2022–23	2021–22	2020–21
Civilian labor force	698,940	693,444	693,701	678,077	683,817	0.8	0.0	2.3	(0.8)	6.5
Employed persons	674,998	671,267	675,303	662,608	635,656	0.6	(0.6)	1.9	4.2	4.2
Unemployed persons	23,941	22,177	18,398	15,468	18,161	8.0	20.5	18.9	(14.8)	(44.3)
Total private sector (average)	280,885	695,039	691,570	678,514	647,118	(59.6)	0.5	1.9	4.9	5.0
Agriculture, forestry, fishing & hunting	562	572	600	506	433	(1.7)	(4.7)	18.6	16.9	23.7
Mining	3,252	3,476	3,419	3,101	2,711	(6.4)	1.7	10.3	14.4	0.3
Utilities	2,918	2,755	2,674	2,621	2,540	5.9	3.0	2.0	3.2	(6.4)
Construction	56,396	55,073	54,136	52,254	49,403	2.4	1.7	3.6	5.8	7.2
Manufacturing	62,657	60,989	61,937	61,233	58,412	2.7	(1.5)	1.1	4.8	3.3
Wholesale trade	39,434	40,100	38,399	36,899	34,826	(1.7)	4.4	4.1	6.0	3.7
Retail trade	71,110	73,066	73,842	75,693	75,837	(2.7)	(1.1)	(2.4)	(0.2)	5.5
Transportation and warehousing	51,115	50,974	50,935	48,540	46,635	0.3	0.1	4.9	4.1	3.3
Information	24,010	23,459	24,260	24,535	21,586	2.3	(3.3)	(1.1)	13.7	5.5
Finance and insurance	52,216	51,877	51,142	51,666	51,570	0.7	1.4	(1.0)	0.2	2.7
Real estate, rental and leasing	13,597	12,882	12,605	12,320	11,964	5.6	2.2	2.3	3.0	3.5
Professional, scientific, and technical services	75,902	76,023	75,975	73,906	67,717	(0.2)	0.1	2.8	9.1	8.8
Management of companies and enterprises	17,381	16,898	16,780	16,336	16,041	2.9	0.7	2.7	1.8	(3.0)
Admin., support, waste remediation	52,095	49,971	51,294	52,504	50,714	4.3	(2.6)	(2.3)	3.5	0.5
Education services	71,383	68,673	66,619	65,262	64,248	3.9	3.1	2.1	1.6	8.8
Health care and social assistance	97,477	93,654	90,862	86,331	83,898	4.1	3.1	5.2	2.9	3.8
Arts, entertainment, and recreation	13,965	13,241	12,260	11,306	9,691	5.5	8.0	8.4	16.7	20.4
Accommodation and food services	57,009	57,213	56,703	53,976	48,396	(0.4)	0.9	5.1	11.5	8.5
Other services	23,295	23,161	23,089	22,825	22,266	0.6	0.3	1.2	2.5	7.7
Public administration	34,466	33,911	32,634	31,989	31,155	1.6	3.9	2.0	2.7	
Unclassified	39	48	58	77	82	(18.8)	(17.2)	(24.7)	(6.1)	382.4
Total public sector (average)	117,142	112,178	108,728	105,017	103,006	4.4	3.2	3.5	2.0	(0.5)
Federal	11,624	11,906	11,434	11,154	11,444	(2.4)	4.1	2.5	(2.5)	(2.1)
State	56,240	53,094	50,727	48,847	47,882	5.9	4.7	3.8	2.0	(1.9)
Local	49,278	48,003	46,568	45,016	43,679	2.7	3.1	3.4	3.1	1.5
Total payroll (in millions)	$65,198	$62,019	$58,443	$54,649	$49,206	5.1	6.1	6.9	11.1	10.7
Average monthly wage	$6,624	$6,396	$6,086	$5,812	$5,467	3.6	5.1	4.7	6.3	6.2
Average employment	820,278	808,038	800,299	783,531	750,123	1.5	1.0	2.1	4.5	4.2
Establishments	68,084	67,102	65,056	69,744	62,346	1.5	3.1	(6.7)	11.9	23.3

(Source: Utah Department of Workforce Services; compiled by the Municipal Advisor.)

Construction Within Herriman City

Calendar Year [1]	New			Additions, Alterations and Repairs		Total Construction Value	
	New Dwelling Units	Residential Value ($000)	New Non-Residential Value ($000)	Residential Value ($000)	New Non-residential Value ($000)	Value ($000)	% change from prior period
2026	127	$57,672	$45,335	$2,672	$3,313	$108,992	41.7
2025	307	147,062	91,197	8,069	16,180	262,508	53.8
2024	373	118,494	41,354	6,579	4,210	170,637	(20.8)
2023	343	170,848	34,091	6,086	4,504	215,529	10.4
2022	483	166,640	20,306	5,336	2,876	195,158	(14.1)
2021	478	186,474	24,897	6,671	9,212	227,254	(7.9)

(1) Calendar Year 2026 is as of month end April. The % change comparison is compared to 2025 April month end.

(Source: University of Utah Kem C. Gardner Policy Institute, Ivory–Boyer Utah Report and Database.)

Sales Taxes Within Herriman City, Salt Lake County, And The State Of Utah

	Calendar Year				
	2025	2024	2023	2022	2021
Taxable Sales (in $1,000's):					
Herriman City, Utah	$699,990	$662,102	$615,123	$583,714	$494,176
% change from prior year	5.7	7.6	5.4	18.1	24.2
Salt Lake County, Utah	43,966,817	42,782,132	41,950,608	41,687,264	37,173,705
% change from prior year	2.8	2.0	0.6	12.1	18.5
State of Utah	108,820,537	105,190,984	102,657,374	100,893,345	90,105,222
% change from prior year	3.5	2.5	1.7	12.0	20.6

(Source: Utah State Tax Commission.)

	Fiscal Year				
	2025	2024	2023	2022	2021
Local Sales and Use Tax Distribution (in $1,000's):					
Herriman City, Utah	$13,542	$13,308	$12,645	$11,506	$9,337
% change from prior year	1.8	5.2	9.9	23.2	32.9
State of Utah	1,024,219	1,017,614	977,924	932,212	784,024
% change from prior year	0.6	4.1	4.9	18.9	14.4

(Source: Utah State Tax Commission.)

Largest Employers

The City is an integral part of the economy of the County. In reviewing the economic conditions of the City, the economy of the entire County must be considered. The City is primarily a residential community in the southern portion of the County. The following is a list of the largest employers in the City and County.

Firm (location)	Business	Range of Employees
Major Employers in the City [1]		
City of Herriman	Local Government	250 - 499
Bullfrog Spas	Manufacturing	250 - 499
Providence Hall Charter School	Charter School	250 - 499
Bastian Elementary	Public Education	100 - 249
Herriman High School	Public Education	100 - 249
Copper Mountain Middle School	Public Education	100 - 249
Fort Herriman Middle School	Public Education	100 - 249
Wal-Mart	Retail	100 - 249
Blackridge Elementary	Public Education	100 - 249
Silvercrest Elementary	Public Education	100 - 249
Major Employers in the County		
University Of Utah	Higher Education	20,000+
Intermountain Medical Center	Hospitals	20,000+
State Of Utah	State Government	10,000-14,999
Granite School District	Public Education	7,000-9,999
Jordan School District	Public Education	7,000-9,999
Amazon.com	Local Messengers and Delivery	7,000-9,999

Firm (location)	Business	Range of Employees
Salt Lake County	Local Government	5,000-6,999
Wal-Mart Associates	Warehouse Clubs and Supercenters	5,000-6,999
Delta Airlines	Passenger Air Transportation	5,000-6,999
Canyons School District	Public Education	4,000-4,999
ARUP Laboratories	Medical Laboratories	4,000-4,999
Salt Lake City	Local Government	3,000-3,999
VA Salt Lake City Health Care	Hospitals	3,000-3,999
Smith's	Supermarkets	3,000-3,999
United Parcel Service	Couriers and Express Delivery	3,000-3,999
Salt Lake City School District	Public Education	3,000-3,999
US Postal Service	Postal Service	3,000-3,999
Salt Lake Community College	Junior Colleges	3,000-3,999
Biofire Diagnostics	Biotechnology R&D	2,000-2,999
Zions Bancorporation	Commercial Banking	2,000-2,999
L3 Technologies	Instrument Manufacturing	2,000-2,999
Kennecott Utah Copper	Copper Mining	2,000-2,999
Fidelity Brokerage Services	Investment Banking	2,000-2,999
Utah Transit Authority	Mixed Mode Transit	2,000-2,999
Harmons	Supermarkets	2,000-2,999
Costco Wholesale	Warehouse Clubs	2,000-2,999
Northrop Grumman	Aerospace Manufacturing	2,000-2,999
Mountain America Credit Union	Credit Unions	2,000-2,999
Merit Medical Systems	Medical Instrument Manufacturing	2,000-2,999
Skywest Airlines	Passenger Air Transportation	2,000-2,999
Select Health	Medical Insurance Carriers	2,000-2,999

(1) Utah Department of Workforce Services. Updated October 2025, reflecting major employers of 2024.)

(Source: Utah Department of Workforce Services and the City's 2024 ACFR; compiled by the Municipal Advisor.)

DEBT STRUCTURE OF HERRIMAN CITY, UTAH

Outstanding Sales and Franchise Tax Revenue Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2026 [a]	Refunding	$14,310,000	August 1, 2035	$14,310,000
2025 [1]	Roads, Parks, Open Space, Drainage	$16,330,000	August 1, 2045	16,330,000
2021 [2]	Roads	10,593,000	August 1, 2036	7,292,000
Total Sales and Franchise Tax Revenue Bonds outstanding				$37,932,000

(a) Preliminary; subject to change. For purposes of this OFFICIAL STATEMENT, the 2026 Bonds will be considered issued and outstanding, and the 2015 Refunded Bonds will be considered defeased.
(1) Rated "AA+" by S&P Global Ratings ("S&P").as of the date of this OFFICIAL STATEMENT.
(2) Not rated; no rating applied for. Sold through a direct purchase.

(Source: the Municipal Advisor.)

Outstanding Special Assessment Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2016 [1]	Towne Center	$10,795,000	October 1, 2029	$3,401,151

(1) Not rated; no rating applied for. Sold through a direct purchase.

(Source: the Municipal Advisor.)

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Redevelopment Agency of Herriman City Outstanding Tax Increment Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2016 (1)	Towne Center	$10,969,000	July 1, 2032	$4,569,000

(1) Not rated; no rating applied for. Sold through a direct purchase.

(Source: the Municipal Advisor.)

Outstanding Water Revenue Bonded Indebtedness

Series	Purpose	Original Principal Amount	Final Maturity Date	Current Principal Outstanding
2021 (1)	Water and Refunding	$22,705,000	January 1, 2041	$18,350,000
2016 (2)	Refunding	7,795,000	January 1, 2033	4,640,000
Total Water Revenue Bonds Outstanding				$22,990,000

(1) Rated "AA" (AG insured; underlying "A+") by S&P as of the date of this OFFICIAL STATEMENT.
(2) Rated "AA" (BAM insured; underlying "A+") by S&P as of the date of this OFFICIAL STATEMENT.

(Source: the Municipal Advisor.)

For additional information regarding sales tax, water revenue and special assessment debt and annual debt service requirements as of Fiscal Year 2025 see "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR 2025—Notes to the Financial Statements–Note 8. Long–Term Debt" (ACFR page 56).

Future Issuance Of Debt And Other Financial Considerations

Future Issuance of Debt. The City intends to issue additional debt in the next three years to complete additional road, park, drainage, and open space projects required by certain master development agreements or other existing agreements. The current anticipated amount of bonding is $12,150,000. However, this could change depending on construction costs and project timing. Additionally, in the next two years the City may issue approximately $3,000,000 of additional debt to pay for remediation efforts on a tract of land to be conveyed to a developer. It is not anticipated that the City would pledge the Pledged Taxes to the repayment of this debt.

The City reserves the right to issue Additional Bonds in compliance with the terms specified in the Indenture. See "SECURITY AND SOURCES OF PAYMENT—Issuance of Additional Bonds" herein.

Capital Leases. The City has entered into various agreements for financing its capital needs. As of Fiscal Year 2025, the lease asset value is $1,231,387, with annual payments scheduled through 2033. [The City intends to issue a five-year capital lease in the amount of approximately $280,000 within the next year for a hook lift.] See APPENDIX A—ANNUAL COMPREHENSIVE FINANICAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR FISCAL YEAR 2025–Notes to the Financial Statements–Note 9. Leases (ACFR page 61).

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Debt Service Schedule Of Sales and Franchise Tax Revenue Refunding Bonds By Fiscal Year

Fiscal Year	Series 2026		Series 2025		Series 2021		**Totals**		
Ending	$14,310,000 * [(a)]		$16,330,000		$10,593,000		Total	Total	Total Debt
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Service
2026	–	–	–	$505,776	$665,000	$133,997	$665,000	$639,773	$1,304,773
2027	$1,495,000	$598,238	$485,000	804,375	673,000	126,971	2,653,000	1,529,583	4,182,583
2028	1,460,000	640,750	510,000	779,500	680,000	119,189	2,650,000	1,539,439	4,189,439
2029	1,520,000	567,750	540,000	753,250	689,000	110,631	2,749,000	1,431,631	4,180,631
2030	1,615,000	491,750	565,000	725,625	698,000	101,266	2,878,000	1,318,641	4,196,641
2031	1,685,000	411,000	595,000	696,625	708,000	91,070	2,988,000	1,198,695	4,186,695
2032	1,765,000	326,750	625,000	666,125	719,000	80,008	3,109,000	1,072,883	4,181,883
2033	1,855,000	238,500	660,000	634,000	731,000	68,043	3,246,000	940,543	4,186,543
2034	1,425,000	145,750	690,000	600,250	744,000	55,133	2,859,000	801,133	3,660,133
2035	1,490,000	74,500	725,000	564,875	758,000	41,047	2,973,000	680,422	3,653,422
2036	–	–	765,000	527,625	774,000	25,529	1,539,000	553,154	2,092,154
2037	–	–	805,000	488,375	791,000	8,701	1,596,000	497,076	2,093,076
2038	–	–	845,000	447,125	–	–	845,000	447,125	1,292,125
2039	–	–	890,000	403,750	–	–	890,000	403,750	1,293,750
2040	–	–	935,000	358,125	–	–	935,000	358,125	1,293,125
2041	–	–	980,000	310,250	–	–	980,000	310,250	1,290,250
2042	–	–	1,030,000	260,000	–	–	1,030,000	260,000	1,290,000
2043	–	–	1,085,000	207,125	–	–	1,085,000	207,125	1,292,125
2044	–	–	1,140,000	151,500	–	–	1,140,000	151,500	1,291,500
2045	–	–	1,200,000	93,000	–	–	1,200,000	93,000	1,293,000
2046	–	–	1,260,000	31,500	–	–	1,260,000	31,500	1,291,500
Totals	$14,310,000	$3,494,988	$16,330,000	$10,008,776	$8,630,000	$961,583	$39,270,000	$14,465,347	$53,735,347

* Preliminary; subject to change.

(a) For purposes of this OFFICIAL STATEMENT, the 2026 Bonds will be considered issued and outstanding, and the 2015 Refunded Bonds will be considered defeased.

(Source: the Municipal Advisor.)

Debt Service Schedule Of Special Assessment Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2016 $10,795,000 Principal		Interest	**Total Debt Service**
2026	$803,037	(1)	$97,537	$900,574
2027	821,476	(1)	78,906	900,382
2028	839,916	(1)	59,848	899,764
2029	860,199	(1)	40,362	900,561
2030	879,560	(1)	20,406	899,966
Totals	$4,204,188		$297,059	$4,501,247

(1) Mandatory sinking fund principal payments from a $7,952,000 2.32% term bond due October 1, 2029.
(Source: the Municipal Advisor.)

Debt Service Schedule Of Water Revenue Bonds By Fiscal Year

Fiscal Year Ending June 30	Series 2021 $22,705,000 Principal		Interest	Series 2016 $7,795,000 Principal	Interest	**Totals** Total Principal	Total Interest	Total Debt Service
2026	$880,000		$769,200	$565,000	$208,200	$1,445,000	$977,400	$2,422,400
2027	915,000		734,000	585,000	185,600	1,500,000	919,600	2,419,600
2028	955,000		697,400	610,000	162,200	1,565,000	859,600	2,424,600
2029	990,000		659,200	635,000	137,800	1,625,000	797,000	2,422,000
2030	1,030,000		619,600	665,000	112,400	1,695,000	732,000	2,427,000
2031	1,075,000		578,400	685,000	85,800	1,760,000	664,200	2,424,200
2032	1,115,000		535,400	715,000	58,400	1,830,000	593,800	2,423,800
2033	1,160,000		490,800	745,000	29,800	1,905,000	520,600	2,425,600
2034	1,205,000		444,400	-	-	1,205,000	444,400	1,649,400
2035	1,255,000		396,200	-	-	1,255,000	396,200	1,651,200
2036	1,305,000		346,000	-	-	1,305,000	346,000	1,651,000
2037	1,355,000	(1)	293,800	-	-	1,355,000	293,800	1,648,800
2038	1,410,000	(1)	239,600	-	-	1,410,000	239,600	1,649,600
2039	1,470,000	(2)	183,200	-	-	1,470,000	183,200	1,653,200
2040	1,525,000	(2)	124,400	-	-	1,525,000	124,400	1,649,400
2041	1,585,000	(2)	63,400	-	-	1,585,000	63,400	1,648,400
Totals	$19,230,000		$7,175,000	$5,205,000	$980,200	$24,435,000	$8,155,200	$32,590,200

(1) Mandatory sinking fund principal payments from a $2,765,000 4.00% term bond due January 1, 2038.
(2) Mandatory sinking fund principal payments from a $4,580,000 4.00% term bond due January 1, 2041.
(Source: the Municipal Advisor.)

Redevelopment Agency of Herriman City Tax Increment Bonded Indebtedness

Fiscal Year Ending June 30	Series 2016 $10,795,000 Principal		Interest	**Total Debt Service**
2026	$803,037	(1)	$97,537	$900,574
2027	821,476	(1)	78,906	900,382
2028	839,916	(1)	59,848	899,764
2029	860,199	(1)	40,362	900,561
2030	879,560	(1)	20,406	899,966
Totals	$4,204,188		$297,059	$4,501,247

(1) Mandatory sinking fund principal payments from a $7,952,000 2.32% term bond due October 1, 2029.
(Source: the Municipal Advisor.)

Overlapping And Underlying General Obligation Debt

Taxing Entity	Estimated 2026 Taxable Value [1]	City's Portion of Taxable Value	City's Percentage	Entity's G.O Debt	City's Portion of G.O. Debt
Overlapping:					
State of Utah	$651,461,784,840	$7,794,168,371	1.2%	$661,590,000	$7,915,344
CUWD [2]	373,680,997,608	$7,794,168,371	2.1%	76,250,000	1,590,408
Salt Lake County	229,171,382,699	$7,794,168,371	3.4%	66,427,000	2,259,197
Jordan School District	55,362,286,191	$7,794,168,371	14.1%	125,105,000	17,612,882
Total Overlapping					$29,377,831
Underlying:					
Total Underlying	–				–
Total *overlapping* and underlying general obligation debt (excluding the State) [3]					$21,462,487
Total *direct* general obligation bonded indebtedness					–
Total *direct and overlapping* general obligation debt (excluding the State)					$21,462,487

(1) Taxable value used in this table *excludes* the taxable value used to determine uniform fees on tangible personal property. This table excludes any additional principal amounts attributable to unamortized original issue bond premium.

(2) Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. Certain portions of the principal of and interest on CUWCD's general obligation bonds are paid from sales of water.

(3) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

(Source: Records from the State Tax Commission, compiled by the Municipal Advisor.)

Debt Ratios

The following table sets forth the ratios of general obligation debt (excluding any additional principal amounts attributable to unamortized original issue bond premium and deferred amount on refunding) that is expected to be paid from taxes levied specifically for such debt and not from other revenues over the taxable value of property within the City, the estimated market value of such property and the population of the City. *The State's general obligation debt is not included in the debt ratios because the State currently levies no property tax for payment of general obligation debt.*

	To 2026 Taxable Value [1]	To 2025 Market Value [2]	Total Current Population Estimate Per Capita [3]
Direct general obligation debt	0.00%	0.00%	$0
Direct and overlapping general obligation debt	0.00	0.00	0

(1) Based on the estimated 2026 Taxable Value of $7,794,168,371, which value excludes the taxable value used to determine uniform fees on tangible personal property.

(2) Based on the estimated 2026 Market Value of $13,096,817,902, which value excludes the taxable value used to determine uniform fees on tangible personal property.

(3) Based on the 2025 U.S. Census population estimate of 63,282.

(Source: Compiled by the Municipal Advisor.)

See "FINANCIAL INFORMATION REGARDING HERRIMAN CITY, UTAH—Taxable, Fair Market And Market Value Of Property Within The City" herein.

General Obligation Legal Debt Limit And Additional Debt Incurring Capacity

The general obligation indebtedness of the City is limited by State law to 12% of the fair market value of taxable property in the City (4% for general purposes and an additional 8% for sewer, water and electric purposes) as computed from the last equalized assessment rolls for State or County purposes prior to incurring the debt. The legal debt limit and additional debt incurring capacity of the City are based on the projected fair market value for 2026 and the valuation value from 2025 uniform fees, and are calculated as follows:

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Description	Amount
2026 estimated "Fair Market Value"	$13,096,817,902
2025 "valuation from Uniform Fees [1]	4,392,915
2026 "Fair Market Value for Debt Incurring Capacity"	$13,101,210,818
"Fair Market Value for Debt Incurring Capacity" times 2% equals (the "Debt Limit")	$262,024,216
Less: currently outstanding general obligation debt (net) [2]	-
Additional debt incurring capacity	$262,024,216

(1) For debt incurring capacity only, in computing the fair market value of taxable property in the City, the value of all motor vehicles and state–assessed commercial vehicles (which value is determined by dividing the uniform fee revenue by 1.5%) will be included as a part of the fair market value of the taxable property in the City.

(2) For accounting purposes, the net unamortized bond premium was $0 (as of June 30, 2025) and together with current outstanding direct general obligation debt of $0, results in total outstanding net direct debt of $0.

(Source: Compiled by the Municipal Advisor.)

	8% Sewer, Water and Electric	4% Other Purposes	12% Total
"Fair Market Value" x .08	$1,048,096,865	$0	$1,048,096,865
"Fair Market Value" x .04	-	524,048,433	524,048,433
Total debt incurring capacity	1,048,096,865	524,048,433	1,572,145,298
Less: current outstanding general obligation debt [1]	-	-	-
Additional debt incurring capacity	$1,048,096,865	$524,048,433	$1,572,145,298

(Source: Records from the State Tax Commission, compiled by the Municipal Advisor.)

No Defaulted Obligations

The City has never failed to pay principal of and interest on any of its financial obligations when due.

FINANCIAL INFORMATION REGARDING HERRIMAN CITY, UTAH

Fund Structure; Accounting Basis

The government–wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business–type activities, which rely to a significant extent on fees charged to external parties for goods or services.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government–wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The remaining governmental and enterprise funds are combined into a single column and reported as other (nonmajor) funds. Internal service funds are aggregated and reported in single column on the proprietary fund financial statements.

Revenues and expenditures are recognized using the modified accrual basis of accounting in the governmental fund statements. Revenues are recognized in the accounting period in which they become both measurable and available. “Measurable” means that amounts can be reasonably determined within the current period. “Available” means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues on cost–reimbursement grants are accrued when the related expenditures are incurred.

In the proprietary fund statements and the government–wide statements, revenues and expenses are recognized using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred.

Budgets And Budgetary Accounting

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Cities, Title 10, Chapter 6, Utah Code (the “Fiscal Procedures Act”). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the general fund, special revenue funds, debt service funds, capital project funds and proprietary funds. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to

specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures. Under the Fiscal Procedures Act, the total of anticipated revenues must equal the total of appropriated expenditures. The City adopts a biennial budget, planning for two years at a time.

On or before the first regular meeting of the City Council of the City in May of each year, the budget officer is required to submit to the City Council tentative budgets for all funds for the next two fiscal years commencing July 1. Various actual and estimated budget data are required to be set forth in the tentative budgets. The budget officer may revise the budget requests submitted by the heads of City departments but must file these submissions with the City Council together with the tentative budgets. The budget officer is required to estimate in the tentative budgets the revenues from non–property tax sources available for each fund and the revenues from general property taxes required by each fund. The tentative budgets are then tentatively adopted by the City Council, with any amendments or revisions that the City Council deems advisable prior to the public hearing on the tentative budgets. After public notice and hearing, the tentative budgets are adopted by the City Council, subject to further amendment or revisions by the City Council prior to adoption of the final budgets.

Prior to June 30 of each year, the final budgets for all funds for the next two fiscal years are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund more than the estimated expendable revenue of such fund. The adopted final budgets are subject to amendment by the City Council during the fiscal year. However, to increase the budget total of any fund, public notice and hearing must be provided. Intra– and inter–department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act. The amount set forth in the final budgets as the total amount of estimated revenues from property taxes constitutes the basis for determining the property tax levy to be set by the City Council for the succeeding tax years.

Also, see "APPENDIX A— ANNUAL COMPREHENSIVE FINANCIAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR 2025–Notes to the Financial Statements–Note 1. Summary of Significant Accounting Policies" (ACFR page 34).

Financial Controls

The City utilizes a computerized financial accounting system which includes a system of budgetary controls. State law requires budgets to be controlled by individual departments, but the City has also empowered the Finance Director to maintain control of major categories within departments. These controls are such that a requisition will not be entered into the purchasing system unless appropriated funds are available. The Finance Director checks for sufficient funds again prior to the purchase order being issued and again before the payment check is issued.

Sources of General Fund Revenues

Set forth below are brief descriptions of the various sources of revenues available to the City's general fund. The percentage of total general fund revenues represented by each source is based on the City's Fiscal Year 2025 (total general fund revenues were $24,496,004).

Sales and use taxes—Approximately 56% (or ($13,730,280) of general fund revenues are from sales and use taxes.

Franchise taxes—Approximately 13% (or $3,054,729) of general fund revenues are from franchise taxes.

Intergovernmental revenue—Approximately 12% (or $2,976,559) of general fund revenues are from State and federal grant revenues, shared state revenues and other grants.

Charges for services—Approximately 11% (or $2,814,544) of general fund revenues are from charges for services.

Property and motor vehicle taxes—Approximately 5% (or $1,134,661) of general fund revenues are collected from property and motor vehicle taxes.

Investment income—Approximately 2% (or $361,229) of general fund revenues are collected from interest income.

Miscellaneous —Approximately 2% (or $471,414) of general fund revenues are from miscellaneous revenue.

Fines and forfeitures—Less than 1% (or $228,831) of general fund revenues are from fines and forfeitures.

Licenses and permits—Less than 1% (or $74,814) of general fund revenues are collected from licenses and permits.

Five–Year Financial Summaries

The summaries contained herein were extracted from the City's ACFR reports. The summaries themselves have not been audited.

The City's annual financial report for Fiscal Year 2026 must be completed under State law by December 31, 2026.

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Herriman City, Utah
Statement of Net Position

(This summary has not been audited)

	As of June 30				
	2025	2024	2023	2022	2021
Assets					
Current assets					
Cash and cash equivalents	$55,475,968	$71,004,274	$61,607,509	$33,534,599	$22,218,510
Receivables					
Property, and franchise and excise taxes	22,908,751	21,261,361	20,741,225	19,111,589	16,715,797
Special assessments receivable	4,204,188	4,988,785	5,754,943	6,504,505	7,236,550
Accounts receivable	823,350	2,935,543	2,322,275	2,385,901	2,315,975
Due to/(from) another fund	-	-	-	-	356,143
Inventory	-	1,149,121	1,000,994	440,147	319,996
Prepaid expense	170,166	125,339	299,995	137,444	880,510
Total Current Assets	83,582,423	101,464,423	91,726,941	62,114,185	50,043,481
Noncurrent assets					
Restricted cash and cash equivalents	26,797,968	37,005,408	32,092,512	53,377,720	36,199,079
Internal Balances	(7,609,748)	-	-	-	-
Improvements, other than buildings	155,132,193	275,746,522	250,573,729	245,587,724	248,349,711
Land and water rights	352,316,663	335,894,339	276,502,319	258,402,004	251,822,106
Buildings	15,862,778	16,513,036	17,124,062	17,758,796	18,441,108
Construction in progress	12,858,621	17,548,558	15,323,423	6,489,173	4,270,758
Autos and trucks	3,501,741	4,547,468	4,617,789	2,811,650	2,182,746
Machinery and equipment	798,043	1,881,873	1,898,322	1,441,637	1,291,824
Net Pension Asset	-	-	-	4,620,653	-
Security Deposit	30,080	64,871	14,400	-	-
Right to use Subscriptions	992,147	764,912	788,904	-	-
Right to use Equipment	418,969	447,081	464,059	-	-
Right to use Buildings	433,128	569,905	286,514	-	-
Total noncurrent assets	561,532,583	690,983,973	599,686,033	590,489,357	562,557,332
Total assets	645,115,006	792,448,396	691,412,974	652,603,542	612,600,813
Deferred outflows of resources					
Related to pensions	4,123,820	4,903,105	3,696,600	3,250,248	3,769,258
Related refunding long term debt	857,239	1,326,124	1,531,481	1,775,305	1,980,662
Total deferred outflows	4,981,059	6,229,229	5,228,081	5,025,553	5,749,920
Total assets and deferred inflows of resources	$650,096,065	$798,677,625	$696,641,055	$657,629,095	$618,350,733

(Source: Information taken from the City's ACFR for the indicated years, compiled by the Municipal Advisor.)

Herriman City, Utah
Statement of Net Position—Continued

(This summary has not been audited)

	As of June 30				
	2025	2024	2023	2022	2021
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	$5,133,782	$5,943,295	$7,718,986	$4,319,164	$5,383,582
Deposits	3,171,471	3,751,780	5,280,948	5,560,761	3,589,462
Bonds payable (less than one year)	-	-	-	4,969,139	5,410,265
Portion of Notes payable	-	-	-	1,409,119	-
Accrued interest	659,558	1,214,678	1,266,618	1,323,176	1,108,199
Current compensated absences	1,678,675	1,667,905	1,440,786	1,037,495	866,350
Capital leases (less than one year)	-	-	-	-	642,958
Longterm Obligations	4,122,454	5,804,080	6,457,157	-	-
Due to other fund)	-	-	-	-	356,143
Total current liabilities	14,765,940	18,381,738	22,164,495	18,618,854	17,356,959
Noncurrent liabilities					
Compensated Absences	1,364,339	-	-	-	-
Bonds payable (over one year)	-	-	-	76,391,053	72,916,272
Notes payable (over one year)	-	-	-	1,327,243	-
Longterm Obligations	53,570,287	68,451,797	72,718,371	-	-
Net pension liability	3,974,617	3,691,988	2,630,343	-	1,661,432
Capital leases (over one year)	-	-	-	-	410,669
Long–term compensation liability	-	1,154,586	590,073	728,051	699,743
Purchase agreement	-	-	-	–	–
Total noncurrent liabilities	58,909,243	73,298,371	75,938,787	78,446,347	75,688,116
Total liabilities	73,675,183	91,680,109	98,103,282	97,065,201	93,045,075
Deferred inflows of resources					
Related to pensions	30,798	57,557	116,872	7,476,094	3,752,946
Total deferred inflows of resources	30,798	57,557	116,872	7,476,094	3,752,946
Net position					
Invested in capital assets, net of related debt	502,743,014	596,628,654	514,072,895	466,355,498	448,495,972
Restricted for					
Capital projects	11,196,395	47,708,939	21,338,551	24,666,454	34,707,515
Debt service	3,366,798	5,738,357	4,917,307	3,519,896	218
Redevelopment	2,578,316	1,592,390	4,522,010	-	-
Development Services	4,044,175	2,214,825	697,680	-	-
Public Safety	99,099	82,596	46,192	-	-
Unrestricted	52,362,287	52,974,198	52,826,266	58,545,952	38,349,003
Total Net Position	576,390,084	706,939,959	598,420,901	553,087,800	521,552,708
Total liabilities, deferred inflows of resources and net position	$650,096,065	$798,677,625	$696,641,055	$657,629,095	$618,350,729

(Source: Information taken from the City's ACFR for the indicated years, compiled by the Municipal Advisor.)

Herriman City, Utah
Statement of Activities [1]

(This summary has not been audited)

	Net (Expense) Revenue and Changes in Net Position Fiscal Year Ended June 30				
	2025	2024	2023	2022	2021
Primary government					
Governmental activities					
Parks, recreation and events	$4,693,654	$8,783,168	$6,457,275	$2,353,596	$7,690,502
Community development	4,513,474	3,774,880	4,609,242	2,780,457	3,052,471
Operations	-	-	-	4,342,155	38,966,428
General government	(5,848,637)	(6,135,267)	(5,639,400)	(4,804,629)	(873,100)
Finance	-	-	-	-	(1,141,435)
Engineering	-	-	-	-	(1,958,398)
ARPA Funds	-	-	2,401,824	2,253,403	-
Public Works	28,978,293	68,023,085	13,973,213	-	-
Development services	1,700,152	1,580,385	-	-	-
Interest on long–term debt	(1,522,236)	(1,815,591)	(1,478,407)	(1,579,811)	(1,450,203)
Tax Increment Distribution	(4,638,880)	(7,544,382)	(2,375,167)	(1,336,662)	-
Administration	(1,052,315.00)	(929,875.00)	(1,077,007)	-	2,801,670
Public safety	(15,867,162)	(15,013,577)	(13,716,930)	(11,438,393)	(10,246,365)
Total governmental activities	10,956,343	50,722,826	3,154,643	(7,429,884)	36,841,570
Business–type activities					
Water	7,734,605	8,916,935	4,261,101	3,380,748	10,675,701
High Country I [2]	(31,753)	(1,662)	37,875	60,986	(403,163)
High Country II [2]	72,894	81,844	(175,348)	132,849	164,978
Storm water	3,313,403	6,809,477	1,971,562	143,528	241,080
Total business–type activities	11,089,149	15,806,594	6,095,190	3,718,111	10,678,596
Total primary government	22,045,492	66,529,420	9,249,833	(3,711,773)	47,520,166
General revenues					
Taxes					
Property taxes levied for general purposes	20,652,752	20,303,718	19,314,898	19,905,579	15,155,482
Sales and uses taxes	13,730,280	12,981,307	12,706,372	11,577,127	9,527,545
Other taxes	3,064,901	3,048,145	3,050,140	-	-
Franchise taxes	-	-	-	2,527,304	2,307,026
Unrestricted investment earnings	5,368,219	5,433,617	3,199,940	348,812	171,963
Gain (loss) on sale of fixed assets	1,194,982	222,852	652,224	-	733,893
Total general revenues	44,011,134	41,989,639	38,923,574	34,358,822	27,895,909
Change in net assets	66,056,626	108,519,059	48,173,407	30,647,049	75,416,075
Net assets–beginning	706,939,960	598,420,901	553,087,799	521,552,707	446,536,766
Prior period adjustment	–	–	(2,840,305)	888,046	(400,136)
Net assets–ending	$772,996,586	$706,939,960	$598,420,901	$553,087,802	$521,552,705

(1) This report is presented in summary format concerning the single item of "Net (Expense) Revenue and Changes in Net Position" and is not intended to be complete. For a detailed itemized report see "APPENDIX A–ANNUAL COMPREHENSIVE FINANCIAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR 2025."

(2) Wholesale water user.

(Source: Information taken from the City's ACFR for the indicated years, compiled by the Municipal Advisor.)

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Herriman City, Utah
Balance Sheet
General Fund

(This summary has not been audited)

	As of June 30				
	2025	2024	2023	2022	2021
Assets					
Cash and cash equivalents	$7,131,403	$9,052,787	$13,170,677	$11,647,723	$5,771,945
Receivables					
Property, franchise and excise tax	4,027,244	3,533,717	3,609,804	3,718,599	3,341,640
Prepaid items	165,747	125,339	144,972	137,444	-
Inventories	-	-	55,691	-	-
Restricted cash	129,179	82,596	46,192	2,253,904	-
Other receivables	793,735	784,158	793,021	202,500	144,821
Total assets	$12,247,308	$13,578,597	$17,820,357	$17,960,170	$9,258,406
Liabilities, deferred inflow of resources and fund balances					
Liabilities					
Deposits	$3,171,471	$3,091,180	$4,614,648	$4,935,089	$2,998,662
Accounts payable	1,851,138	725,832	1,674,843	397,701	1,235,740
Accrued liabilities	839,860	422,840	599,074	694,503	956,354
Total liabilities	5,862,469	4,239,852	6,888,565	6,027,293	5,190,756
Deferred inflows of resources					
Deferred property taxes	1,082,108	1,035,067	996,192	933,756	871,083
Fund balances					
Nonspendable	165,747	125,339	200,663	137,444	-
Restricted for:					
Public Safety	99,099	82,596	46,192	-	-
Subsequent year appropriation	649,010	-	-	-	-
Development services	-	-	697,680	-	-
Capital projects	-	-	-	2,992,168	367,434
Unassigned	4,388,875	8,095,743	8,991,065	7,869,509	2,829,134
Total fund balances	5,302,731	8,303,678	9,935,600	10,999,121	3,196,568
Total liabilities, deferred inflow of resources and fund balances	$12,247,308	$13,578,597	$17,820,357	$17,960,170	$9,258,407

(Source: Information taken from the City's ACFR for the indicated years, compiled by the Municipal Advisor.)

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Herriman City, Utah
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund Types—General Fund

(This summary has not been audited)

	Fiscal Year Ended June 30				
	2025	2024	2023	2022	2021
Revenues					
Taxes	$17,929,842	$17,122,877	$16,299,788	$12,882,954	$12,482,839
Licenses and permits	74,814	75,976	2,149,821	5,917,876	5,203,961
Intergovernmental	2,976,559	2,616,161	5,061,586	4,774,951	4,750,053
Franchise taxes	-	-	-	2,527,304	2,307,026
Charges for services	2,814,544	2,533,107	3,980,281	2,328,221	2,308,027
Interest earnings	361,229	476,848	-	176,696	84,368
Fines and forfeitures	228,831	167,756	219,930	189,970	101,337
Miscellaneous	110,185	183,764	1,250,721	80,147	194,430
Impact fees	-	-	-	368,523	272,676
Total revenues	24,496,004	23,176,489	28,962,127	29,246,642	27,704,717
Expenditures					
General government	2,888,604	3,015,837	3,228,254	4,226,177	6,019,762
Administrative services	1,250,259	1,289,784	1,611,741	-	-
Public works	5,639,984	5,156,386	5,035,157	3,818,391	4,471,401
Parks, recreation and events	5,072,344	4,521,249	4,547,428	4,758,486	4,340,322
Planning and development	-	-	-	-	1,587,719
Community development	1,429,744	1,330,780	3,750,872	3,336,567	2,152,616
Public safety	10,145,757	9,396,094	9,028,049	9,620,439	8,215,595
Capital outlay	345,381	3,053,639	3,898,884	-	219,433
ARPA funds	-	-	2,415,454	169,421	-
Debt service	347,777	287,797	550,097	-	-
Total expenditures	27,119,850	28,051,566	34,065,936	25,929,481	27,006,848
Revenues over (under) expenditures	(2,623,846)	(4,875,077)	(5,103,809)	3,317,161	697,869
Other financing sources (uses)					
Lease proceeds	25,885	717,018	790,078	–	–
Issuance of note payable	–	576,857	–	235,392	–
Information technology subscriptions	319,496	61,389	830,425	–	–
Operating transfers in	8,583,082	8,137,696	10,672,900	9,550,000	6,900,000
Operating transfers out	(9,305,564)	(6,249,805)	(8,537,783)	(5,300,000)	(7,400,000)
Sale of capital assets	–	-	284,668		227,461
Total other financing sources (uses)	(377,101)	3,243,155	4,040,288	4,485,392	(272,539)
Revenue and other sources over (under) expenditures and other uses	(3,000,947)	(1,631,922)	(1,063,521)	7,802,553	425,330
Fund balance beginning	9,935,600	9,935,600	10,999,121	3,196,567	9,189,444
Fund balance ending	$6,934,653	$8,303,678	$9,935,600	$10,999,120	$9,614,774

(Source: Information taken from the City's ACFR for the indicated years, compiled by the Municipal Advisor.)

Taxable, Fair Market/Market Value Of Property

Calendar Year	Taxable Value [1]	% Change Over Prior Year	Fair Market/ Market Value [2]	% Change Over Prior Year
2026*……..	$7,794,168,371	6.7	$13,096,817,902	6.7
2025……..	7,304,040,744	8.3	12,269,703,524	7.7
2024……..	6,742,108,561	7.4	11,392,911,663	7.1
2023……..	6,279,742,370	6.1	10,639,384,842	5.4
2022……..	5,916,616,258	40.5	10,097,346,978	40.5

* Preliminary; subject to change. Fair Market/Market Value calculated by the Municipal Advisor.

(1) Taxable valuation includes redevelopment agency valuation but excludes semi–conductor manufacturing equipment ("SCME"). The redevelopment agency valuation for Calendar Year 2025 was approximately $1.16 billion; for Calendar Year 2024 was approximately $1.11 billion; for Calendar Year 2023 was approximately $1.04 billion; for Calendar Year 2022 was approximately $976 million; and for Calendar Year 2021 was approximately $677 million.

(2) Estimated fair market values were calculated by dividing the taxable value of primary residential property by 55%, which eliminates the 45% exemption on primary residential property granted under the Property Tax Act. Does not include market valuation for SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

Historical Summaries Of Taxable Value Of Property

	Calendar Year					
	2026		2025	2024	2023	2022
	Taxable Value*	% of T.V.	Taxable Value	Taxable Value	Taxable Value	Taxable Value
Set by State Tax Commission (centrally assessed)						
Total centrally assessed	$108,345,909	1.4	$100,762,756	$83,517,305	$79,172,147	$82,046,654
Set by County Assessor (locally assessed)						
Real property (land and buildings)						
Primary residential	6,480,982,502	83.2	6,069,109,806	5,684,253,400	5,328,420,328	5,109,749,971
Secondary residential	337,148,855	4.3	315,722,720	288,130,880	296,430,810	281,106,550
Commercial and industrial	749,618,905	9.6	701,979,900	589,549,520	499,078,340	384,100,100
FAA (greenbelt)	-	0.0	0	0	2,185,400	7,998,470
Unimproved non FAA (vacant)	24,354,331	0.3	22,806,590	8,946,110	0	0
Agricultural	926,756	0.0	867,860	668,680	681,820	598,090
Total real property	7,593,031,350	97.4	7,110,486,876	6,571,548,590	6,126,796,698	5,783,553,181
Personal property						
Primary mobile homes	33,592	0.0	33,592	61,502	31,582	32,020
Secondary mobile homes	154,978	0.0	154,978	83,672	165,277	222,683
Other business	92,602,542	1.2	92,602,542	86,897,492	73,576,666	50,761,720
SCME	-	0.0	-	-	-	-
Total personal property	92,791,112	1.2	92,791,112	87,042,666	73,773,525	51,016,423
Total locally assessed	7,685,822,462	98.6	7,203,277,988	6,658,591,256	6,200,570,223	5,834,569,604
Total taxable value	$7,794,168,371	100.0	$7,304,040,744	$6,742,108,561	$6,279,742,370	$5,916,616,258
Total taxable value [1]	$7,794,168,371		$7,304,040,744	$6,742,108,561	$6,279,742,370	$5,916,616,258

* Preliminary; subject to change.

(1) Not including taxable valuation associated with SCME.

(Source: Information taken from reports of the State Tax Commission. Compiled by the Municipal Advisor.)

LEGAL MATTERS

Absence Of Litigation Concerning The 2026 Bonds

On the date of the execution and delivery of the 2026 Bonds, certificates will be delivered by the City to the effect that to the knowledge of the City, there is no action, suit, proceeding or litigation pending or threatened against the City, which in any way materially questions or affects the validity or enforceability of the 2026 Bonds or any proceedings or transactions relating to their authorization, execution, authentication, marketing, sale or delivery or which materially adversely affects the existence or powers of the City.

A non–litigation opinion issued by Todd Sheeran, City Attorney, dated the date of closing, will be provided stating, among other things, that there is not pending, or to his knowledge threatened, any action, suit, proceeding, inquiry, or any other litigation or investigation, at law or in equity, before or by any court, public board or body, challenging the creation, organization or existence of the City, or the ability of the City, or their respective officers to authenticate, execute or deliver the 2026 Bonds or such other documents as may be required in connection with the issuance and sale of the 2026 Bonds, or to comply with or perform its respective obligations thereunder, or seeking to restrain or enjoin the issuance, sale or delivery of the 2026 Bonds, or directly or indirectly contesting or affecting the proceedings or the authority by which the 2026 Bonds are issued, the legality of the purpose for which the 2026 Bonds are issued, or the validity of the 2026 Bonds or the issuance and sale thereof.

General

The authorization and issuance of the 2026 Bonds are subject to the approval of Gilmore & Bell P.C., Bond Counsel to the City. Certain legal matters will be passed on for the City by the City Attorney, Todd Sheeran. Certain matters regarding this OFFICIAL STATEMENT will be passed on for the City by Gilmore & Bell P.C., as Disclosure Counsel to the City. The approving opinion of Bond Counsel will be delivered with the 2026 Bonds. A copy of the opinion of Bond Counsel is set forth in "APPENDIX C—FORM OF OPINION OF BOND COUNSEL."

The employment of Bond Counsel is limited to the review of the transcripts of legal proceedings authorizing the issuance of the 2026 Bonds and to the issuance of a legal opinion, relating solely to the validity of the 2026 Bonds pursuant to such authority and the excludability of interest on the 2026 Bonds for income tax purposes as described above. Except for said legal matters, which will be specifically covered in its opinion, Bond Counsel has assumed no responsibility for the accuracy or completeness of any information furnished to any person in connection with or any offer or sale of the 2026 Bonds in the OFFICIAL STATEMENT or otherwise.

The various legal opinions to be delivered concurrently with the delivery of the 2026 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

The following is a summary of the material federal and State of Utah income tax consequences of holding and disposing of the 2026 Bonds. This summary is based upon laws, regulations, rulings, and judicial decisions now in effect, all of which are subject to change (possibly on a retroactive basis). This summary does not discuss all aspects of federal income taxation that may be relevant to investors in light of their personal investment circumstances or describe the tax consequences to certain types of owners subject to special treatment under the federal income tax laws (for example, dealers in securities or other persons who do not hold the 2026 Bonds as a capital asset, tax–exempt organizations, individual retirement accounts and other tax deferred accounts, and foreign taxpayers), and, except for the income tax laws of the State of Utah, does not discuss the consequences to an owner under any state, local or foreign tax laws. The summary does not deal with the tax treatment of persons who purchase the 2026 Bonds in the secondary market. Prospective investors are advised to consult their own tax advisors regarding federal, state, local and other tax considerations of holding and disposing of the 2026 Bonds.

Opinion Of Bond Counsel

In the opinion of Gilmore & Bell, P.C., Bond Counsel to the City, under the law currently existing as of the issue date of the 2026 Bonds:

Federal Tax Exemption. The interest on the 2026 Bonds (including any original issue discount properly allocable to an owner thereof) is excludable from gross income for federal income tax purposes.

Alternative Minimum Tax. Interest on the 2026 Bonds is not an item of tax preference for purposes of computing the federal alternative minimum tax.

State of Utah Tax Exemption. The interest on the 2026 Bonds is exempt from State of Utah individual income taxes.

Bond Counsel's opinions are provided as of the date of the original issue of the 2026 Bonds, subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the 2026 Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The City has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause the inclusion of interest on the 2026 Bonds in gross income for federal income tax purposes retroactive to the date of issuance of the 2026 Bonds.

No Other Opinion. Bond Counsel is expressing no opinion regarding other federal, state, or local tax consequences arising with respect to the 2026 Bonds, except as expressly provided herein. Purchasers of the 2026 Bonds should consult their tax advisors as to the applicability of these tax consequences and other income tax consequences of the purchase, ownership, and disposition of the 2026 Bonds, including the possible application of state, local, foreign, and other tax laws.

Other Tax Consequences

[*Original Issue Discount*. For federal income tax purposes, original issue discount is the excess of the stated redemption price at maturity of a 2026 Bond over its issue price. The stated redemption price at maturity of a 2026 Bond is the sum of all payments on the 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a 2026 Bond is generally the first price at which a substantial amount of the 2026 Bonds of that maturity have been sold to the public. Under Section 1288 of the Code, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a 2026 Bond during any accrual period generally equals (1) the issue price of that 2026 Bond, plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (2) the yield to maturity on that 2026 Bond (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), minus (3) any interest payable on that 2026 Bond during that accrual period. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excludable from gross income for federal income tax purposes, and will increase the owner's tax basis in that 2026 Bond. Prospective investors should consult their own tax advisors concerning the calculation and accrual of original issue discount.]

[Original Issue Premium. For federal income tax purposes, premium is the excess of the issue price of a 2026 Bond over its stated redemption price at maturity. The stated redemption price at maturity of a 2026 Bond is the sum of all payments on the 2026 Bond other than "qualified stated interest" (i.e., interest unconditionally payable at least annually at a single fixed rate). The issue price of a 2026 Bond is generally the first price at which a substantial amount of the 2026 Bonds of that maturity have been sold to the public. Under Section 171 of the Code, premium on tax-exempt bonds amortizes over the term of the 2026 Bond using constant yield principles, based on the purchaser's yield to maturity. As premium is amortized, the owner's basis in the 2026 Bond and the amount of tax-exempt interest received will be reduced by the amount of amortizable premium properly allocable to the owner, which will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of the 2026 Bond prior to its maturity. Even though the owner's basis is reduced, no federal income tax deduction is allowed. Prospective investors should consult their own tax advisors concerning the calculation and accrual of bond premium.]

Sale, Exchange or Retirement of Bonds. Upon the sale, exchange or retirement of a 2026 Bond, an owner of the 2026 Bond generally will recognize gain or loss in an amount equal to the difference between the amount of cash and the fair market value of any property actually or constructively received on the sale, exchange or retirement of the 2026 Bond (other than in respect of accrued and unpaid interest) and such owner's adjusted tax basis in the 2026 Bond. To the extent a 2026 Bond is held as a capital asset, such gain or loss will be capital gain or loss and will be long–term capital gain or loss if the 2026 Bond has been held for more than 12 months at the time of sale, exchange or retirement.

Reporting Requirements. In general, information reporting requirements will apply to certain payments of principal, interest and premium paid on the 2026 Bonds, and to the proceeds paid on the sale of the 2026 Bonds, other than certain exempt recipients (such as corporations and foreign entities). A backup withholding tax will apply to such payments if the owner fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income. The amount of any backup withholding from a payment to an owner will be allowed as a credit against the owner's federal income tax liability.

Collateral Federal Income Tax Consequences. Prospective purchasers of the 2026 Bonds should be aware that ownership of the 2026 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation,

certain applicable corporations subject to the corporate alternative minimum tax, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income," foreign corporations subject to the branch profits tax, life insurance companies, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry or have paid or incurred certain expenses allocable to the 2026 Bonds. Bond Counsel expresses no opinion regarding these tax consequences. Purchasers of 2026 Bonds should consult their tax advisors as to the applicability of these tax consequences and other federal income tax consequences of the purchase, ownership and disposition of the 2026 Bonds, including the possible application of state, local, foreign and other tax laws.

Bond Counsel notes that interest on the 2026 Bonds may be included in adjusted financial statement income of applicable corporations for purposes of determining the applicability and amount of the federal corporate alternative minimum tax.

MISCELLANEOUS

Bond Rating

As of the date of this OFFICIAL STATEMENT, the 2026 Bonds have been rated "___" by S&P. An explanation of the rating may be obtained from S&P. The City has not directly applied to Fitch Ratings or Moody's for a rating on the 2026 Bonds.

Such rating does not constitute a recommendation by the rating agency to buy, sell or hold the 2026 Bonds. Such rating reflects only the view of S&P and any desired explanation of the significance of such rating should be obtained from S&P. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own.

There is no assurance that the rating given the 2026 Bonds will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the 2026 Bonds.

Underwriter

The Underwriter has reviewed the information in this OFFICIAL STATEMENT in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter has agreed, subject to certain conditions, to purchase all of the 2026 Bonds from the City at an aggregate price of $_____ (which consists of a principal amount of $_____, less an Underwriter's discount of $_____), and to make a public offering of the 2026 Bonds.

The Underwriter has advised the City that the 2026 Bonds may be offered and sold to certain dealers (including dealers depositing the 2026 Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside cover page of the OFFICIAL STATEMENT and that such public offering prices may be changed from time to time.

The Underwriter and its affiliates comprise a full-service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. The Underwriter and its affiliates may have provided, and may in the future provide, a variety of these services to the City and to persons and entities with relationships with the City, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the City (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the City.

The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the City.

Trustee

The obligations and duties of the Trustee are described in the Indenture and the Trustee has undertaken only those obligations and duties that are expressly set out in the Indenture. The Trustee has not independently passed upon the validity of the 2026 Bonds, the security therefore, the adequacy of the provisions for payment thereof or the exclusion from gross income for federal tax purposes of the interest on the 2026 Bonds. The Trustee may resign or be removed or replaced as provided in the Indenture. See "APPENDIX B—THE GENERAL INDENTURE OF TRUST."

Municipal Advisor

The City has entered into an agreement with the Municipal Advisor whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the 2026 Bonds, timing of sale, taxable and tax–exempt bond market conditions, costs of issuance and other factors related to the sale of the 2026 Bonds. The Municipal Advisor has read and drafted certain portions of this OFFICIAL STATEMENT and has supervised the completion and editing thereof. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the OFFICIAL STATEMENT, or any other related information available to the City, with respect to accuracy and completeness of disclosure of such information, and the Municipal Advisor makes no guaranty or warranty respecting the accuracy and completeness of the OFFICIAL STATEMENT or any other matter related to the OFFICIAL STATEMENT.

Independent Auditors

The basic financial statements and required supplementary information of the City as of June 30, 2025, and for the year then ended, included in this OFFICIAL STATEMENT, have been audited by HBME, PLLC, Bountiful, Utah ("HBME"), as stated in their report in "APPENDIX A—ANNUAL COMPREHENSIVE FINANCIAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR 2025" (ACFR page 3).

HBME has not participated in the preparation or review of this OFFICIAL STATEMENT. Based upon their non–participation, they have not consented to the use of their name in this OFFICIAL STATEMENT.

Additional Information

All quotations contained herein from and summaries and explanations of the State Constitution, statutes, programs, laws of the State, court decisions and the Indenture, do not purport to be complete, and reference is made to said State Constitution, statutes, programs, laws, court decisions and the Indenture for full and complete statements of their respective provisions.

Any statements in this OFFICIAL STATEMENT involving matters of opinion, whether or not expressly so stated, are intended as such and not as a representation of fact.

The appendices attached hereto are an integral part of this OFFICIAL STATEMENT and should be read in conjunction with the foregoing material.

This PRELIMINARY OFFICIAL STATEMENT is in a form deemed final by the City for purposes of paragraph (b)(1) of Rule 15c2–12 of the Securities and Exchange Commission.

This OFFICIAL STATEMENT and its distribution and use have been duly authorized by the City.

Herriman City, Utah

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APPENDIX A

ANNUAL COMPREHENSIVE FINANCIAL REPORT OF HERRIMAN CITY, UTAH FOR FISCAL YEAR 2025

The financial statements for Fiscal Year 2025 are contained herein. Copies of current and prior financial reports are available upon request from the City's contact person as indicated under "INTRODUCTION—Contact Persons" above.

The City's financial statements for Fiscal Year 2026 must be completed under State law by December 31, 2026.

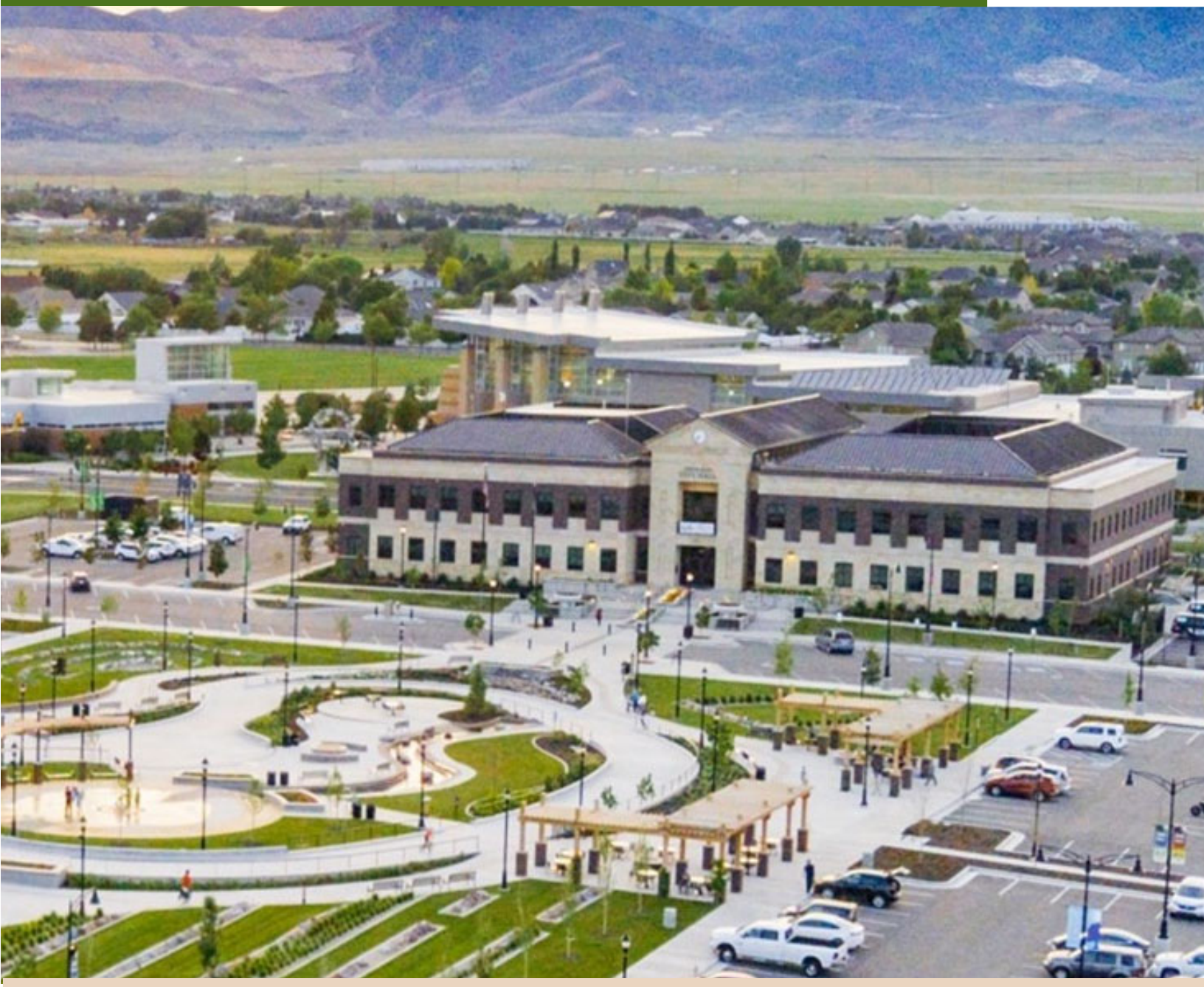
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Financial Statements

Fiscal Year Ended June 30, 2025

2025



City of Herriman, Utah

City of Herriman
State of Utah

Financial Statements
For the Fiscal Year Ended
June 30, 2025

PREPARED BY THE FINANCE DEPARTMENT

KYLE MAURER, DIRECTOR OF FINANCE AND ADMINISTRATIVE SERVICES
SEAN WILLIFORD, ASSISTANT DIRECTOR OF FINANCE
KATY KLAMP, SENIOR ACCOUNTANT

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City of Herriman

Financial Statements
For the Fiscal Year Ended June 30, 2025

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Financial Section



Independent Auditor's Report

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
JESSE S. MALMROSE, EA
JANICE ANDERSON, EA
TROY F. NILSON, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members of the City Council
Herriman City, Utah

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Herriman City, Utah (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Herriman City, Utah, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, certain pension information, and budgetary comparison information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and the budgetary comparison information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 26, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

HBME, LLC

December 26, 2025
Bountiful, Utah

CITY OF HERRIMAN, UTAH
MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Herriman, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2025.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2025 by $772,996,585 (net position). Of this amount, $68,900,087 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- Total net position of the City of Herriman increased by $66,056,626. Of this increase, $21,819,887 (33.0 percent) is attributable to governmental activities, mainly from donated capital assets. Business-type activities provided a $44,236,739 increase to the City's net position due to donated infrastructure and assets, along with transferring governmental storm water infrastructure to the storm water proprietary fund.

- As of the close of fiscal year 2025, the City's governmental funds reported combined ending fund balances of $70,445,867, an increase of $17,392,641 (32.8 percent) over the prior fiscal year. Most of this increase is due to unspent bond proceeds that will be used for park and transportation projects. Of the total fund balance, $38,607,453 (54.8 percent) is restricted for specific projects, and $13,669,362 (19.4 percent) is assigned for projects started in the prior year.

- At the end of fiscal year 2025, unassigned fund balance of the General Fund was $4,388,875, or 17.9 percent of General Fund revenues (excluding other financing sources). Utah state law allows any balance in excess of 5 percent of total revenues to be utilized for budget purposes. The maximum fund balance allowed is 35 percent of unrestricted revenues.

- The City's total long-term obligations and compensated absences increased $12,482,421 (16.2 percent). This is largely due to the issuance of the 2025 Sales and Franchise Tax Revenue Bonds for transportation and park projects.

- At the end of fiscal year 2025, the City recognized total net pension liabilities of $4,429,769 (increase of 20.0 percent from fiscal year 2024). Most of this increase is due to liability losses resulting from higher-than-expected salary increases. More information regarding the City's retirement plans can be found in Note 12 on page 65 and in the Required Supplementary Information beginning on page 87.

REPORT OVERVIEW

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. However, other non-financial factors should also be considered.

The Statement of Activities presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are considered regardless of when cash is received or paid.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government; administrative services; public works; parks, recreation, and events; community development; development services; public safety; and tax increment distributions. The business-type activities of the City include water, storm water, Hi Country I, and Hi Country II.

The government-wide financial statements can be found on pages 23-24 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All of the City's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These fund statements focus on how money flows into and out of these funds and the balances left at year end that are available for spending. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Governmental funds report the difference between their assets, deferred outflows of resources, liabilities, and deferred inflows of resources as fund balance, which is divided into nonspendable, restricted, committed, assigned, and unassigned portions. *Nonspendable* balances include inventories and prepaid items that are not expected to be converted to cash. *Restricted* balances include net fund resources of the City that are subject to external constraints due to state or federal laws or externally imposed conditions by grantors or creditors. Restrictions include debt service reserve requirements, grant proceeds, impact fees collected, unspent bond proceeds, renewal agency funds, and development services funds. *Committed* balances reflect the City's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. The City currently does not have any balances assigned as committed. *Assigned* balances in the General Fund and other governmental funds are those that do not meet the requirements of restricted or committed but are intended to be used for specific purposes. These balances also include fund balance appropriated in the subsequent fiscal year (for uncompleted projects). *Unassigned* balances in the General Fund are all other available net resources. In governmental funds other than the General Fund, unassigned balances indicate nonspendable, restricted, and committed fund balances are in excess of total fund balance. At June 30, 2025, the City's combined governmental fund balance is $70,445,867 ($170,166 in nonspendable, $38,607,453 in restricted, $27,279,373 in assigned, and $4,388,875 in unassigned fund balances). Additional detail regarding governmental fund balances can be found on the governmental funds balance sheet located on page 26 of this report.

Governmental funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets readily convertible to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps users determine the financial resources that can be spent in the near future to finance the City's programs. The relationship (or differences) between governmental activities and governmental funds is detailed in a reconciliation included with the fund financial statements. The City maintains the following 15 individual governmental funds:

- General
- Herriman City Safety Enforcement Area
- Herriman City Fire Service Area
- Community Development and Renewal Agency of Herriman City
- Debt Service
- Development Services
- Grants (new for fiscal year 2025)
- Capital Projects
- Park Impact Fee
- Transportation Impact Fee
- Public Safety Impact Fee
- Street Light Fee
- Street Sign Fee
- Public Works Facility
- Capital Equipment

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, Herriman City Safety Enforcement Area, Herriman City Fire Service Area, Community Development and Renewal Agency of Herriman City, and capital projects funds, all of which are major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is elsewhere in this report.

The basic governmental fund financial statements can be found on pages 26-28 of this report.

Proprietary Funds – The City maintains one type of proprietary fund, enterprise funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and storm water functions.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Storm Water Funds, which are considered

major funds. Data from the other proprietary funds (Hi Country I and Hi Country II) are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor proprietary funds is available elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 30-32 of this report.

Notes to the Financial Statements – The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 33 of this report.

Required Supplementary Information (RSI) – This section contains budget to actual comparison statements for the City's General Fund, Herriman City Safety Enforcement Area Fund, Herriman City Fire Service Area Fund, and Community Development and Renewal Agency of Herriman City Fund. This section also contains required supplementary information for the City's pension program. The RSI section begins on page 81.

Other Information – In addition to the above-mentioned statements and reports, this report also presents other supplementary information which gives additional and more detailed information to the reader. The supplemental section includes individual fund financial statements for the City's nonmajor funds as well as budget to actual statements for major funds not reported as RSI. The supplementary section begins on page 91.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of The City of Herriman, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $772,996,585 as of June 30, 2025.

By far the largest portion of the City's position (85.7 percent) reflects its investments in capital assets (e.g., land, water rights, buildings, machinery and equipment, autos and trucks, improvements other than buildings, construction in progress, and right to use subscriptions), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investments in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City's net position:

CITY OF HERRIMAN
Summary of Net Position
For the Year Ended June 30, 2025

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Current Assets	$ 72,434,348	$ 83,582,423	$ 29,030,075	$ 34,679,563	$ 101,464,423	$ 118,261,986
Noncurrent Assets	9,393,471	19,218,300	27,676,808	22,497,353	37,070,279	41,715,653
Capital Assets	522,995,530	542,314,283	130,918,164	177,243,943	653,913,694	719,558,226
Total Assets	604,823,349	645,115,006	187,625,047	234,420,859	792,448,396	879,535,865
Deferred Outflows of Resources	5,394,330	4,981,059	834,899	735,766	6,229,229	5,716,825
Current Long-Term Obligations and Compensated Absences	5,548,279	5,801,129	1,923,706	1,933,868	7,471,985	7,734,997
Other Current Liabilities	5,845,315	8,964,811	5,064,438	9,266,411	10,909,753	18,231,222
Noncurrent Long-Term Obligations and Compensated Absences	40,910,548	54,934,626	28,695,835	26,891,166	69,606,383	81,825,792
Other Non-Current Liabilities	3,292,019	3,974,617	399,969	455,152	3,691,988	4,429,769
Total Liabilities	55,596,161	73,675,183	36,083,948	38,546,597	91,680,109	112,221,780
Deferred Inflows of Resources	51,321	30,798	6,236	3,527	57,557	34,325
Net Position						
Net Investment in Capital Assets	479,964,295	502,743,014	116,664,359	159,553,854	596,628,654	662,296,868
Restricted	38,138,323	21,284,783	19,198,784	20,514,848	57,337,107	41,799,631
Unrestricted	36,467,579	52,362,287	16,506,619	16,537,799	52,974,198	68,900,086
Total Net Position	$ 554,570,197	$ 576,390,084	$ 152,369,762	$ 196,606,501	$ 706,939,959	$ 772,996,585

An additional portion of the City's net position (5.4 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position of $68,900,086 may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2025, the City can report positive balances in all three categories of net position for the government as a whole as well as for its separate governmental-type activities. Positive balances for all three categories are also reported for the business-type activities.

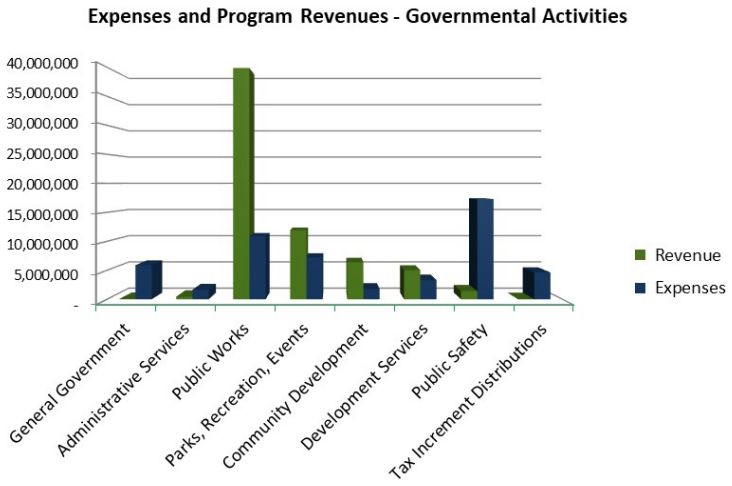
Analysis of the City's Operations – The following table provides a summary of the City's operations for the year ended June 30, 2025:

CITY OF HERRIMAN
Summary of Changes in Net Position
For the Year Ended June 30, 2025

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Program Revenues						
Charges for Services	$ 7,490,271	$ 8,302,619	$ 15,736,200	$ 18,364,493	$ 23,226,471	$ 26,667,112
Operating Grants and Contributions	152,103	219,924	37,591	37,532	189,694	257,456
Capital Grants and Contributions	98,113,514	56,534,095	17,605,116	14,458,034	115,718,630	70,992,129
General Revenues						
Property Tax	20,303,718	20,652,752	-	-	20,303,718	20,652,752
Sales Tax	12,981,307	13,730,280	-	-	12,981,307	13,730,280
Franchise Tax	3,048,145	3,064,901	-	-	3,048,145	3,064,901
Investment Earnings	2,940,813	3,171,461	2,492,804	2,196,758	5,433,617	5,368,219
Gain on Disposition of Capital Assets	222,852	1,194,982	-	-	222,852	1,194,982
Total Revenues	145,252,723	106,871,014	35,871,711	35,056,817	181,124,434	141,927,831
Expenses						
General Government	6,226,720	5,889,722	-	-	6,226,720	5,889,722
Administrative Services	1,298,840	1,481,504	-	-	1,298,840	1,481,504
Public Works	10,923,514	10,915,056	-	-	10,923,514	10,915,056
Parks Recreation & Events	6,415,554	7,208,308	-	-	6,415,554	7,208,308
Community Development	1,566,963	1,862,648	-	-	1,566,963	1,862,648
Development Services	2,912,882.00	3,306,748	-	-	2,912,882.00	3,306,748
Public Safety	16,328,617	17,275,193	-	-	16,328,617	17,275,193
Tax Increment Distributions	7,544,382	4,638,880	-	-	7,544,382	4,638,880
Interest on Long Term Debt	1,815,591	1,522,236	-	-	1,815,591	1,522,236
Water	-	-	16,307,975	18,481,280	16,307,975	18,481,280
Storm Water	-	-	1,264,338	3,289,630	1,264,338	3,289,630
Total Expenses	55,033,063	54,100,295	17,572,313	21,770,910	72,605,376	75,871,205
Increase in Net Position Before Transfers	90,219,660	52,770,719	18,299,398	13,285,907	108,519,058	66,056,626
Transfers	-	(30,950,832)	-	30,950,832	-	-
Increase in Net Position	90,219,660	21,819,887	18,299,398	44,236,739	108,519,058	66,056,626
Net Position, Beginning	464,350,537	554,570,197	134,070,364	152,369,762	598,420,901	706,939,959
Net Position, Ending	$ 554,570,197	$ 576,390,084	$ 152,369,762	$ 196,606,501	$ 706,939,959	$ 772,996,585

Governmental Activities – Governmental activities increased the City's net position by $21,819,887. Key elements affecting governmental activities net position are as follows:

- The Capital Projects Fund saw a fund balance increase of $15,505,812 during the fiscal year. This is mainly due to the issuance of the 2025 Sales and Franchise Tax Bonds, which will be used for multiple transportation and park projects.
- During fiscal year 2025, the City's governmental funds added $60,788,487 in capital assets, including $27,264 in prior fiscal year projects. In addition, $42,200,313 of donated (developer contributed) assets were recognized during the fiscal year. Projects totaling $12,858,621 were in progress at year end. The most significant projects completed during the year include:
  - Construction of Olympia Boulevard ($7,503,240)
  - $1,161,333 for Midas Creek asphalt trail improvements
  - Improvements to 11800 South and 12600 South ($1,101,967)
  - $978,617 for Hidden Oaks open space improvements
  - Construction of the Juniper Canyon Recreation Area ($1,094,564)
  - $313,743 towards design of Fire Station 103's replacement
  - Mountain Ridge Park improvements ($226,047)



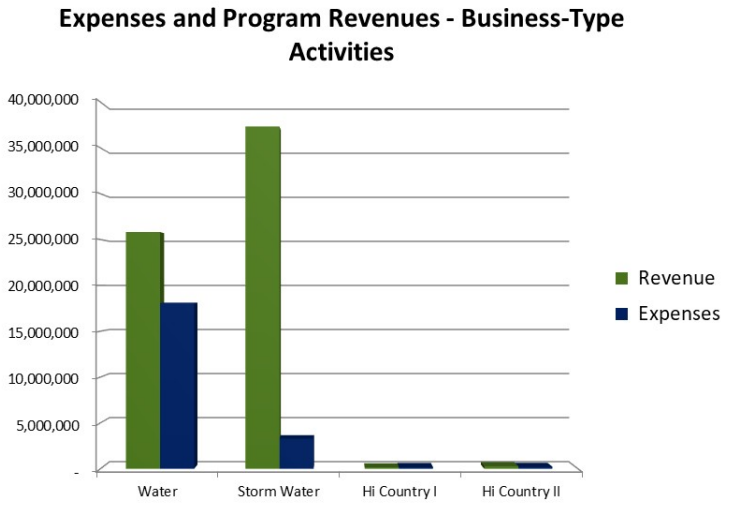
- Right of way purchase at approximately 7800 West 12600 South ($2,008,335).
- $703,161 for the construction of Herriman Boulevard
- Herriman Main Street widening ($11,307,401)
- $2,211,233 for the widening of 7300 West

- The City also purchased $892,441 of equipment and vehicles, with most purchases being regular vehicle replacements.

- The Herriman City Fire Service Area increased fund balance by $2,465,978 during the fiscal year. This increase was intentional and part of a ten-year financial sustainability plan. Funds will be used in the future to rebuild fire station 103 in fiscal year 2026 and future fire stations within the City.
- The Herriman City Safety Enforcement area saw a fund balance increase of $729,015 during the year. This is partially due to a property tax increase restricted for new personnel, temporary personnel vacancies, and continued fiscal conservatism within the Police Department.

Business-Type Activities – Business-type activities increased the City's net position by $44,236,739, which represents an increase of $25,937,343 (141.7 percent) over the previous year's change. Key elements of the change in business-type net position are as follows:

- The Water Fund recognized a $9,728,800 increase in net position. This is mainly due to developer donated assets ($7,924,192), investment earnings exceeding expectations ($1,940,665), and a mid-year rate increase that will be used for future capital projects.
- The Storm Water Fund recognized a $34,422,573 increase in net position. This is mainly due to $4,521,350 in donated (developer contributed) capital and $30,950,832 in assets transferred from the governmental funds.
- During fiscal year 2025, the City's business-type activities completed $9,508,293 in capital projects (excluding developer contributed assets) and $12,614,055 of projects were in progress at year end.



Notable completed projects include:

- Stillman Well rehabilitation ($591,613)
- $146,264 for the Whisper Rose pressure reducing valve (PRV)
- Old Town water improvement project ($2,054,681)
- $127,825 in vehicle replacements
- AMI water reading system improvements and buildout ($643,665)
- $423,465 for new and replacement water meters
- Bella Vea-Bruin View Drive ($264,351)
- $823,612 for Hidden Oaks backbone infrastructure
- Rose Creek Strom Dain construction ($567,132)

FUND FINANCIAL ANALYSIS

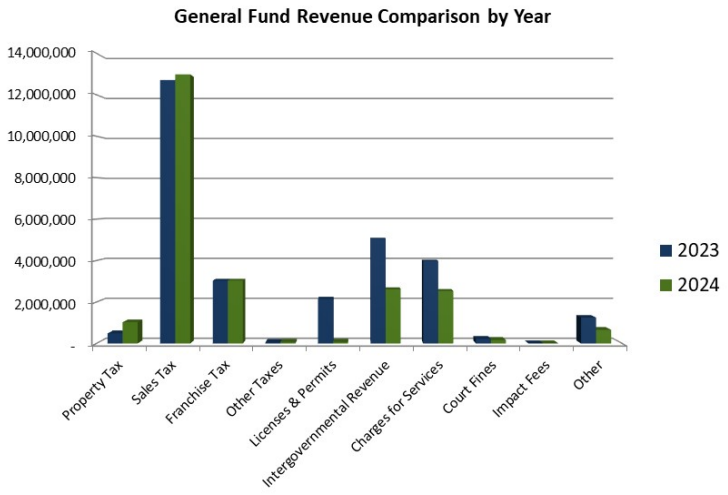
Governmental Funds - The focus of the City's governmental fund statements is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2025, The City's governmental funds (General, Herriman City Safety Enforcement Area, Herriman City Fire Service Area, Herriman City Community Development and Renewal Agency, Capital Projects, and nonmajor funds) reported combined fund balances of $70,445,867. This represents an increase of $17,392,641 from last year's ending balances. $4,388,875 (6.2 percent) of the total fund balance constitutes *unassigned fund balance* and is therefore available for spending at the City's discretion. *Assigned fund* balance totals $27,279,373 (38.7 percent), meaning the City intends to use this amount for specific purposes (public safety, capital projects, debt service, and projects started in the current fiscal year but not completed). Fund balance of $38,607,453 (54.8 percent) is *restricted* to indicate it is not available for new spending because it has already been committed to pay for capital projects, debt service, public safety, redevelopment, and development services. The City also has prepaid items ($170,166) which are classified as *nonspendable* fund balance.

General Fund

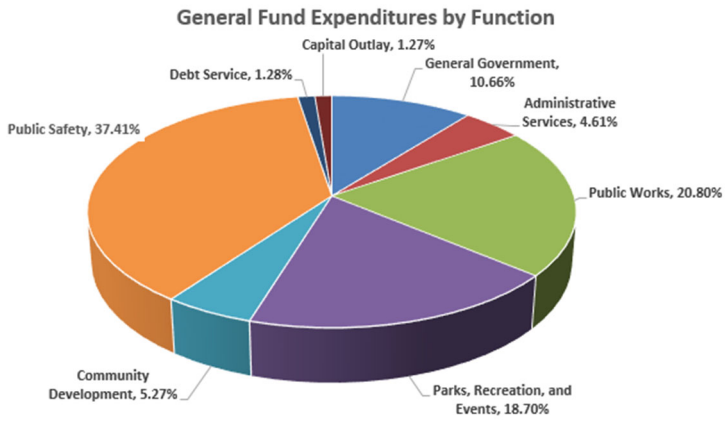
The General Fund is the chief operating fund of the City. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenditures are accounted for in this fund. Expenditures exceeded revenues (including other financing sources and uses) in the General Fund by $2,623,846 during the year. The majority of this decrease is due to transportation projects started in the prior year but finished in the current year.

Taxes continue to be the largest source of revenue in the General Fund and represent 73.2 percent of total General Fund revenues. The largest component of tax revenue is sales tax, which represents 76.8 percent of total tax revenues and 56.1 percent of total general fund revenues. This compares with 56.0 percent of total General Fund revenues in the prior fiscal year ended June 30, 2024.



General Fund revenues exceeded expectations in the amount of $830,129. This is primarily due to sales and use tax exceeding expectations by $408,490, Class C Road Funds exceeding expectations by $328,795, and interest earnings exceeding expectations by $103,419 due to higher than anticipated interest rates.

Transfers into the General Fund were under budgeted expectations by $730,498. This is largely due to the police department being under budgeted expenditures due to personnel savings. The police department is funded by a transfer from the Herriman City Safety Enforcement Area.



General Fund expenditures decreased during fiscal year 2025, going from $28,051,566 in 2024 to $27,119,850 in 2025. The majority of this decrease is due to moving capital-related expenditures to either the Capital Projects or Capital Equipment fund.

Total expenditures were under budgeted expectations by $3,129,995. A number of projects, however, began in fiscal year 2025 and will need to be carried forward to fiscal year 2026. This includes $520,172 in pavement management funds and $94,738 in outside legal council fees. Public Safety was under budgeted expectations by $845,373, mainly due to personnel ($402,762), vehicle ($53,303), and general supply ($39,283) and insurance ($50,219) expenditures being under forecast. Public Works was under budgeted expenditures by $1,143,421, largely due to unspent pavement management funds (to be carried over to fiscal year 2026).

Other Governmental Funds
During fiscal year 2025, tax collections in the Herriman City Safety Enforcement Area increased $304,840 (3.3 percent) due to new growth within the Area. Transfers out increased $767,280 (8.2 percent) due to personnel additions made during the year (personnel, operating, and capital expenditures). Fund balance decreased $166,630 due to hiring positions authorized with the fiscal year 2024 tax increase.

Property tax revenue decreased $645,640 in the Herriman City Fire Service Area due to participation in Community Reinvestment Areas (CRAs) that began during the year. Contracted services increased 4.8 percent ($271,136) due to a board approved increase by the Unified Fire Authority (who the Fire Service Area contracts with for fire protection). Fund balance in the Fire Service Area increased $2,465,978, largely due to a planned fund balance contribution. Fund balance will be used for the rebuilding of fire station 103 and future fire stations in the City.

Fund balance for the Community Development and Renewal Agency of Herriman City increased $950,859 during the fiscal year. The majority of this increase is due to tax participation agreements expiring within the Anthem Town Center Community Reinvestment Area. Most expenditures in the fund are tax increment agreements which directly correlate with tax increment revenue received. Fund balance will be used in the future for project area investments and/or early payment of existing tax increment agreements.

Fund balance in the Capital Projects Fund increased $15,505,812, going from $11,538,362 to $27,044,174. The City issued $16,330,000 in bonds during the year for certain transportation and park projects. The majority of funds were not spent by the end of the fiscal year. The City's interfund loan with the Water Fund decreased from $8,529,469 to $7,609,748 due to a scheduled payment.

Enterprise Funds - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position decreased from $14,348,733 to $13,680,803 in the Water Fund, largely due to a one-time transfer out to the capital projects fund for a capital project reimbursement.

The Storm Water Fund provided a $34,422,573 increase in net position. $30,737,302 is due to capital assets transferred from the governmental funds, and $4,521,350 is due to developer contributions. The Storm Water Fund posted an operating loss of $1,542,932, mainly due to depreciation on the transferred assets.

The City increased water rates in November 2024 (16.3 percent). Charges for services increased 19.0 percent ($2,554,127) due to increased consumption, increased customer base, and water rate increase. Overall operating expenditures increased $2,109,818 (13.9 percent) largely due to an increase of 28.6 percent in water purchases (due to both a rate increase from the City's water wholesaler and increased consumption) and operating supply increases due to inflation and a larger system to service.

During fiscal year 2025, a total of $14,029,643 of capital assets were added, which includes $4,521,350 of contributed (donated) assets. An interfund loan with the Capital Projects Fund decreased $919,721 (10.8 percent) due to a scheduled loan payment.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, General Fund budgeted expenditures were amended from an original budget of $28,778,485 to a final budget of $30,249,845 (5.1 percent difference). All departments monitor their budgets closely and are required to stay within their allotment. Highlights of this decrease include:

- Increase of $460,510 in the Streets Department to carry over unspent pavement management funds from fiscal year 2024.
- Increase of $96,290 in the Events & Cultural Arts department to recognize additional sponsorships and event revenue received.
- Increase in the Police Department budget of $452,460 to recognize the hiring of two additional Police Officers and associated operating expenditures.
- Increase in capital outlay expenditures of $345,390 to recognize purchases that fall under Capital Lease and Software Based Information Technology Arrangements (SBITA) guidance.

General Fund budgeted revenues were amended from $23,249,205 to $23,665,875 (an increase of $416,670, or 1.8 percent). Highlights of these changes include:

- Increase of Class C Road Funds by $286,200 to account for increased collections from the state of Utah.
- Increase in Parks, Recreation, and Events of $58,560 to recognize additional sponsorship and event revenue received.
- Increase in miscellaneous revenue of $59,880 to recognize subrogation received.

Leases and Information Technology subscriptions increased $345,390 to recognize purchases falling under Capital Lease and SBITA accounting guidance. Transfers in increased $282,230 primarily due to an adjustment in the Herriman City Safety Enforcement Area (HCSEA) to reflect additional officers hired by the Police Department.

Transfers out increased $6,378,343 primarily due to transferring fund balance in excess of the City's Fund Balance Policy to the capital projects fund for one-time purchases. Part of this budgeted transfer was a "placeholder" for amounts in excess of the City's fund balance requirement. A total of $4,585,867 was transferred to the capital projects fund for this purpose.

During the year, actual revenues were greater than budget by $830,129 (3.5 percent) and actual expenditures were less than budget by $3,129,995. Reasons for the variances are described above.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The City of Herriman's investment in capital assets for its governmental and business-type activities as of June 30, 2025, amounts to $719,558,226 (net of accumulated depreciation). This investment in capital assets includes land, water rights, buildings, right to use buildings, machinery and equipment, right to use equipment, autos and trucks, improvements other than buildings, construction in progress, and right to use subscriptions. The total increase in the City's investment in capital assets for the current year was 10.0 percent (a 3.7 percent increase for governmental activities and a 35.4 percent increase for business-type activities).

CITY OF HERRIMAN
Capital Assets, Net of Depreciation
June 30, 2025

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Land and Water Rights	$ 317,316,062	$ 352,316,663	$ 18,578,277	$ 18,714,777	$ 335,894,339	$ 371,031,440
Construction in Progress	14,134,227	12,858,621	3,414,331	12,614,055	17,548,558	25,472,676
Buildings	16,482,620	15,862,778	30,416	59,983	16,513,036	15,922,761
Right to Use Buildings	569,905	433,128	-	-	569,905	433,128
Improvements	168,579,399	155,132,193	107,167,123	143,845,121	275,746,522	298,977,314
Automobiles & Trucks	3,660,527	3,501,741	886,941	809,286	4,547,468	4,311,027
Machinery & Equipment	1,040,797	798,043	841,076	1,200,721	1,881,873	1,998,764
Right to Use Equipment	447,081	418,969	-	-	447,081	418,969
Right to Use Subscriptions	764,912	992,147	-	-	764,912	992,147
Total Capital Assets	$ 522,995,530	$ 542,314,283	$ 130,918,164	$ 177,243,943	$ 653,913,694	$ 719,558,226

Specific projects and detail can be found in the Government-Wide Governmental Activities financial analysis beginning on page 10.

Additional information on the City's capital assets can be found in Note 7 beginning on page 55 of this report.

Long-Term Debt - As of June 30, 2025, the City had total long-term debt outstanding of $83,576,231 (excluding bond premium). Of this amount, $73,447,000 is represented by bonds secured solely by specific revenue sources, $4,204,188 represents special assessment debt, $904,992 represents notes payable (vehicles), $1,762,027 represents lease and subscriptions payable, and the remaining $3,258,020 represents compensated absences (accrued employee leave). The City has no general obligation bonds outstanding.

CITY OF HERRIMAN

Outstanding Long-Term Debt

June 30, 2025

	Governmental Activities		Business-Type Activities		Total	
	2024	2025	2024	2025	2024	2025
Revenue Bonds	$ 35,353,000	$ 49,012,000	$ 25,830,000	$ 24,435,000	$ 61,183,000	$ 73,447,000
Special Assessment Debt With Governmental Commitment	4,988,785	4,204,188	-	-	4,988,785	4,204,188
Notes Payable	709,258	472,215	528,690	432,781	1,237,948	904,996
Leases Payable	1,001,650	848,193	-	-	1,001,650	848,193
Subscriptions Payable	717,965	913,834	-	-	717,965	913,834
Compensated Absences	2,569,511	3,043,014	252,980	215,006	2,822,491	3,258,020
Total Debt (Excluding Premium)	$ 45,340,169	$ 58,493,444	$ 26,611,670	$ 25,082,787	$ 71,951,839	$ 83,576,231

The City's total debt outstanding (excluding unamortized bond premiums) increased by $11,624,392 during the fiscal year (16.2 percent). This increase is largely due to the issuance of the 2025 Sales and Franchise Tax Revenue Bonds. Under authoritative accounting standards, lease and subscription liabilities were recognized for equipment and software subscription arrangements executed during the year.

The City currently has no general obligation debt. The most recent bond ratings issued for The City of Herriman include an "AA-" rating for water bonds and an "AA+" for governmental funds, both issued by Standard & Poor's. For the water bonds, Standard & Poor's specifically noted strong coverage ratios, stable liquidity reserves, as well as affordable water rates in comparison to the City's high median income and low county poverty rate. Standard & Poor's also indicated a stable outlook for the bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 12 percent of the "reasonable fair cash value" of property within the City. Of this percent, a maximum of 4 percent may be used for general purposes. The current limitation for the City is $455,891,220, which is significantly in excess of the City's outstanding general obligation debt. The remaining 8 percent and any unused portion of the 4 percent available for general purposes, up to the maximum of 12 percent, may be utilized for water, sewer, and electrical projects. The current limitation for all debt, including that used for water, sewer and electrical projects is thus $1,367,673,661, which again significantly exceeds the outstanding city-wide debt.

Additional information on the City's long term-debt can be found in Notes 8-10 on pages 56-64 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The June 2025 unemployment rate for the state of Utah was 3.2 percent. This compares with a national unemployment rate of 4.1 percent. The 2024 unemployment rate for the State was 4.1 percent. (Source: United States Bureau of Labor Statistics.)
- General Fund budgeted revenues for the fiscal year ending June 30, 2026 ($23,765,640) reflect an increase of 0.4 percent over the final budgeted revenues for the fiscal year ended June 30, 2025 ($23,665,875). The City anticipates lethargic growth in its major revenue sources (including sales tax) due to a slowing economy.
- A total of $74.9 million in capital projects were approved spanning fiscal years 2025 and 2026.
- The City completed a comprehensive fee analysis for the Water Fund in fiscal year 2025. An overall increase of 6.5 percent increase beginning in January 2026 was approved by the City Council. Funds will be used for operating and capital needs in the fund.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of The City of Herriman's finances for all those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional financial information should be addressed to: City of Herriman, Finance Department, 5355 W Herriman Main St, Herriman, UT 84096 or call (801) 758-7686, or e-mail kmaurer@herriman.gov.

Financial Statements



Government-Wide Financial Statements

CITY OF HERRIMAN

Statement of Net Position
June 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current Assets:			
Cash, Cash Equivalents, and Investments	$ 55,475,968	$ 27,987,814	$ 83,463,782
Receivables			
Property, Franchise and Excise Taxes	22,908,751	-	22,908,751
Special Assessment Receivable	4,204,188	-	4,204,188
Accounts Receivable	823,350	5,402,644	6,225,994
Inventory	-	1,253,462	1,253,462
Prepaids	170,166	35,643	205,809
Total Current Assets	83,582,423	34,679,563	118,261,986
Noncurrent Assets:			
Restricted Cash, Cash Equivalents, and Investments	26,797,968	14,887,605	41,685,573
Internal Balances	(7,609,748)	7,609,748	-
Security Deposit	30,080	-	30,080
Capital Assets Net of Depreciation:			
Land & Water Rights	352,316,663	18,714,777	371,031,440
Construction in Progress	12,858,621	12,614,055	25,472,676
Buildings	15,862,778	59,983	15,922,761
Right to Use Buildings	433,128	-	433,128
Machinery and Equipment	798,043	1,200,721	1,998,764
Right to Use Equipment	418,969	-	418,969
Autos & Trucks	3,501,741	809,286	4,311,027
Improvements Other than Buildings	155,132,193	143,845,121	298,977,314
Right to Use Subscriptions	992,147	-	992,147
Total Noncurrent Assets	561,532,583	199,741,296	761,273,879
Total Assets	645,115,006	234,420,859	879,535,865
DEFERRED OUTFLOW OF RESOURCES			
Resources Related to Pensions	4,123,820	472,238	4,596,058
Deferred Charge on Refunding	857,239	263,528	1,120,767
Total Deferred Outflows	4,981,059	735,766	5,716,825
LIABILITIES			
Current Liabilities:			
Accounts Payable and Accrued Liabilities	5,133,782	8,161,051	13,294,833
Deposits	3,171,471	575,000	3,746,471
Compensated Absences	1,678,675	122,654	1,801,329
Long-Term Obligations	4,122,454	1,811,214	5,933,668
Accrued Interest	659,558	530,360	1,189,918
Total Current Liabilities	14,765,940	11,200,279	25,966,219
Noncurrent Liabilities:			
Compensated Absences	1,364,339	92,352	1,456,691
Long-Term Obligations	53,570,287	26,798,814	80,369,101
Net Pension Liability	3,974,617	455,152	4,429,769
Total Noncurrent Liabilities	58,909,243	27,346,318	86,255,561
Total Liabilities	73,675,183	38,546,597	112,221,780
DEFERRED INFLOWS OF RESOURCES			
Resources Related to Pensions	30,798	3,527	34,325
Total Deferred Inflows	30,798	3,527	34,325
NET POSITION			
Net Investment in Capital Assets	502,743,014	159,553,854	662,296,868
Restricted for:			
Capital Projects	11,196,395	17,374,599	28,570,994
Debt Service	3,366,798	3,140,249	6,507,047
Redevelopment	2,578,316	-	2,578,316
Development Services	4,044,175	-	4,044,175
Public Safety	99,099	-	99,099
Unrestricted	52,362,287	16,537,799	68,900,086
Total Net Position	$ 576,390,084	$ 196,606,501	$ 772,996,585

The accompanying notes are an integral part of this financial statement

CITY OF HERRIMAN

Statement of Activities

For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants & Contributions	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Change in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Change in Net Position: Primary Government: Business-Type Activities	Net (Expense) Revenue and Change in Net Position: Primary Government: Total
Primary Government							
General Government	$ 5,889,722	$ 41,085	$ -	$ -	$ (5,848,637)	$ -	$ (5,848,637)
Administrative Services	1,481,504	429,189	-	-	(1,052,315)	-	(1,052,315)
Public Works	10,915,056	51,458	-	39,841,891	28,978,293	-	28,978,293
Parks, Recreation, and Events	7,208,308	2,089,530	-	9,812,432	4,693,654	-	4,693,654
Community Development	1,862,648	63,384	12,163	6,300,575	4,513,474	-	4,513,474
Development Services	3,306,748	5,006,900	-	-	1,700,152	-	1,700,152
Public Safety	17,275,193	621,073	207,761	579,197	(15,867,162)	-	(15,867,162)
Tax Increment Distributions	4,638,880	-	-	-	(4,638,880)	-	(4,638,880)
Interest and Fees on Long Term Debt	1,522,236	-	-	-	(1,522,236)	-	(1,522,236)
Total Governmental Activities	54,100,295	8,302,619	219,924	56,534,095	10,956,343	-	10,956,343
Business-Type Activities							
Water	18,087,395	16,208,939	37,532	9,575,529	-	7,734,605	7,734,605
Storm Water	3,289,630	1,754,296	-	4,848,737	-	3,313,403	3,313,403
Hi Country I	184,038	152,285	-	-	-	(31,753)	(31,753)
Hi Country II	209,847	248,973	-	33,768	-	72,894	72,894
Total Business-Type Activities	21,770,910	18,364,493	37,532	14,458,034	-	11,089,149	11,089,149
Total Primary Government	$ 75,871,205	$ 26,667,112	$ 257,456	$ 70,992,129	10,956,343	11,089,149	22,045,492
General Revenues:							
Property Taxes					20,652,752	-	20,652,752
Sales and Use Taxes					13,730,280	-	13,730,280
Other Taxes					3,064,901	-	3,064,901
Gain on Disposition of Capital Assets					1,194,982	-	1,194,982
Unrestricted Investment Earnings					3,171,461	2,196,758	5,368,219
Transfers					(30,950,832)	30,950,832	-
Total General Revenues and Transfers					10,863,544	33,147,590	44,011,134
Change in Net Position					21,819,887	44,236,739	66,056,626
Net Position-Beginning					554,570,197	152,369,762	706,939,959
Net Position-Ending					$ 576,390,084	$ 196,606,501	$ 772,996,585

The accompanying notes are an integral part of this financial statement

GOVERNMENTAL FUND
FINANCIAL STATEMENTS

General Fund

The General Fund is used to account for resources traditionally associated with a government which are not required legally or by sound financial management to be accounted for in another fund.

Herriman City Safety Enforcement Area (HCSEA) Fund

The HCSEA is a taxing entity created to provide funds for law enforcement services in the City of Herriman.

Herriman City Fire Service Area (HCFSA) Fund

The HCFSA is a taxing entity created to provide funding for fire services in the City of Herriman.

Community Development and Renewal Agency

The Community Development and Renewal Agency Fund was created to account for five redevelopment project areas located in the City, along with their associated debt.

Capital Projects Fund

This fund is used to account for financial resources accumulated and used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Nonmajor Funds

Nonmajor governmental funds are presented by fund type beginning on page 92.

CITY OF HERRIMAN

Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Herriman City Safety Enforcement Area	Herriman City Fire Service Area	Community Development and Renewal Agency	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash & Cash Equivalents	$ 7,131,403	$ 1,918,223	$ 8,998,463	$ 3,016,174	$ 10,608,808	$ 23,802,897	$ 55,475,968
Receivables							
Property, Sales, Franchise and Excise Tax	4,027,244	10,273,726	8,607,781	-	-	-	22,908,751
Other	793,735	-	-	-	29,615	-	823,350
Special Assessments	-	-	-	4,204,188	-	-	4,204,188
Prepaid Items	165,747	-	-	-	-	4,419	170,166
Restricted Cash	99,099	-	-	2,669,963	24,027,804	1,102	26,797,968
Other	30,080	-	-	-	-	-	30,080
Total Assets	12,247,308	12,191,949	17,606,244	9,890,325	34,666,227	23,808,418	110,410,471
LIABILITIES							
Accounts Payable	1,851,138	-	1,680	437,858	12,305	1,638,997	3,941,978
Accrued Liabilities	839,860	-	-	-	-	351,944	1,191,804
Interfund Payable	-	-	-	-	7,609,748	-	7,609,748
Deposits	3,171,471	-	-	-	-	-	3,171,471
Total Liabilities	5,862,469	-	1,680	437,858	7,622,053	1,990,941	15,915,001
DEFERRED INFLOWS OF RESOURCES							
Deferred Property Taxes	1,082,108	10,211,240	8,552,067	-	-	-	19,845,415
Deferred Assessment	-	-	-	4,204,188	-	-	4,204,188
Total Deferred Inflows of Resources	1,082,108	10,211,240	8,552,067	4,204,188	-	-	24,049,603
FUND BALANCES							
Nonspendable	165,747	-	-	-	-	4,419	170,166
Restricted for:							
Debt Service	-	-	-	2,669,963	-	696,835	3,366,798
Public Safety	99,099	-	-	-	-	-	99,099
Capital Projects	-	-	-	-	24,027,804	4,491,261	28,519,065
Redevelopment	-	-	-	2,578,316	-	-	2,578,316
Development Services	-	-	-	-	-	4,044,175	4,044,175
Assigned							
Subsequent Year Appropriation	649,010	-	-	-	3,016,370	10,003,982	13,669,362
Public Safety	-	1,980,709	9,052,497	-	-	-	11,033,206
Debt Service	-	-	-	-	-	6,582	6,582
Capital Projects and Equipment	-	-	-	-	-	2,570,223	2,570,223
Unassigned	4,388,875	-	-	-	-	-	4,388,875
Total Fund Balances	5,302,731	1,980,709	9,052,497	5,248,279	27,044,174	21,817,477	70,445,867
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 12,247,308	$ 12,191,949	$ 17,606,244	$ 9,890,325	$ 34,666,227	$ 23,808,418	$ 110,410,471

Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	542,314,283
Deferred outflows of resources are not available to pay for current expenditures.	4,981,059
Accrued interest payable is not due and payable in the current period.	(659,558)
Property tax receivable is recorded when measurable and available and is not available to pay for current expenditures.	19,845,415
Special Assessment revenue is recognized when the levy is made and when measurable in the government funds and is not available to pay for current expenditures.	4,204,188
Net pension liabilities and deferred inflows of resources related to pensions are not due and payable in the current period.	(4,005,415)
Long-Term Liabilities, including Bonds Payable and Notes Payable, are not due and payable in the current period and therefore are not reported in the funds.	(60,735,755)
Net Position in Governmental Activities	576,390,084

The accompanying notes are an integral part of this financial statement

CITY OF HERRIMAN

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2025

	General Fund	Herriman City Safety Enforcement Area	Herriman City Fire Service Area	Community Development and Renewal Agency	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	$ 17,929,842	$ 10,071,859	$ 8,030,688	$ 194,940	$ -	$ -	$ 36,227,329
Licenses & Permits	74,814	-	-	-	-	2,459,016	2,533,830
Intergovernmental	2,976,559	-	-	7,085,172	1,536,942	858,360	12,457,033
Charges for Services	2,814,544	-	-	-	-	2,544,360	5,358,904
Fines & Forfeitures	228,831	-	-	-	-	-	228,831
Interest	361,229	103,083	392,888	238,864	1,039,097	1,036,300	3,171,461
Impact Fees	-	-	-	-	-	2,881,270	2,881,270
Miscellaneous	110,185	-	37,941	-	12,461	20,467	181,054
Total Revenues	24,496,004	10,174,942	8,461,517	7,518,976	2,588,500	9,799,773	63,039,712
EXPENDITURES							
General Government	2,888,604	-	-	-	-	-	2,888,604
Administrative Services	1,250,259	-	-	-	-	-	1,250,259
Public Works	5,639,984	-	-	-	-	-	5,639,984
Parks, Recreation, & Events	5,072,344	-	-	-	-	-	5,072,344
Community Development	1,429,744	-	-	131,812	-	-	1,561,556
Public Safety	10,145,757	25	5,995,539	-	-	11,156	16,152,477
Development Services	-	-	-	-	-	3,257,635	3,257,635
Tax Increment Distributions	-	-	-	4,638,880	-	-	4,638,880
Capital Outlay	345,381	-	-	56,756	12,153,422	6,172,792	18,728,351
Debt Service							
Principal	302,969	-	-	1,451,597	-	2,241,044	3,995,610
Interest and Fees	44,808	-	-	302,982	202,062	940,936	1,490,788
Total Expenditures	27,119,850	25	5,995,539	6,582,027	12,355,484	12,623,563	64,676,488
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,623,846)	10,174,917	2,465,978	936,949	(9,766,984)	(2,823,790)	(1,636,776)
OTHER FINANCING SOURCES (USES)							
Bond Proceeds	-	-	-	-	17,562,606	-	17,562,606
Leases (As Lessee)	25,885	-	-	-	-	-	25,885
Information Technology Subscriptions	319,496	-	-	-	-	-	319,496
Sale of Capital Assets	-	-	-	-	999,970	334,990	1,334,960
Transfers In	8,583,082	-	-	13,910	6,870,220	4,028,554	19,495,766
Transfers Out	(9,305,564)	(9,445,902)	-	-	(160,000)	(797,830)	(19,709,296)
Total Other Financing Sources (Uses)	(377,101)	(9,445,902)	-	13,910	25,272,796	3,565,714	19,029,417
Net Change in Fund Balances	(3,000,947)	729,015	2,465,978	950,859	15,505,812	741,924	17,392,641
Fund Balances - July 1	8,303,678	1,251,694	6,586,519	4,297,420	11,538,362	21,075,553	53,053,226
Fund Balances - June 30	$ 5,302,731	$ 1,980,709	$ 9,052,497	$ 5,248,279	$ 27,044,174	$ 21,817,477	$ 70,445,867

The accompanying notes are an integral part of this financial statement

CITY OF HERRIMAN

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended June 30, 2025

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	$	17,392,641
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		7,992,242
The issuance of long-term debt (e.g., bonds, notes payable, leases) provides current financial resources to Governmental Funds, but increases long-term liabilities in the Statement of Net Position.		(17,907,987)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and trade-ins) is to increase net position.		(136,500)
Governmental funds do not report contributions of capital assets as revenue unless the assets will be held for sale. However, in the Statement of Activities, the donation of capital assets is reported as revenue.		42,200,313
Governmental funds transfer of capital assets to Enterprise Funds are not reported as transfers in the fund financial statements, but are reflected in the Statement of Activities.		(30,737,302)
Repayment of principal on long-term debt is an expenditure in the Governmental Funds, but repayment reduces long-term liabilities in the Statement of Net Position.		4,104,562
Governmental funds report revenues (delinquent property taxes) not collected within sixty days as deferred inflows until subsequently collected. These transactions are recorded as revenues when earned in the Statement of Activities.		1,220,604
Increase of accrued compensated absences increases expenses in the Statement of Activities, but is not an expenditure in the governmental funds.		(473,503)
Special assessments are recognized when levied in the Statement of Activities and are recorded in the fund statement when measurable and available.		(784,597)
Accrued pension costs are not reported as an expenditure for the current period in the Governmental Funds, but are recorded in the Statement of Activities.		(910,185)
Amortization of deferred outflows relating to debt is not recognized in the Governmental Funds, but is recorded in the Statement of Activities.		(165,161)
Accrued interest is not reported as an expenditure for the current period in the governmental funds but is recorded in the Statement of Activities.		24,760
Changes in Net Position of Governmental Activities	$	21,819,887

The accompanying notes are an integral part of this financial statement

PROPRIETARY FUND
FINANCIAL STATEMENTS

MAJOR FUNDS

Water Fund

The Water Fund is used to account for the activities of the City's water operations.

Storm Water Fund

The Storm Water Fund is used to account for the activities and operations of the City's storm water system.

NONMAJOR FUNDS

Nonmajor Funds

Nonmajor proprietary funds are presented beginning on page 106.

CITY OF HERRIMAN

Statement of Net Position
Proprietary Funds
June 30, 2025

	Water	Storm Water	Nonmajor Proprietary Funds	Total
ASSETS				
Current Assets:				
Cash & Cash Equivalents	$ 22,366,792	$ 4,643,186	$ 977,836	$ 27,987,814
Receivables (net of allowance)	5,166,315	183,940	52,389	5,402,644
Interfund Receivable	7,609,748	-	-	7,609,748
Inventory	1,253,462	-	-	1,253,462
Prepaid Items	35,424	219	-	35,643
Total Current Assets	36,431,741	4,827,345	1,030,225	42,289,311
Noncurrent Assets:				
Restricted Cash & Cash Equivalents	14,887,605	-	-	14,887,605
Capital Assets				
Land & Water Rights	18,578,277	136,500	-	18,714,777
Construction in Progress	12,364,191	249,864	-	12,614,055
Buildings	58,400	509,695	-	568,095
Machinery and Equipment	1,734,917	138,658	-	1,873,575
Autos and Trucks	1,692,543	412,783	-	2,105,326
Improvements Other than Buildings	156,439,492	62,333,218	-	218,772,710
Less: Accumulated Depreciation	(55,831,653)	(21,572,942)	-	(77,404,595)
Total Noncurrent Assets	149,923,772	42,207,776	-	192,131,548
Total Assets	186,355,513	47,035,121	1,030,225	234,420,859
DEFERRED OUTFLOWS OF RESOURCES				
Resources Related to Pensions	393,610	78,628	-	472,238
Deferred Charges on Refunding	263,528	-	-	263,528
Total Deferred Outflows of Resources	657,138	78,628	-	735,766
LIABILITIES				
Current Liabilities:				
Accounts Payable	7,887,732	30,990	60,262	7,978,984
Accrued Liabilities	172,336	8,443	1,288	182,067
Accrued Interest	530,360	-	-	530,360
Deposits	575,000	-	-	575,000
Compensated Absences	109,522	13,132	-	122,654
Bonds and Notes Payable	1,811,214	-	-	1,811,214
Total Current Liabilities	11,086,164	52,565	61,550	11,200,279
Noncurrent Liabilities:				
Compensated Absences	75,715	16,637	-	92,352
Bonds and Notes Payable	26,798,814	-	-	26,798,814
Net Pension Liability	379,369	75,783	-	455,152
Total Noncurrent Liabilities	27,253,898	92,420	-	27,346,318
Total Liabilities	38,340,062	144,985	61,550	38,546,597
DEFERRED INFLOWS OF RESOURCES				
Resources Related to Pensions	2,940	587	-	3,527
NET POSITION				
Net Investment in Capital Assets	117,346,078	42,207,776	-	159,553,854
Restricted for:				
Capital Projects	14,502,519	2,872,080	-	17,374,599
Debt Service	3,140,249	-	-	3,140,249
Unrestricted	13,680,803	1,888,321	968,675	16,537,799
Total Net Position	$ 148,669,649	$ 46,968,177	$ 968,675	$ 196,606,501

The accompanying notes are an integral part of this financial statement

CITY OF HERRIMAN

Statement of Revenues, Expenses, and Changes in Net Position

Proprietary Funds

For the Year Ended June 30, 2025

	Water	Storm Water	Nonmajor Proprietary Funds	Total
OPERATING REVENUES				
Charges for Services	$ 15,978,687	$ 1,744,396	$ 399,408	$ 18,122,491
Intergovernmental	37,532	-	-	37,532
Miscellaneous	76,727	2,300	-	79,027
Total Operating Revenues	16,092,946	1,746,696	399,408	18,239,050
OPERATING EXPENSES				
Water Purchases	6,518,004	-	102,940	6,620,944
Salaries and Wages	1,968,389	433,317	112,493	2,514,199
Operating Supplies and Materials	830,378	109,289	18,167	957,834
Professional and Technical Services	117,579	8,386	43,885	169,850
Conferences and Travel	14,941	4,378	-	19,319
Insurance	41,152	4,437	-	45,589
Utilities	888,800	396	42,400	931,596
Equipment, Repairs & Maintenance	428,089	122,715	74,000	624,804
Administrative	926,857	505,961	-	1,432,818
Depreciation	5,535,940	2,100,751	-	7,636,691
Total Operating Expenses	17,270,129	3,289,630	393,885	20,953,644
Operating Income (Loss)	(1,177,183)	(1,542,934)	5,523	(2,714,594)
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	1,940,665	211,868	44,225	2,196,758
Connection Fees	153,525	-	1,850	155,375
Interest and Fees	(838,071)	-	-	(838,071)
Gain (Loss) on Sale and Disposal of Capital Assets	20,805	7,600	-	28,405
Total Nonoperating Revenues (Expenses)	1,276,924	219,468	46,075	1,542,467
Income (Loss) Before Contributions and Transfers	99,741	(1,323,466)	51,598	(1,172,127)
CONTRIBUTIONS AND TRANSFERS				
Impact Fees	1,651,337	190,885	33,768	1,875,990
Capital Contributions-Infrastructure	5,485,005	35,395,154	-	40,880,159
Capital Contributions-Intergovernmental	2,439,187	-	-	2,439,187
Transfers In	53,530	160,000	-	213,530
Total Transfers and Contributions	9,629,059	35,746,039	33,768	45,408,866
Change in Net Position	9,728,800	34,422,573	85,366	44,236,739
Total Net Position, Beginning of Year	138,940,849	12,545,604	883,309	152,369,762
Total Net Position, End of Year	$ 148,669,649	$ 46,968,177	$ 968,675	$ 196,606,501

The accompanying notes are an integral part of this financial statement

CITY OF HERRIMAN

Statement of Cash Flows

Proprietary Funds

For the Year Ended June 30, 2025

	Water	Storm Water	Nonmajor Proprietary Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	$ 12,834,098	$ 1,724,499	$ 376,785	$ 14,935,382
Payments to Suppliers	(4,876,247)	(233,568)	(240,274)	(5,350,089)
Interfund Services	(926,857)	(505,961)	-	(1,432,818)
Payments to Employees	(1,791,789)	(408,808)	(112,425)	(2,313,022)
Net Cash Flows from Operating Activities	5,239,205	576,162	24,086	5,839,453
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	53,530	160,000	-	213,530
Net Cash From Noncapital Financing Activities	53,530	160,000	-	213,530
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of Capital Assets	(10,051,258)	(591,863)	-	(10,643,121)
Proceeds From Sale of Capital Assets	20,805	7,600	-	28,405
Impact Fees	1,651,337	190,885	33,768	1,875,990
Payment on Interfund Loan	919,721	-	-	919,721
Connection Fees	153,525	-	1,850	155,375
Principal Payments on Long-Term Bonds	(1,395,000)	-	-	(1,395,000)
Interest and Fees Paid	(1,159,409)	-	-	(1,159,409)
Net Cash Flows from Capital and Related Financing Activities	(9,860,279)	(393,378)	35,618	(10,218,039)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	1,940,665	211,868	44,225	2,196,758
Net Increase (Decrease) in Cash and Cash Equivalents	(2,626,879)	554,652	103,929	(1,968,298)
Cash and Cash Equivalents, Beginning of Year	39,881,276	4,088,534	873,907	44,843,717
Cash and Cash Equivalents, End of Year	$ 37,254,397	$ 4,643,186	$ 977,836	$ 42,875,419
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ (1,177,183)	(1,542,934)	$ 5,523	$ (2,714,594)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities				
Depreciation Expense	5,535,940	2,100,751	-	7,636,691
Net Pension and Compensated Absences Adjustment	50,707	22,730	-	73,437
Changes in operating assets and liabilities:				
(Increase) Decrease in Receivables	(3,173,247)	(22,200)	(22,623)	(3,218,070)
(Increase) Decrease in Inventory	(104,341)	-	-	(104,341)
Increase (Decrease) in Accrued Liabilities	4,107,329	17,815	41,186	4,166,330
Net Cash Flows from Operating Activities	$ 5,239,205	$ 576,162	$ 24,086	$ 5,839,453
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES				
Capital Contributions	$ 5,485,005	$ 35,395,154	$ -	$ 40,880,159
Amortization of Bond Premium	265,624	-	-	265,624
Amortization of Deferred Charges on Refunding	40,196	-	-	40,196
Noncash Investing, Capital, and Financing Activities	$ 5,790,825	$ 35,395,154	$ -	$ 41,185,979

The accompanying notes are an integral part of this financial statement

Notes to the Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Herriman's (the City) financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the City are discussed below.

A. Reporting Entity

Herriman City is organized under the council-manager form of government, where residents elect a governing body consisting of four City Councilmembers and a Mayor. The position of Mayor is an equal part of the four-member Council and has voting rights, along with being the chairperson of the City Council. The governing body appoints a City Manager to implement policies, oversee the local government's day-to-day operations, and advise the City Council.

The Annual Comprehensive Financial Report (ACFR) of the City includes the financial statements for all activities of the City based upon the criteria set forth in GASB Statement 61, as amended. The primary criterion for including a board or an agency in this report is financial accountability, which determines whether an entity is a component unit of the financial reporting entity. Blended component units, although legally separate entities, are, in substance, part of the government's operations, so data from these units are combined with data of the primary government. Discretely presented component units, if any, are reported in a separate column in the combined financial statements to emphasize they are legally separate from the City.

Blended Component Units

The Community Development and Renewal Agency of Herriman City (CDRA) includes five project areas that are reported in these financial statements. These project areas are the following:

- Herriman Towne Center CDA/SAA
- Herriman Business Center CDA
- Anthem CRA
- Herriman Innovation District CRA
- Herriman North CRA

The project areas collect taxes for the designated areas for not only the City portion of property taxes but also a portion of all other taxing agencies to provide for the construction of infrastructure. The Board of the CDRA is made up of all members of the Herriman City Council and functions only on behalf of the City. The budget and operations of the project areas are approved by the CDRA.

The Herriman City Safety Enforcement Area (HCSEA) is a taxing entity created in January 2018 to provide funds for law enforcement services in Herriman. The HCSEA assesses a property tax on Herriman City landowners, which in turn contracts with the Herriman City police department for services. The funds provided by the tax area are transferred to the general fund to pay for services provided. The Board of the HCSEA is comprised of Herriman City Council members.

The Herriman City Fire Service Area (HCFSA) is a taxing entity created in January 2021 to provide fire services in Herriman. The HCFSA contracts with Unified Fire Authority (UFA) to provide fire services to the City. The Board of the HCFSA is comprised of Herriman City Council members.

The CDRA, HCSEA, and HCFSA of Herriman City are all presented as special revenue funds.

Complete financial statements for each of the individual component units may be obtained at the entity's administrative offices:

Community Development and Renewal Agency of Herriman City
5355 W Herriman Main St
Herriman, UT 84096-5836

Herriman City Safety Enforcement Area
5355 W Herriman Main St
Herriman, UT 84096-5836

Herriman City Fire Service Area
5355 W Herriman Main St
Herriman, UT 84096-5836

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (*i.e.*, the statement of net position and the statement of activities) report information on all activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units, if any, for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (*i.e.*, when they are “measurable and available”). “Measurable” means the amount of the transaction can be determined, and “available” means the amount is collectible within the current period or soon enough

thereafter to be used to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after the year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt as well as expenditures related to compensated absences, claims, and judgments, which are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, and earned but unreimbursed state and federal grants associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Only the portion of the special assessments receivable due within the fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The *Herriman City Safety Enforcement Area Fund* is a taxing entity created specifically for public safety. It is a blended component unit of Herriman City. The taxes collected by the Safety Enforcement Area are used to pay for police services provided by the Herriman City Police Department.

The *Herriman City Fire Service Area Fund* is a taxing entity created specifically for public safety. It is a blended component unit of Herriman City. The taxes collected by the Fire Service area are used to pay for fire services provided by Unified Fire Authority.

The *Community Development and Renewal Agency of Herriman City Fund* accounts for the activities of the five project areas included in the Agency, a blended component unit of the City. The Agency is an entity established to further public purpose in the redevelopment of City areas. In addition, the fund accounts for debt service payments on the outstanding Special Assessment debt.

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by the proprietary funds).

The government reports the following major proprietary funds:

The *Water Fund* accounts for the provision of water services to the customers of the City. Activities of the funds include administration, operations, and maintenance of the water system, which includes billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt and capital improvements. The majority of costs are financed through charges to utility customers and impact fees.

The *Storm Water Fund* is used to account for the activities of the City's storm water operations. This includes the maintenance and improvements needed to support the City's storm water system.

Additionally, the government reports the following fund types:

Special Revenue Funds are used to account for proceeds of specific revenue sources (other than sources for major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital projects.

The *Debt Service Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest on long-term debt of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the general fund by the various enterprise funds for providing administrative services for such funds. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with maturities of three months or less at the time of purchase.

Investments consist of amounts deposited with the Utah Public Treasurers' Investment Fund. Investments are stated at fair value.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to or due from other funds".

Legally authorized transfers are treated as interfund transfers and are included in the results of operations in both governmental and proprietary funds.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid expenditures of governmental funds are recorded as expenditures when purchased using the purchases method.

4. Restricted Assets/Restricted Net Position

Restricted assets are comprised of cash restricted for future payments of principal and interest on debt service. It is the policy of the City to use restricted assets first and then use unrestricted assets.

Restricted net position represents resources that are subject to external restrictions on how they may be used. Of the $41,799,631 reported as restricted net position in the statement of net position, $26,313,106 is restricted due to enabling legislation.

5. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (*e.g.*, roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than $10,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the functionality of the assets or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	20 – 40
Infrastructure	20 – 40
Parks	15 – 40
Machinery and Equipment	5 – 10
Autos and Trucks	5 – 10

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This financial statement element represents a consumption of net assets that applies to a future period(s) and so *will not* be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category: a deferred charge on refunding and resources related to pensions, both of which are reported in the government-wide

Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows of resources related to pensions result from the difference between projected and actual earnings on pension plan investments.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This financial statement element represents an acquisition of net assets that applies to a future period(s) and so *will not* be recognized as an inflow of resources (revenue) until that time. The City has one item, *deferred revenue,* which qualifies for reporting in this category on both the government-wide statement of net position and governmental funds balance sheet. Both statements report unavailable revenue due to property taxes. In addition, the statement of net position reports *resources related to pensions,* which relate to the differences between expected and actual experience along with changes in assumptions for the City's pensions. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

7. Compensated Absences

City employees accrue earned vacation and sick leave throughout the year. Employees are allowed to carry forward into the next calendar year accrued vacation up to 320 hours and 620 hours of sick leave but are encouraged to take their vacation leave within the calendar year in which it is earned. Upon termination of employment, an employee will be compensated for all unused vacation leave up to 320 hours. Hours above 320 will be paid out on a scale dependent on years of service. Sick leave will be paid out at 25 percent, up to 600 hours, upon termination. Sick leave hours above 600 will be paid out depending on a scale based on years of service.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

8. Taxes

In Utah, county governments assess, levy, collect, and disburse two principal types of tax: (1) personal property tax which is assessed on business assets other than real estate, and (2) tax on real estate and improvements. Business personal property and real estate taxes attach as an enforceable lien on property as of January 1st. Taxes are levied on all business personal property on January 1st, and real estate and improvement taxes are levied on January 1st and are payable by November 30th. The real property taxes that are due in November are reported as a receivable from property taxes on the financial statements. Because these taxes are not considered available to liquidate liabilities of the current period, they are offset by a deferred inflow.

The City Council is authorized by state statute to levy a tax against all real and personal property located within its boundaries. The Council must set a tax rate by June 22nd each year. The County Treasurer, acting as a tax collector, must settle and disburse all tax collections to all taxing entities on a routine basis.

9. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the accrual of debt proceeds received, are reported as debt service expenditures.

10. Fund Balance

The City implemented GASB Statement 54, *Fund Balance Reporting in Governmental Fund Types Definitions*, in fiscal year 2011. The governmental fund financial statements present fund balances based on a hierarchy that shows, from highest to lowest, the level or form of constraints on fund balance resources and the extent to which the City is bound to honor

them. The City first determines and reports nonspendable balances, then restricted, then committed, and so forth. Fund balance classifications are summarized as follows:

- *Nonspendable*: This classification includes fund balance amounts that cannot be spent because they are either a) not in spendable form or b) legally or contractually required to be maintained intact. Fund balance amounts related to inventories, prepaid expenditures, and endowments are classified as nonspendable. Nonspendable fund balance represents prepaid expenditures.

- *Restricted*: This classification includes net fund resources that are subject to external constraints that have been placed on the use of the resources either a) imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation. Restricted fund balance amounts include debt service, impact fees, and Renewal Agency fund balance.

- *Committed*: This classification includes amounts that can only be used for specific purposes established by formal action of the City Council. Fund balance commitments can only be removed or changed by the same type of action (for example, resolution) of the City Council. The City does not have any committed fund balance.

- *Assigned*: This fund balance classification includes amounts that are constrained by the City's intent to use the funds for specific purposes but are neither restricted nor committed. This includes balances budgeted for a subsequent fiscal year (typically for capital projects not completed in the current fiscal year). Also included are all remaining amounts that are reported in governmental funds, other than the General Fund, that are not classified as nonspendable, restricted, or committed.

- *Unassigned*: This classification includes residual balances in the general fund. The general fund is the only fund that reports a positive unassigned fund balance. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned, it may be necessary to report a negative unassigned fund balance in that fund. The capital projects fund reports negative unassigned fund balance due to an interfund loan with the water fund, which was used to acquire land.

When an expenditure is incurred for which amounts of both restricted and unrestricted resources could be used, it is the City's policy to use restricted resources first before using unrestricted resources. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, then assigned, and finally unassigned.

The City's fund balance policy states that minimum fund balance will follow state Code. Utah Code § 10-6-116(4) requires a minimum fund balance of 5 percent of total revenues to be maintained in the general fund. For fiscal year 2025, this amount is $1,224,800.

11. Use of Estimates

Presenting financial statements in conformity with GAAP requires management to make certain estimates concerning assets, liabilities, revenues, and expenses. Actual results may vary from these estimates.

12. Pensions

For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) Pension Plan and additions to/deductions from URS' fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANICAL STATEMENTS

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

The governmental fund balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position.

This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets.

Capital related items:

Capital assets used for governmental activities are not financial resources and, therefore, are not reported in the funds.

Cost of capital assets	$ 687,551,977
Accumulated depreciation	(145,237,694)
Net adjustment to increase *fund balance - total governmental funds* to arrive at *net position - governmental activities*	$ 542,314,283

Long-term debt transactions:

Long-term liabilities, including bonds payable and notes payable, are not due and payable in the current period and therefore are not reported in the funds.

Bonds payable	$ 53,216,188
Bond premium	2,242,311
Notes payable	472,215
Leases payable	848,193
Subscriptions payable	913,834
Compensated absences	3,043,014
Net adjustment to reduce *fund balance – total governmental funds* to arrive at *net position – governmental activities*	$ 60,735,755

Long-term assets and deferred outflows of resources:

Other long-term assets and deferred outflows of resources are not available to pay for current expenditures.

Deferred outflows of resources relating to refunding debt	$ 857,239
Deferred outflows of resources related to pensions	4,123,820
Net adjustment to increase *fund balance – total governmental funds* to arrive at *net position – governmental activities*	$ 4,981,059

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense."

Capital outlay	$18,560,910
Depreciation expense	(10,568,668)
Net adjustment to increase *net changes in fund balances-total governmental funds* to arrive at *changes in net position of governmental activities*	$7,992,242

Another element of that reconciliation states that "The issuance of long-term debt (*e.g.*, bonds, leases) provides current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Position."

Bonds payable	$ 16,330,000
Bond premium	1,232,606
Right to use lease proceeds	67,139
Right to use subscription proceeds	277,642
Net adjustments to decrease *net changes in fund balances-total governmental funds* to arrive at *changes in net position of governmental activities*	$17,907,987

Another element of that reconciliation states that "Repayment of principal on long-term debt is an expenditure in the Governmental Funds, but repayment reduces long-term liabilities in the Statement of Net Position."

Repayment of principal - Bonds	$3,995,609
Bond premium amortization	108,953
Net adjustment to increase *net changes in fund balances – total governmental funds* to arrive at *changes in net position of governmental activities*	$4,104,562

NOTE 3 – BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are prepared and adopted in accordance with the Uniform Fiscal Procedures Act adopted by the state of Utah. Once a budget has been adopted, it remains in effect until it has been formally revised. Furthermore, in accordance with state law, all appropriations lapse at the end of the budget year. If any obligations are contracted for and are in excess of the adopted budget, they are not a valid or enforceable claim against the City. Budgets are adopted on a basis consistent with GAAP. All funds of the City have legally adopted budgets.

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

A. On or before the first regularly scheduled meeting of the City Council in May, the Director of Finance and Administrative Services submits a proposed operating and capital budget. The budgets include proposed expenditures and the means of financing them.

B. A public hearing is held at which time the taxpayers' comments are heard. Notice of the hearing is given at least seven days prior to the hearing. Copies of the proposed budget are made available for public inspection ten days prior to the public hearing.

C. On or before June 30, a final balanced budget must be adopted through passage of a resolution for the subsequent fiscal year beginning July 1.

D. Control of budgeted expenditures is exercised, under state law, at the departmental level. The Director of Finance and Administrative Services has the authority to transfer budget appropriations between line items within any department of any budgetary fund. The City Council, by Resolution, has the authority to transfer budget appropriations between the individual departments of any budgetary fund.

E. Budget appropriations for any department may be reduced by Resolution.

F. A public hearing as required in B. above, must be held to increase the total appropriations of any one governmental fund type; however, after the original public hearing, operating and capital budgets of proprietary fund types may be increased by Resolution without an additional hearing. However, the City's practice is to hold a public hearing.

G. Encumbrances lapse at year end. Encumbered amounts do not carry over to the following year and are subject to re-appropriation. Therefore, no encumbrances are presented in the financial statements.

During the budget year, the City modified the budget on several occasions using the above procedures.

NOTE 4 – CASH, CASH EQUIVALENTS AND INVESTMENTS

The City maintains cash and investment pools that are available for use by all funds. As of June 30, 2025, the City's cash and investment balance consists of the following:

	Total Cash from All Fund Types
Deposits	
Cash on hand	$ 485
Cash in bank (Checking and Sweep accounts)	1,623,830
Cash in bank (Xpress Bill Pay account)	669,997
Investments	
Public Treasurers' Investment Fund (PTIF) – Bonds	34,131,484
Public Treasurers' Investment Fund (PTIF) – General	73,046,969
US Bank (Meeder Public Funds)	15,676,590
Total Cash and Investments	$ 125,149,355

While the City's carrying amount of deposits was $125,149,355, the balance in the City's bank accounts and cash on hand was $126,559,894. The difference is due to outstanding checks and deposits in transit.

A. Custodial Credit Risk

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the City's deposits may not be recovered. The City's policy for managing custodial credit risk is to adhere to the Utah Money Management Act. The Act requires all deposits of the City to be in a qualified depository, defined as any financial institution whose deposits are insured by an agency of the federal government, and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council. As of June 30, 2025, the deposits are as follows:

Depository Account	Custodial Credit Risk	Balance June 30, 2025
Checking	Insured	$ 12,026
Investment Sweep	Insured	237,974
Investment Sweep	Uninsured	2,784,854
Total Deposits		$ 3,034,854

Investments

Custodial credit risk for investments is the risk that in the event of the failure of the counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. The City's policy for mitigating custodial credit risk is to follow the Utah Money Management Act (UMMA), which provides a list of certified investment dealers, all of which have good credit. At June 30, 2025, the $122,855,043 in the City's various investments are uninsured, uncollateralized, and held by the counterparty's trust department but not in the City's name and is therefore exposed to custodial credit risk.

B. Credit Risk

Credit risk is the risk that the counterparty to an investment will not fulfill its obligations. The City's policy for limiting the credit risk of investments is to comply with the Utah Money Management Act. The Act requires investment transactions to be conducted only through qualified depositories, certified dealers, or directly with issuers of investment securities. Permitted investments include deposits of qualified depositories; repurchase agreements; commercial paper that is classified as "first-tier" by two nationally recognized statistical rating organizations, as defined in the Act; bankers acceptances; obligations of the U.S. Treasury and U.S. government sponsored enterprise; bonds and notes of political subdivisions of the State of Utah; and fixed rate corporate obligations and variable rated securities rated "A" or higher by two nationally recognized statistical rating services as defined in the Act.

The City invests in the Utah Public Treasurer's Investment Fund (PTIF), an external pooled investment fund managed by the Utah State Treasurer and subject to the Act and Council requirements. The PTIF is not registered with the Securities and Exchange Commission (SEC) as an investment company, and deposits in the PTIF are not insured or otherwise guaranteed by the state of Utah. The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses, net of

administration fees, of the PTIF are allocated based upon the participants' average daily balances.

The following are the City's investments as of June 30, 2025:

	Maturities of Instruments						
Asset Type	Less Than 1	1-5 Years	6-10 Years	More Than 10	S&P Rating June 30, 2025	Total	Percent of Porfolio
Receivable	$ 259	$ -	$ -	$ -	AAA	$ 259	0%
U.S. Treasuries	750,225	9,230,864	-	-	AA+	9,981,089	8%
Money Market Funds	89,335	-	-	-	AAA	89,335	0%
Commercial Paper	1,329,031	-	-	-	A-1	1,329,031	1%
U.S. Agencies	1,171,406	2,787,797	-	-	AA+	3,959,203	3%
Municipal Bonds	-	317,673	-	-	AA+	317,673	0%
Utah PTIF	107,178,453	-	-	-	N/A	107,178,453	86%
Total Investments	110,518,709	12,336,334	-	-		122,855,043	
Cash and equivalents	2,294,312	-	-	-	N/A	2,294,312	2%
Total Cash and Investments	$ 112,813,021	$ 12,336,334	$ -	$ -		$ 125,149,355	

C. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of the investment. The City manages its exposure to declines in fair value by adhering to the Utah Money Management Act (The Act). The Act requires that the remaining term to maturity of the investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to between 270 days to 15 months or less.

The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the state to five years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding three years. Maturities of the City's investments are noted in the above table, which uses the authoritative accounting standard-approved method of segmented time distribution to disclose the interest rate risk for the City's investments. The City's policy is to adhere to the Act.

D. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a City's investment in a single issuer. The City's policy is to adhere to the Utah Money Management Act (including the rules of the Utah Money Management Council) and diversification requirements outlined in the City's Investment Policy. The Council's Rule 17 limits investments in a single issuer of commercial paper and corporate obligations to 5 percent of the total portfolio.

E. Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by GAAP. These guidelines recognize the following three-tiered fair value hierarchy:

- Level 1: Quoted prices for *identical* investments in *active* markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

As of June 30, 2025, the City valued the Utah Public Treasurer's Investment Fund totaling $107,178,453 using the application of the June 30, 2025, fair value factor, as calculated by the Utah State Treasurer, to the City's ending balance in the fund (Level 2 inputs).

At June 30, 2025, the $15,676,590 market value of Meeder funds was comprised of $89,595 in cash and money market funds using Level 1 inputs and $15,586,995 of commercial paper, agency bonds, municipal and US Government bonds using Level 2 inputs based on market prices.

NOTE 5 – RECEIVABLES

Receivables as of year-end for the City's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	Herriman City Safety Enforcement Area	Herriman City Fire Safety Area	Community Development and Renewal Agency	Capital Projects	Water	Storm Water	Nonmajor Proprietary	Total
Receivables:									
Accounts	196,530	-	-	-	29,615	2,740,902	185,852	52,589	3,205,488
Property Tax	1,090,331	10,273,726	8,607,781	-	-	-	-	-	19,971,838
Other Taxes	2,936,913	-	-	-	-	-	-	-	2,936,913
Special Assessments		-	-	4,204,188	-	-	-	-	4,204,188
Intergovernmental	557,857	-	-	-	-	-	-	-	557,857
Other	39,348	-	-	-	-	2,443,420	-	-	2,482,768
Less: Allowance for Uncollectible Accounts	-	-	-	-	-	(18,007)	(1,912)	(200)	(20,119)
	$ 4,820,979	**$ 10,273,726**	**$ 8,607,781**	**$ 4,204,188**	**$ 29,615**	**$ 5,166,315**	**$ 183,940**	**$ 52,389**	**$ 33,338,933**

NOTE 6 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

Interfund Transfers

	Transfers To						
Transfers From	General Fund	Community Development and Renewal Agency	Capital Projects	Nonmajor Governmental Funds	Water Fund	Storm Water Fund	Total
General Fund	$ -	$ 13,910	$ 6,870,220	$ 2,421,434	$ -	$ -	$ 9,305,564
Herriman City Safety Enforcement Area	8,583,082	-	-	862,820	-	-	9,445,902
Capital Projects	-	-	-	-	-	160,000	160,000
Nonmajor Governmental	-	-	-	744,300	53,530		797,830
	$ 8,583,082	**$ 13,910**	**$ 6,870,220**	**$ 4,028,554**	**$ 53,530**	**$ 160,000**	**$19,709,296**

The City transferred monies between funds to support debt service payments in the Debt Service Fund (nonmajor governmental fund). A transfer from the General Fund was initiated to fulfill the terms of a participation agreement in the Community Development and Renewal Agency Fund. Also, the City transferred monies to support capital-related expenditures in the Capital Projects Fund and Capital Equipment Fund. Transfers from the Herriman City Safety Enforcement Area Fund to the General Fund and Capital Equipment Fund were made to support public safety operations and vehicle replacements. A transfer was made from the General Fund to the Water fund for a vehicle purchase reimbursement, and capital project funds were transferred from Capital Projects to the Storm Water fund.

Interfund Receivables/Payables

During fiscal year 2020, the Capital Projects Fund borrowed $12,500,000 from the Water Fund. A promissory note was executed between the two funds with an effective date of June 30, 2020. Terms of the loan are as follows:

- Repayment shall be in a lump sum on June 30, 2026, with accrued interest at the rate of 1 percent per annum.
- Late payment beyond a 5-day grace period will accrue a 5 percent late fee, and interest shall accrue at 12 percent per annum.

On June 9, 2021, a portion of the land purchased with the interfund loan was sold. Additional portions of the land were sold on March 29, 2023, May 30, 2024, and May 30, 2025. The total proceeds of $4,883,881 have been applied against the principal and interest balance of the loan, and accrued interest on the note as of June 30, 2025, is $6,458. The balance on the loan as of June 30, 2025, is $7,609,748.

NOTE 7 – CAPITAL ASSETS

Governmental Activities	Balance 6/30/2024	Reclassifications	Additions	Deletions	Balance 6/30/2025
Capital Assets, not being Depreciated					
Land	$ 317,316,062	$ -	$ 35,137,101	$ (136,500)	$ 352,316,663
Construction in Progress	14,134,227	(13,807,124)	12,558,782	(27,264)	12,858,621
Total Capital Assets, not being Depreciated	331,450,289	(13,807,124)	47,695,883	(163,764)	365,175,284
Capital Assets, being Depreciated					
Buildings	22,855,662	(509,695)	-	-	22,345,967
Right to Use Buildings	683,886	-	-	-	683,886
Improvements	307,465,432	(35,771,801)	12,237,280	-	283,930,911
Autos & Trucks	9,469,285	(6,068)	509,943	(965,838)	9,007,322
Machinery & Equipment	4,649,796	-	-	-	4,649,796
Right to Use Equipment	521,616	-	25,885	-	547,501
Right to Use Subscriptions	891,814	-	319,496	-	1,211,310
Total Capital Assets, being Depreciated	346,537,491	(36,287,564)	13,092,604	(965,838)	322,376,693
Less Accumulated Depreciation					
Buildings	(6,373,042)	475,512	(585,659)	-	(6,483,189)
Right to Use Buildings	(113,981)		(136,777)	-	(250,758)
Improvements	(138,886,033)	18,507,909	(8,420,594)	-	(128,798,718)
Autos & Trucks	(5,808,758)	373,965	(1,036,626)	965,838	(5,505,581)
Machinery & Equipment	(3,608,999)	-	(242,754)	-	(3,851,753)
Right to Use Equipment	(74,535)	-	(53,997)	-	(128,532)
Right to Use Subscriptions	(126,902)	-	(92,261)	-	(219,163)
Total Accumulated Depreciation	(154,992,250)	19,357,386	(10,568,668)	965,838	(145,237,694)
Total Capital Assets, being Depreciated, net	191,545,241	(16,930,178)	2,523,936	-	177,138,999
Governmental Activities Capital Assets, net	$ 522,995,530	$ (30,737,302)	$ 50,219,819	$ (163,764)	$ 542,314,283

Business-Type Activities	Balance 6/30/2024	Reclassifications	Additions	Deletions	Balance 6/30/2025
Capital Assets, not being Depreciated					
Land	$ 3,215,210	$ -	$ 136,500	$ -	$ 3,351,710
Water Rights	15,363,067	-	-	-	15,363,067
Construction in Progress	3,414,331	4,200	10,913,114	(1,717,590)	12,614,055
Total Capital Assets, not being Depreciated	21,992,608	4,200	11,049,614	(1,717,590)	31,328,832
Capital Assets, being Depreciated					
Buildings	58,400	509,695	-	-	568,095
Machinery & Equipment	1,383,867	-	489,708	-	1,873,575
Autos & Trucks	1,763,494	388,566	127,824	(174,558)	2,105,326
Improvements	156,304,872	49,192,227	13,275,611	-	218,772,710
Total Capital Assets, being Depreciated	159,510,633	50,090,488	13,893,143	(174,558)	223,319,706
Less Accumulated Depreciation					
Buildings	(27,984)	(475,512)	(4,616)	-	(508,112)
Machinery & Equipment	(542,791)	-	(130,063)	-	(672,854)
Autos & Trucks	(876,553)	(373,965)	(220,080)	174,558	(1,296,040)
Improvements	(49,137,749)	(18,507,909)	(7,281,931)	-	(74,927,589)
Total Accumulated Depreciation	(50,585,077)	(19,357,386)	(7,636,690)	174,558	(77,404,595)
Total Capital Assets, being Depreciated, net	108,925,556	30,733,102	6,256,453	-	145,915,111
Business Type Activities Capital Assets, net	$ 130,918,164	$ 30,737,302	$ 17,306,067	$ (1,717,590)	$ 177,243,943

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	$ 2,933,230
Public Safety	590,327
Public Works - Operations	5,023,626
Parks, Recreation, & Events	1,982,300
Community Development	39,185
Total Depreciation Expense - Governmental Activities	$ 10,568,668
Business-Type Activities:	
Water	$ 5,535,939
Storm Water	2,100,751
Total Depreciation Expense - Business-Type Activities	$ 7,636,690

NOTE 8 - LONG-TERM DEBT

Bonds and notes payable as of June 30, 2025, are comprised of the following:

Revenue Bonds:

2015A Sales and Franchise Tax Revenue Bonds:
$21,845,000 Sales Tax Revenue Bonds due in annual principal and semi-annual interest payments through August 2035 – Interest rates range from 2.00 to 5.00%. Proceeds were used to construct City Hall and Herriman Boulevard from 6000 West to 6400 West. $ 14,085,000

2015B Sales and Franchise Tax Revenue Refunding Bonds:
$6,045,000 Sales and Franchise Tax Revenue Refunding Bonds due in annual principal and semi-annual interest payments through August 2033 – Interest rates range from 4.40 to 5.70%. Proceeds were used to advance refund the 2008 Sales and Franchise Tax Revenue Bonds. 4,025,000

2016 RDA Tax Increment Revenue Bonds:	
$10,969,000 RDA Tax Increment Revenue Bonds due in annual principal and interest payments through July 2032 – Interest rate is 5%. Proceeds were used to construct the "U" road around City Hall and Crane Park.	5,942,000
2016 Water Revenue Refunding Bonds:	
$7,795,000 Water Revenue Refunding Bonds due in annual principal and semi-annual interest payments through January 2033 – Interest rates range from 2.00 to 4.00%.	5,205,000
2021 Water Revenue and Refunding Bonds:	
$22,705,000 Water Revenue and Refunding Bonds due in annual principal and semi-annual interest payments through January 2041 – Interest rate is 5%. Proceeds were used to refund the outstanding 2015 and 2017 bonds and to construct a new water tank.	19,230,000
2021 Sales and Franchise Tax Revenue Bonds:	
$10,593,000 Sales and Franchise Tax Revenue Bonds due in annual principal and semi-annual interest payments through August 2036 – Interest rates range from 0.50 to 2.20%. Proceeds were used for Herriman Main Street construction.	8,630,000
2025 Sales and Franchise Tax Revenue Bonds:	
$16,330,000 Sales and Franchise Tax Revenue Bonds due in annual principal and semi-annual interest payments through August 2045 – Interest rate is 5%. Proceeds will be used for various City construction projects.	16,330,000
Total Revenue Bonds:	**$73,447,000**

	Revenue Bonds			
	Governmental		Business-Type	
Fiscal Year	Principal	Interest	Principal	Interest
2026	$ 2,740,000	$ 1,523,756	$ 1,445,000	$ 977,400
2027	3,321,000	1,733,954	1,500,000	919,600
2028	3,434,000	1,620,229	1,565,000	859,600
2029	3,556,000	1,499,121	1,625,000	797,000
2030	3,680,000	1,370,863	1,695,000	732,000
2031 - 2035	18,246,000	4,731,140	7,955,000	2,619,200
2036 - 2040	7,340,000	2,286,092	7,065,000	1,187,000
2041 - 2045	5,435,000	1,021,875	1,585,000	63,400
2046	1,260,000	31,500	-	-
	$49,012,000	$15,818,530	$24,435,000	$8,155,200

Pledged Sources of Revenue Bonds:

The City has pledged sales tax and franchise tax revenue for the 2015A, 2015B, 2021, and 2025 Sales and Franchise Tax Revenue Bonds. The remaining principal and interest payments total $58,027,178. For the current year, principal and interest paid and total pledged sales tax revenues were $2,906,213 and $10,415,924 respectively. It is estimated that annual principal and interest payments on the bonds will require 32 percent of pledged revenues in fiscal year 2026.

The City has pledged water revenue for the 2016 Water Revenue Refunding Bonds and 2021 Water Revenue and Refunding Bonds. The remaining principal and interest payments total $32,590,200. For the current year, principal and interest paid and total pledged water revenues were $2,428,200 and $18,215,644, respectively. It is estimated that annual principal and interest payments on the bonds will require 13 percent of pledged revenues.

The City has pledged property tax increment revenue for the 2016 RDA Tax Increment Revenue Bonds. The remaining principal and interest payments total $6,835,036. For the current year, principal and interest paid and total pledged tax increment revenues were $854,243 and $3,766,630, respectively. It is estimated that annual principal and interest payments on the bonds will require 21 percent of pledged revenues.

Special Assessment Bonds:

2016 Special Assessment Refunding Bonds:

$10,795,000 Special Assessment Refunding Bonds due in annual principal and interest payments through October 2029 – Interest rate is 2.32%. The bonds are secured by real estate assessments in the Herriman Towne Center CDA, due in annual installments. Proceeds were used to construct infrastructure in the Herriman Towne Center CDA. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources to cover the deficiency until other resources (for example, foreclosure proceedings) are received. The City expects to make all payments. $ 4,204,188

Special Assessment Bonds

Fiscal Year	Governmental Principal	Interest
2026	803,037	97,537
2027	821,476	78,907
2028	839,916	59,848
2029	860,199	40,362
2030	879,560	20,406
	$ 4,204,188	$ 297,060

The City's bonds are all subject to and in compliance with federal arbitrage regulations.

Notes Payable:

2023 Note Payable

$1,105,547 Note Payable due in annual principal and interest payments through December 2028 – Interest rate is 4.88%. Note Payable is secured by vehicles purchased with proceeds. $ 904,996

Notes Payable				
Fiscal Year	Governmental		Business-Type	
2026	$ 109,754	$ 23,044	$ 100,590	$ 21,120
2027	115,110	17,688	105,498	16,211
2028	120,727	12,070	110,647	11,063
2029	126,624	6,179	116,046	5,663
	$ 472,215	$ 58,981	$ 432,781	$ 54,057

The future annual requirements for all outstanding debt obligations as of June 30, 2025, are as follows:

All Bonds and Notes		
Fiscal Year	Principal	Interest
2026	$ 5,198,381	$ 2,642,857
2027	5,863,084	2,766,359
2028	6,070,290	2,562,810
2029	6,283,869	2,348,325
2030	6,254,560	2,123,269
2031-2035	26,201,000	7,382,025
2036-2040	14,405,000	3,473,092
2041-2045	7,020,000	1,085,275
2046	1,260,000	31,500
	$ 78,556,184	$ 24,415,512

Changes in Long-Term Liabilities

Changes in Long-Term Liabilities

Governmental Activities:	July 1 2024	Additions	Retirements	June 30 2025	Due in One Year
Bonds Payable					
2015A Sales & Franchise Tax Revenue Bonds	$ 15,070,000	$ -	$ 985,000	$ 14,085,000	$ 1,020,000
2015B Sales & Franchise Tax Revenue Refunding Bonds	4,385,000	-	360,000	4,025,000	375,000
2016 RDA Tax Increment Revenue Bonds	6,609,000	-	667,000	5,942,000	680,000
2016 Special Assessment Refunding Bonds	4,988,785	-	784,597	4,204,188	803,037
2021 Sales and Franchise Tax Revenue Bonds	9,289,000	-	659,000	8,630,000	665,000
2025 Sales and Franchise Tax Revenue Bonds	-	16,330,000	-	16,330,000	-
Unamortized Bond Premium	1,118,658	1,232,606	108,953	2,242,311	170,584
Total Bonds Payable	41,460,443	17,562,606	3,564,550	55,458,499	3,713,621
Notes Payable-Vehicles	709,258	-	237,043	472,215	109,754
Capital Leases Payable	1,001,650	25,885	179,342	848,193	185,263
Subscriptions Payable	717,965	319,496	123,627	913,834	113,816
Compensated Absences*	2,569,511	473,503	-	3,043,014	1,678,675
Total Governmental Long-Term Obligations	46,458,827	18,381,490	4,104,562	60,735,755	5,801,129
Business-Type Activities					
Bonds Payable					
2016 Water Revenue Refunding Bonds	5,750,000	-	545,000	5,205,000	565,000
2021 Water Revenue and Refunding Bonds	20,080,000	-	850,000	19,230,000	880,000
Unamortized Bond Premium	4,007,871	-	265,624	3,742,247	265,624
Total Bonds Payable	29,837,871	-	1,660,624	28,177,247	1,710,624
Notes Payable - Vehicles	528,690	-	95,909	432,781	100,590
Compensated Absences*	252,980	-	37,974	215,006	122,654
Total Business-Type Long-Term Obligations	30,619,541	-	1,794,507	28,825,034	1,933,868
Total Government-Wide Long-Term Obligations	$ 77,078,368	$ 18,381,490	$ 5,899,069	$ 89,560,789	$ 7,734,997

*The change in compensated absences above is a net change for the year (an increase or decrease).

In governmental funds, long-term liabilities other than bonds and notes payable (such as compensated absences and pension liabilities) have typically been liquidated by the general fund.

NOTE 9 - LEASES

Beginning with the year ended June 30, 2022, the financial statements include adoption of GASB No. 87, *Leases*. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financing the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability

and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

In leases where the interest rate is not explicitly stated, an incremental borrowing rate is calculated. The City takes the interest rate of the last bond issue, which is compared to a corresponding treasury rate to calculate the spread. The spread is then added to the treasury rate applicable at the time the lease is executed. All leases required the City to calculate an incremental borrowing rate.

The following leases were included in the governmental funds:

On April 1, 2023, the City of Herriman entered into a 60-month lease as a lessee with Scenic Property Management for use of the City's Animal Services Building. An initial lease liability was recorded in the amount of $301,594. In September 2023, the City moved into a different unit and entered into an updated 60-month lease. The prior lease liability was eliminated, and an initial lease liability for the updated lease was recorded in the amount of $683,886. As of June 30, 2025, the value of the lease liability is $581,962. The City is required to make monthly payments ranging from $11,490 to $12,932. The lease has a monthly interest rate of 0.23 percent. The value of the right-to-use asset, as of June 30, 2025, is $683,886 with accumulated amortization of $250,758.

On December 1, 2022, the City of Herriman entered into a 120-month lease as a lessee with Axon Enterprise, Inc. for use of conducted electrical weapons and body-worn cameras (hardware). An initial lease liability was recorded in the amount of $488,483. As of June 30, 2025, the value of the lease liability is $390,311. The City is required to make annual fixed payments of $55,346. The lease has a monthly interest rate of 0.24 percent. The value of the right-to-use asset, as of June 30, 2025, is $488,484 with accumulated amortization of $73,273.

In December 2024, the City signed an amendment to the 120-month lease signed in December 2022. This amendment provided 2 additional electrical weapons and body-worn cameras over the remaining life of the contract. The amendment was recorded as a new lease at an initial liability of $25,885. Payments range from $3,027 to $8,297 with a monthly interest rate of 0.42%. The value of the right-to-use asset at June 30, 2025 is $25,885 with accumulated amortization of $1,362.

On January 1, 2024, the City of Herriman entered into a 106-month lease as a lessee with Axon Enterprise, Inc., for use of interview cameras (hardware). An initial lease liability was recorded in the amount of $33,132. As of June 30, 2025, the value of the lease liability is $29,377. The

City is required to make annual payments ranging from $10,712 to $12,212. The lease has a monthly interest rate of 0.23 percent. The value of the right-to-use asset, as of June 30, 2025, is $33,132 with accumulated amortization of $5,049.

Leases Payable
Governmental

Fiscal Year	Principal	Interest	Total
2026	$ 185,263	$ 27,300	212,563
2027	195,392	16,533	211,925
2028	205,393	10,936	216,329
2029	81,311	6,429	87,740
2030	57,191	4,664	61,855
2031-2033	123,643	4,147	127,790
	$ 848,193	$ 70,009	918,202

Lease Assets
For the Year Ended June 30, 2025

Asset Class	Lease Asset Value	Accumulated Amortization
Buildings	$683,886	$250,758
Equipment	547,501	128,532
Total	$ 1,231,387	$ 379,290

NOTE 10 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

Beginning with the year ended June 30, 2023, the financial statements include the adoption of GASB No. 96, *Subscription-Based Information Technology Arrangements*. This statement establishes uniform accounting and financial reporting requirements for subscription-based technology arrangements (SBITAs); improves the comparability of governments' financial statements, and enhances the understandability, reliability, relevance, and consistency of information about SBITAs. Under this Statement, a government that pays for the right-to-use a vendor's software is required to recognize a SBITA liability and an intangible right-to-use asset. For additional information, refer to the disclosures below.

In SBITAs where the interest rate is not explicitly stated, an incremental borrowing rate is calculated. The City takes the interest rate of the last bond issue, which is compared to a corresponding treasury rate to calculate the spread. The spread is then added to the treasury rate applicable at the time the lease is executed. All leases require the City to calculate an incremental borrowing rate.

The following SBITAs were included in the governmental funds:

On December 1, 2022, the City of Herriman entered into a 120-month SBITA with Axon Enterprise, Inc., for use of taser software. An initial SBITA liability was recorded in the amount of $830,425. The City is required to make annual fixed payments of $94,089. The SBITA has a

monthly interest rate of 0.24 percent. The value of the right-to-use asset, as of June 30, 2025, is $622,820, net of accumulated amortization of $207,605.

In December 2024, the City signed an amendment to the 120-month SBITA for use of the taser software over the remaining life of the contract. The amendment was recorded as a new SBITA with an initial liability of $41,854. The City is required to make annual payments of $6,146, with a monthly interest rate of 0.42%. The value of the right-to-use asset is $39,651, net of accumulated amortization of $2,203.

On January 1, 2024, the City of Herriman entered into a 106-month SBITA with Axon Enterprise, Inc., for use of camera software. An initial SBITA liability was recorded in the amount of $61,389. The City is required to make annual payments ranging from $6,957 to $7,931. The SBITA has a monthly interest rate of 0.23 percent. The value of the right-to-use asset at June 30, 2025, is $52,034, net of accumulated depreciation of $9,355.

On November 1, 2024, the City entered into a 98-month SBITA with Axon Enterprise, Inc. for the use of an artificial-intelligence report writing software. An initial SBITA liability was recorded in the amount of $277,642. Annual payments of $42,572, including interest at a monthly rate of 0.50 percent are required through December 1, 2031.

SBITA Payable

Governmental

Fiscal Year	Principal	Interest	Total
2026	$ 113,816	$ 36,923	150,739
2027	120,166	30,572	150,738
2028	124,567	26,031	150,598
2029	129,299	21,300	150,599
2030	134,237	16,362	150,599
2031-2033	291,749	17,243	308,992
	$ 913,834	$ 148,431	1,062,265

SBITA Assets

For the Year Ended June 30, 2025

Asset Class	Lease Asset Value	Accumulated Amortization
Subscriptions	$ 1,211,310	$ 219,163
Total	$ 1,211,310	$ 219,163

NOTE 11 – COMPENSATED ABSENCES

Beginning with the year ended June 30, 2023, the financial statements include the adoption of GASB No. 101, *Compensated Absences*. The objective of this Statement is to update the recognition and measurement guidance for compensated absences. The Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. The beginning balance for compensated absences on July 1, 2024, was $2,822,491. Compensated absences increased (net) by $435,529, and the ending balance as of June 30, 2025, is $3,258,020.

NOTE 12 - PENSION PLANS

Plan Description: Eligible plan participants are provided with pensions through Utah Retirement Systems (URS). URS is composed of the following pension trust funds:

Defined Benefit Plans:

- The Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple-employer, cost-sharing public employee retirement system.
- The Public Safety Retirement System (Public Safety System) is a mixed agent and multiple-employer, cost-sharing public employee retirement system.
- The Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple-employer, cost-sharing public employee retirement system.
- The Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple-employer, cost-sharing public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the Utah State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds

defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that may be obtained by writing to the below address or by visiting the website: https://www.urs.org/general/publications.

Utah Retirement Systems
560 East 200 South
Salt Lake City, UT 84102-2021

Benefits Provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefits	Benefit percentage per year of service	COLA**
Noncontributory System	Highest 3 years	30 years, any age 25 years, any age* 20 years, age 60* 10 years, age 62* 4 years, age 65	2% per year all years	Up to 4%
Public Safety System	Highest 3 years	20 years, any age 10 years, age 60 4 years, age 65	2.5% per year up to 20 years 2.0% per year over 20 years	Up to 2.5%
Tier 2 Public Employees System	Highest 5 years	35 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 years	25 years, any age 20 years, age 60* 10 years, age 62* 4 years, age 65	1.5% per year to June 30, 2020 2.0% per year July 1, 2020 to present	Up to 2.5%

* Actuarial reduction are applied
** all post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contribution Rate Summary: As a condition of participation in the Systems, employers and/or employees are required to contribute a certain percentage of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2025, are as follows:

	Tier 1 - DB System			Tier 2 - DB Hybrid System				Tier 2 - 401(k) Option			
	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)	Tier 2 Fund	Employee	Employer	ER 401(k)
Noncontributory System											
15 Local Government	-	16.97	-	111	0.70	15.19	-	211	-	5.19	10.00
Public Safety System Noncontributory											
49 Other Div B 2.5% COLA	-	32.57	-	122	4.73	24.03	-	222	-	10.03	14.00

***Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the fiscal year ending June 30, 2025, the employer and employee contributions to the Systems were as follows:

System	Employer	Employee
Noncontributory System	$ 735,453	$ -
Public Safety System	667,990	-
Tier 2 Public Employees System	673,404	30,942
Tier 2 Public Safety and Firefighter	446,944	88,029
Tier 2 DC Public Employees Plan	78,704	-
Tier 2 DC Public Safety and Firefighter Plan	10,876	89
Total Contributions	$ 2,613,372	$ 119,060

Contributions reported are the URS Board-approved contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows and Inflows of Resources Relating to Pensions: On June 30, 2025, the City reported a net pension asset of $0 and a net pension liability of $4,429,769.

Measurement Date: December 31, 2024

System	Net Pension Liability	Net Pension Asset	Proportionate Share	Proportionate Share 12/31/23	Change (Decrease) / Increase
Noncontributory System	$ 1,653,863	$ -	0.5215397 %	0.5351095 %	(0.0135698)
Public Safety System	2,175,367	-	3.0158622 %	3.0577596 %	(0.0418974)
Tier 2 Public Employees System	438,632	-	0.1470742 %	0.1650718 %	(0.0179976)
Tier 2 Public Safety and Firefighter	161,907	-	0.3579731 %	0.3466465 %	0.0113266
	$ 4,429,769	$ -			

The net pension asset and liability were measured as of December 31, 2024, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2024, and rolled forward using generally accepted actuarial procedures. The proportion of net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ending June 30, 2025, the City recognized a pension expense of $3,633,002.

On June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,898,925	$ 11,529
Changes in assumptions	449,067	2,588
Net difference between projected and actual earnings on pension plan investments	836,830	-
Changes in proportion and differences between contributions and proportionate share of contributions	86,867	20,208
Contributions subsequent to the measurement date	1,324,369	-
	$ 4,596,058	$ 34,325

$1,324,369 reported as deferred outflows of resources relating to pensions results from contributions made by the City prior to our fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources relating to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 1,668,931
2026	1,500,029
2027	(277,683)
2028	(2,014)
2029	133,373
Thereafter	214,729

Noncontributory System Pension Expense and Deferred Outflows and Inflows of Resources: For the year ending June 30, 2025, the City recognized pension expense of $1,508,249.

On June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 985,466	$ -
Changes in assumptions	136,805	-
Net difference between projected and actual earnings on pension plan investments	498,170	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	2,264
Contributions subsequent to the measurement date	366,537	-
	$ 1,986,978	$ 2,264

$366,537 reported as deferred outflows of resources relating to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources relating to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 946,497
2026	910,732
2027	(202,141)
2028	(36,913)

Public Safety System Pension Expense and Deferred Outflows and Inflows of Resources: For the year ending June 30, 2025, the City recognized pension expense of $1,411,161.

On June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 625,816	$ -
Changes in assumptions	74,964	-
Net difference between projected and actual earnings on pension plan investments	300,131	-
Changes in proportion and differences between contributions and proportionate share of contributions	-	7,732
Contributions subsequent to the measurement date	331,734	-
	$ 1,332,645	$ 7,732

$331,734 reported as deferred outflows of resources relating to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources relating to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 652,926
2026	482,142
2027	(120,315)
2028	(21,574)

Tier 2 Public Employees System Pension Expense and Deferred Outflows and Inflows of Resources: For the year ending June 30, 2025, the City recognized pension expense of $479,853.

On June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 189,624	$ 3,022
Changes in assumptions	146,498	45
Net difference between projected and actual earnings on pension plan investments	28,035	-
Changes in proportion and differences between contributions and proportionate share of contributions	74,165	6,868
Contributions subsequent to the measurement date	381,564	-
	$ 819,886	$ 9,935

$381,564 reported as deferred outflows of resources relating to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources relating to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 51,352
2026	78,888
2027	34,455
2028	42,177
2029	98,896
Thereafter	122,620

Tier 2 Public Safety and Firefighter System Pension Expense and Deferred Outflows and Inflows of Resources: For the year ending June 30, 2025, the City recognized pension expense of $233,740.

On June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 98,021	$ 8,507
Changes in assumptions	90,800	2,542
Net difference between projected and actual earnings on pension plan investments	10,494	-
Changes in proportion and differences between contributions and proportionate share of contributions	12,702	3,344
Contributions subsequent to the measurement date	244,532	-
	$ 456,549	$ 14,394

$244,532 reported as deferred outflows of resources relating to pensions results from contributions made by the City prior to the fiscal year end, but subsequent to the measurement date of December 31, 2024.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources relating to pensions will be recognized as pension expense as follows:

Year Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 18,157
2026	28,267
2027	10,319
2028	14,295
2029	34,477
Thereafter	92,110

Actuarial Assumptions: The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation — 2.50 percent
- Salary Increases — 3.5 – 9.5 percent, average, including inflation
- Investment Rate of Return — 6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2023. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using the ultimate rates from the MP-2020 improvement scale using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2024, valuation were based on the results of an actuarial experience study for the period ending December 31, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighing the

expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Expected Return Arithmetic Basis		
Asset Class	**Target Asset Allocation**	**Real Return Arithmetic Basis**	**Long-Term Expected Portfolio Real Rate of Return**
Equity securities	35.00 %	7.01 %	2.45 %
Debt securities	20.00 %	2.54 %	0.51 %
Real assets	18.00 %	5.45 %	0.98 %
Private equity	12.00 %	10.05 %	1.21 %
Absolute return	15.00 %	4.36 %	0.65 %
Cash and cash equivalents	0.00 %	0.49 %	0.00 %
Totals	100.00 %		5.80 %
	Inflation		2.50 %
	Expected arithmetic nominal return		8.30 %

The 6.85 percent assumed investment rate of return is comprised of an inflation rate of 2.50 percent and a real return of 4.35 percent that is net of investment expense.

Discount Rate: The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate: The following table presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00

percentage point lower (5.85 percent) or 1.00 percentage point higher (7.85 percent) than the current rate:

System	1% Decrease or 5.85%	Discount Rate of 6.85%	1% Increase or 7.85%
Noncontributory System	$ 6,994,482	$ 1,653,863	$ (2,825,189)
Public Safety System	5,934,716	2,175,367	(901,526)
Tier 2 Public Employees System	1,310,089	438,632	(239,274)
Tier 2 Public Safety and Firefighter	552,089	161,907	(150,049)
Total	$ 14,791,376	$ 4,429,769	$ (4,116,038)

***Pension plan fiduciary net position: Detailed Information about the fiduciary net position of the pension plans is available in the separately issued URS financial report.

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The City is a defendant in certain legal actions and pending actions, or in process for miscellaneous claims. The ultimate liability that might result from the final resolution of the above matters is not presently determinable. City management is of the opinion that the outcome of the cases will not have an adverse material effect on the City's financial statements.

In the normal course of operations, the City receives grant funds from various federal agencies. The grant operations are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement that may arise as the result of audits of grant funds is not believed to be material.

NOTE 14 – TAX ABATEMENT AGREEMENTS

Utah State law (Utah Code Ann. § 17C-1-409) allows cities to abate taxes for a variety of economic development purposes. Herriman City reports its Community Development and Renewal Agency of Herriman City ("Agency") as a blended component unit. The City's Agency has the authority to negotiate tax abatement agreements on an individual basis. As of June 30, 2025, the Agency manages 5 project areas and, at times, enters into agreements with developers and landowners that result in a GASB 77 disclosure requirement for tax abatements and foregone revenue. The Agency has tax abatement agreements with several participants

where specific action, which contributes to economic development, must be taken by the entity receiving the abatement.

The Agency has entered into multiple agreements in the Anthem CRA project area. Below is a summary of the agreements entered into by the Agency in the Anthem CRA project area:

- Tax incentive agreement with Anthem Center, LLC, to reimburse infrastructure improvements, up to eligible reimbursement costs, with a cap of $11,660,300. Reimbursement is limited to the "Participant's Tax Increment Share," as outlined in the agreement. $703,554 was paid to Anthem Center, LLC, in fiscal year 2025 under this agreement.
- Sales tax incentive agreement with Anthem Center, LLC, to pay up to $200,000 per year ($400,000 maximum amount) after the sales tax incentive agreement with WinCo Foods, LLC. The final payment of $163,251 due under this agreement was made in fiscal year 2025.
- Mitigation Agreement with Jordan School District to remit 35 percent of incremental tax revenues generated by the School District back to the District. $323,228 was paid to Jordan School District in fiscal year 2025 under this agreement.
- Mitigation Agreement with Salt Lake County to remit 25 percent of Salt Lake County incremental tax revenues generated by Salt Lake County and Salt Lake County Library back to the County. $74,585 was paid to Salt Lake County in fiscal year 2025 under this agreement.

Below is a summary of the agreements:

Entity	Taxes Abated 2025	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of the Abatement	Abatement Expires
Anthem Center LLC	$ 703,554	$ 2,032,749	$ 11,660,300	Infrastructure Improvements	June 30, 2041
Anthem Center LLC	-	371,456	None	Infrastructure Improvements	July 31, 2023
Anthem Center LLC	163,251	236,749	400,000	Incentive for Major Commercial Retailer	June 30, 2026
Jordan School District	323,228	1,034,330	4,155,915	Property Tax Mitigation Agreement	June 30, 2036
Salt Lake County	74,585	259,235	1,512,765	Property Tax Mitigation Agreement	June 30, 2036
Total:	**$ 1,264,618**	**$ 3,934,519**	**$ 17,728,980**		

The Agency has also entered into multiple agreements in the Innovation District CDA project area. Below is a summary of the agreements:

- Mitigation agreement with the Jordan School District to remit 50 percent of incremental tax revenues generated by the School District back to the District. $147,123 was paid to Jordan School District in fiscal year 2025 under this agreement.
- Mitigation agreement with Salt Lake County to remit 25 percent of Salt Lake County incremental tax revenues generated by Salt Lake County back to the County. $17,791 was paid to Salt Lake County in fiscal year 2025 under this agreement.
- Tax incentive agreement with Herriman Industrial #1 to reimburse infrastructure improvements, up to eligible reimbursement costs, with a cap of $1,280,441. Reimbursement is limited to the "Agency's Share," as outlined in the Agreement. $0 was paid to Herriman Industrial #1 in fiscal year 2025 under this agreement (no project costs have been submitted).

Below is a summary of the agreements:

Entity	Taxes Abated 2025	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of the Abatement	Abatement Expires
Jordan School District	$ 147,123	$ 214,558	$ 3,694,489	Property Tax Mitigation Agreement	June 30, 2038
Salt Lake County	17,791	28,474	109,475	Property Tax Mitigation Agreement	June 30, 2038
Herriman Industrial # 1	-	-	1,280,441	Infrastructure Improvements	June 30, 2036
Total:	**$ 164,914**	**$ 243,032**	**$ 5,084,405**		

In the Herriman Towne Center CDA project area, the Agency entered into multiple agreements. Below is a summary of the agreements:

- Tax increment participation agreement with HTC Communities, LLC, (Developer) for infrastructure installed within the project area. The Agency will reimburse the Developer in an amount equal to the tax increment generated in the area (excluding increment attributable to the Salt Lake County Tax Levy and the Library Levy) less bond payments. $1,565,886 was paid to HTC Communities, LLC, in fiscal year 2025 under this agreement.
- Sales tax incentive agreement with EPC Herriman, LLC (Developer) for infrastructure and site improvements associated with The Commons at Herriman Towne Center Mixed-Use Project. The Agency will pay the Developer 50 percent of the direct Point of Sale Tax (POST) received by the City for transactions occurring within the development. Payment until aggregate limit of $36,900,466 is reached, whichever occurs first (aggregate limit is

shared with the tax increment participation agreement described below). $262,887 was paid to EPC Herriman, LLC, in fiscal year 2025 under this agreement.

Below is a summary of the agreements:

Entity	Taxes Abated 2025	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of the Abatement	Abatement Expires
HTC Communities LLC	$ 1,565,886	$ 5,041,481	$ 20,288,093	Infrastructure Improvements and SAA Bond Payment Reimbursement	June 30, 2026
EPC Herriman LLC	262,887	-	36,900,466	Infrastructure Improvements	Aggregate Limit Reached
Total:	**$ 1,828,773**	**$ 5,041,481**	**$ 57,188,559**		

In the Business Center CDA project area, the Agency entered into a tax increment participation agreement with the Sorenson Legacy Foundation and the Sorenson Impact Foundation for property tax increment collected, based on the formula outlined in the Agreement. The participation agreement is designed to reimburse each Foundation for infrastructure installed in the project area. If tax increment is insufficient to reimburse each Foundation for infrastructure in the project area, water, storm drain, and transportation impact fees may be used to make up the difference. $1,353,877 was paid to both Foundations in fiscal year 2025 under this agreement.

Below is a summary of the agreements:

Entity	Taxes Abated 2025	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of the Abatement	Abatement Expires
Sorenson Legacy and Impact Foundations	$ 1,353,877	$ 5,633,682	$ 32,914,686	Infrastructure Improvements	June 30, 2041
Total:	**$ 1,353,877**	**$ 5,633,682**	**$ 32,914,686**		

In the Herriman North CRA project area, the Agency entered into a tax increment participation agreement with 8 property owners for the purpose of acquiring certain property interest for the extension and construction of improvements to Herriman Main Street, which were necessary for infrastructure improvements in the project area. The agreement states that certain sales tax increment generated on specified parcels will be paid to the property owners through Butterfield Commercial, LLC, up to a maximum cap of $200,000. This agreement will be paid up to 15 years from the date of the agreement (February 11, 2019), or the point in time the maximum cap has been reached. Payments under this agreement began in fiscal year 2023. $13,910 was paid to Butterfield Commercial, LLC, in fiscal year 2025 under this agreement.

The Agency has also entered into participation agreements with Germain Marine, National Automall of Herriman, and T. Johnson Management, LLC, for the purpose of developing an auto mall and other commercial retail within the Herriman North CRA. The agreement specifies that the Agency will pay a portion of the point-of-sale tax generated by sales on specific sites within the CRA. Each agreement allows for 70 percent of the 50 percent direct Point of Sale Tax (POST) generated by each specific site contained in the agreement to be paid to the Participant, after satisfaction of the Agency's obligations to Butterfield Commercial LLC (as specified in the paragraph above) and a set aside of 10 percent for housing as required by Utah Code § 17C-5-307. $0 was paid to any of these participants in fiscal year 2025 under this agreement.

Utah Code § 5-1-403 prohibits the release of sales tax information specific to a particular entity. Therefore, no further detail can be provided regarding the sales tax abatement agreements listed above.

Below is a summary of the agreements:

Entity	Taxes Abated 2025	Taxes Abated in Prior Years	Total Maximum Tax Abatement	Primary Purpose of the Abatement	Abatement Expires
Butterfield Commerical LLC	$ 13,910	$ 29,554	$ 200,000	Property Acquisition	February 11, 2034
Germain Marine	-	-	1,500,000	Attraction of retailer to project area	15 Years From Date of First Incentive Payment
National Automall of Herriman	-	-	8,000,000	Attraction of retailer to project area	15 Years From Date of First Incentive Payment
T Johnson Management LLC	-	-	8,000,000	Attraction of retailer to project area	15 Years From Date of First Incentive Payment
Total:	**$ 13,910**	**$ 29,554**	**$ 17,700,000**		

NOTE 15 - RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. It is the policy of the City to purchase commercial insurance for these risks. Various policies are purchased through an insurance agency to cover liability, theft, damage, and other losses. A minimal deductible applies to these policies, which the City pays in the event of any loss. There have been no significant reductions in coverage from the prior year. Settled claims have not exceeded this commercial coverage in any of the three preceding years. The City also maintains a workers compensation policy through a commercial vendor.

NOTE 16 - REDEVELOPMENT AGENCY

The Community Development and Renewal Agency of Herriman City is established to further public purposes in the redevelopment of certain City areas. For the year ending June 30, 2025, the following activity occurred in the City's Renewal Agency:

• Tax increment collection from other taxing agencies for various project areas	$7,085,172
• Tax increment distributions	4,638,880
• Outstanding loans to finance RDA projects	5,942,000
• Amounts expended for installation of capital improvements, other public improvements, and housing donations	$56,756
• Amounts expended for administrative and other costs	131,812

Required Supplementary Information



CITY OF HERRIMAN

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Taxes				
Property Taxes	$ 1,067,324	$ 1,101,000	$ 1,101,000	$ (33,676)
Motor Vehicle Taxes	67,337	60,000	60,000	7,337
Sales & Use Taxes	13,730,280	13,321,790	13,321,790	408,490
Franchise Taxes	3,054,729	3,147,760	3,147,760	(93,031)
Transient Room Taxes	10,172	15,300	15,300	(5,128)
Total Taxes	17,929,842	17,645,850	17,645,850	283,992
Licenses & Permits				
Business License & Permits	63,384	55,125	55,125	8,259
Non-Business License & Permits	11,430	13,000	13,000	(1,570)
Total Licenses & Permits	74,814	68,125	68,125	6,689
Intergovernmental				
Class "C" Roads	2,814,995	2,200,000	2,486,200	328,795
Grants - Public Safety	88,774	102,310	109,110	(20,336)
Grants - Other	12,163	-	-	12,163
State Liquor Allotment	60,627	46,200	46,200	14,427
Total Intergovernmental	2,976,559	2,348,510	2,641,510	335,049
Charges for Services				
Administration	188,810	186,500	186,500	2,310
Public Works Operations	8,925	15,000	15,000	(6,075)
Parks Recreation & Events	2,054,291	1,875,120	1,933,680	120,611
Public Safety	562,518	557,000	557,000	5,518
Total Charges for Services	2,814,544	2,633,620	2,692,180	122,364
Fines and Forfeitures	228,831	198,790	198,790	30,041
Miscellaneous				
Investment Earnings	361,229	257,810	257,810	103,419
Donations	5,413	-	5,230	183
Sundry Revenue	104,772	96,500	156,380	(51,608)
Total Miscellaneous	471,414	354,310	419,420	51,994
Total Revenues	$ 24,496,004	$ 23,249,205	$ 23,665,875	$ 830,129

CITY OF HERRIMAN

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance -
Budget and Actual (Continued)
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
EXPENDITURES				
General Government				
Legislative	$ 316,927	$ 380,710	$ 385,940	$ 69,013
Planning Commission	8,088	8,090	8,090	2
Administration	686,185	715,230	715,230	29,045
Communications	251,211	320,410	320,410	69,199
Human Resources	601,460	677,280	677,280	75,820
Information Technology	557,441	657,800	655,800	98,359
Legal	467,292	544,705	544,705	77,413
Total General Government	2,888,604	3,304,225	3,307,455	418,851
Administrative Services				
Customer Service	140,362	140,020	148,020	7,658
Justice Court	416,615	507,890	507,890	91,275
Finance	433,687	473,620	473,620	39,933
Recorder	259,595	285,960	296,260	36,665
Total Administrative Services	1,250,259	1,407,490	1,425,790	175,531
Public Works				
Administration	411,112	453,480	453,480	42,368
Facilities	563,653	710,210	712,210	148,557
Fleet Management	311,933	343,690	343,690	31,757
Streets	4,353,286	4,813,515	5,274,025	920,739
Total Public Works - Operations	5,639,984	6,320,895	6,783,405	1,143,421
Parks, Recreation, & Events				
Events & Cultural Arts	1,139,304	1,226,940	1,323,230	183,926
Parks & Cemetery	3,933,040	4,089,350	4,095,520	162,480
Total Parks, Recreation & Events	5,072,344	5,316,290	5,418,750	346,406
Community Development				
Administration	171,107	171,605	171,605	498
Economic Development	199,144	203,360	233,360	34,216
Planning	185,011	224,990	224,990	39,979
Engineering	415,139	513,170	513,170	98,031
GIS	459,343	487,350	487,350	28,007
Total Community Development	1,429,744	1,600,475	1,630,475	200,731
Public Safety				
Animal Control	384,479	439,660	439,660	55,181
Community Services	218,196	240,660	245,660	27,464
Emergency Services	16,482	49,420	44,420	27,938
Police	9,526,600	9,808,930	10,261,390	734,790
Total Public Safety	10,145,757	10,538,670	10,991,130	845,373
Debt Service				
Principal	302,969	245,650	302,660	(309)
Interest and Fees	44,808	44,790	44,790	(18)
Total Debt Service	347,777	290,440	347,450	(327)
Capital Outlay	345,381	-	345,390	9
Total Expenditures	27,119,850	28,778,485	30,249,845	3,129,995
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,623,846)	(5,529,280)	(6,583,970)	3,960,124
OTHER FINANCING SOURCES (USES)				
Leases (As Lessee)	25,885	-	25,890	(5)
Information Technology Subscriptions	319,496	-	319,500	(4)
Transfers In	8,583,082	9,031,350	9,313,580	(730,498)
Transfers Out	(9,305,564)	(4,294,820)	(10,673,163)	1,367,599
Total Other Financing Sources (Uses)	(377,101)	4,736,530	(1,014,193)	637,092
Net Change in Fund Balance	(3,000,947)	(792,750)	(7,598,163)	4,597,216
Fund Balance - July 1	8,303,678	8,303,678	8,303,678	-
Find Balance - June 30	$ 5,302,731	$ 7,510,928	$ 705,515	$ 4,597,216

CITY OF HERRIMAN

Herriman City Safety Enforcement Area Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Property Taxes	$ 9,560,421	$ 9,363,120	$ 9,363,120	$ 197,301
Motor Vehicle Taxes	511,438	600,770	600,770	(89,332)
Investment Earnings	103,083	46,880	46,880	56,203
Total Revenues	10,174,942	10,010,770	10,010,770	164,172
EXPENDITURES				
Professional Services	25	1,000	1,000	975
OTHER FINANCING SOURCES (USES)				
Transfers Out	(9,445,902)	(9,031,350)	(10,176,400)	730,498
Net Change in Fund Balance	729,015	978,420	(166,630)	894,670
Fund Balance-July 1	1,251,694	1,251,694	1,251,694	-
Fund Balance-June 30	$ 1,980,709	$ 2,230,114	$ 1,085,064	$ 894,670

CITY OF HERRIMAN

Herriman City Fire Service Area Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Property Taxes	$ 7,575,036	$ 7,385,700	$ 7,385,700	$ 189,336
Motor Vehicle Taxes	455,652	370,800	370,800	84,852
Investment Earnings	392,888	236,580	236,580	156,308
Miscellaneous Revenue	37,941	37,900	37,900	41
Total Revenues	8,461,517	8,030,980	8,030,980	430,537
EXPENDITURES				
Fire-Contract Services	5,983,786	5,990,780	5,991,030	7,244
Professional Services	4,725	200	4,725	-
Operations	7,028	40,000	35,225	28,197
Total Expenditures	5,995,539	6,030,980	6,030,980	35,441
Net Change in Fund Balance	2,465,978	2,000,000	2,000,000	465,978
Fund Balance-July 1	6,586,519	6,586,519	6,586,519	-
Fund Balance-June 30	$ 9,052,497	$ 8,586,519	$ 8,586,519	$ 465,978

CITY OF HERRIMAN

Community Development and Renewal Agency of Herriman City

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Property Taxes	$ 194,940	$ 195,900	$ 194,960	$ (20)
Intergovernmental	7,085,172	7,086,980	7,085,190	(18)
Investment Earnings	238,864	155,600	227,270	11,594
Total Revenues	7,518,976	7,438,480	7,507,420	11,556
EXPENDITURES				
Tax Increment Distributions	4,638,880	4,395,500	4,666,760	27,880
Debt Service				
Principal	1,451,597	1,451,600	1,451,600	3
Interest and Fees	302,982	302,990	302,990	8
Affordable Housing	-	128,270	128,270	128,270
Capital Outlay and Projects	56,756	-	57,300	544
Administration	131,812	147,450	147,450	15,638
Total Expenditures	6,582,027	6,425,810	6,754,370	172,343
Excess (Deficiency) of Revenues Over Expenditures	936,949	1,012,670	753,050	183,899
OTHER FINANCING SOURCES				
Transfers In	13,910	25,000	25,000	(11,090)
Net Change in Fund Balance	950,859	1,037,670	778,050	172,809
Fund Balance-July 1	4,297,420	4,297,420	4,297,420	-
Fund Balance-June 30	$ 5,248,279	$ 5,335,090	$ 5,075,470	$ 172,809

CITY OF HERRIMAN

Required Supplementary Information

Schedule of the Proportionate Share of the Net Pension Liability

Measurement Date of December 31, 2024

June 30, 2025

Last 10 Calendar Years

		Noncontributory System	Public Safety System	Tier 2 Public Employees System	Tier 2 Public Safety and Firefighters System
Noncontributory System					
Proportion of the net pension liability (asset)	2024	0.5215397%	3.0158622%	0.1470742%	0.3579731%
	2023	0.5351095%	3.0577596%	0.1650718%	0.3466465%
	2022	0.5532487%	3.1784507%	0.1633626%	0.3348391%
	2021	(0.5720358%)	(3.5331928%)	(0.1610377%)	(0.2191585%)
	2020	0.5830439%	3.6781080%	0.1726118%	0.1687831%
	2019	0.5490521%	3.7546814%	0.1633763%	0.1853455%
	2018	0.5183287%	1.2104672%	0.1457050%	0.0594155%
	2017	0.4785770%	0.0000000%	0.1290918%	0.0000000%
	2016	0.4632172%	0.0000000%	0.1256948%	0.0000000%
	2015	0.4326968%	0.0000000%	0.1151862%	0.0000000%
Proportionate share of the net pension liability (asset)	2024	$ 16,539	$ 21,754	$ 4,386	$ 1,619
	2023	1,241,221	1,998,895	321,293	130,579
	2022	947,576	1,476,947	177,885	27,934
	2021	(3,276,110)	(1,265,309)	(68,157)	(11,077)
	2020	299,068	1,322,398	24,826	15,139
	2019	2,069,305	1,864,574	36,745	17,434
	2018	3,816,829	953,843	62,402	1,489
	2017	2,098,019	-	11,382	-
	2016	2,974,421	-	14,021	-
	2015	2,448,409	-	(251)	-
Covered Payroll	2024	$ 4,393,184	$ 2,288,694	$ 4,358,596	$ 1,634,042
	2023	4,428,280	2,405,010	4,267,671	1,313,458
	2022	4,471,159	2,462,067	3,563,915	1,030,228
	2021	4,521,286	2,479,393	2,989,401	524,090
	2020	4,691,795	2,518,552	2,759,259	334,771
	2019	4,486,349	2,542,783	2,269,551	305,462
	2018	4,297,331	788,429	1,698,932	77,775
	2017	4,076,207	-	1,263,229	-
	2016	4,003,493	-	1,030,797	-
	2015	3,653,333	-	744,262	-
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	2024	37.65%	95.05%	10.06%	9.91%
	2023	28.03%	83.11%	7.53%	9.94%
	2022	21.19%	59.99%	4.99%	2.71%
	2021	(72.46%)	(51.03%)	(2.28%)	(2.11%)
	2020	6.37%	52.51%	0.90%	4.52%
	2019	46.12%	73.33%	1.62%	5.71%
	2018	88.82%	120.98%	3.67%	1.91%
	2017	51.47%	0.00%	0.90%	0.00%
	2016	74.30%	0.00%	1.36%	0.00%
	2015	67.02%	0.00%	0.03%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	2024	96.02%	91.84%	87.44%	90.10%
	2023	96.90%	92.09%	89.58%	89.10%
	2022	97.50%	93.70%	92.30%	96.40%
	2021	108.70%	105.10%	103.80%	102.80%
	2020	99.20%	94.50%	98.30%	93.10%
	2019	93.70%	91.70%	96.50%	89.60%
	2018	87.00%	85.60%	90.80%	95.60%
	2017	91.90%	0.00%	97.40%	0.00%
	2016	87.30%	0.00%	95.10%	0.00%
	2015	87.80%	0.00%	100.20%	0.00%

CITY OF HERRIMAN

Required Supplementary Information

Schedule of Contributions - Utah Retirement Systems

June 30, 2025

Last 10 Fiscal Years

	As of fiscal year end June 30,	Actuarial determined contributions	Contributions in relation to the contractually required contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2015	$ 639,873	$ 639,873	$ -	$ 3,554,400	18.00%
	2016	668,026	668,026	-	3,712,328	17.99%
	2017	737,843	737,843	-	4,131,738	17.86%
	2018	744,691	744,691	-	4,126,506	18.05%
	2019	800,868	800,868	-	4,417,299	18.13%
	2020	863,425	863,425	-	4,758,683	18.14%
	2021	849,818	849,818	-	4,692,891	18.11%
	2022	800,590	800,590	-	4,404,610	18.18%
	2023	788,302	788,302	-	4,478,730	17.60%
	2024	773,172	773,172	-	4,397,155	17.58%
	2025	735,453	735,453	-	4,438,782	16.57%
Public Safety System	2015	$ -	$ -	$ -	$ -	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	660,360	660,360	-	2,104,761	31.37%
	2020	776,979	776,979	-	2,468,986	31.47%
	2021	778,646	778,646	-	2,519,909	30.90%
	2022	770,344	770,344	-	2,517,273	30.60%
	2023	715,182	715,182	-	2,363,780	30.26%
	2024	713,562	713,562	-	2,376,959	30.02%
	2025	667,990	667,990	-	2,280,870	29.29%
Tier 2 Public Employees System*	2015	$ 85,348	$ 85,348	$ -	$ 571,177	14.94%
	2016	132,940	132,940	-	891,619	14.91%
	2017	169,242	169,242	-	1,132,248	14.95%
	2018	218,729	218,729	-	1,447,574	15.11%
	2019	306,679	306,679	-	1,969,199	15.57%
	2020	402,881	402,881	-	2,563,411	15.72%
	2021	457,798	457,798	-	2,878,120	15.91%
	2022	523,505	523,505	-	3,251,886	16.10%
	2023	627,449	627,449	-	3,917,487	16.02%
	2024	704,581	704,581	-	4,402,240	16.01%
	2025	673,404	673,404	-	4,433,208	15.19%
Tier 2 Public Safety and Firefighter System*	2015	$ -	$ -	$ -	$ -	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	44,880	44,880	-	213,716	21.00%
	2020	68,807	68,807	-	317,418	21.68%
	2021	88,681	88,681	-	370,928	23.91%
	2022	184,412	184,412	-	776,195	23.76%
	2023	288,160	288,160	-	1,212,882	23.76%
	2024	343,435	343,435	-	1,446,653	23.74%
	2025	446,944	446,944	-	1,859,942	24.03%
Tier 2 Public Employees DC Only System*	2015	$ 5,018	$ 5,018	$ -	$ 68,084	7.37%
	2016	5,350	5,350	-	79,225	6.75%
	2017	6,189	6,189	-	90,103	6.87%
	2018	10,915	10,915	-	150,313	7.26%
	2019	19,601	19,601	-	253,771	7.72%
	2020	32,097	32,097	-	424,730	7.56%
	2021	50,818	50,818	-	710,318	7.15%
	2022	66,386	66,386	-	940,856	7.06%
	2023	67,226	67,226	-	992,116	6.78%
	2024	76,069	76,069	-	1,146,894	6.63%
	2025	78,704	78,704		1,410,156	5.58%
Tier 2 DC Public Safety & Firefighters System*	2015	$ -	$ -	$ -	$ -	0.00%
	2016	-	-	-	-	0.00%
	2017	-	-	-	-	0.00%
	2018	-	-	-	-	0.00%
	2019	5,367	5,367	-	55,102	9.74%
	2020	11,725	11,725	-	117,016	10.02%
	2021	14,397	14,397	-	147,817	9.74%
	2022	9,140	9,140	-	93,844	9.74%
	2023	6,687	6,687	-	68,650	9.74%
	2024	9,994	9,994	-	102,609	9.74%
	2025	10,876	10,876	-	108,430	10.03%

*Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created July 1, 2011.

NOTE 1 – BUDGETARY INFORMATION

Budgets for the general fund, Herriman City Safety Enforcement Area fund, Herriman City Fire Safety Area fund, and Community Development and Renewal Agency of Herriman City are adopted and presented on a basis consistent with Generally Accepted Accounting Principles (GAAP).

NOTE 2 – DEFINED CONTRIBUTION SYSTEM

The City participates in a defined contribution plan with Utah Retirement Systems and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under section 401(k), 457(b), and 408 of the Internal Revenue Code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Herriman City participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems: 401(k), 457(b), and Roth IRA Plans.

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for the fiscal year ended June 30th were as follows:

	2025	2024	2023
401(k) Plan			
Employer Contributions	$ 1,220,062	$ 1,187,866	$ 1,159,825
Employee Contributions	$ 503,073	$ 499,185	$ 489,702
457 Plan			
Employer Contributions	$ 728,713	$ 706,992	$ 642,726
Employee Contributions	$ 513,907	$ 473,243	$ 489,385
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	$ 75,114	$ 74,201	$ 73,422

NOTE 3 – CHANGES IN ASSUMPTIONS

There were no changes in the actuarial assumptions or methods since the prior actuarial experience study.

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Supplementary Information



NONMAJOR GOVERNMENTAL FUNDS

Debt Service Fund

This fund is used to accumulate resources for and payment of bond principal and interest for governmental funds.

Development Services Fund

The Development Services fund encompasses multiple departments within the City. This fund is used to account for revenues and expenditures related to activities and services generated by building and development within the City.

Grants Fund

This fund is used to accumulate resources for and payment of projects funded by grants.

Capital Project Funds

Capital project funds are used when a specific revenue source is restricted, committed, or assigned to expenditures for capital projects. Impact fees are charged on new developments within the City and are used to offset the impact of new development within the City. The City has the following nonmajor capital project funds:

1) **Park Impact Fee Fund** – This fund is used to account for the collection and expenditure of park impact fees. Park impact fees are received from new development within the City and are restricted to permitted uses under state law.
2) **Transportation Impact Fee Fund** – This fund is used to account for the collection and expenditure of transportation impact fees. Road impact fees are received from new development within the City and are restricted to permitted uses under state law.
3) **Public Safety Impact Fee Fund** – This fund is used to account for the collection and expenditure of Public Safety (Police) and Fire impact fees collected from new development within the City. These fees are restricted to permitted uses under state law.
4) **Street Light Fee Fund** – This fund is used to account for the collection and expenditure of funds received for the purpose of installing streetlights within the City.
5) **Street Sign Fee Fund** – This fund is used to account for the collection and expenditure of funds received for the purpose of installing street signs within the City.
6) **Public Works Facility Fund** – This fund is used to account for the collection and expenditure of funds to be used for a new Public Works facility in the City.
7) **Capital Equipment Fund** – This fund is used for the collection and expenditure of funds for vehicle and equipment purchases outside of the proprietary funds.

CITY OF HERRIMAN

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

				Capital Projects Funds							
	Debt Service	Development Services	Grants	Park Impact Fee	Transportation Impact Fee	Public Safety Impact Fee	Street Light Fee	Street Sign Fee	Public Works Facility	Capital Equipment	Total Nonmajor Governmental Funds
ASSETS											
Cash & Cash Equivalents	$ 702,315	$ 4,451,060	$ 31,878	$ 9,198,962	$ 2,988,324	$ 3,013,631	$ 211,377	$ 283,908	$ 841,462	$ 2,079,980	$ 23,802,897
Prepaid Items	-	4,419	-	-	-	-	-	-	-	-	4,419
Restricted Cash	1,102	-	-	-	-	-	-	-	-	-	1,102
Total Assets	$ 703,417	$ 4,455,479	$ 31,878	$ 9,198,962	$ 2,988,324	$ 3,013,631	$ 211,377	$ 283,908	$ 841,462	$ 2,079,980	$ 23,808,418
LIABILITIES											
Accounts Payable	$ -	$ 54,941	$ -	$ 1,031,503	$ 526,441	$ 8,117	$ -	$ -	$ 15,840	$ 2,155	$ 1,638,997
Accrued Liabilities	-	351,944	-	-	-	-	-	-	-	-	351,944
Total Liabilities	-	406,885	-	1,031,503	526,441	8,117	-	-	15,840	2,155	1,990,941
FUND BALANCES											
Nonspendable	-	4,419	-	-	-	-	-	-	-	-	4,419
Restricted											
Debt Service	696,835	-	-	-	-	-	-	-	-	-	696,835
Capital Projects	-	-	-	1,759,943	725,804	2,005,514	-	-	-	-	4,491,261
Development Services	-	4,044,175	-	-	-	-	-	-	-	-	4,044,175
Assigned											
Subsequent Year Appropriation	-	-	31,878	6,407,516	1,736,079	1,000,000	211,370	283,900	273,410	59,829	10,003,982
Debt Service	6,582	-	-	-	-	-	-	-	-	-	6,582
Capital Projects and Equipment	-	-	-	-	-	-	7	8	552,212	2,017,996	2,570,223
Total Fund Balances	703,417	4,048,594	31,878	8,167,459	2,461,883	3,005,514	211,377	283,908	825,622	2,077,825	21,817,477
TOTAL LIABILITIES AND FUND BALANCES	$ 703,417	$ 4,455,479	$ 31,878	$ 9,198,962	$ 2,988,324	$ 3,013,631	$ 211,377	$ 283,908	$ 841,462	$ 2,079,980	$ 23,808,418

CITY OF HERRIMAN

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

				Capital Projects Funds							
	Debt Service	Development Services	Grants	Park Impact Fee	Transportation Impact Fee	Public Safety Impact Fee	Street Light Fee	Street Sign Fee	Public Works Facility	Capital Equipment	Total Nonmajor Governmental Funds
REVENUES											
Licenses & Permits	$ -	$ 2,459,016	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,459,016
Intergovernmental	800,000	-	58,360	-	-	-	-	-	-	-	858,360
Charges for Services	-	2,544,360	-	-	-	-	-	-	-	-	2,544,360
Investment Earnings	35,066	146,504	3	439,977	132,884	130,605	9,962	13,087	39,173	89,039	1,036,300
Impact Fees	-	-	-	740,885	1,561,188	579,197	-	-	-	-	2,881,270
Miscellaneous	-	3,524	-	-	-	-	-	-	-	16,943	20,467
Total Revenues	835,066	5,153,404	58,363	1,180,862	1,694,072	709,802	9,962	13,087	39,173	105,982	9,799,773
EXPENDITURES											
Development Services	-	3,257,635	-	-	-	-	-	-	-	-	3,257,635
Public Safety	-	-	2,656	-	-	8,500	-	-	-	-	11,156
Capital Outlay	-	-	23,829	3,008,509	2,085,400	313,743	19,546	2,098	26,590	693,077	6,172,792
Debt Service											
Principal	2,241,044	-	-	-	-	-	-	-	-	-	2,241,044
Interest and Fees	940,936	-	-	-	-	-	-	-	-	-	940,936
Total Expenditures	3,181,980	3,257,635	26,485	3,008,509	2,085,400	322,243	19,546	2,098	26,590	693,077	12,623,563
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,346,914)	1,895,769	31,878	(1,827,647)	(391,328)	387,559	(9,584)	10,989	12,583	(587,095)	(2,823,790)
OTHER FINANCING SOURCES (USES)											
Sale of Capital Assets	-	-	-	-	-	-	-	-	-	334,990	334,990
Transfers In	2,346,914	-	-	-	-	-	-	-	-	1,681,640	4,028,554
Transfers Out	-	(62,000)	-	-	(682,300)	-	-	-	-	(53,530)	(797,830)
Total Other Financing Sources (Uses)	2,346,914	(62,000)	-	-	(682,300)	-	-	-	-	1,963,100	3,565,714
Net Change in Fund Balances	-	1,833,769	31,878	(1,827,647)	(1,073,628)	387,559	(9,584)	10,989	12,583	1,376,005	741,924
Fund Balances - Beginning	703,417	2,214,825	-	9,995,106	3,535,511	2,617,955	220,961	272,919	813,039	701,820	21,075,553
Fund Balances - Ending	$ 703,417	$ 4,048,594	$ 31,878	$ 8,167,459	$ 2,461,883	$ 3,005,514	$ 211,377	$ 283,908	$ 825,622	$ 2,077,825	$ 21,817,477

CITY OF HERRIMAN

Debt Service Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Intergovernmental	$ 800,000	$ 800,000	$ 800,000	$ -
Investment Earnings	35,066	28,000	28,000	7,066
Total Revenues	835,066	828,000	828,000	7,066
EXPENDITURES				
Debt Service				
Principal	2,241,044	2,326,400	2,326,400	85,356
Interest and Fees	940,936	921,100	921,100	(19,836)
Total Expenditures	3,181,980	3,247,500	3,247,500	65,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,346,914)	(2,419,500)	(2,419,500)	72,586
OTHER FINANCING SOURCES (USES)				
Transfers In	2,346,914	2,419,500	2,419,500	(72,586)
Net Change in Fund Balance	-	-	-	-
Fund Balance-July 1	703,417	703,417	703,417	-
Fund Balance-June 30	$ 703,417	$ 703,417	$ 703,417	$ -

CITY OF HERRIMAN

Development Services Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts Original	Budgeted Amounts Final	Variance with Final Budget
REVENUES				
Licenses & Permits	$ 2,459,016	$ 2,093,000	$ 2,093,000	$ 366,016
Charges for Services				
Building	1,627,226	1,400,000	1,400,000	227,226
Engineering	799,158	134,000	134,000	665,158
Planning	117,976	144,000	144,000	(26,024)
Miscellaneous				
Investment Earnings	146,504	38,190	38,190	108,314
Sundry Revenue	3,524	25,000	25,000	(21,476)
Total Revenues	5,153,404	3,834,190.00	3,834,190	593,242
EXPENDITURES				
Salaries & Wages	1,076,113	1,332,540	1,332,540	256,427
Conferences and Travel	12,503	17,870	17,870	5,367
Operating Supplies & Materials	226,172	169,400	169,400	(56,772)
Equipment, Repairs, & Maintenance	13,387	25,950	25,950	12,563
Insurance	3,441	3,990	3,990	549
Professional and Technical Services	219,733	228,440	252,960	33,227
Cost of Issuance				
Administrative	1,706,286	1,811,870	1,811,870	105,584
Total Expenditures	3,257,635	3,590,060	3,614,580	356,945
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,895,769	244,130	219,610	1,676,159
OTHER FINANCING SOURCES (USES)				
Transfers Out	(62,000)	(62,000)	(62,000)	-
Net Change in Fund Balance	1,833,769	182,130	157,610	1,676,159
Fund Balance-July 1	2,214,825	2,214,825	2,214,825	-
Fund Balance-June 30	$ 4,048,594	$ 2,396,955	$ 2,372,435	$ 1,676,159

CITY OF HERRIMAN

Grants Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Intergovernmental	$ 58,360	$ 239,390	$ 317,750	$ (259,390)
Investment Earnings	3	-	-	3
Total Revenues	58,363	239,390	317,750	(259,387)
EXPENDITURES				
Public Safety	2,656	-	58,360	55,704
Capital Outlay	23,829	239,390	259,390	235,561
Total Expenditures	26,485	239,390	317,750	291,265
Net Change in Fund Balance	31,878	-	-	31,878
Fund Balance-July 1	-	-	-	-
Fund Balance-June 30	$ 31,878	$ -	$ -	$ 31,878

CITY OF HERRIMAN

Capital Projects Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Intergovernmental	$ 1,536,942	$ 2,215,000	$ 8,671,230	$ (7,134,288)
Investment Earnings	1,039,097	198,310	1,209,660	(170,563)
Miscellaneous	12,461	-	12,350	111
Total Revenues	2,588,500	2,413,310	9,893,240	(7,304,740)
EXPENDITURES				
Capital Outlay				
Transportation	9,794,179	3,669,760	24,031,740	14,237,561
Parks & Cemetery	27,545	255,000	528,400	500,855
Storm Drain	-	-	161,660	161,660
Events & Recreation	30,000	187,940	157,730	127,730
Property Acquisition	2,021,833	2,000,000	4,007,500	1,985,667
Other	279,865	234,000	343,800	63,935
Debt Service				
Cost of Issuance	121,813	419,370	240,000	118,187
Interest and Fees	80,249	-	80,250	1
Total Expenditures	12,355,484	6,766,070	29,551,080	17,195,596
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,766,984)	(4,352,760)	(19,657,840)	9,890,856
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	999,970	-	999,970	-
Bond Proceeds	17,562,606	14,398,300	17,562,600	6
Transfers In	6,870,220	1,987,280	8,154,143	(1,283,923)
Transfers Out	(160,000)	-	(160,000)	-
Total Financing Sources (Uses)	25,272,796	16,385,580	26,556,713	(1,283,917)
Net Change in Fund Balance	15,505,812	12,032,820	6,898,873	8,606,939
Fund Balance-July 1	11,538,362	11,538,362	11,538,362	-
Fund Balance-June 30	$ 27,044,174	$ 23,571,182	$ 18,437,235	$ 8,606,939

CITY OF HERRIMAN

Park Impact Fee Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Impact Fees	$ 740,885	$ 2,100,000	$ 2,100,000	$ (1,359,115)
Intergovernmental	-	-	1,890,000	(1,890,000)
Investment Earnings	439,977	240,000	240,000	199,977
Total Revenues	1,180,862	2,340,000	4,230,000	(3,049,138)
EXPENDITURES				
Capital Outlay - Parks	3,008,509	5,740,000	11,585,410	8,576,901
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,827,647)	(3,400,000)	(7,355,410)	5,527,763
Net Change in Fund Balance	(1,827,647)	(3,400,000)	(7,355,410)	5,527,763
Fund Balance-July 1	9,995,106	9,995,106	9,995,106	-
Fund Balance-June 30	$ 8,167,459	$ 6,595,106	$ 2,639,696	$ 5,527,763

CITY OF HERRIMAN

Transportation Impact Fee Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Impact Fees	$ 1,561,188	$ 2,500,000	$ 2,000,000	$ (438,812)
Investment Earnings	132,884	20,600	130,000	2,884
Total Revenues	1,694,072	2,520,600	2,130,000	(435,928)
EXPENDITURES				
Capital Outlay	2,085,400	2,210,000	3,880,480	1,795,080
Excess (Deficiency) of Revenues Over (Under) Expenditures	(391,328)	310,600	(1,750,480)	1,359,152
OTHER FINANCING SOURCES (USES)				
Transfers Out	(682,300)	(682,300)	(682,300)	-
Net Change in Fund Balance	(1,073,628)	(371,700)	(2,432,780)	1,359,152
Fund Balance-July 1	3,535,511	3,535,511	3,535,511	-
Fund Balance-June 30	$ 2,461,883	$ 3,163,811	$ 1,102,731	$ 1,359,152

CITY OF HERRIMAN

Public Safety Impact Fee Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Impact Fees	$ 579,197	$ 450,000	$ 541,000	$ 38,197
Investment Earnings	130,605	95,000	162,500	(31,895)
Total Revenues	709,802	$ 545,000	703,500	6,302
EXPENDITURES				
Professional & Technical	8,500	-	17,000	8,500
Capital Outlay	313,743	1,500,000	1,497,280	1,183,537
Total Expenditures	322,243	1,500,000	1,514,280	1,192,037
Net Change in Fund Balance	387,559	(955,000)	(810,780)	1,198,339
Fund Balance-July 1	2,617,955	2,617,955	2,617,955	-
Fund Balance-June 30	$ 3,005,514	$ 1,662,955	$ 1,807,175	$ 1,198,339

CITY OF HERRIMAN

Street Light Fee Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Investment Earnings	9,962	-	-	9,962
EXPENDITURES				
Capital Outlay	19,546	-	220,960	201,414
Net Change in Fund Balance	(9,584)	-	(220,960)	211,376
Fund Balance-July 1	220,961	220,961	220,961	-
Fund Balance-June 30	$ 211,377	$ 220,961	$ 1	$ 211,376

CITY OF HERRIMAN

Street Sign Fee Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Investment Earnings	$ 13,087	$ -	$ -	$ 13,087
EXPENDITURES				
Capital Outlay	2,098	-	272,920	270,822
Net Change in Fund Balance	10,989	-	(272,920)	283,909
Fund Balance-July 1	272,919	272,919	272,919	-
Fund Balance-June 30	$ 283,908	$ 272,919	$ (1)	$ 283,909

CITY OF HERRIMAN

Public Works Facility Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Investment Earnings	$ 39,173	$ -	$ 20,500	$ 18,673
EXPENDITURES				
Engineering	26,590	-	300,000	273,410
Net Change in Fund Balance	12,583	-	(279,500)	292,083
Fund Balance-July 1	813,039	813,039	813,039	-
Fund Balance-June 30	$ 825,622	$ 813,039	$ 533,539	$ 292,083

CITY OF HERRIMAN

Capital Equipment Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2025

	Actual Amounts	Budgeted Amounts		Variance with Final Budget
		Original	Final	
REVENUES				
Investment Earnings	$ 89,039	$ -	$ -	$ 89,039
Miscellaneous	16,943	-	16,940	3
Total Revenues	105,982	-	16,940	89,042
EXPENDITURES				
Capital Outlay	693,077	607,340	958,710	265,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	(587,095)	(607,340)	(941,770)	(176,591)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	334,990	-	218,880	116,110
Transfers In	1,681,640	607,340	1,681,640	-
Transfers Out	(53,530)	-	(53,530)	-
Total Financing Sources (Uses)	1,963,100	607,340	1,846,990	116,110
Net Change in Fund Balance	1,376,005	-	905,220	470,785
Fund Balance-July 1	701,820	701,820	701,820	-
Fund Balance-June 30	$ 2,077,825	701,820	$ 1,607,040	$ 470,785

NONMAJOR PROPRIETARY FUNDS

Hi Country I Fund

The Hi Country I Fund is used to account for the activities of the City's operation of the Hi Country I water system owned by the Hi Country Estates Homeowners Association.

Hi Country II Fund

The Hi Country II Fund is used to account for the activities of the City's operation of the Hi Country II water system owned by the Hi Country Estates Homeowners Association Phase II.

CITY OF HERRIMAN

Combining Statement of Net Position

Nonmajor Proprietary Funds

June 30, 2025

	Hi Country I	Hi Country II	Total
ASSETS			
Current Assets:			
Cash & Cash Equivalents	$ 297,113	$ 680,723	$ 977,836
Receivables (net of allowance)	17,312	35,077	52,389
Total Current Assets	314,425	715,800	1,030,225
Total Assets	314,425	715,800	1,030,225
LIABILITIES			
Current Liabilities:			
Accounts Payable	29,909	30,353	60,262
Accrued Liabilities	511	777	1,288
Total Current Liabilities	30,420	31,130	61,550
Total Liabilities	30,420	31,130	61,550
NET POSITION			
Unrestricted	284,005	684,670	968,675
Total Net Position	$ 284,005	$ 684,670	$ 968,675

CITY OF HERRIMAN

Combining Statement of Revenues, Expenses, and Changes in Net Position

Nonmajor Proprietary Funds

For the Year Ended June 30, 2025

	Hi Country I	Hi Country II	Total
OPERATING REVENUES			
Charges for Services	$ 150,435	$ 248,973	$ 399,408
OPERATING EXPENSES			
Water Purchases	13,897	89,043	102,940
Salaries and Wages	43,383	69,110	112,493
Operating Supplies and Materials	9,272	8,895	18,167
Professional and Technical Services	43,885	-	43,885
Utilities	17,422	24,978	42,400
Equipment, Repairs & Maintenance	56,179	17,821	74,000
Total Operating Expenses	184,038	209,847	393,885
Operating Income (Loss)	(33,603)	39,126	5,523
NON-OPERATING REVENUES (EXPENSES)			
Investment Earnings	14,156	30,069	44,225
Connection Fees	1,850	-	1,850
Total Nonoperating Revenues (Expenses)	16,006	30,069	46,075
Income (Loss) Before Contributions and Transfers	(17,597)	69,195	51,598
CONTRIBUTIONS AND TRANSFERS			
Impact Fees	-	33,768	33,768
Change in Net Position	(17,597)	102,963	85,366
Total Net Position, Beginning of Year	301,602	581,707	883,309
Total Net Position, End of Year	$ 284,005	$ 684,670	$ 968,675

CITY OF HERRIMAN

Combining Statement of Cash Flows

Nonmajor Proprietary Funds

For the Year Ended June 30, 2025

	Hi Country I	Hi Country II	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	$ 140,585	$ 236,200	$ 376,785
Payments to Suppliers	(114,699)	(125,575)	(240,274)
Payments to Employees	(43,422)	(69,003)	(112,425)
Net Cash Flows from Operating Activities	(17,536)	41,622	24,086
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Impact Fees	-	33,768	33,768
Connection Fees	1,850	-	1,850
Net Cash Flows from Capital and Related Financing Activities	1,850	33,768.00	35,618
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	14,156	30,069	44,225
Net Increase (Decrease) in Cash and Cash Equivalents	(1,530)	105,459	103,929
Cash and Cash Equivalents, Beginning of Year, as Previously Reported	298,643	575,264	873,907
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	-	-	-
Cash and Cash Equivalents, End of Year, as Restated	$ 297,113	$ 680,723	$ 977,836
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Income (Loss)	$ (33,603)	$ 39,126	$ 5,523
Adjustments to reconcile operating income (loss) loss to net cash flows from operating activities			
Changes in operating assets and liabilities:			
(Increase) Decrease in Receivables	(9,850)	(12,773)	(22,623)
Increase (Decrease) in Accrued Liabilities	25,917	15,269	41,186
Net Cash Flows from Operating Activities	$ (17,536)	$ 41,622	$ 24,086

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City of Herriman
5355 W Herriman Main St
Herriman, UT 84096-5836

HERRIMAN CITY, UTAH

Federal Single Audit, Report on Internal Control and Compliance, and Utah State Compliance Report

For the Year Ended June 30, 2025

HBME

COMMITTED. EXPERIENCED. TRUSTED.

HERRIMAN CITY, UTAH

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

To the Mayor and Members of the City Council
Herriman City, Utah

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Herriman City, Utah (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 26, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that

we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that is required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HBME, LLC

December 26, 2025
Bountiful, Utah

PARTNERS

MICHAEL L. SMITH, CPA
JASON L. TANNER, CPA
ROBERT D. WOOD, CPA
AARON R. HIXSON, CPA
TED C. GARDINER, CPA
JEFFREY B. MILES, CPA
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JANICE ANDERSON, EA
TROY F. NILSON, CPA

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, REPORT ON INTERNAL CONTROL OVER COMPLIANCE, AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

To the Mayor and Members of the City Council
Herriman City, Utah

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Herriman City, Utah (the City) compliance with the types of compliance requirements identified as subject to audit in the described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Herriman City, Utah complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States *(Government Auditing Standards)*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

559 WEST 500 SOUTH BOUNTIFUL, UT 84010 // O: 801.296.0200 // HBME.COM

HBME, LLC IS A CERTIFIED PUBLIC ACCOUNTING FIRM

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material*

weakness in internal control over compliance is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Report on Schedule of Expenditures of Federal Awards by the Uniform Guidance

We have audited the financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated December 26, 2025, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

HBME, LLC

December 26, 2025
Bountiful, Utah

HERRIMAN CITY, UTAH
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

Federal Agency (Pass-Through Agency)	Federal Program	Assistance Listing Number	Other Award Number	Expenditures			
				From Pass-Through Awards	From Direct Awards	Total	Passed Through to Subrecipient
U.S. Department of Justice							
Utah Office for Victims of Crime	Victims of Crime Act (VOCA) Grant	16.575	23/24VOCA21	$ 27,192	$ -	$ 27,192	$ -
Utah Attorney General's Office	Internet Crimes Against Children	16.543	None	8,930	-	8,930	-
Utah Commission on Criminal and Juvenile Justice	Local Law Enforecement Block Grant	16.738	23A-184	6,793	-	6,793	-
	Patrick Leahy Bulletproof Vest Partnership	16.607	None	-	8,154	8,154	-
Total U.S. Department of Justice				42,915	8,154	51,069	-
U.S. Department of Treasury							
	Equitable Sharing Funds	21.016	None	-	1,883	1,883	-
Utah Division of Water Resources	Coronavirus State Fiscal Recovery Fund	21.027	250,917	983,722	-	983,722	-
Total U.S. Department of Treasury				983,722	1,883	985,605	-
U.S. Enviromental Protection Agency							
	Congressionally Mandated Projects	66.202	None	-	1,432,102	1,432,102	-
Total U.S. Enivornmental Protection Agency				-	1,432,102	1,432,102	-
U.S. Department of Housing and Urban Development							
Salt Lake County	Community Development Block Grant Program	14.218	B-24-UC-49-0001	23,829	-	23,829	-
Total U.S. Department of Housing and Urban Development				23,829	-	23,829	-
U.S. Department of Agriculture - Forest Service							
Utah Division of Forestry, Fire, & State Lands	Community Forestry Partnership Grant	10.664	23-DG-11046013-632	12,163	-	12,163	-
Total U.S. Department of Agriculture - Forest Service				12,163	-	12,163	-
TOTAL FEDERAL AWARDS EXPENDED				**$ 1,062,629**	**$ 1,442,139**	**$ 2,504,768**	**$ -**

HERRIMAN CITY, UTAH
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025

1. PURPOSE OF THIS SCHEDULE

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) is a supplementary schedule to Herriman City, Utah's (the City) basic financial statements and is presented for additional analysis. The Schedule is required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule includes the federal grant activity of the City. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance.

Federal Financial Assistance Pursuant to the Single Audit Act of 1984; the Single Audit Act Amendments of 2015, and the Uniform Guidance, federal financial assistance is defined as assistance provided by a federal agency, either directly or indirectly, in the form of grants, contracts, cooperative agreements, loans, loan guarantees, property, interest subsidies, insurance, endowments, or direct appropriations. Federal financial assistance does not include direct federal cash assistance to individuals.

Assistance Listing Number (ALN) - The Uniform Guidance requires the Schedule to show the total expenditures for each of the City's federal financial assistance programs as identified in the Schedule. The Schedule is a government-wide summary of individual federal programs. Each program included in the Schedule is assigned a five-digit program identification number, or ALN, which is reflected in the Schedule. Federal financial assistance programs and contracts which have not been assigned an ALN number have been identified as *Unknown* in the ALN Column of the Schedule.

Type A and Type B Programs--The Single Audit Act of 1984 (as amended in 2015) and the Uniform Guidance establish the levels to be used in defining Type A and Type B federal programs. Type A programs for The City are those programs that exceeded $750,000 in the federal awards expended for the fiscal year ended June 30, 2025. All other programs are classified as Type B by the City.

Reporting Entity

The City's reporting entity is fully described in *Footnote 1* of the City's basic financial statements. The Schedule includes all federal financial assistance programs administered by the City for the year ended June 30, 2025.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

Federal financial assistance programs included in the Schedule are reported in the City's basic financial statements as intergovernmental revenue in the General Fund and Special Revenue Funds. The Schedule is presented using the same basis of accounting used for each fund as described in Footnote 1 of the City's basic financial statements.

3. INDIRECT COST RATE

The City has not elected to use the 10% de minimis cost rate.

4. NON-CASH ASSISTANCE

No non-cash assistance is reported in the schedule for the year ended June 30, 2025.

5. REVOLVING LOAN – PROGRAM INCOME

There are no outstanding balances for federal loan or loan guarantee programs at June 30, 2025.

HERRIMAN CITY, UTAH
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025

A. Summary of Auditor's Results

1. Type of Report Issued:	Unmodified
2. Internal Control over Financial Reporting:	
Material Weaknesses Identified:	None
Significant Deficiencies Identified that were not Considered to be Material Weaknesses:	None
3. Non-compliance Material to Financial Statements Noted:	None
4. Internal Control over Major Programs:	
Material Weaknesses Identified:	None
Significant Deficiencies Identified that were not Considered to be Material Weaknesses:	None
5. Type of Auditor's Report Issued on Compliance: for Major Programs:	Unmodified
6. Any Audit Findings Disclosed That Are Required to be Reported in Accordance with the Uniform Guidance:	None
7. Federal Programs Tested as Major Programs:	
Coronavirus State Fiscal Recovery Fund	ALN# 21.027
Congressionally Mandate Projects	ALN# 66.202
8. Dollar Threshold Used to Distinguish Between Type A and Type B Programs:	$750,000
9. Auditee Qualification as High or Low Risk:	Low

B. Findings Related to the Financial Statements Required to be Reported in Accordance with *Government Auditing Standards*:

No reportable conditions noted.

C. Findings and Questioned Costs Related to Federal Awards Required to be Reported in Accordance with the Uniform Guidance:

No reportable conditions noted.

(Continued)

D. Prior Year Findings Related to the Financial Statements Required to be Reported in Accordance with *Government Auditing Standards*:

No reportable conditions noted.

E. Prior Year Findings and Questioned Costs Related to Federal Awards Required to be Reported in Accordance with the Uniform Guidance:

No reportable conditions noted.

PARTNERS

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TROY F. NILSON, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AS REQUIRED BY THE *STATE COMPLIANCE AUDIT GUIDE*

To the Mayor and Members of the City Council
Herriman City, Utah

Report on Compliance

We have audited Herriman City, Utah's (the City) compliance with the state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2025.

State compliance requirements were tested for the year ended June 30, 2025 in the following areas:

Budgetary Compliance
Justice Court
Fraud Risk Assessment
Governmental Fees
Utah Retirement Systems
Fund Balance
Restricted Taxes and Related Restricted Revenues
Impact Fees

Opinion on Compliance

In our opinion, Herriman City, Utah complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the *State Compliance Audit Guide* (Guide). Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management on Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the government program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of This Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the State Compliance Audit Guide. Accordingly, this report is not suitable for any other purpose.

HBME, LLC

December 26, 2025
Bountiful, Utah

HERRIMAN CITY, UTAH
Schedule of Findings and Responses
For the Year Ended June 30, 2025

CURRENT YEAR FINDING

No findings in the current year.

PRIOR YEAR FINDING

UT2024-1 Budgetary Compliance

Repeat Finding from Prior Year(s): No

Condition: For the year ended June 30, 2024, we noted in the General Fund Debt Service that actual expenditures exceeded final appropriated expenditures by $14,552.

Criteria: State law, Utah Code 10-6-123 stipulates that City officers and employees may not make or incur expenditures in excess of total appropriations for any department or fund.

Cause: The departmental expenses were higher than anticipated and the corresponding budget was not amended prior to year-end.

Effect: The City is not in compliance with Utah Code regarding the incurrence of expenditures in excess of total appropriations which could result in improper purchases.

Recommendation: The City should monitor the status of expenditures compared to the budget throughout the year and amend the budget or limit spending, as necessary, to ensure compliance with State Code.

Management's Response: The City's Animal Services Department transitioned to a different leased building space during the fiscal year. A final reconciliation of both spaces was not provided by the Lessor until after the audit fieldwork had commenced. Management will monitor the status of expenditures throughout the year and will amend the budget as necessary to ensure compliance with State Code.

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APPENDIX B

THE GENERAL INDENTURE OF TRUST

Reference is made to the Indenture, for full details of all of the terms of the 2026 Bonds, the security provisions appertaining thereto and the definition of any terms used but not defined in this OFFICIAL STATEMENT.

(The remainder of this page has been intentionally left blank.)

GENERAL INDENTURE OF TRUST

Dated as of December 1, 2008

between

HERRIMAN CITY, UTAH

and

ZIONS FIRST NATIONAL BANK,
as Trustee

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THIS GENERAL INDENTURE OF TRUST, dated as of December 1, 2008, by and between Herriman City, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "Issuer"), and Zions First National Bank, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal corporate trust office in Salt Lake City, Utah, as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, the Issuer desires to finance and/or refinance all or a portion of the costs of facilities, equipment and improvements for the benefit of the Issuer pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and/or the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"); and

WHEREAS, the Issuer is authorized under the Act to issue its bonds secured by a pledge of and payable from the Revenues described herein; and

WHEREAS, the Issuer desires to pledge said Revenues toward the payment of the principal and interest on Bonds issued hereunder:

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

For and in consideration of the premises, the mutual covenants of the Issuer and the Trustee, the purchase from time to time of the Bonds by the Registered Owners thereof, the issuance by Security Instrument Issuers from time to time of Security Instruments and the issuance by Reserve Instrument Providers from time to time of Reserve Instruments, and in order to secure the payment of the principal of and premium, if any, and interest on the Bonds, of all Repayment Obligations according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein, in the Bonds, in all Security Instrument Agreements and in all Reserve Instrument Agreements, the Issuer does hereby convey, assign and pledge unto the Trustee and unto its successors in trust forever all right, title and interest of the Issuer in and to (a) the Revenues, (b) all moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund), and (c) all other rights hereinafter granted, first, for the further securing of the Bonds and all Security Instrument Repayment Obligations, and second, for the further security of all Reserve Instrument Repayment Obligations, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors and assigns in such trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust set forth in this Indenture, FIRST, for the equal and proportionate benefit, security, and protection of all Registered Owners of the Bonds issued pursuant to and secured by this Indenture and all Security Instrument Issuers without privilege, priority, or distinction as to the lien or

otherwise of any Bond or Security Instrument Issuer over any other by reason of time of issuance, sale, delivery, or maturity or expiration thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and SECOND, for the equal and proportionate benefit, security, and protection of all Reserve Instrument Providers, without privilege, priority, or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery, or expiration thereof or otherwise for any cause whatsoever;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and premium, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, all Security Instrument Repayment Obligations, according to the true intent and meaning thereof, and all Reserve Instrument Repayment Obligations, according to the true intent and meaning thereof, or shall provide, as permitted by this Indenture, for the payment thereof as provided in Article X hereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments or provisions for such payments by the Issuer, this Indenture, and the rights hereby granted, shall terminate; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be executed, authenticated, delivered, secured, and accepted by all persons who from time to time shall be or become Registered Owners thereof, and the trusts and conditions upon which the Revenues are to be held and disposed, which said trusts and conditions the Trustee hereby accepts, are as follows:

THIS GENERAL INDENTURE OF TRUST, dated as of December 1, 2008, by and between Herriman City, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "Issuer"), and Zions First National Bank, a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having its principal corporate trust office in Salt Lake City, Utah, as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, the Issuer desires to finance and/or refinance all or a portion of the costs of facilities, equipment and improvements for the benefit of the Issuer pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and/or the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (collectively, the "Act"); and

WHEREAS, the Issuer is authorized under the Act to issue its bonds secured by a pledge of and payable from the Revenues described herein; and

WHEREAS, the Issuer desires to pledge said Revenues toward the payment of the principal and interest on Bonds issued hereunder:

NOW, THEREFORE, THIS INDENTURE OF TRUST WITNESSETH:

For and in consideration of the premises, the mutual covenants of the Issuer and the Trustee, the purchase from time to time of the Bonds by the Registered Owners thereof, the issuance by Security Instrument Issuers from time to time of Security Instruments and the issuance by Reserve Instrument Providers from time to time of Reserve Instruments, and in order to secure the payment of the principal of and premium, if any, and interest on the Bonds, of all Repayment Obligations according to their tenor and effect and the performance and observance by the Issuer of all the covenants expressed or implied herein, in the Bonds, in all Security Instrument Agreements and in all Reserve Instrument Agreements, the Issuer does hereby convey, assign and pledge unto the Trustee and unto its successors in trust forever all right, title and interest of the Issuer in and to (a) the Revenues, (b) all moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund), and (c) all other rights hereinafter granted, first, for the further securing of the Bonds and all Security Instrument Repayment Obligations, and second, for the further security of all Reserve Instrument Repayment Obligations, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture;

TO HAVE AND TO HOLD all the same with all privileges and appurtenances hereby and hereafter conveyed and assigned, or agreed or intended so to be, to the Trustee and its respective successors and assigns in such trust forever;

IN TRUST NEVERTHELESS, upon the terms and trust set forth in this Indenture, FIRST, for the equal and proportionate benefit, security, and protection of all Registered Owners of the Bonds issued pursuant to and secured by this Indenture and all

Security Instrument Issuers without privilege, priority, or distinction as to the lien or otherwise of any Bond or Security Instrument Issuer over any other by reason of time of issuance, sale, delivery, or maturity or expiration thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Indenture; and SECOND, for the equal and proportionate benefit, security, and protection of all Reserve Instrument Providers, without privilege, priority, or distinction as to the lien or otherwise of any Reserve Instrument Repayment Obligation over any of the others by reason of time of issuance, delivery, or expiration thereof or otherwise for any cause whatsoever;

PROVIDED, HOWEVER, that if the Issuer, its successors or assigns, shall well and truly pay, or cause to be paid, the principal and premium, if any, on the Bonds and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds, all Security Instrument Repayment Obligations, according to the true intent and meaning thereof, and all Reserve Instrument Repayment Obligations, according to the true intent and meaning thereof, or shall provide, as permitted by this Indenture, for the payment thereof as provided in Article X hereof, and shall pay or cause to be paid to the Trustee all sums of money due or to become due to it in accordance with the terms and provisions of this Indenture, then upon such final payments or provisions for such payments by the Issuer, this Indenture, and the rights hereby granted, shall terminate; otherwise this Indenture shall remain in full force and effect.

The terms and conditions upon which the Bonds are to be executed, authenticated, delivered, secured, and accepted by all persons who from time to time shall be or become Registered Owners thereof, and the trusts and conditions upon which the Revenues are to be held and disposed, which said trusts and conditions the Trustee hereby accepts, are as follows:

ARTICLE I

DEFINITIONS

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

"Accreted Amount" means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds, as established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds.

"Act" means, the Local Government Bonding Act, Title 11, Chapter 14, Utah Code and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code, each to the extent applicable.

"Additional Bonds" means all Bonds issued under this Indenture other than the Initial Bonds.

"Administrative Costs" means all Security Instrument Costs, Reserve Instrument Costs, and Rebatable Arbitrage.

"Aggregate Annual Debt Service Requirement" means the total Debt Service (including any Repayment Obligations) for any one Bond Fund Year (or other specific period) on all Series of Bonds Outstanding or any specified portion thereof.

"Authorized Amount" means, with respect to a Commercial Paper Program, the maximum Principal amount of commercial paper which is then authorized by the Issuer to be outstanding at any one time pursuant to such Commercial Paper Program.

"Authorized Representatives" means the Mayor, City Treasurer, City Recorder or Finance Director of the Issuer or any other officer of the Issuer certified in writing to the Trustee by the Issuer.

"Average Aggregate Annual Debt Service Requirement" means the total of all Aggregate Annual Debt Service Requirements divided by the total Bond Fund Years of the Bonds Outstanding or any specified portion thereof.

"Bond Fund" means Herriman City, Utah Sales and Franchise Tax Revenue Bond Fund created in Section 3.2 hereof to be held by the Trustee and administered pursuant to Section 5.3 hereof.

"Bond Fund Year" means the twelve (12) month period beginning July 1 of each year and ending on the next succeeding June 30, except that the first Bond Fund Year shall begin on the date of delivery of the Initial Bonds and shall end on the next succeeding June 30.

"Bondholder," "Bondowner," "Registered Owner," or "Owner" means the registered owner of any Bonds herein authorized according to the registration books of the Issuer maintained by the Trustee as Registrar.

"Bonds" means bonds, notes, commercial paper, or other obligations (other than Repayment Obligations) authorized by and at any time Outstanding pursuant to this Indenture, including the Initial Bonds and any Additional Bonds.

"Business Day" means any day (a) (i) on which banking business is transacted, but not including any day on which banks are authorized to be closed in New York City or in the city in which the Trustee has its Principal Corporate Trust Office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument and (ii) on which the New York Stock Exchange is open, or (b) as otherwise provided in a Supplemental Indenture.

"Capital Appreciation Bonds" means Bonds, the interest on which (i) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (ii) is payable upon maturity or prior redemption of such Bonds.

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

"Commercial Paper Program" means commercial paper obligations with maturities of not more than two hundred seventy (270) days from the dates of issuance thereof which are issued and reissued by the Issuer from time to time pursuant to Article II hereof and are outstanding up to an Authorized Amount.

"Construction Fund" means Herriman City, Utah Sales and Franchise Tax Revenue Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 5.1 hereof.

"Cost" or "Costs" or "Cost of Completion," or any phrase of similar import, in connection with a Project or with the refunding of any bonds, means all costs and expenses which are properly chargeable thereto under generally accepted accounting principles or which are incidental to the financing, acquisition, and construction of a Project, or the refunding of any bonds, including, without limiting the generality of the foregoing:

(a) amounts payable to contractors and costs incident to the award of contracts;

(b) cost of labor, facilities, and services furnished by the Issuer and its employees or others, materials and supplies purchased by the Issuer or others and permits and licenses obtained by the Issuer or others;

(c) engineering, architectural, legal, planning, underwriting, accounting, and other professional and advisory fees;

(d) premiums for contract bonds and insurance during construction and costs on account of personal injuries and property damage in the course of construction and insurance against the same;

(e) interest expenses, including interest on the Series of Bonds relating to a Project;

(f) printing, engraving, and other expenses of financing, including fees of financial rating services and other costs of issuing the Series of Bonds (including costs of interest rate caps and costs related to Interest Rate Swaps (or the elimination thereof));

(g) costs, fees, and expenses in connection with the acquisition of real and personal property or rights therein, including premiums for title insurance;

(h) costs of furniture, fixtures, and equipment purchased by the Issuer and necessary to construct a Project;

(i) amounts required to repay temporary or bond anticipation loans or notes made to finance the costs of a Project;

(j) cost of site improvements performed by the Issuer in anticipation of a Project;

(k) moneys necessary to fund the funds created under this Indenture;

(l) costs of the capitalization with proceeds of a Series of Bonds issued hereunder of any operation and maintenance expenses and other working capital appertaining to any facilities to be acquired for a Project and of any interest on a Series of Bonds for any period not exceeding the period estimated by the Issuer to effect the construction of a Project plus one year, as herein provided, of any discount on bonds or other securities, and of any reserves for the payment of the principal of and interest on a Series of Bonds, of any replacement expenses and of any other cost of issuance of a Series of Bonds or other securities, Security Instrument Costs, and Reserve Instrument Costs;

(m) costs of amending any indenture or other instrument authorizing the issuance of or otherwise appertaining to a Series of Bonds;

(n) all other expenses necessary or desirable and appertaining to a Project, as estimated or otherwise ascertained by the Issuer, including costs of contingencies for a Project; and

(o) payment to the Issuer of such amounts, if any, as shall be necessary to reimburse the Issuer in full for advances and payments theretofore made or costs theretofore incurred by the Issuer for any item of Costs.

In the case of refunding or redeeming any bonds or other obligations, "Cost" includes, without limiting the generality of the foregoing, the items listed in (c), (e), (f), (i), (k), (l), (m) and (o) above, advertising and other expenses related to the redemption of such bonds to be redeemed and the redemption price of such bonds (and the accrued interest payable on redemption to the extent not otherwise provided for).

"Cross-over Date" means, with respect to Cross-over Refunding Bonds, the date on which the Principal portion of the related Cross-over Refunded Bonds is to be paid or redeemed from the proceeds of such Cross-over Refunding Bonds.

"Cross-over Refunded Bonds" means Bonds or other obligations refunded by Cross-over Refunding Bonds.

"Cross-over Refunding Bonds" means Bonds issued for the purpose of refunding Bonds or other obligations if the proceeds of such Cross-over Refunding Bonds are irrevocably deposited in escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, to secure the payment on an applicable redemption date or maturity date of the Cross-over Refunded Bonds (subject to possible use to pay Principal of the Cross-over Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are required to be applied to pay interest on the Cross-over Refunding Bonds until the Cross-over Date.

"Current Interest Bonds" means all Bonds other than Capital Appreciation Bonds. Interest on Current Interest Bonds shall be payable periodically on the Interest Payment Dates provided therefor in a Supplemental Indenture.

"Debt Service" means, for any particular Bond Fund Year and for any Series of Bonds and any Repayment Obligations, an amount equal to the sum of (a) all interest payable during such Bond Fund Year on such Series of Bonds plus (b) the Principal Installments payable during such Bond Fund Year on (i) such Bonds Outstanding, calculated on the assumption that Bonds Outstanding on the day of calculation cease to be Outstanding by reason of, but only by reason of, payment either upon maturity or application of any Sinking Fund Installments required by the Indenture, and (ii) such Repayment Obligations then outstanding;

provided, however, for purposes of Section 2.13 hereof,

(1) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds or Repayment Obligations bearing interest at a variable rate which cannot be ascertained for any particular Bond Fund Year, it shall be assumed that such Series of Variable Rate Bonds or related Repayment Obligations will bear interest at such market rate of interest applicable to such Series of Variable Rate Bonds or related Repayment Obligations, as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter, or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years, or otherwise);

(2) when calculating interest payable during such Bond Fund Year for any Series of Variable Rate Bonds which are issued with a floating rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a fixed interest rate, such Series of Variable Rate Bonds shall be deemed to bear interest at the effective fixed annual rate thereon as a result of such Interest Rate Swap; provided that such effective fixed annual rate may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(3) when calculating interest payable during such Bond Fund Year for any Series of Bonds which are issued with a fixed interest rate and with respect to which an Interest Rate Swap is in effect in which the Issuer has agreed to pay a floating amount, Debt Service shall include the interest payable on such Series of Bonds, less fixed amounts to be received by the Issuer under such Interest Rate Swap plus the amount of the floating payments (using the market rate in a manner similar to that described in (1) above, unless another method of estimation is more appropriate, in the opinion of the Issuer's financial advisor, underwriter, or similar agent with the approval of each Rating Agency, for such floating payments) to be made by the Issuer under the Interest Rate Swap; provided that the above described calculation of Debt Service may be utilized only if such Interest Rate Swap does not result in a reduction or withdrawal of any rating then in effect with respect to the Bonds and so long as such Interest Rate Swap is contracted to remain in full force and effect;

(4) when calculating interest payable during such Bond Fund Year with respect to any Commercial Paper Program, Debt Service shall include an amount equal to the sum of all principal and interest payments that would be payable during such Bond Fund Year assuming that the Authorized Amount of such Commercial Paper Program is amortized on a level debt service basis over a period of thirty (30) years beginning on the date of calculation or, if later, the last day of the period during which obligations can be issued under such Commercial Paper Program, and bearing interest at such market rate of interest applicable to such Commercial Paper Program as shall be established for this purpose in the opinion of the Issuer's financial advisor, underwriter or similar agent (which market rate of interest may be based upon a recognized comparable market index, an average of interest rates for prior years or otherwise); and

(5) When calculating interest payable on Bonds that are Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations;

and further provided, that there shall be excluded from Debt Service (x) interest on Bonds (including Cross-over Refunding Bonds or Cross-over Refunded Bonds) to the extent that Escrowed Interest or capitalized interest is available to pay such interest, (y) Principal on Cross-over Refunded Bonds to the extent that the proceeds of Cross-over Refunding Bonds are on deposit in an irrevocable escrow in satisfaction of the requirements of Section 11-27-3, Utah Code, as amended, and such proceeds or the earnings thereon are required to be applied to pay such Principal (subject to the possible use to pay the Principal of the Cross-over Refunding Bonds under certain circumstances) and such

amounts so required to be applied are sufficient to pay such Principal, and (z) Repayment Obligations to the extent that payments on Pledged Bonds relating to such Repayment Obligations satisfy the Issuer's obligation to pay such Repayment Obligations.

"Debt Service Reserve Fund" means Herriman City, Utah Sales and Franchise Tax Revenue Debt Service Reserve Fund created in Section 3.4 hereof to be held by the Trustee and administered pursuant to Section 5.5 hereof.

"Debt Service Reserve Requirement" means with respect to each Series of Bonds issued pursuant to this Indenture, unless otherwise provided in the related Supplemental Indenture, an amount equal to the least of (a) ten percent (10%) of the proceeds of such Series of Bonds determined on the basis of original principal amount (unless original issue premium or original issue discount exceeds two percent (2%) of original Principal, then determined on the basis of initial purchase price to the public), (b) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and (c) one hundred twenty-five percent (125%) of the average annual Debt Service for such Series of Bonds; provided, however, that in the event any Series of Refunding Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series issued pursuant to this Indenture (the "Prior Bonds"), then the portion of such Series of Prior Bonds that remain Outstanding immediately after the issuance of such Refunding Bonds and the portion of such Refunding Bonds that is allocable to the refunding of such Series of Prior Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two Series pro rata based upon the total principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by proceeds from the sale of such Series of Bonds, by a Reserve Instrument as herein provided or, if provided in the related Supplemental Indenture, may be accumulated over time. Each account of the Debt Service Reserve Fund shall only be used with respect to the related Series of Bonds.

"Direct Obligations" means noncallable Government Obligations.

"Escrowed Interest" means amounts irrevocably deposited in escrow in accordance with the requirements of Section 11-27-3, Utah Code, in connection with the issuance of refunding bonds or Cross-over Refunding Bonds secured by such amounts or earnings on such amounts which are required to be applied to pay interest on such Cross-over Refunding Bonds or the related Cross-over Refunded Bonds.

"Event of Default" means with respect to any default or event of default hereunder any occurrence or event specified in and defined by Section 7.1 hereof.

"Fitch" means Fitch Ratings.

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

"Government Obligations" means solely one or more of the following:

(a) State and Local Government Series issued by the United States Treasury ("SLGS");

(b) United States Treasury bills, notes, and bonds, as traded on the open market;

(c) Zero Coupon United States Treasury Bonds; and

(d) Any other direct obligations of or obligations fully and unconditionally guaranteed by, the United States of America (including, without limitation, obligations commonly referred to as "REFCORP strips").

"Indenture" means this General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of this Indenture.

"Initial Bonds" means the first Series of Bonds issued under this Indenture.

"Interest Payment Date" means the stated payment date of an installment of interest on the Bonds.

"Interest Rate Swap" means an agreement between the Issuer or the Trustee and a Swap Counterparty related to a Series of Bonds whereby a variable rate cash flow (which may be subject to any interest rate cap) on a principal or notional amount is exchanged for a fixed rate of return on an equal principal or notional amount. If the Issuer or the Trustee enters into more than one Interest Rate Swap with respect to a Series of Bonds, each Interest Rate Swap shall specify the same payment dates.

"Issuer" means Herriman City, Utah, and its successors.

"Mayor" means the Mayor of the Issuer or any successor to the duties of such office.

"Moody's" means Moody's Investors Service, Inc.

"Outstanding" or "Bonds Outstanding" means at any date all Bonds which have not been canceled which have been or are being authenticated and delivered by the Trustee under this Indenture, except:

(a) Any Bond or portion thereof which at the time has been paid or deemed paid pursuant to Article X of this Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered hereunder, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

"Owner(s)" or " Registered Owner(s)" means the registered owner(s) of the Bonds according to the registration books of the Issuer maintained by the Trustee as Registrar for the Bonds pursuant to Sections 2.6, 6.5, and 11.5 hereof.

"Paired Obligations" means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or incurred (a) the Principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (b) the interest rates of which, when taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

"Paying Agent" means the Trustee, appointed as the initial paying agent for the Bonds pursuant to Sections 6.6 and 11.5 hereof, and any additional or successor paying agent appointed pursuant hereto.

"Pledged Bonds" means any Bonds that have been (a) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (b) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

"Principal" means (a) with respect to any Capital Appreciation Bond, the Accreted Amount thereof (the difference between the stated amount to be paid at maturity and the Accreted Amount being deemed unearned interest), except as used in connection with the authorization and issuance of Bonds and with the order of priority of payment of Bonds after an Event of Default, in which case "Principal" means the initial public offering price of a Capital Appreciation Bond (the difference between the Accreted Amount and the initial public offering price being deemed interest), and (b) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

"Principal Corporate Trust Office" means, with respect to the Trustee, the office of the Trustee at One South Main Street, 12th Floor, Salt Lake City, Utah 84133 or such other or additional offices as may be specified by the Trustee.

"Principal Installment" means, as of any date of calculation, (a) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (i) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (ii) the unsatisfied balance of any Sinking Fund Installment due on a certain future date for Bonds of such Series, plus the amount of the sinking fund redemption premiums, if any, which would be applicable upon redemption of such Bonds on such future date in a Principal amount equal to such unsatisfied balance of such Sinking Fund Installment, and (b) with respect to any Repayment Obligations, the principal amount of such Repayment Obligations due on a certain future date.

"Project" means the acquisition, construction, and/or improvement of capital facilities, equipment, and/or improvements financed or refinanced with a Series of Bonds.

"Put Bond" means any Bond which is part of a Series of Bonds which is subject to purchase by the Issuer, its agent or a third party from the Owner of the Bond pursuant to provisions of the Supplemental Indenture authorizing the issuance of the Put Bond and designating it as a "Put Bond."

"Qualified Investments" means any of the following securities:

(a) Government Obligations;

(b) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America including: the Export-Import Bank of the United States; the Government National Mortgage Association; the Federal Financing Bank; the Farmer's Home Administration; the Federal Housing Administration; the Maritime Administration: General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA's);

(c) Money market funds rated "AAAm" or "AAAm-G" or better by S&P or the equivalent rating or better of Moody's (if so rated), including money market funds from which the Trustee or its affiliates derive a fee for investment advisory services to the fund;

(d) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's or "A-1+" by S&P, and which matures not more than two hundred seventy (270) days after the date of purchase;

(e) Bonds, notes or other evidences of indebtedness rated "AAA" by S&P and "Aaa" by Moody's issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three (3) years;

(f) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date or purchase of "A-1+" or better by S&P and "P-1" by Moody's and maturing no more than three hundred sixty (360) days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(g) The fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer's Investment Fund; and

"Rating Agency" means Fitch, Moody's, or S&P and their successors and assigns, but only to the extent such rating agency is then providing a rating on a Series of Bonds issued hereunder at the request of the Issuer. If either such Rating Agency ceases to act

as a securities rating agency, the Issuer may designate any nationally recognized securities rating agency as a replacement.

"Rating Category" or "Rating Categories" mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

"Rebatable Arbitrage" means with respect to any Series of Bonds where the interest thereon is intended to be excludable from gross income for federal income tax purposes, the amount (determinable as of each Rebate Calculation Date) of rebatable arbitrage payable to the United States at the times and in the amounts specified in Section 148(f)(3) of the Code and Section 1.148-3 of the Regulations.

"Rebate Calculation Date" means, with respect to any Series of Bonds where the interest thereon is intended to be excludable from gross income for federal income tax purposes, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial rebate calculation date for such Series of Bonds, and the date of retirement of the last Bond for such Series.

"Rebate Fund" means Herriman City, Utah Sales and Franchise Tax Revenue Rebate Fund created in Section 3.6 hereof to be held by the Trustee and administered pursuant to Section 5.7 hereof.

"Registrar" means the Trustee (or other party designated as Registrar by Supplemental Indenture), appointed as the registrar for the Bonds pursuant to Sections 2.6 and 11.5 hereof, and any additional or successor registrar appointed pursuant hereto.

"Regular Record Date" means unless otherwise provided by Supplemental Indenture for a Series of Bonds, the fifteenth day immediately preceding each Interest Payment Date.

"Regulations," and all references thereto means the applicable final, proposed, and temporary United States Treasury Regulations promulgated with respect to Sections 103 and 141 through 150 of the Code, including all amendments thereto made hereafter.

"Remarketing Agent" means the remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

"Repayment Obligations" means, collectively, all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations.

"Reserve Instrument" means a device or instrument issued by a Reserve Instrument Provider to satisfy all or any portion of the Debt Service Reserve Requirement applicable to a Series of Bonds. The term "Reserve Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, surety bonds, standby bond purchase agreements, lines of credit, and other devices.

"Reserve Instrument Agreement" means any agreement entered into by the Issuer and a Reserve Instrument Provider pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) and providing for the issuance by such Reserve Instrument Provider of a Reserve Instrument.

"Reserve Instrument Costs" means all fees, premiums, expenses, and similar costs, other than Reserve Instrument Repayment Obligations, required to be paid to a Reserve Instrument Provider pursuant to a Reserve Instrument Agreement. Each Reserve Instrument Agreement shall describe the fees, premiums, expenses, and costs constituting Reserve Instrument Costs.

"Reserve Instrument Coverage" means, as of any date of calculation, the aggregate amount available to be paid to the Trustee pursuant hereto under all Reserve Instruments.

"Reserve Instrument Fund" means Herriman City, Utah Sales and Franchise Tax Revenue Reserve Instrument Fund created in Section 3.5 hereof to be held by the Trustee and administered pursuant to Section 5.6 hereof.

"Reserve Instrument Limit" means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the applicable Series of Bonds.

"Reserve Instrument Provider" means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company, or other institution issuing a Reserve Instrument.

"Reserve Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs.

"Revenue Fund" means Herriman City, Utah Sales and Franchise Tax Revenue Fund created in Section 3.7 hereof to be held by the Issuer and administered pursuant to Section 5.2 hereof.

"Revenues" means collectively one hundred percent (100%) of (i) the Local Sales and Use Tax revenues received by the Issuer pursuant to Title 59, Chapter 12, Part 2, Utah Code; (ii) the Municipal Energy Sales and Use Tax revenues received by the Issuer pursuant to Title 10, Chapter 1, Part 3, Utah Code; and (iii) the Telecommunications Franchise Tax revenues received by the Issuer pursuant to Title 10, Chapter 1, Part 4, Utah Code.

"S&P" means Standard & Poor's Rating Services.

"Security Instrument" means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term "Security Instrument" includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit, and other security instruments and credit enhancement or liquidity devices (but does not include a Reserve Instrument); provided, however, that no such device or instrument shall be a "Security Instrument" for purposes of this Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

"Security Instrument Agreement" means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) providing for the issuance by such Security Instrument Issuer of a Security Instrument.

"Security Instrument Costs" means, with respect to any Security Instrument, all fees, premiums, expenses, and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses, and costs constituting Security Instrument Costs.

"Security Instrument Issuer" means any bank or other financial institution, insurance company, surety company, or other institution issuing a Security Instrument.

"Security Instrument Repayment Obligations" means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

"Series" means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

"Sinking Fund Account" means Herriman City, Utah Sales and Franchise Tax Revenue Sinking Fund Account of the Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 5.4 hereof.

"Sinking Fund Installment" means the amount of money which is required to be deposited into the Sinking Fund Account in each Bond Fund Year for the retirement of

Term Bonds as specified in the Supplemental Indenture authorizing said Term Bonds (whether at maturity or by redemption), and including the redemption premium, if any.

"Special Record Date" means such date as may be fixed for the payment of defaulted interest on the Bonds in accordance with this Indenture.

"State" means the State of Utah.

"Supplemental Indenture" means any supplemental indenture between the Issuer and the Trustee entered into pursuant to and in compliance with the provisions of Article IX hereof.

"Swap Counterparty" means a member of the International Swap Dealers Association rated in one of the three top Rating Categories by each of Moody's and S&P and meeting the requirements of applicable laws of the State.

"Term Bonds" means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Sinking Fund Account.

"City Recorder" means the City Recorder of the Issuer and any deputy to the City Recorder or any successor to the duties of such office.

"City Treasurer" means the City Treasurer of the Issuer and any deputy to the City Treasurer.

"Trustee" means Zions First National Bank Corporate Trust Department, or any successor corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at any time serving as successor trustee hereunder.

"Utah Code" means Utah Code Annotated 1953, as amended.

"Variable Rate Bonds" means, as of any date of calculation, Bonds, the interest on which for any future period of time, is to be calculated at a rate which is not susceptible to a precise determination.

Section 1.2 Indenture to Constitute Contract. In consideration of the purchase and acceptance from time to time of any and all of the Bonds authorized to be issued hereunder by the Registered Owners thereof, the issuance from time to time of any and all Security Instruments by the Security Instrument Issuers, and the issuance from time to time of any and all Reserve Instruments by Reserve Instrument Providers pursuant hereto, this Indenture shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Bonds, the Security Instrument Issuers and the Reserve Instrument Providers; and the pledge made in this Indenture and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be, FIRST, for the equal benefit, protection and security of the Owners of any and all of the Bonds and the Security Instrument Issuers of any and all of the Security Instruments all of which, regardless of the time or times of their issuance and delivery or

maturity or expiration, shall be of equal rank without preference, priority, or distinction of any of the Bonds or Security Instrument Repayment Obligations over any others, except as expressly provided in or permitted by this Indenture, and SECOND, for the equal benefit, protection, and security of the Reserve Instrument Providers of any and all of the Reserve Instruments which, regardless of the time or times of their issuance, delivery, or termination, shall be of equal rank without preference, priority, or distinction of any Reserve Instrument over any other thereof.

Section 1.3 Construction. This Indenture, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) The terms "hereby," "hereof," "herein," "hereto," "hereunder," and any similar terms used in this Indenture shall refer to this Indenture in its entirety unless the context clearly indicates otherwise.

(b) Words in the singular number include the plural, and words in the plural include the singular.

(c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.

(d) Articles, sections, subsections, paragraphs, and subparagraphs mentioned by number, letter, or otherwise, correspond to the respective articles, sections, subsections, paragraphs, and subparagraphs hereof so numbered or otherwise so designated.

(e) The titles or leadlines applied to articles, sections, and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit, or describe the scope or intent of any provisions of this Indenture.

ARTICLE II

THE BONDS

Section 2.1 Authorization of Bonds There is hereby authorized for issuance hereunder Bonds which may, if and when authorized by Supplemental Indenture, be issued in one or more separate Series. Each Series of Bonds shall be authorized by a Supplemental Indenture, which shall state the purpose or purposes for which each such Series of Bonds is being issued. The aggregate principal amount of Bonds which may be issued shall not be limited except as provided herein or as may be limited by law provided that the aggregate principal amount of Bonds of each such Series shall not exceed the amount specified in the Supplemental Indenture authorizing each such Series of Bonds.

Section 2.2 Description of Bonds; Payment.

(a) Each Series of Bonds issued under the provisions hereof may be issued only as registered bonds. Unless otherwise specified in the Supplemental Indenture authorizing such Series of Bonds, each Series of Bonds shall be in the denomination of Five Thousand Dollars ($5,000) each or any integral multiple thereof, shall be numbered consecutively from R-1 upwards and shall bear interest payable on each Interest Payment Date.

(b) Each Series of Bonds issued under the provisions hereof shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate permitted by law on the date of initial issuance of such Series, shall be payable on the days, shall be stated to mature on the days and in the years, and shall be subject to redemption prior to their respective maturities, all as set forth in the Supplemental Indenture authorizing such Series of Bonds. Each Series of Bonds shall be designated "Sales and Franchise Tax Revenue [Refunding] Bonds, Series ____ [Federally Taxable]," in each case inserting the year in which the Bonds are issued and, if necessary, an identifying Series letter.

(c) Both the principal of and the interest on the Bonds shall be payable in lawful money of the United States of America. Payment of the interest on any Bond shall be made to the person appearing on the Bond registration books of the Registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed on the Interest Payment Date to the Registered Owner at his address as it appears on such registration books or to owners of one million dollars ($1,000,000) or more in aggregate principal amount of Bonds (or owners of one hundred percent (100%) of any Series then Outstanding) by wire transfer to a bank account designated by the Registered Owner in written instructions furnished to the Trustee no later than the Regular Record Date for such payment. Unless otherwise specified in the related Supplemental Indenture, the interest on Bonds so payable and punctually paid and duly provided for on any Interest Payment Date will be paid to the person who is the Registered Owner thereof at the close of business on the Regular Record Date for such interest immediately

preceding such Interest Payment Date. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Bond on such Regular Record Date, and may be paid to the person who is the Registered Owner thereof at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice thereof to be given to such Registered Owner not less than ten (10) days prior to such Special Record Date. The principal of and premium, if any, on Bonds are payable upon presentation and surrender thereof at the Principal Corporate Trust Office of the Trustee as Paying Agent, except as otherwise provided by Supplemental Indenture. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(d) The Bonds of each Series may contain or have endorsed thereon such provisions, specifications, and descriptive words not inconsistent with the provisions hereof as may be necessary or desirable to comply with custom, the rules of any securities exchange or commission or brokerage board or otherwise, as may be specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.3 Execution; Limited Obligation. Unless otherwise specified in the related Supplemental Indenture, the Bonds of any Series shall be executed on behalf of the Issuer with the manual or official facsimile signature of its Mayor, countersigned with the manual or official facsimile signature of the City Recorder, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the Issuer. In case any officer, the facsimile of whose signature shall appear on the Bonds, shall cease to be such officer before the delivery of such Bonds, such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery.

The Bonds, together with interest thereon, and all Repayment Obligations shall be limited obligations of the Issuer payable solely from the Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created hereunder (except the Rebate Fund) or the income from the temporary investment thereof). The Bonds shall be a valid claim of the Registered Owners thereof only against the Revenues and other moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund) and the Issuer hereby pledges and assigns the same for the equal and ratable payment of the Bonds and all Repayment Obligations, and the Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Bonds and to pay the Repayment Obligations, except as may be otherwise expressly authorized herein or by Supplemental Indenture. The issuance of the Bonds and delivery of any Security Instrument Agreement or Reserve Instrument Agreement shall not, directly, indirectly, or contingently, obligate the Issuer or any agency, instrumentality, or political subdivision thereof to levy any form of ad valorem taxation therefore.

Section 2.4 Authentication and Delivery of Bonds.

(a) The Issuer shall deliver executed Bonds of each Series to the Trustee for authentication. Subject to the satisfaction of the conditions for authentication of Bonds set forth herein, the Trustee shall authenticate such Bonds and deliver them upon the order of the Issuer to the purchasers thereof (or hold them on their behalf) upon the payment by the purchasers of the purchase price therefor to the Trustee for the account of the Issuer. Delivery by the Trustee shall be full acquittal to the purchasers for the purchase price of such Bonds, and such purchasers shall be under no obligation to see to the application of said purchase price. The proceeds of the sale of such Bonds shall, however, be disposed of only as provided herein and in the related Supplemental Indenture.

(b) No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder, unless and until a certificate of authentication on such Bond substantially in the form set forth in the Supplemental Indenture authorizing such Bond shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The Trustee's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

(c) Prior to the authentication by the Trustee of each Series of Bonds there shall have been filed with the Trustee:

(i) A copy of this Indenture (to the extent not theretofore so filed) and the Supplemental Indenture authorizing such Series of Bonds;

(ii) A copy, certified by the City Recorder, of the proceedings of the Issuer's Governing Body approving the execution and delivery of the instruments specified in Section 2.4(c)(i) above and the execution and delivery of such Series of Bonds, together with a certificate, dated as of the date of authentication of such Series of Bonds, of the City Recorder that such proceedings are still in force and effect without amendments except as shown in such proceedings;

(iii) A request and authorization of the Issuer to the Trustee to authenticate such Series of Bonds in the aggregate principal amount therein specified and deliver them to purchasers therein identified upon payment to the Trustee for account of the Issuer of the sum specified therein;

(iv) An opinion of bond counsel dated the date of authentication of such Series of Bonds to the effect that (A) the Issuer has authorized the execution and delivery of this Indenture and such Series of Bonds and this

Indenture has been duly executed and delivered by the Issuer and is a valid, binding, and enforceable agreement of the Issuer; (B) this Indenture creates the valid pledge which it purports to create of the Revenues; and (C) the Bonds of such Series are valid and binding obligations of the Issuer, entitled to the benefits and security hereof, provided that such opinion may contain limitations acceptable to the purchaser of such Series of Bonds;

(d) The Issuer may provide by Supplemental Indenture for the delivery to the Trustee of one or more Security Instruments with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements deemed necessary in connection therewith;

(e) Subject to any limitations contained in a Supplemental Indenture, the Issuer may provide a Security Instrument for any Series of Bonds (or may substitute one Security Instrument for another);

(f) The Issuer may provide by Supplemental Indenture for the issuance and delivery to the Trustee of one or more Reserve Instruments and the execution and delivery of any Reserve Instrument Agreements deemed necessary in connection therewith;

(g) The Issuer may authorize by Supplemental Indenture the issuance of Put Bonds; provided that any obligation of the Issuer to pay the purchase price of any such Put Bonds shall not be secured by a pledge of Revenues on a parity with the pledge contained in Section 6.2 hereof. The Issuer may provide for the appointment of such Remarketing Agents, indexing agents, tender agents, or other agents as the Issuer may determine;

(h) The Issuer may include such provisions in a Supplemental Indenture authorizing the issuance of a Series of Bonds secured by a Security Instrument as the Issuer deems appropriate, including:

(i) So long as the Security Instrument is in full force and effect, and payment on the Security Instrument is not in default, (A) the Security Instrument Issuer shall be deemed to be the Owner of the Outstanding Bonds of such Series (x) when the approval, consent or action of the Bondowners for such Series of Bonds is required or may be exercised under the Indenture and (y) following an Event of Default and (B) the Indenture may not be amended in any manner which affects the rights of such Security Instrument Issuer without its prior written consent; and

(ii) In the event that the Principal and redemption price, if applicable, and interest due on any Series of Bonds Outstanding shall be paid under the provisions of a Security Instrument, all covenants, agreements, and other obligations of the Issuer to the Bondowners of such

Series of Bonds shall continue to exist and such Security Instrument Issuer shall be subrogated to the rights of such Bondowners in accordance with the terms of such Security Instrument; and

(iii) In addition, such Supplemental Indenture may establish such provisions as are necessary to provide relevant information to the Security Instrument Issuer and to provide a mechanism for paying Principal Installments and interest on such Series of Bonds from the Security Instrument.

Section 2.5 Mutilated, Lost, Stolen, or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen, or destroyed, the Issuer may execute and the Trustee may authenticate a new Bond of like date, Series, maturity, and denomination as that mutilated, lost, stolen, or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Trustee, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the Trustee evidence of such loss, theft, or destruction satisfactory to the Trustee, together in all cases with indemnity satisfactory to the Trustee and the Issuer. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Trustee may pay the same without surrender thereof upon compliance with the foregoing. The Trustee may charge the Registered Owner of such Bond with its reasonable fees and expenses in connection therewith. Any Bond issued pursuant to this Section 2.5 shall be deemed part of the Series of Bonds in respect of which it was issued and an original additional contractual obligation of the Issuer.

Section 2.6 Registration of Bonds; Persons Treated as Owners. The Issuer shall cause the books for the registration and for the transfer of the Bonds to be kept by the Trustee which is hereby constituted and appointed the Registrar of the Issuer with respect to the Bonds, provided, however, that the Issuer may by Supplemental Indenture select a party other than the Trustee to act as Registrar with respect to the Series of Bonds issued under said Supplemental Indenture. Upon the occurrence of an Event of Default which would require any Security Instrument Issuer to make payment under a Security Instrument Agreement, the Registrar shall make such registration books available to the Security Instrument Issuer. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond at the Principal Corporate Trust Office of the Trustee, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Trustee and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same Series and the same maturity for a like aggregate principal amount as the Bond surrendered for transfer. Bonds may be exchanged at the Principal Corporate Trust Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and the same maturity. The execution by

the Issuer of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Trustee shall thereby be authorized to authenticate and deliver such Bond. Except as otherwise provided in a Supplemental Indenture with respect to a Series of Bonds, the Issuer and the Trustee shall not be required to transfer or exchange any Bond (a) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (b) during the period from and including the day fifteen (15) days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (c) during the period from and including the day fifteen (15) days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (d) at any time following the mailing of notice calling such Bond for redemption.

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

The Trustee shall require the payment by the Bondholder requesting exchange or transfer of Bonds of any tax or other governmental charge and by the Issuer of any service charge of the Trustee as Registrar which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered.

Section 2.7 Redemption Provisions. The Term Bonds of each Series of Bonds shall be subject, to the extent provided in the Supplemental Indenture authorizing each such Series of Bonds, to redemption prior to maturity by operation of Sinking Fund Installments required to be made to the Sinking Fund Account. The Bonds of each Series shall further be subject to redemption prior to maturity at such times and upon such terms as shall be fixed by such Supplemental Indenture. Except as otherwise provided in a Supplemental Indenture, if fewer than all Bonds of a Series are to be redeemed, the particular maturities of such Bonds to be redeemed and the Principal amounts of such maturities to be redeemed shall be selected by the Issuer. If fewer than all of the Bonds of any one maturity of a Series shall be called for redemption, the particular units of Bonds, as determined in accordance with Section 2.9 herein, to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee, in its discretion, may deem fair and appropriate.

Section 2.8 Notice of Redemption.

(a) In the event any of the Bonds are to be redeemed, the Registrar shall cause notice to be given as provided in this Section 2.8. Unless otherwise specified in the Supplemental Indenture authorizing the issuance of the applicable Series of Bonds, notice of such redemption (i) shall be filed with the Paying Agent designated for the Bonds being redeemed; and (ii) shall be mailed by first class mail, postage prepaid, to all Registered Owners of Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption and to the Security Instrument Issuers, if applicable. Such notice shall state the following information:

(i) the complete official name of the Bonds, including Series, to be redeemed, the identification numbers of Bonds, and the CUSIP numbers, if any, of the Bonds being redeemed, provided that any such notice shall state that no representation is made as to the correctness of CUSIP numbers either as printed on such Bonds or as contained in the notice of redemption and that reliance may be placed only on the identification numbers contained in the notice or printed on such Bonds;

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

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

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

(v) the redemption price;

(vi) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date; and

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

(b) In addition to the foregoing, further notice of any redemption of Bonds hereunder shall be given by the Trustee, at least two (2) Business Days in advance of the mailed notice to Registered Owners, by registered or certified mail or overnight delivery service, to all registered securities depositories (as reasonably determined by the Trustee) then in the business of holding substantial amounts of obligations of types comprising the Bonds, and to at least two national

information services that disseminate notices of redemption of obligations such as the Bonds. Such further notice shall contain the information required in Section 2.8(a) above. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

(c) Upon the payment of the redemption price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

(d) If at the time of mailing of any notice of optional redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Bonds called for redemption, such notice shall state that such redemption shall be conditioned upon receipt by the Trustee on or prior to the date fixed for such redemption of moneys sufficient to pay the principal of and interest on such Bonds to be redeemed and that if such moneys shall not have been so received said notice shall be of no force and effect and the Issuer shall not be required to redeem such Bonds. In the event that such moneys are not so received, the redemption shall not be made and the Trustee shall within a reasonable time thereafter give notice, one time, in the same manner in which the notice of redemption was given, that such moneys were not so received.

(e) A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Bonds or portions thereof redeemed but who failed to deliver Bonds for redemption prior to the 60th day following such redemption date.

(f) Any notice mailed shall be conclusively presumed to have been duly given whether or not the owner of such Bonds receives the notice. Receipt of such notice shall not be a condition precedent to such redemption, and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of the Bonds.

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

Section 2.9 Partially Redeemed Fully Registered Bonds. Unless otherwise specified in the related Supplemental Indenture, in case any registered Bond shall be redeemed in part only, upon the presentation of such Bond for such partial redemption, the Issuer shall execute and the Trustee shall authenticate and shall deliver or cause to be delivered to or upon the written order of the Registered Owner thereof, at the expense of the Issuer, a Bond or Bonds of the same Series, interest rate, and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Bond. Unless otherwise provided by Supplemental Indenture, a portion of any Bond of a denomination of more than the minimum denomination of such Series specified herein or in the related

Supplemental Indenture to be redeemed will be in the principal amount of such minimum denomination or an integral multiple thereof and in selecting portions of such Bonds for redemption, the Trustee will treat each such Bond as representing that number of Bonds of such minimum denomination which is obtained by dividing the principal amount of such Bonds by such minimum denomination.

Section 2.10 Cancellation. All Bonds which have been surrendered for payment, redemption, or exchange, and Bonds purchased from any moneys held by the Trustee hereunder or surrendered to the Trustee by the Issuer, shall be canceled and cremated or otherwise destroyed by the Trustee and shall not be reissued; provided, however, that one or more new Bonds shall be issued for the unredeemed portion of any Bond without charge to the Registered Owner thereof.

Section 2.11 Nonpresentation of Bonds. Unless otherwise provided by Supplemental Indenture, in the event any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Trustee, all liability of the Issuer to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds, without liability to the Registered Owner of such Bond for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his part hereunder or on, or with respect to, said Bond. If any Bond shall not be presented for payment within four (4) years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall, to the extent permitted by law, repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Registered Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money. The provisions of this Section 2.11 are subject to the provisions of Title 67, Chapter 4a, Utah Code Annotated 1953, as amended.

Section 2.12 Initial Bonds. Subject to the provisions hereof, the Initial Bonds may be authenticated and delivered by the Trustee upon satisfaction of the conditions specified in Section 2.4(c) hereof and any additional conditions specified in the Supplemental Indenture authorizing such Series of Bonds.

Section 2.13 Issuance of Additional Bonds. No additional indebtedness, bonds, or notes of the Issuer secured by a pledge of the Revenues senior to the pledge of Revenues for the payment of the Bonds and the Security Instrument Repayment Obligations herein authorized shall be created or incurred without the prior written consent of the Owners of 100% of the Outstanding Bonds and the Security Instrument Issuers. In addition, no Additional Bonds or other indebtedness, bonds, or notes of the Issuer payable on a parity with the Bonds and the Security Instrument Repayment

Obligations herein authorized out of Revenues shall be created or incurred, unless the following requirements have been met:

(a) No Event of Default shall have occurred and be continuing hereunder on the date of authentication of any Additional Bonds. This Section 2.13(a) shall not preclude the issuance of Additional Bonds if (a) the issuance of such Additional Bonds otherwise complies with the provisions hereof and (b) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof; and

(b) A certificate shall be delivered to the Trustee by an Authorized Representative to the effect that the Revenues for any consecutive twelve (12) month period in the twenty-four (24) months immediately preceding the proposed date of issuance of such Additional Bonds were at least equal to two hundred percent (200%) of the sum of (x) the Maximum Aggregate Annual Debt Service Requirement on all Bonds and Additional Bonds to be Outstanding following the issuance of the Additional Bonds plus (y) the maximum annual installments due on all Reserve Instrument Repayment Obligations to be outstanding following the issuance of such Additional Bonds; and

provided, however, that such Revenue coverage test set forth above shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued hereunder, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith, and (iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and

(c) All payments required by this Indenture to be made into the Bond Fund must have been made in full, and there must be on deposit in each account of the Debt Service Reserve Fund (taking into account any Reserve Instrument coverage) the full amount required to be accumulated therein at the time of issuance of the Additional Bonds; and

(d) The proceeds of the Additional Bonds must be used (i) to refund Bonds issued hereunder or other obligations of the Issuer (including the funding of necessary reserves and the payment of costs of issuance) and/or (ii) to finance or refinance a Project (including the funding of necessary reserves and the payment of costs of issuance).

Section 2.14 Form of Bonds. The Bonds of each Series and the Trustee's Authentication Certificate shall be in substantially the forms thereof set forth in the Supplemental Indenture authorizing the issuance of such Bonds, with such omissions, insertions and variations as may be necessary, desirable, authorized, and permitted hereby.

Section 2.15 Covenant against Creating or Permitting Liens. Except for the pledge of Revenues to secure payment of the Bonds and Repayment Obligations hereunder, the Revenues are and shall be free and clear of any pledge, lien, charge, or encumbrance thereon or with respect thereto; provided, however, that nothing contained herein shall prevent the Issuer from issuing, if and to the extent permitted by law, indebtedness having a lien on Revenues subordinate to that of the Bonds and Repayment Obligations.

ARTICLE III

CREATION OF FUNDS AND ACCOUNTS

Section 3.1 Creation of Construction Fund. There is hereby created and ordered established in the custody of the Trustee the Construction Fund. There is hereby created and ordered established in the custody of the Trustee a separate account within the Construction Fund for each Project to be designated by the name of the applicable Project or Series of Bonds and, if applicable, a separate account for each Series of Bonds and for all grant moneys or other moneys to be received by the Issuer for deposit in the Construction Fund.

Section 3.2 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee the Bond Fund.

Section 3.3 Creation of Sinking Fund Account. There is hereby created and ordered established in the custody of the Trustee as a separate account within the Bond Fund the Sinking Fund Account.

Section 3.4 Creation of Debt Service Reserve Fund. There is hereby created and ordered established in the custody of the Trustee the Debt Service Reserve Fund.

Section 3.5 Creation of Reserve Instrument Fund. There is hereby created and ordered and established in the custody of the Trustee the Reserve Instrument Fund.

Section 3.6 Creation of Rebate Fund. There is hereby created and ordered established in the custody of the Trustee the Rebate Fund.

Section 3.7 Creation of Revenue Fund. There is hereby created and ordered established in the custody of the Issuer the Revenue Fund. For accounting purposes, the Revenue Fund may be redesignated by different account names by the Issuer from time to time.

Section 3.8 Creation of Funds and Accounts. Notwithstanding anything contained herein to the contrary, the Trustee need not create any of the funds or accounts referenced in this Article III until such funds or accounts shall be utilized as provided in a Supplemental Indenture. The Issuer may, by Supplemental Indenture, authorize the creation of additional funds and additional accounts within any fund.

ARTICLE IV

APPLICATION OF BOND PROCEEDS

Upon the issuance of each Series of Bonds, the proceeds thereof shall be deposited as provided in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

ARTICLE V

USE OF FUNDS

Section 5.1 Use of Construction Fund.

(a) So long as an Event of Default shall not have occurred and be continuing, and except as otherwise provided by Supplemental Indenture, moneys deposited in the appropriate account in the Construction Fund shall be disbursed by the Trustee to pay the Costs of a Project, in each case within three Business Days (or within such longer period as is reasonably required to liquidate investments in the Construction Fund if required to make such payment) after the receipt by the Trustee of a written requisition approved by an Authorized Representative of the Issuer in substantially the form as Exhibit A attached hereto, stating that the Trustee shall disburse sums in the manner specified by and at the direction of the Issuer to the person or entity designated in such written requisition, and that the amount set forth therein is justly due and owing and constitutes a Cost of a Project based upon audited, itemized claims substantiated in support thereof.

(b) Upon receipt of such requisition, the Trustee shall pay the obligation set forth in such requisition out of moneys in the applicable account in the Construction Fund. In making such payments the Trustee may rely upon the information submitted in such requisition. Such payments shall be presumed to be made properly and the Trustee shall not be required to verify the application of any payments from the Construction Fund or to inquire into the purposes for which disbursements are being made from the Construction Fund.

(c) The Issuer shall deliver to the Trustee, within ninety (90) days after the completion of a Project, a certificate executed by an Authorized Representative of the Issuer stating:

(i) that such Project has been fully completed in accordance with the plans and specifications therefor, as amended from time to time, and stating the date of completion for such Project; and

(ii) that the Project has been fully paid for and no claim or claims exist against the Issuer or against such Project out of which a lien based on furnishing labor or material exists or might ripen; provided, however, there may be excepted from the foregoing certification any claim or claims out of which a lien exists or might ripen in the event the Issuer intends to contest such claim or claims, in which event such claim or claims shall be described to the Trustee.

(d) In the event the certificate filed with the Trustee pursuant to Section 5.1(c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer

shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the Construction Fund and all disbursements therefrom.

(f) Unless otherwise specified in a Supplemental Indenture, upon completion of a Project and payment of all costs and expenses incident thereto and the filing with the Trustee of documents required by this Section 5.1, any balance remaining in the applicable account in the Construction Fund relating to such Project shall, as directed by an Authorized Representative of the Issuer, be deposited in the Bond Fund to be applied toward the redemption of the Series of Bonds issued to finance such Project or to pay principal and/or interest next falling due with respect to the Bonds.

(g) The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default hereunder.

Section 5.2 Application of Revenues. All Revenues shall be accounted for by the Issuer separate and apart from all other moneys of the Issuer.

(a) So long as any Bonds are Outstanding and as a first charge and lien on the Revenues, the Issuer shall on or before the fifteenth (15th) day prior to each Interest Payment Date transfer from the Revenue Fund to the Trustee for deposit in the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are sufficient moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the Issuer need not transfer moneys from the Revenue Fund to pay interest on the Bonds); plus

(ii) the principal and premium, if any, falling due on the Bonds on the next succeeding Interest Payment Date; plus

(iii) if a Sinking Fund Installment is due on the Bonds, the Sinking Fund Installment falling due on the next succeeding Interest Payment Date, plus

(iv) Administrative Costs which shall be paid by the Issuer from time to time as they become due and payable.

the sum of which shall be sufficient, when added to the existing balance in the Bond Fund, to pay the principal of, premium, if any, and interest on the Bonds

promptly on each such Interest Payment Date as the same become due and payable and to pay Administrative Costs. The foregoing provisions may be revised by a Supplemental Indenture for any Series of Bonds.

(b) As a second charge and lien on the Revenues, the Issuer shall on or before the fifteenth (15th) day of each month transfer from the Revenue Fund to the Debt Service Reserve Fund:

(i) To the extent the Debt Service Reserve Requirement, if any, is not funded with a Reserve Instrument or Instruments, (A) to the accounts in the Debt Service Reserve Fund any amounts required hereby and by any Supplemental Indenture to accumulate therein the applicable Debt Service Reserve Requirement with respect to each Series of Bonds at the times and in the amounts provided herein and in any Supplemental Indenture and (B) if funds shall have been withdrawn from an account in the Debt Service Reserve Fund or any account in the Debt Service Reserve Fund is at any time funded in an amount less than the applicable Debt Service Reserve Requirement, the Issuer shall deposit Revenues in such account(s) in the Debt Service Reserve Fund sufficient in amount to restore such account(s) within one year with twelve (12) substantially equal payments during such period (unless otherwise provided for by the Supplemental Indenture governing the applicable Debt Service Reserve Requirement); or in case of more than one account within the Debt Service Reserve Fund, a ratable portion (based on the amount to be transferred pursuant to Section 5.2(b)(ii)) of remaining Revenues if less than the amount necessary to fund said accounts, and

(ii) Equally and ratably to the accounts of the Reserve Instrument Fund, with respect to all Reserve Instruments which are in effect and are expected to continue in effect after the end of such month, such amount of the remaining Revenues, or a ratable portion (based on the amount to be transferred pursuant to Section 5.2(b)(i)) of the amount so remaining if less than the amount necessary, that is required to be paid, on or before the next such monthly transfer or deposit of Revenues into the Reserve Instrument Fund, to the Reserve Instrument Provider pursuant to any Reserve Instrument Agreement, other than Reserve Instrument Costs, in order to cause the Reserve Instrument Coverage to equal the Reserve Instrument Limit, such that the Reserve Instrument Coverage shall equal the Reserve Instrument Limit within one year from any draw date under the Reserve Instrument.

(c) The Revenues remaining after the foregoing deposits and transfers in each month and not required to be used for remedying any deficiencies in payments previously made into the Funds hereinabove established, may be used at any time for any other lawful purpose.

Section 5.3 Use of Bond Fund. The Issuer may direct the Trustee, pursuant to a Supplemental Indenture, to create an account within the Bond Fund for a separate Series of Bonds under the Indenture.

(a) The Trustee shall make deposits to the Bond Fund, as and when received, as follows:

(i) accrued interest received upon the issuance of any Series of Bonds;

(ii) all moneys payable by the Issuer as specified in Section 5.2(a) hereof;

(iii) any amount in the Construction Fund to the extent required by or directed pursuant to Section 5.1(f) hereof upon completion of a Project;

(iv) all moneys transferred from the Debt Service Reserve Fund or from a Reserve Instrument or Instruments then in effect as provided in Section 5.5 hereof; and

(v) all other moneys received by the Trustee hereunder when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund.

(b) Except as provided in Section 7.4 hereof and as provided in this Section 5.3 and except as otherwise provided by Supplemental Indenture, moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(i) on or before each Interest Payment Date for each Series of Bonds, the amount required to pay the interest due on such date;

(ii) on or before each Principal Installment due date, the amount required to pay the Principal Installment due on such due date; and

(iii) on or before each redemption date for each Series of Bonds, the amount required to pay the redemption price of and accrued interest on such Bonds then to be redeemed.

Such amounts shall be applied by the Paying Agent to pay Principal Installments and redemption price of, and interest on the related Series of Bonds.

The Trustee shall pay out of the Bond Fund to the Security Instrument Issuer, if any, that has issued a Security Instrument with respect to such Series of Bonds an amount equal to any Security Instrument Repayment Obligation then due and payable to such Security Instrument Issuer. Except as otherwise specified in a related Supplemental Indenture all such Security Instrument Repayment Obligations shall be paid on a parity

with the payments to be made with respect to principal and interest on the Bonds; provided that amounts paid under a Security Instrument shall be applied only to pay the related Series of Bonds. If payment is so made on Pledged Bonds held for the benefit of the Security Instrument Issuer, a corresponding payment on the Security Instrument Repayment Obligation shall be deemed to have been made (without requiring an additional payment by the Issuer) and the Trustee shall keep its records accordingly.

The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay principal of and interest on the Bonds and on Security Instrument Repayment Obligations as the same become due and payable and to make said funds so withdrawn available to the Trustee and any Paying Agent for the purpose of paying said Principal and interest.

(c) After payment in full of the Principal of and interest on (i) all Bonds issued hereunder (or after provision has been made for the payment thereof as provided herein so that such Bonds are no longer Outstanding), (ii) all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations in accordance with their respective terms, and (iii) all fees, charges, and expenses of the Trustee, the Paying Agent and any other amounts required to be paid hereunder or under any Supplemental Indenture and under any Security Instrument Agreement and under any Reserve Instrument Agreement, all amounts remaining in the Bond Fund shall be paid to the Issuer.

Section 5.4 Use of Sinking Fund Account.

(a) The Trustee shall apply moneys in the Sinking Fund Account to the retirement of any Term Bonds required to be retired by operation of the Sinking Fund Account under the provisions of and in accordance with the Supplemental Indenture authorizing the issuance of such Term Bonds, either by redemption in accordance with such Supplemental Indenture or, at the direction of the Issuer, purchase of such Term Bonds in the open market prior to the date on which notice of the redemption of such Term Bonds is given pursuant hereto, at a price not to exceed the redemption price of such Term Bonds (plus accrued interest which will be paid from moneys in the Bond Fund other than those in the Sinking Fund Account).

(b) On the maturity date of any Term Bonds, the Trustee shall apply the moneys on hand in the Sinking Fund Account for the payment of the principal of such Term Bonds.

Section 5.5 Use of Debt Service Reserve Fund. Except as otherwise provided in this Section 5.5 and subject to the immediately following sentence, moneys in each account in the Debt Service Reserve Fund shall at all times be maintained in an amount not less than the applicable Debt Service Reserve Requirement, if any. In calculating the amount on deposit in each account in the Debt Service Reserve Fund, the amount of any Reserve Instrument Coverage will be treated as an amount on deposit in such account in

the Debt Service Reserve Fund. Each Supplemental Indenture authorizing the issuance of a Series of Bonds shall specify the Debt Service Reserve Requirement, if any, applicable to such Series which amount shall be (a) deposited immediately upon the issuance and delivery of such Series from (i) proceeds from the sale thereof or from any other legally available source, or (ii) by a Reserve Instrument or Instruments, or (iii) any combination thereof, or (b) deposited from available Revenues over the period of time specified therein, or (c) deposited from any combination of (a) and (b) above; provided however, the foregoing provisions shall be subject to the requirements of any bond insurer or other Security Instrument Issuer set forth in any Supplemental Indenture. If at any time the amount on deposit in any account of the Debt Service Reserve Fund is less than the minimum amount to be maintained therein under this Section 5.5, the Issuer is required to, pursuant to Section 5.2(b) hereof and the provisions of any Supplemental Indenture, make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

In the event funds on deposit in an account of the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account of the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in Section 5.2(b)(ii) herein.

No Reserve Instrument shall be allowed to expire or terminate while the related Series of Bonds are Outstanding unless and until cash has been deposited into the related account of the Debt Service Reserve Fund, or a new Reserve Instrument has been issued in place of the expiring or terminating Reserve Instrument, or any combination thereof in an amount or to provide coverage, as the case may be, at least equal to the amount required to be maintained in the related account of the Debt Service Reserve Fund.

Moneys at any time on deposit in the account of the Debt Service Reserve Fund in excess of the amount required to be maintained therein (taking into account the amount of related Reserve Instrument Coverage) shall be transferred by the Trustee to the Bond Fund at least once each year.

Moneys on deposit in any account of the Debt Service Reserve Fund shall be used to make up any deficiencies in the Bond Fund only for the Series of Bonds secured by said account and any Reserve Instrument shall only be drawn upon with respect to the Series of Bonds for which such Reserve Instrument was obtained.

Section 5.6 Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required hereby and by a Supplemental Indenture to be so paid. The amounts in the Reserve Instrument Fund shall, from time to time, be applied by the Trustee on behalf of the Issuer to pay the Reserve Instrument Repayment Obligations which are due and payable to any Reserve Instrument Provider under any

applicable Reserve Instrument Agreement. The Issuer may, upon obtaining an approving opinion of bond counsel to the effect that such transaction will not adversely affect the tax-exempt status of any outstanding Bonds, replace any amounts required to be on deposit in the Debt Service Reserve Fund with a Reserve Instrument.

Section 5.7 Use of Rebate Fund.

(a) If it becomes necessary for the Issuer to comply with the rebate requirements of the Code and the Regulations, the Trustee shall establish and thereafter maintain, so long as the Bonds which are subject to said rebate requirements are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established under this Indenture and from all other moneys of the Trustee.

(b) All amounts in the Rebate Fund, including income earned from investment of the fund, shall be held by the Trustee free and clear of the lien of the Indenture. In the event the amount on deposit in the Rebate Fund exceeds the aggregate amount of Rebatable Arbitrage for one or more Series of Bonds, as verified in writing by an independent public accountant or other qualified professional at the time the Rebatable Arbitrage is determined, the excess amount remaining after payment of the Rebatable Arbitrage to the United States shall, upon the Issuer's written request accompanied by the determination report, be paid by the Trustee to the Issuer.

(c) The Issuer shall determine the amount of Rebatable Arbitrage and the corresponding Required Rebate Deposit with respect to each Series of Bonds on each applicable Rebate Calculation Date and take all other actions necessary to comply with the rebate requirements of the Code and the Regulations. The Issuer shall deposit into the Rebate Fund the Required Rebate Deposit, if any, with respect to each Series of Bonds (or instruct the Trustee to transfer to the Rebate Fund moneys representing such Required Rebate Deposit from the Funds and Accounts held under the Indenture other than the Rebate Fund) or shall otherwise make payment of the rebate to be paid to the United States at the times required by the Code and the Regulations. If applicable, the Issuer shall instruct in writing the Trustee to withdraw from the Rebate Fund and pay any rebate over to the United States. The determination of Rebatable Arbitrage made with respect to each such payment date and with respect to any withdrawal and payment to the Issuer from the Rebate Fund pursuant to the Indenture must be verified in writing by an independent public accountant or other qualified professional. The Trustee may rely conclusively upon and shall be fully protected from all liability in relying upon the Issuer's determinations, calculations, and certifications required by this Section 5.7 and the Trustee shall have no responsibility to independently make any calculations or determination or to review the Issuer's determinations, calculations, and certifications required by this Section 5.7.

(d) The Trustee shall, at least sixty (60) days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section 5.7. By

agreeing to give this notice, the Trustee assumes no responsibility whatsoever for compliance by the Issuer with the requirements of Section 148 of the Code or any successor. The Issuer expressly agrees that (notwithstanding any other provision of the Indenture) any failure of the Trustee to give any such notice, for any reason whatsoever, shall not cause the Trustee to be responsible for any failure of the Issuer to comply with the requirements of said Section 148 or any successor thereof.

(e) The provisions of this Section 5.7 may be amended or deleted without Bondowner consent or notice, upon receipt by the Issuer and the Trustee of an opinion of nationally recognized bond counsel that such amendment or deletion will not adversely affect the exclusion from gross income of interest on the Bonds.

Section 5.8 Investment of Funds. Any moneys in the Bond Fund, the Construction Fund, the Rebate Fund, the Reserve Instrument Fund, and the Debt Service Reserve Fund shall, at the discretion and authorization of the Issuer, be invested by the Trustee in Qualified Investments; provided, however, that moneys on deposit in the Bond Fund and the Reserve Instrument Fund may only be invested in Qualified Investments having a maturity date one year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction Fund, Bond Fund, the Reserve Instrument Fund, and Rebate Fund shall be maintained in said respective Funds and disbursed along with the other moneys on deposit therein as herein provided. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with Section 5.5 hereof. All moneys in the Revenue Fund may, at the discretion of the Issuer, be invested by the Issuer in Qualified Investments.

The Trustee shall have no liability or responsibility for any loss resulting from any investment made in accordance with the provisions of this Section 5.8. The Trustee shall be entitled to assume that any investment, which at the time of purchase is a Qualified Investment, remains a Qualified Investment thereafter, absent receipt of written notice or information to the contrary.

The Trustee may, to the extent permitted by the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code make any and all investments permitted by the provisions of the Indenture through its own or any of its affiliate's investment departments.

The Issuer acknowledges that to the extent regulations of the comptroller of the currency or any other regulatory entity grants the Issuer the right to receive brokerage confirmations of the security transactions as they occur, the Issuer specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish

the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

In the event the Issuer shall be advised by nationally recognized municipal bond counsel that it is necessary to restrict or limit the yield on the investment of any moneys paid to or held by the Trustee in order to avoid the Bonds, or any Series thereof, being considered "arbitrage bonds" within the meaning of the Code or the Treasury Regulations proposed or promulgated thereunder, or to otherwise preserve the excludability of interest payable or paid on any Bonds from gross income for federal income tax purposes, the Issuer may require in writing the Trustee to take such steps as it may be advised by such counsel are necessary so to restrict or limit the yield on such investment, irrespective of whether the Trustee shares such opinion, and the Trustee agrees that it will take all such steps as the Issuer may require.

Section 5.9 Trust Funds. All moneys and securities received by the Trustee under the provisions of this Indenture shall be trust funds under the terms hereof and shall not be subject to lien or attachment of any creditor of the State or any political subdivision, body, agency, or instrumentality thereof or of the Issuer and shall not be subject to appropriation by any legislative body or otherwise. Such moneys and securities shall be held in trust and applied in accordance with the provisions hereof. Except as provided otherwise in Section 5.7 hereof, unless and until disbursed pursuant to the terms hereof, all such moneys and securities (and the income therefrom) shall be held by the Trustee as security for payment of the principal of, premium, if any, and interest on the Bonds and the fees and expenses of the Trustee payable hereunder.

Section 5.10 Method of Valuation and Frequency of Valuation. In computing the amount in any fund or account, Qualified Investments shall be valued at market, exclusive of accrued interest. With respect to all funds and accounts, valuation shall occur annually, except in the event of a withdrawal from the Debt Service Reserve Fund, whereupon securities shall be valued immediately after such withdrawal.

ARTICLE VI

GENERAL COVENANTS

Section 6.1 General Covenants. The Issuer hereby covenants and agrees with each and every Registered Owner of the Bonds issued hereunder and Reserve Instrument Provider as follows:

(a) Pursuant to Section 11-14-307(2)(d) of the Act, while any of the Bonds remain outstanding and unpaid, or any Repayment Obligations or Security Instrument Costs are outstanding, the ordinance, resolution or other enactment of the Issuer imposing the taxes described in the definition of Revenues and pursuant to which said taxes are being collected, the obligation of the Issuer to continue to levy, collect, and allocate such taxes, and to apply such Revenues in accordance with the provisions of the authorizing ordinance, resolution or other enactment, shall be irrevocable until the Bonds and/or any Repayment Obligations have been paid in full as to both principal and interest, and is not subject to amendment in any manner which would impair the rights of the holders of those Bonds or Repayment Obligations which would in any way jeopardize the timely payment of principal or interest when due. The Issuer covenants to take all actions necessary to continue the one percent (1%) Local Sales and Use Tax, the Municipal Energy Sales and Use Tax and the Telecommunications Franchise Tax making up the Revenues.

(b) The outstanding Bonds to which the Revenues of the Issuer have been pledged as the sole source of payment shall not at any one time exceed an amount for which the Average Aggregate Annual Debt Service Requirement of the Bonds will exceed eighty percent (80%) of the Revenues to be received by the Issuer during the Bond Fund Year immediately preceding the Bond Fund Year in which the resolution authorizing the applicable Series of Bonds is adopted.

(c) Each Registered Owner, Security Instrument Issuer, and Reserve Instrument Provider, or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts, and data relating to the receipt and disbursements of the Revenues. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements of the Revenues, and that such audit will be available for inspection by each Registered Owner, Security Instrument Issuer, and Reserve Instrument Provider.

Section 6.2 First Lien Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Revenues. The Issuer covenants that the Bonds and Security Instrument Repayment Obligations hereafter authorized to be issued and from time to time outstanding are equitably and ratably secured by a first lien on the Revenues and shall not be entitled to any priority one

over the other in the application of the Revenues regardless of the time or times of the issuance of the Bonds or delivery of Security Instruments, it being the intention of the Issuer that there shall be no priority among the Bonds or the Security Instrument Repayment Obligations regardless of the fact that they may be actually issued and/or delivered at different times.

Any assignment or pledge from the Issuer to a Reserve Instrument Provider of (a) proceeds of the issuance and sale of Bonds, (b) Revenues, or (c) Funds established hereby, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected hereby to the Registered Owners of the Bonds and to the Security Instrument Issuers.

Section 6.3 Payment of Principal and Interest. The Issuer covenants that it will punctually pay or cause to be paid the Principal of and interest on every Bond issued hereunder, any Security Instrument Repayment Obligations, and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, this Indenture, any Security Instrument Agreement, and any Reserve Instrument Agreement, according to the true intent and meaning hereof and thereof. The Principal of and interest on the Bonds, any Security Instrument Repayment Obligations, and any Reserve Instrument Repayment Obligations are payable solely from the Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created hereunder or the income from the temporary investment thereof), which Revenues are hereby specifically pledged and assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds, this Indenture, any Security Instrument Agreement, or any Reserve Instrument Agreement should be considered as pledging any other funds or assets of the Issuer for the payment thereof.

Section 6.4 Performance of Covenants; Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained herein, and in any and every Bond, Security Instrument Agreement, and Reserve Instrument Agreement. The Issuer represents that it is duly authorized under the Constitution of the State to issue the Bonds authorized hereby and to execute this Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken, and that the Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 6.5 List of Bondholders. The Trustee will keep on file at its Principal Corporate Trust Office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of ten percent (10%) or more in principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee.

Section 6.6 Designation of Additional Paying Agents. The Issuer hereby covenants and agrees to cause the necessary arrangements to be made through the Trustee and to be thereafter continued for the designation of alternate paying agents, if any, and for the making available of funds hereunder, but only to the extent such funds are made available to the Issuer from Bond proceeds or other Funds created hereunder or the income from the temporary investment thereof, for the payment of such of the Bonds as shall be presented when due at the Principal Corporate Trust Office of the Trustee, or its successor in trust hereunder, or at the principal corporate trust office of said alternate Paying Agents.

Section 6.7 Tax Exemption of Bonds. The Issuer recognizes that Section 149(a) of the Code requires bonds to be issued and to remain in fully registered form in order that interest thereon is excludable from gross income for federal income tax purposes under laws in force at the time the bonds are delivered. Bonds issued pursuant to this Indenture, the interest on which is excludable from gross income for federal income tax purposes, are referred to in this Section 6.7 as "tax-exempt Bonds." Pursuant to the provisions thereof, the Issuer agrees that it will not take any action to permit tax-exempt Bonds issued hereunder to be issued in, or converted into, bearer or coupon form, unless the Issuer first receives an opinion from nationally recognized bond counsel that such action will not result in the interest on any Bonds becoming includable in gross income for purposes of federal income taxes then in effect.

The Issuer's Mayor and City Recorder are hereby authorized and directed to execute such certificates as shall be necessary to establish that tax-exempt Bonds issued hereunder are not "arbitrage bonds" within the meaning of Section 148 of the Code and the Regulations promulgated or proposed thereunder, including Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149 and 1.150-1 through 1.150-2 as the same presently exist, or may from time to time hereafter be amended, supplemented, or revised. The Issuer covenants and certifies to and for the benefit of the Registered Owners of such Bonds that no use will be made of the proceeds of the issue and sale of such Bonds, or any funds or accounts of the Issuer which may be deemed to be available proceeds of such Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of such Bonds, would have caused the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of such Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

The Issuer further covenants and agrees to and for the benefit of the Registered Owners that the Issuer (a) will not take any action that would cause interest on tax-exempt Bonds issued hereunder to become includable in gross income for purposes of federal income taxation, (b) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the tax-exempt Bonds to become includable in gross income for purposes of federal income taxation, and (c) will, to the extent possible, comply with any other requirements of federal tax law applicable to the Bonds in order to preserve the excludability from gross income for purposes of federal income taxation of interest on such Bonds.

Section 6.8 Expeditious Construction. The Issuer shall complete the acquisition and construction of each Project with all practical dispatch and will cause all construction to be effected in a sound and economical manner.

Section 6.9 Instruments of Further Assurance. The Issuer and the Trustee mutually covenant that they will, from time to time, each upon the written request of the other, or upon the request of a Security Instrument Issuer or a Reserve Instrument Provider, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes hereof; provided, however, that no such instruments or action shall involve any personal liability of the Trustee or members of the governing body of the Issuer or any official thereof.

Section 6.10 Covenant of State of Utah. In accordance with Section 11-14-307(3), Utah Code Annotated 1953, as amended, the State of Utah hereby pledges and agrees with the Owners of the Bonds and all Reserve Instrument Providers that it will not alter, impair or limit the Revenues 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, and all Reserve Instrument Repayment Obligations, 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 Owners of the Bonds.

ARTICLE VII

EVENTS OF DEFAULT; REMEDIES

Section 7.1 Events of Default. Each of the following events is hereby declared an "Event of Default":

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or

(b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund hereunder or otherwise; or

(c) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within thirty (30) days after the entry thereof; or

(e) if any proceeding shall be instituted, with the consent or acquiescence of the Issuer, for the purpose of effecting a composition between the Issuer and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are or may be under any circumstances payable from Revenues; or

(f) if (i) the Issuer is adjudged insolvent by a court of competent jurisdiction, or (ii) an order, judgment, or decree be entered by any court of competent jurisdiction appointing, without the consent of the Issuer, a receiver, trustee, or custodian of the Issuer or of the whole or any part of the Issuer's property and any of the aforesaid adjudications, orders, judgments, or decrees shall not be vacated or set aside or stayed within sixty (60) days from the date of entry thereof; or

(g) if the Issuer shall file a petition or answer seeking reorganization, relief, or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such custody or control shall not be terminated within thirty (30) days from the date of assumption of such custody or control; or

(i) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements, and provisions contained in the Bonds or herein or any Supplemental Indenture hereof on the part of the Issuer to be performed, other than as set forth above in this Section 7.1, and such Event of Default shall continue for thirty (30) days after written notice specifying such Event of Default and requiring the same to be remedied shall have been given to the Issuer by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the Registered Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding hereunder; or

(j) the occurrence of any event specified in a Supplemental Indenture as constituting an Event of Default.

Section 7.2 Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to Section 8.1 hereof, may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer hereunder including the right to require the Issuer to make monthly deposits to the Bond Fund in the amounts set forth in Sections 5.2(a)(i) through 5.2(a)(iii).

If an Event of Default shall have occurred, and if requested so to do by (a) Registered Owners of not less than twenty-five percent (25%) in aggregate Principal amount of the Bonds then Outstanding, (b) Security Instrument Issuers at that time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than twenty-five percent (25%) in aggregate Principal amount of Bonds at the time Outstanding, or (c) any combination of Registered Owners and Security Instrument Issuers described in (a) and (b) above representing not less than twenty-five percent (25%) in aggregate Principal amount of Bonds at the time Outstanding, and indemnified as provided in Section 8.1 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 7.2 as the Trustee, being advised by counsel, shall deem most expedient in the interest of the Registered Owners and the Security Instrument Issuers.

No remedy by the terms hereof conferred upon or reserved to the Trustee (or to the Registered Owners or to the Security Instrument Issuers) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee, the Registered Owners, or the Security Instrument Issuers or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder, whether by the Trustee or by the Registered Owners or the Security Instrument Issuers, shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 7.3 Right of Registered Owners to Direct Proceedings. Anything herein to the contrary notwithstanding, unless a Supplemental Indenture provides otherwise, either (a) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (b) the Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and not in default on any payment obligation and which secure not less than fifty percent (50%) in aggregate Principal amount of Bonds at the time Outstanding, or (c) any combination of Registered Owners and Security Instrument Issuers described in (a) and (b) above representing not less than fifty percent (50%) in aggregate Principal amount of Bonds at the time Outstanding, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions hereof, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Indenture.

Section 7.4 Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article VII shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

(a) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST--To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably,

according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND--To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, and the Principal component of any Security Instrument Repayment Obligations then due, and, if the amount available shall not be sufficient to pay in full all the Bonds and the Principal component of any Security Instrument Repayment Obligations due on any particular date, then to the payment ratably, according to the amount of Principal due on such date, to the persons entitled thereto without any discrimination or privilege.

(ii) If the principal of all the Bonds shall have become due and payable, all such moneys shall be applied to the payment of the Principal and interest then due and unpaid upon the Bonds and Security Instrument Repayment Obligations, without preference or priority of Principal over interest or of interest over Principal, or of any installment of interest over any other installment of interest, or of any Bond or Security Instrument Repayment Obligation over any other Bond or Security Instrument Repayment Obligation, ratably, according to the amounts due respectively for Principal and interest, to the persons entitled thereto without any discrimination or privilege.

(iii) To the payment of all obligations owed to all Reserve Instrument Providers, ratably, according to the amounts due without any discrimination or preference under any applicable agreement related to any Reserve Instrument Agreement.

Whenever moneys are to be applied pursuant to the provisions of this Section 7.4, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Section 7.5 Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) hereunder or under any of the Bonds may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings related thereto and any such suit or proceedings instituted by the Trustee shall be brought in its name as Trustee without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds, and any recovery of

judgment shall be for the equal benefit of the Registered Owners of the Outstanding Bonds.

Section 7.6 Rights and Remedies of Registered Owners. Except as provided in the last sentence of this Section 7.6, no Registered Owner of any Bond or Security Instrument Issuer shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred of which the Trustee has been notified as provided in Section 8.1(g), or of which by said Section it is deemed to have notice, nor unless also Registered Owners of twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than twenty-five percent (25%) in aggregate principal amount of Bonds at the time Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 8.1 hereof nor unless the Trustee shall thereafter fail or refuse to exercise the powers hereinabove granted, or to institute such action, suit, or proceeding in its own name or names. Such notification, request, and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust hereof, and to any action or cause of action for the enforcement hereof, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owner of the Bonds or Security Instrument Issuer shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien hereof by its action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time providing Security Instruments. Nothing herein contained shall, however, affect or impair the right of any Registered Owner or Security Instrument Issuer to enforce the covenants of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder held by such Registered Owner and Security Instrument Repayment Obligations at the time, place, from the source, and in the manner in said Bonds or Security Instrument Repayment Obligations expressed.

Section 7.7 Termination of Proceedings. In case the Trustee, any Registered Owner, or any Security Instrument Issuer shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, the Registered Owner, or Security Instrument Issuer, then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights hereunder, and all rights, remedies, and powers of the Trustee shall continue as if no such proceedings had been taken.

Section 7.8 Waivers of Events of Default. Subject to Section 8.1(g) hereof, the Trustee may in its discretion, and with the prior written consent of all Security Instrument

Issuers at the time providing Security Instruments, waive any Event of Default hereunder and its consequences and shall do so upon the written request of the Registered Owners of (a) a majority in aggregate principal amount of all the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than fifty percent (50%) in aggregate Principal amount of Bonds at the time Outstanding in respect of which an Event of Default in the payment of principal and interest exist, or (b) a majority in aggregate principal amount of the Bonds then Outstanding or Security Instrument Issuers at the time providing Security Instruments which are in full force and effect and are not in default on any payment obligation and which secure not less than fifty percent (50%) in aggregate Principal amount of Bonds at the time Outstanding in the case of any other Event of Default; provided, however, that there shall not be waived (i) any default in the payment of the principal of any Bonds at the date that a Principal Installment is due or (ii) any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest, with interest (to the extent permitted by law) at the rate borne by the Bonds in respect of which such Event of Default shall have occurred on overdue installments of interest and all arrears of payments of principal and premium, if any, when due and all expenses of the Trustee, in connection with such Event of Default shall have been paid or provided for, and in case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such Event of Default shall have been discontinued or abandoned or determined adversely, then and in every such case the Issuer, the Trustee, the Registered Owners, and the Security Instrument Issuers shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Section 7.9 Cooperation of Issuer. In the case of any Event of Default hereunder, the Issuer shall cooperate with the Trustee and use its best efforts to protect the Registered Owners, Reserve Instrument Providers, and the Security Instrument Issuers.

ARTICLE VIII

THE TRUSTEE

Section 8.1 Acceptance of the Trusts. The Trustee accepts the trusts imposed upon it hereby, and agrees to perform said trusts as a corporate trustee ordinarily would perform said trusts under a corporate indenture, but no implied covenants or obligations shall be read into this Indenture against the Trustee.

(a) The Trustee may execute any of the trusts or powers thereof and perform any of its duties by or through attorneys, agents, receivers, or employees and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care and shall be entitled to advice of counsel concerning all matters of trusts hereof and the duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon the opinion or advice of counsel. The Trustee shall not be responsible for any loss or damage resulting from any action or non-action in good faith in reliance upon such opinion or advice.

(b) The Trustee shall not be responsible for any recital herein, or in the Bonds (except in respect to the certificate of the Trustee endorsed on the Bonds), or collecting any insurance moneys, or for the validity of the execution by the Issuer of this Indenture or of any supplements thereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby; and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions, or agreements on the part of the Issuer; but the Trustee may require of the Issuer full information and advice as to the performance of the covenants, conditions, and agreements aforesaid and as to the condition of the property herein conveyed. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it in accordance with the provisions hereof. The Trustee shall have no responsibility with respect to any information, statement, or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the Bonds.

(c) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder, except as specifically set forth herein. The Trustee may become the owner of Bonds secured hereby with the same rights which it would have if not Trustee.

(d) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document believed to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant hereto upon the request or authority or consent of any person who at the time of making such

request or giving such authority or consent is the Registered Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a certificate signed on behalf of the Issuer by an Authorized Representative as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default of which the Trustee has been notified as provided in Section 8.1(g) herein, or of which by said Paragraph it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Trustee may accept a certificate of an Authorized Representative of the Issuer under its seal to the effect that a resolution in the form therein set forth has been adopted by the Issuer as conclusive evidence that such resolution has been duly adopted, and is in full force and effect.

(f) The permissive right of the Trustee to do things enumerated herein shall not be construed as a duty and the Trustee shall not be answerable for other than its negligence or willful misconduct.

(g) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except an Event of Default described in Section 7.1(a) or 7.1(b), unless the Trustee shall be specifically notified in writing of such Default by the Issuer, a Security Instrument Issuer, or by the Registered Owners of at least twenty-five percent (25%) in the aggregate principal amount of any Series of the Bonds then Outstanding and all notices or other instruments required hereby to be delivered to the Trustee must, in order to be effective, be delivered at the Principal Corporate Trust Office of the Trustee, and in the absence of such notice so delivered, the Trustee may conclusively assume there is no Event of Default except as aforesaid.

(h) At any and all reasonable times and upon reasonable prior written notice, the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants, and representatives, shall have the right fully to inspect all books, papers, and records of the Issuer pertaining to the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(i) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(j) Notwithstanding anything elsewhere herein contained, the Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any

property, or any action whatsoever within the purview hereof, any showing, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Trustee, deemed desirable for the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(k) All moneys received by the Trustee or any Paying Agent shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds except to the extent required by law. Neither the Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except such as may be agreed upon.

(l) If any Event of Default hereunder shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it hereby and shall use the same degree of care as a prudent man would exercise or use in the circumstances in the conduct of his own affairs.

(m) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers pursuant to the provisions of this Indenture, unless such Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers shall have offered to the Trustee reasonable security or indemnity against the costs, expenses, and liabilities which may be incurred therein or thereby.

(n) The Trustee shall not be required to expend, advance, or risk its own funds or incur any financial liability in the performance of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or satisfactory indemnity against such risk or liability is not assured to it.

Section 8.2 Fees, Charges, and Expenses of Trustee. The Trustee shall be entitled to payment and/or reimbursement for reasonable fees for its services rendered as Trustee hereunder and all advances, counsel fees, and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. The Trustee shall be entitled to payment and reimbursement for the reasonable fees and charges of the Trustee as Paying Agent and Registrar for the Bonds as hereinabove provided. Upon an Event of Default, but only upon an Event of Default, the Trustee shall have a right of payment prior to payment on account of interest or principal of, or premium, if any, on any Bond for the foregoing advances, fees, costs, and expenses incurred. The Trustee's rights under this Section 8.2 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Section 8.3 Notice to Registered Owners if Event of Default Occurs. If an Event of Default occurs of which the Trustee is by Section 8.1(g) hereof required to take notice or if notice of an Event of Default be given to the Trustee as in said Section provided, then the Trustee shall give written notice thereof by registered or certified mail to all Security Instrument Issuers or to Registered Owners of all Bonds then Outstanding shown on the registration books of the Bonds kept by the Trustee as Registrar for the Bonds.

Section 8.4 Intervention by Trustee. In any judicial proceeding to which the Issuer is a party and which in the opinion of the Trustee and its counsel has a substantial bearing on the interest of Registered Owners of the Bonds, the Trustee may intervene on behalf of such Owners and shall do so if requested in writing by the Registered Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding. The rights and obligations of the Trustee under this Section 8.4 are subject to the approval of a court of competent jurisdiction.

Section 8.5 Successor Trustee. Any corporation or association into which the Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, ipso facto, shall be and become successor Trustee hereunder and vested with all of the title to the whole property or trust estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed of conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 8.6 Resignation by the Trustee. The Trustee and any successor Trustee may at any time resign from the trusts hereby created by giving written notice to the Issuer, served personally or by registered or certified mail, and by registered or certified mail to each Reserve Instrument Issuer, Security Instrument Issuer, and Registered Owner of Bonds then Outstanding, and such resignation shall take effect upon the appointment of and acceptance by a successor Trustee by the Registered Owners or by the Issuer as provided in Section 8.8 hereof; provided, however that if no successor Trustee has been appointed within sixty (60) days of the date of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it deems proper and prescribes, appoint a successor Trustee.

Section 8.7 Removal of the Trustee. The Trustee may be removed at any time, by an instrument or concurrent instruments (a) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (b) in writing delivered to the Trustee and the Issuer, and signed by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding if an Event of Default exists; provided that such instrument or instruments concurrently appoint a successor Trustee meeting the qualifications set forth herein.

Section 8.8 Appointment of Successor Trustee by Registered Owners; Temporary Trustee. In case the Trustee hereunder shall resign or be removed, or be dissolved, or shall be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Issuer or if an Event of Default exists by the Registered Owners of a majority in aggregate principal amount of Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such Owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy, the Issuer by an instrument executed by an Authorized Representative under its seal, may appoint a temporary Trustee to fill such vacancy until a successor Trustee shall be appointed by the Registered Owners in the manner above provided; and any such temporary Trustee so appointed by the Issuer shall immediately and without further act be superseded by the Trustee so appointed by such Registered Owners. Every successor Trustee appointed pursuant to the provisions of this Section 8.8 or otherwise shall be a trust company or bank in good standing having a reported capital and surplus of not less than $50,000,000.

Each Reserve Instrument Provider and Security Instrument Issuer shall be notified immediately upon the resignation or termination of the Trustee and provided with a list of candidates for the office of successor Trustee.

Section 8.9 Concerning Any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Issuer an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessor; but such predecessor shall, nevertheless, on the written request of the Issuer, or of the successor Trustee, execute and deliver an instrument transferring to such successor Trustee all the estates, properties, rights, powers, and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Issuer be required by any successor Trustee for more fully and certainly vesting in such successor the estates, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Issuer. The resignation of any Trustee and the instrument or instruments removing any Trustee and appointing a successor hereunder, together with all other instruments provided for in this Article VIII shall be filed and/or recorded by the successor Trustee in each recording office, if any, where the Indenture shall have been filed and/or recorded.

Section 8.10 Trustee Protected in Relying Upon Indenture, Etc. The indentures, opinions, certificates, and other instruments provided for herein may be accepted by the Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Trustee for the release of property and the withdrawal of cash hereunder.

Section 8.11 Successor Trustee as Trustee of Funds; Paying Agent and Bond Registrar. In the event of a change in the office of Trustee, the predecessor Trustee which has resigned or been removed shall cease to be Trustee hereunder and Registrar for the Bonds and Paying Agent for principal of, premium, if any, and interest on the Bonds, and the successor Trustee shall become such Trustee, Registrar, and Paying Agent for the Bonds.

Section 8.12 Trust Estate May Be Vested in Separate or Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the laws of the State) denying or restricting the right of banking corporations or associations to transact business as Trustee in such jurisdiction. It is recognized that in case of litigation hereunder, and in particular in case of the enforcement of remedies on Event of Default, or in case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights, or remedies herein granted to the Trustee or hold title to the trust estate, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate or co-trustee. The following provisions of this Section 8.12 are adapted to these ends.

In the event that the Trustee appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest, and lien expressed or intended hereby to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vested in such separate or co-trustee, but only to the extent necessary to enable the separate or co-trustee to exercise such powers, rights, and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of them.

Should any deed, conveyance, or instrument in writing from the Issuer be required by the separate trustee or co-trustee so appointed by the Trustee for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties, and obligations, any and all such deeds, conveyances, and instruments in writing shall, on request of such trustee or co-trustee, be executed, acknowledged, and delivered by the Issuer. In case any separate trustee or co-trustee, or a successor to either, shall die, become incapable of acting, resign, or be removed, all the estates, properties, rights, powers, trusts, duties, and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 8.13 Annual Accounting. The Trustee shall prepare an annual accounting for each Bond Fund Year by the end of the month following each such Bond Fund Year showing in reasonable detail all financial transactions relating to the funds and accounts held by the Trustee hereunder during the accounting period and the balance in any funds or accounts created hereby as of the beginning and close of such accounting period, and shall mail the same to the Issuer, and to each Reserve Instrument Provider requesting the same. The Trustee shall also make available for inspection by any Registered Owner a copy of said annual accounting (with the names and addresses of Registered Owners receiving payment of debt service on the Bonds deleted therefrom) and shall mail the same if requested in writing to do so by Registered Owners of at least twenty-five percent (25%) in aggregate principal amount of Bonds then Outstanding to the designee of said Owners specified in said written request at the address therein designated. On or before the end of the month following each Bond Fund Year, the Trustee shall, upon written request, provide to the Issuer and the Issuer's independent auditor representations as to the accuracy of the facts contained in the financial reports concerning the transactions described herein that were delivered by the Trustee during the Bond Fund Year just ended.

Section 8.14 Indemnification. To the extent permitted by law and subject to the provisions of Section 8.1(a) of this Indenture, the Issuer shall indemnify and save Trustee harmless against any liabilities it may incur in the exercise and performance of its powers and duties hereunder, other than those due to its own negligence or willful misconduct.

Section 8.15 Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under this Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold, and deal in any of the Bonds issued hereunder and secured by this Indenture, and may join in any action which any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Trustee under this Indenture.

ARTICLE IX

SUPPLEMENTAL INDENTURES

Section 9.1 Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers, and Reserve Instrument Providers. The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners or Reserve Instrument Providers, or Security Instrument Issuers, enter into an indenture or indentures supplemental hereto, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) To provide for the issuance of Additional Bonds in accordance with the provisions of Section 2.13 hereof;

(b) To cure any ambiguity or formal defect or omission herein;

(c) To grant to or confer upon the Trustee for the benefit of the Registered Owners, any Security Instrument Issuers and any Reserve Instrument Providers any additional rights, remedies, powers, or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them which shall not adversely affect the interests of any Reserve Instrument Providers or Security Instrument Issuers without its consent;

(d) To subject to this Indenture additional Revenues or other revenues, properties, collateral, or security;

(e) To provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Title 15, Chapter 7 of the Utah Code, Annotated 1953, as amended, or any successor provisions of law;

(f) To make any change which shall not materially adversely affect the rights or interests of the Owners of any Outstanding Bonds, any Security Instrument Issuers or any Reserve Instrument Provider requested or approved by a Rating Agency in order to obtain or maintain any rating on the Bonds or requested or approved by a Security Instrument Issuer or Reserve Instrument Provider in order to insure or provide other security for any Bonds;

(g) To make any change necessary (i) to establish or maintain the excludability from gross income for federal income tax purposes of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code or interpretations by the Internal Revenue Service of Section 148 of the Code or of regulations proposed or promulgated thereunder, or (ii) to comply with the provisions of Section 148(f) of the Code, including provisions for the payment of all or a portion of the investment earnings of any of the Funds established hereunder to the United States of America;

(h) If the Bonds affected by any change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, provided that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the related Security Instrument Issuer;

(i) If the Bonds affected by any change are secured by a Security Instrument, to make any change approved in writing by the related Security Instrument Issuer, provided that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected;

(j) Unless otherwise provided by a Supplemental Indenture authorizing a Series of Bonds, the designation of the facilities to constitute a Project by such Supplemental Indenture may be modified or amended if the Issuer delivers to the Trustee (i) a Supplemental Indenture designating the facilities to comprise the Project and (ii) an opinion of Bond Counsel to the effect that such amendment will not adversely affect the tax-exempt status (if applicable) or validity of the Bonds and certifying that such amendment will not adversely affect the Issuer's ability to comply with the provisions of the Indenture; and

(k) To correct any references contained herein to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references herein are correct.

Section 9.2 Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered by Section 9.1 hereof and subject to the terms and provisions contained in this Section 9.2, and not otherwise, the Registered Owners of sixty-six and two-thirds percent (66-2/3%) in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (a) consent to and approve the execution by the Issuer and the Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained herein or in any Supplemental Indenture, or (b) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any indenture supplemental hereto; provided, however, that nothing in this Section 9.2 contained shall permit or be construed as permitting (i) an extension of the date that a Principal Installment is due at maturity or mandatory redemption or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (ii) a reduction in the amount or extension of the time of any payment required by any Fund established hereunder applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (iii) a reduction in the aforesaid aggregate principal amount of Bonds, the Registered

Owners of which are required to consent to any such waiver or Supplemental Indenture, or (iv) affect the rights of the Registered Owners of less than all Bonds then outstanding, without the consent of the Registered Owners of all the Bonds at the time Outstanding which would be affected by the action to be taken. In addition, no supplement hereto shall modify the rights, duties, or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or a Reserve Instrument is in effect with respect to any Series of Bonds Outstanding and if a proposed modification or amendment would affect such Series of Bonds, then, except as provided in Section 9.1, neither this Indenture nor any Supplemental Indenture with respect to such Series of Bonds shall be modified or amended at any time without the prior written consent of the related Security Instrument Issuer or Reserve Instrument Provider, as applicable.

ARTICLE X

DISCHARGE OF INDENTURE

If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made, to or for the Registered Owners of the Bonds, the principal of and interest due or to become due thereon at the times and in the manner stipulated therein, and shall pay or cause to be paid to the Trustee all sums of moneys due or to become due according to the provisions hereof, and to all Security Instrument Issuers and all Reserve Instrument Providers all sums of money due or to become due according to the provisions of any Security Instrument Agreements, Reserve Instrument Agreements, as applicable, then these presents and the estate and rights hereby granted shall cease, terminate, and be void, whereupon the Trustee shall cancel and discharge the lien hereof, and release, assign, and deliver unto the Issuer any and all the estate, right, title, and interest in and to any and all rights assigned or pledged to the Trustee, held by the Trustee, or otherwise subject to the lien hereof, except moneys or securities held by the Trustee for the payment of the principal of and interest on the Bonds, the payment of amounts pursuant to any Security Instrument Agreements, or the payment of amounts pursuant to any Reserve Instrument Agreements.

Any Bond shall be deemed to be paid within the meaning of this Article X when payment of the principal of such Bond, plus interest thereon to the due date thereof (whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Trustee, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Direct Obligations, maturing as to principal and interest in such amount and at such times as will insure the availability of sufficient moneys to make such payment, and all necessary and proper fees, compensation and expenses of the Trustee, and any paying agent pertaining to the Bond with respect to which such deposit is made shall have been paid or the payment thereof provided for to the satisfaction of the Trustee. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Direct Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted hereby);

(b) directing the Trustee to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to this section; and

(c) directing the Trustee to mail, as soon as practicable, in the manner prescribed by Article II hereof, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by this Article X has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with this Article X and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in this section.

Any moneys so deposited with the Trustee as provided in this Article X may at the direction of the Issuer also be invested and reinvested in Direct Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Direct Obligations in the hands of the Trustee pursuant to this Article X which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Trustee shall first obtain a written verification from a certified public accountant that the moneys remaining on deposit with the Trustee and invested in Direct Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay principal and interest on the Bonds when due and payable.

No such deposit under this Article X shall be made or accepted hereunder and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any tax-exempt Bonds to be treated as arbitrage bonds within the meaning of Sections 148 of the Code.

Notwithstanding any provision of any other Article hereof which may be contrary to the provisions of this Article X, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of this Article X for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds (including interest thereon) with respect to which such moneys or Direct Obligations have been so set aside in trust.

Anything in Article VIII hereof to the contrary notwithstanding, if moneys or Direct Obligations have been deposited or set aside with the Trustee pursuant to this Article X for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article X shall be made without the consent of the Registered Owner of each Bond affected thereby.

ARTICLE XI

MISCELLANEOUS

Section 11.1 Consents, Etc., of Registered Owners. Any consent, request, direction, approval, objection, or other instrument required hereby to be executed by the Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers may be in any number of concurrent writings of similar tenor and may be executed by such Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection, or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive in favor of the Trustee with regard to any action taken under such request or other instrument, namely, the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

Section 11.2 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Indenture or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer and any Reserve Instrument Provider, any legal or equitable right, remedy, or claim under or in respect hereto or any covenants, conditions, and provisions herein contained, this Indenture and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds, any Security Instrument Issuer, and the Reserve Instrument Providers as herein provided.

Section 11.3 Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or Sections herein contained, shall not affect the remaining portions hereof, or any part thereof.

Section 11.4 Notices. It shall be sufficient service of any notice, request, complaint, demand, or other paper on the Issuer if the same shall be duly mailed by registered or certified mail addressed to it at 13011 South Pioneer Road, Herriman City, Utah 84096, Attention: Mayor, or to such address as the Issuer may from time to time

file with the Trustee. It shall be sufficient service of any notice or other paper on the Trustee if the same shall be duly mailed by registered or certified mail addressed to it at Zions First National Bank, Attention: Corporate Trust Department, One South Main Street, 12th Floor, Salt Lake City, Utah 84133, or to such other address as the Trustee may from time to time file with the Issuer.

Section 11.5 Trustee as Paying Agent and Registrar. Trustee is hereby designated and agrees to act as principal Paying Agent and Bond Registrar for and in respect to the Bonds.

Section 11.6 Counterparts. This Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.7 Applicable Law. This Indenture shall be governed exclusively by the applicable laws of the State.

Section 11.8 Immunity of Officers and Directors. No recourse shall be had for the payment of the principal of or premium or interest on any of the Bonds or for any claim based thereon or upon any obligation, covenant, or agreement herein contained against any past, present, or future officer, or other public official, employee, or agent of the Issuer.

Section 11.9 Holidays. If any date for the payment of principal of or interest on the Bonds is not a Business Day, then such payment shall be due on the first Business Day thereafter and no interest shall accrue for the period between such date and such first Business Day thereafter.

Section 11.10 Effective Date. This Indenture shall become effective immediately.

Section 11.11 Compliance with Act. It is hereby declared by the Issuer's Governing Body that it is the intention of the Issuer by the execution of this Indenture to comply in all respects with the provisions of the Act.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed as of the date first written above.

(SEAL)

HERRIMAN CITY, UTAH, as Issuer

By: _____
Mayor

ATTEST:

By: _____
City Recorder

ZIONS FIRST NATIONAL BANK,
as Trustee

By: _____

Title: TRUST OFFICER

EXHIBIT A

FORM OF REQUISITION

RE: Herriman City, Utah Sales and Franchise Tax Revenue [Refunding] Bonds, Series _____ in the sum of $_____

Zions First National Bank
Corporate Trust Department
One South Main Street, 12th Floor
Salt Lake City, Utah 84133

You are hereby authorized to disburse from the Series 20____ Account of the Construction Fund with regard to the above-referenced bond issue the following:

REQUISITION NUMBER: _____

NAME AND ADDRESS OF PAYEE: _____

_____

_____

AMOUNT: $_____

PURPOSE FOR WHICH EXPENSE HAS BEEN INCURRED: _____

_____

_____

_____

Each obligation, item of cost, or expense mentioned herein has been properly incurred, is a proper charge against the Series 20____ Account of the Construction Fund based upon audited, itemized claims substantiated in support thereof, and has not been the basis for a previous withdrawal. The amount set forth herein is justly due and owing and constitutes a Cost of a Project based upon audited, itemized claims substantiated in support hereof.

DATED: _____

_____
Authorized Representative

APPENDIX C

FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the 2026 Bonds, Gilmore & Bell, P.C., Bond Counsel, to the City proposes to issue its final approving opinion in substantially the following form:

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APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

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APPENDIX E

BOOK–ENTRY SYSTEM

DTC, the world's largest securities depository, is a limited–purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non–U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post–trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book–entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly–owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non–U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at http://www.dtcc.com.

Purchases of 2026 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2026 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2026 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2026 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2026 Bonds, except in the event that use of the book–entry system for the 2026 Bonds is discontinued.

To facilitate subsequent transfers, all 2026 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2026 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2026 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2026 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2026 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2026 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2026 Bond documents. For example, Beneficial Owners of 2026 Bonds may wish to ascertain that the nominee holding the 2026 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2026 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to 2026 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede

& Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2026 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the 2026 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2026 Bonds at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2026 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book–entry–only transfers through DTC (or a successor securities depository). In that event, 2026 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book–entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

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HERRIMAN
CITY

DATE: **August 18, 2026**

TO: The Honorable Mayor and City Council

FROM: Nathan Cherpeski, City Manager

SUBJECT: Extra Space Storage Discussion

RECOMMENDATION:
N/A—for discussion only.

ISSUE BEFORE COUNCIL:
Provide direction to staff regarding the crash gate and pedestrian access at the Extra Space Storage facility located at 11999 South Mountain View Corridor, including whether to replace the existing crash gate with an alternative gate design at an estimated cost of $30,000, modify pedestrian access provisions, or maintain the current configuration as approved under the Mountain View Office & Self Storage Master Development Agreement?

ALIGNMENT WITH STRATEGIC PLAN:

This discussion item advances the following Herriman City Strategic Plan goals:

- **LV 5** – Transportation systems. Develop multi-modal transportation systems that serve vehicles, pedestrians, and cyclists, ensuring connectivity and safe access throughout the community.
- **LV 2** – Quality public safety. Residents want to feel safe in their homes and in public places.
- **EV 5** – Neighborhood quality. Address code enforcement and public safety concerns that affect the quality of residential neighborhoods.

BACKGROUND/SUMMARY:

The Extra Space Storage facility is located within the Mountain View Office & Self Storage Master Development Agreement (MDA) area, situated along the Mountain View Corridor. The subject property falls within the South Self Storage Area of the MDA, comprising approximately 11.14 acres zoned M-1. The MDA was originally approved by the Herriman City Council on June 24, 2020, and was subsequently amended on May 25, 2022, to adjust the property boundary for the north area of the development. The Extra Space Storage subdivision was approved by the Planning Commission on August 2, 2023, followed by approval of Conditional Use Permit No. C2022-174 on September 6, 2023. Civil engineering site plans were approved on June 21, 2024.

The current discussion item concerns the gate and pedestrian access point at the intersection of the Extra Space Storage facility with Black Powder Drive. Sections 4.4 and 4.5 of the MDA govern site access: Section 4.4 restricts the Black Powder Drive connection to emergency vehicle access only, with the gate type specified as a "crash gate" to be approved by Unified Fire District; Section 4.5 limits vehicular access from the Mountain View Corridor to right-in-right-out movements only, as required by UDOT. The approved civil engineering plans (Sheet C3.2) call for a swinging or sliding gate at the Black Powder Drive intersection, equipped with a "Normal Knox Box," with the locking method subject to Fire Department approval. The installed gate — a metal bollard-style crash gate — was reviewed and approved by the Fire Marshal. Residents raised concerns about the crash gate at a City Council meeting in November 2025, prompting staff to prepare an initial analysis presented at the December 10, 2025, Council meeting. At that time, staff estimated the cost range for a replacement gate at $10,000 to $50,000.

The Community Development Director prepared an updated memorandum dated June 15, 2026 (Attachment A), which provides revised cost estimates and additional detail on the gate configuration, ADA pedestrian access requirements, and available alternatives. The updated memo estimates that removal of the existing gate would cost approximately $6,000, with materials and labor for a new gate (similar in design to the facility's entrance gates) estimated at approximately $24,000, for a total replacement cost of about $30,000. This may be higher given the time since the estimate was created. The memo also notes that any modification must maintain a minimum four-foot-wide unobstructed pedestrian path to satisfy ADA requirements and must preserve emergency vehicle access as required by the MDA and the Fire Marshal's approval. This item is returning to the Council for further discussion and direction regarding the gate's design, pedestrian accessibility, and potential modifications.

DISCUSSION:

Following previous discussions and at the request of Councilor Henderson, the item is once again in front of Council for discussion. The Community Development Director's memorandum dated June 15, 2026 (Attachment A), provides an updated analysis of the gate's regulatory basis, its compliance with approved plans, and the estimated cost to modify or replace the gate.

Regulatory Basis for the Crash Gate

The Mountain View Office and Self Storage Master Development Agreement (MDA) was originally approved by the Herriman City Council on June 24, 2020, and subsequently amended on May 25,

2022, to adjust the property boundary for the north area of the development. Section 4.4 of the MDA specifies that access from Black Powder Drive to the South Self Storage Area is restricted to emergency vehicles only, with the gate type specified as a "crash gate" as required by the Unified Fire District. Section 4.5 of the MDA further limits vehicular access from Mountain View Corridor to right-in-right-out movements only, as required by UDOT. The approved civil engineering site plans (approved June 21, 2024) depict the crash gate on Sheet C3.2 at the intersection with Black Powder Drive, with callouts specifying a "Normal Knox Box," a swinging or sliding gate mechanism, and a locking method subject to Fire Department approval. The gate was reviewed and approved by the Fire Marshal.

Current Gate Configuration and Resident Concerns

The gate as installed consists of metal bollard-style steel posts spaced approximately three to four feet apart, with an open pedestrian gap on the right side of the bollard array. Residents in the adjacent neighborhood have expressed concern that the gate's appearance and design are not consistent with their expectations for neighborhood aesthetics and that the bollard-style configuration does not adequately control access. However, the gate as constructed is consistent with the approved civil engineering plans and the MDA's requirement for an emergency-access-only crash gate at this location .

ADA and Pedestrian Access Considerations

Any modification to the gate must account for Americans with Disabilities Act (ADA) requirements. As noted in the Community Development Director's memorandum, the ADA requires a minimum unobstructed pedestrian path width of at least four feet. The current gate configuration includes a pedestrian gap that provides passage consistent with this requirement. Any replacement gate design would need to maintain this minimum pedestrian clearance to remain in compliance with federal accessibility standards.

Cost Estimates for Gate Modification

The June 15, 2026, memorandum from the Community Development Director provides updated cost estimates for replacing the existing crash gate with a gate more similar in appearance to the facility's entrance gates:

- Removal of the existing gate: **$6,000**
- Materials and labor to install a new gate (similar to facility entrance gates): **$24,000**
- **Total estimated cost to replace the gate: $30,000**

ALTERNATIVES:

The Council may consider the following alternatives:

1. **Direct Staff to Replace the Existing Crash Gate with a New Aesthetically Compatible Gate**

Benefit	Challenge

Addresses resident concerns regarding the appearance and design of the current bollard-style crash gate	Estimated cost of approximately $30,000 ($6,000 for removal of the existing gate plus $24,000 for materials and labor to install a new gate similar to the facility entrance gates)
A replacement gate could be designed to maintain emergency vehicle access from Black Powder Drive as required by MDA Section 4.4 while improving visual compatibility with the surrounding area	The City would need to identify a funding source for the replacement; any new gate design must still be reviewed and approved by the Fire Marshal and comply with Unified Fire District crash-gate requirements
Preserves emergency access and maintains compliance with the approved civil engineering plans (Sheet C3.2)	Coordination with Extra Space Storage and the Fire Marshal would be required, potentially extending the timeline for resolution

2. Take No Action and Retain the Existing Crash Gate As-Installed

Benefit	Challenge
No fiscal impact to the City	Does not address resident concerns raised at the November 2025 Council meeting regarding the gate's appearance and pedestrian experience
The existing gate was reviewed and approved by the Fire Marshal and complies with the approved civil engineering site plans (Sheet C3.2)	Council members and residents have expressed dissatisfaction with the current bollard-style gate design [66]

3. Instruct Staff to Provide Additional Information for Further Consideration During a Future Meeting

Benefit	Challenge
Allows the Council to gather additional data, such as refined cost estimates, alternative gate designs, or input from the Fire Marshal and Extra Space Storage before committing to a course of action	Delays resolution of an issue that has been under discussion since November 2025
Provides opportunity for further public input	Resident concerns remain unaddressed in the interim

FISCAL IMPACT:

The fiscal impact to the City of Herriman depends on the direction provided by the City Council. The following cost estimates have been identified by staff:

Should the Council direct replacement of the existing crash gate with a new gate similar in style to the facility's entrance gates, the estimated total cost to the City would be around **$30,000**, comprising roughly $6,000 for removal of the existing gate and $24,000 for materials and labor to install the replacement gate.

Because the gate was installed by the private developer in accordance with the approved Master Development Agreement (MDA) and civil engineering plans , any modification or replacement directed by the Council would constitute a City General Fund expenditure. The developer has no existing obligation under the MDA to fund gate modifications beyond the as-built condition.

If the Council elects to take no action and retain the gate in its current configuration, there is no fiscal impact.

ATTACHMENTS:
Memo

Memo

To: Mayor Palmer and the City Council

From: Blake Thomas, Community Development Director

Date: June 15, 2026

Re: Extra Space Storage Gate Concerns

Several residents provided comments at a City Council meeting in November 2025 regarding safety and aesthetic concerns associated with a gate constructed near Bullseye Drive and Black Power Drive. The roadway and gate were installed as part of the Extra Space Storage project (Project) completed by Development Associates Inc (DAI). This memo provides a summary of the approval process for the roadway and gate installed by DAI's contractors for the Extra Space Storage project.

The Project was developed in accordance with the Mountain View Office and Self-Storage Master Development Agreement (MDA). The MDA was approved by the Herriman City Council on June 24, 2020. Sections 4.4 and 4.5 of the MDA address access to the Extra Space Storage site as follows:

> *4.4 –* ***Emergency Access.*** *Access from the South Self Storage Area to Black Powder Road, as shown on Exhibit "D", shall be for emergency purposes only by a "crash gate" specified by the Unified Fire District, which shall be maintained by Master Developer.*
>
> *4.5 –* ***Access from Mountain View****. Access from Mountain View Corridor to the South Self Storage Area, as shown on Exhibit "D", shall be a public street and shall be designed to allow for safe stacking of entering vehicles. The City shall apply to UDOT for the access and shall use reasonable efforts to obtain such access.*

The MDA was amended on May 25, 2022, to adjust property boundaries for the north area, but no changes were made in the amended agreement to the access requirements for the south self-storage area. The Extra Space Storage Subdivision was approved by the Planning Commission on August 2, 2023. A Conditional Use Permit (CUP) for the Project was approved by the Planning Commission on September 6, 2023. Both the Subdivision and CUP approvals included plans showing a new road connecting from Mountain View Corridor to Black Power Drive. The CUP approval included plans showing a gate would be installed across the new road at Black Powder Drive; however, there were no details or specifics provided in the plans for the gate.

The approved civil engineering site plans for the Project were approved on June 21, 2024. Notes and callouts on the plans provide requirements for the gates as follows:

a. Sheet C3.2 calls for a "Gate (Typ.)" located at the intersection with Black Powder Drive.
    i. Includes a callout for a "Normal Knox Box" for the gate.
    ii. Notes included on Sheet C3.2 pertaining to the gate at Black Powder Drive:

1. Gate should be swinging or sliding type.
2. Methods of locking must be approved by the FD.

The Project was constructed per the approved plans. The only public vehicular access is from a right-in-right-out access point on Mountain View Corridor. The gate was reviewed and approved by the Fire Marshal. A metal crash gate has been installed to restrict vehicular access onto Black Powder Drive to emergency vehicles only (see Figure 1).



Figure 1. Photo of Gate and Pedestrian Access from Black Powder Drive

Several residents provided comments at a city council meeting regarding their concerns about the gate and access into the neighborhood. Each of the concerns is discussed below.

<u>Gate Concerns</u>

1) Material/Type: Residents claim that they were told the gate would be a different style from the one that was installed. A statement was made that the gate was ugly and not what was expected.
2) Security: Residents claimed that the gate did not provide any privacy into the neighborhood from Mountain View Corridor and that this would result in an increase in crime and theft in their neighborhood.

<u>Access Concerns</u>

1) Sidewalk connection: Residents stated that they witnessed a vehicle drive on the sidewalk between Black Powder Drive and the Project causing a concern for pedestrian safety.

City staff has coordinated with DAI to explore options and costs to replace the gate. It is estimated that the cost to replace the existing gate with one similar to the gates used as the entrance of the storage facility would be $30,000 ($6000 to remove the existing gate and $24,000 for materials and labor to install the new gate). The sidewalk concern could be addressed by installing a bollard or fence panel. If pedestrian access is to remain open, it would need to meet ADA requirements by having an unobstructed path of at least four feet in width. DAI has indicated that they believe all the requirements of the project approvals have been satisfied and that they are not willing to participate in any cost to address the residents' concerns with the Project. If the city council desires to make enhancements to the gate or restrict pedestrian access, the staff can work to prepare estimates and an amendment to the city budget for the council to consider to construct the improvements.