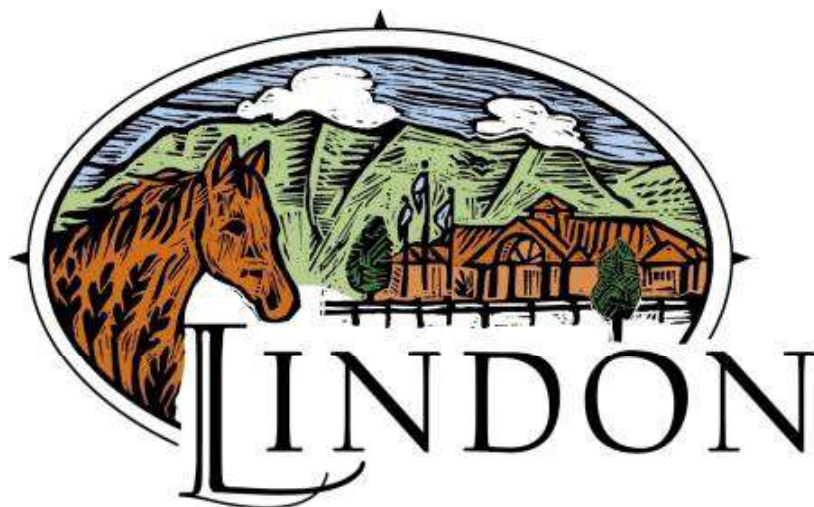




Lindon City Council Staff Report

Prepared by Lindon City
Administration

September 21, 2026

Notice of Meeting of the Lindon City Council



The Lindon City Council will hold a meeting at **5:15 pm on Monday, Sept. 21, 2026** in the Lindon City Center Council Chambers, 100 North State Street, Lindon, Utah. Meetings are typically broadcast live at www.youtube.com/user/LindonCity. The agenda will consist of the following: _

REGULAR SESSION – 5:15 P.M. - Conducting: Carolyn Lundberg, Mayor
Invocation: Lincoln Jacobs, Councilmember
Pledge of Allegiance: By invitation

Scan or click here for link to
download agenda & staff
report materials:



1. **Call to Order / Roll Call**
2. **Presentations and Announcements:**
 - a) Announcements/Comments from Council Members.
3. **Open Session for Public Comment** (*For items not listed on the agenda*)
4. **Council Reports**
5. **Administrator's Report**
6. **Approval of Minutes** — The minutes of joint Timpanogos School Board & City Council meeting from September 8, 2026 and the regular City Council meeting from September 8, 2026.
7. **Consent Agenda** — (*Items do not require public comment or discussion and can all be approved by a single motion.* The following consent agenda items will be presented for approval:
 - a) Surplus Equipment Disposal; Resolution #2026-32-R
8. **Review & Action: General Plan Amendment – 1200 E. Street Master Plan**
Dave Gardner filed a land use application to amend the Lindon City General Plan Street Master Plan Map to reduce the width of the future 800 N/1200 E. connector road behind the four residential properties at 663 E. 770 N., 677 E. 770 N., 689 E. 770 N., 771 E. 770 N. The Planning Commission recommends denial of the requested change.
9. **Review & Action: Lindon City Ordinance Amendment; Ord #2026-16-O.** The Utah Legislature passed Senate Bill 284 (SB 284) during the 2026 Utah Legislative Session which amended state requirements governing detached accessory dwelling units (ADUs). Provisions of the City's existing ordinance are proposed to be amended as well as other requirements for ADU's. The Planning Commission recommends approval of the changes.
10. **Review & Action: Surplus real property declaration & Road Dedication Plat; Resolution #2026-27-R.** The Council will review and consider disposal of a portion of property near 135 West 200 North and consider approval and acceptance of a roadway dedication plat.
11. **Review & Action: Series 2026 Water Revenue Bonds; Parameters Resolution #2026-33-R.** The Council will review and consider for adoption a resolution authorizing the issuance and sale of not more than \$7,400,000 aggregate principal amount of Water Revenue Bonds, Series 2026; and related matters.

12. Review & Action: Series 2026 Sewer Revenue Bonds; Parameters Resolution #2026-34-R. The Council will review and consider for adoption a resolution authorizing the issuance and sale of not more than \$3,500,000 aggregate principal amount of sewer revenue bonds and \$1,700,000 aggregate principal amount of sewer revenue refunding bonds (collectively, the “series 2026 bonds”); and related matters.

13. Closed Session - The City Council will discuss potential purchase or sale of real property per Utah Code 52-4-205(1)(e). This session is closed to the general public.

Adjourn

All or a portion of this meeting may be held electronically to allow a council member to participate by video conference or teleconference. Staff Reports and application materials for the agenda items above are available for review at the Lindon City Offices, located at 100 N. State Street, Lindon, UT. For specific questions on agenda items our staff may be contacted directly at (801)785-5043. City Codes and ordinances are available on the City web site found at www.lindon.gov. The City of Lindon, in compliance with the Americans with Disabilities Act, provides accommodations and auxiliary communicative aids and services for all those citizens in need of assistance. Persons requesting these accommodations for city-sponsored public meetings, services programs or events should call Britni Laidler, City Recorder at 801-785-5043, giving at least 24 hours-notice.

CERTIFICATE OF POSTING:

I certify that the above notice and agenda was posted in six public places within the Lindon City limits and on the State (<http://pmn.utah.gov>) and City (www.lindon.gov) websites.

Posted by: /s/ **Britni Laidler, Lindon City Recorder**

Date: **September 18, 2026; Time: 11:00 a.m.;** Place: Lindon City Center, Lindon Police Dept., Lindon Community Development, Lindon Public Works, Lindon Community Center, Lindon Justice Court

Meetings are typically broadcast live at www.youtube.com/user/LindonCity

REGULAR SESSION – 5:15 P.M. - Conducting: Carolyn Lundberg, Mayor

Invocation: Lincoln Jacobs, Councilmember

Pledge: By invitation

Item 1 – Call to Order / Roll Call

September 21, 2026 Lindon City Council meeting.

Carolyn Lundberg
Van Broderick
Cole Hooley
Jake Hoyt
Lincoln Jacobs
Steve Stewart

Item 2 – Presentations and Announcements

a) Announcements/Comments from Council Members.

Item 3 – Open Session for Public Comment *(For items not on the agenda)*

Item 4 - COUNCIL REPORTS:

- | | |
|--|--------------------|
| A) MAG/MPO, COG, UIA, ULA, ULCT, Youth Council, Public Relations (media) | - Carolyn Lundberg |
| B) Public Works/Eng., Irrigation Co. Representative, Cemetery, Facilities/Building | - Van Broderick |
| C) CTC, Healthy Utah, Historical Commission, Tree Board, Arts Committee | - Cole Hooley |
| D) Police/Fire/EMS, CERT, Economic Dev., Lindon Days, Utah League of Cities & Towns Alternate | - Jake Hoyt |
| E) Transfer Station Board, Planning Commission, Community Development/General Plan, Parks & Trails | - Lincoln Jacobs |
| F) Youth Council (Lead Advisor), Econ. Dev, PG/Lindon Chamber of Comm., Senior Center, Edu. grants | - Steve Stewart |

Item 5 - ADMINISTRATOR'S REPORT

(10 minutes)

Misc. Updates:

- October Newsletter: Adam Cowie
- Next Council meetings: October 5th, October 19th
- Halloween Spectacular, Oct 30th @ 6:30pm, City Center Park
- Shooting practice & lunch w/PD: Tuesday, Nov 5th @ Noon at City of Orem gun range
- Fall Clean Up (dumpsters at various locations): Nov 14th – 23rd
- City Offices closed Thurs/Fri, Nov 26th-27th for Thanksgiving Holiday
- Joint Timpanogos School District / City Council meeting, Monday, Dec 7th @ 4:00pm
- Tree Lighting Ceremony, Monday, Dec 7th @ 6pm (City Council meeting will start at 7pm)
- Employee Christmas party (employees only); Thurs, Dec 17th @ noon at Community Center
- City Offices closed Wed., Dec. 23rd at Noon, closed Dec 24th-25th for Christmas Holiday
- City Offices closed Friday, Jan. 1st for New Years Holiday
- Misc. Items.

Item 6 – Approval of Minutes

- Review and approval of the **joint Timpanogos School Board & City Council minutes from September 8, 2026 & the regular City Council meeting from September 8, 2026.**

Sample Motion: I move to (*approve, continue, deny*) the minutes (*as presented or amended*).

The Lindon City Joint City Council and Timpanogos School District Board held a Work Session on **Tuesday, September 8, 2026 beginning at 4:00 p.m.** at the Lindon City Center 100 N. State Street, Lindon, Utah.

REGULAR SESSION – 4:00 P.M.

Conducting: Carolyn Lundber, Mayor

PRESENT

Carolyn Lundberg, Mayor
 Cole Hooley, Councilmember
 Lincoln Jacobs, Councilmember
 Jake Hoyt, Councilmember
 Steve Stewart, Councilmember
 Van Broderick, Councilmember
 Michael Florence, Community Dev. Director
 Mike Brower, Chief of Police
 Heath Bateman, Parks and Recreation Director
 Adam Cowie, City Administrator
 Britni Laidler, City Recorder
 Joe Jensen, Superintendent
 Guy Fugal, Boardmember
 Jason Sundberg, Business Administrator
 Peter Galanse, Assistant Superintendent
 Sterling Hilton, Boardmember
 Michelle Sorensen, Boardmember
 Jen Lyman, Board President
 Dave Mower, Assistant Superintendent
 David Smith, Boardmember

EXCUSED

Brian Haws, City Attorney

CURRENT BUSINESS-

1. Discussion Items:

a. TSD Vision and Values

Boardmember Sterling Hilton introduced the district's newly adopted Vision & Values document, the result of several months of broad stakeholder collaboration. The process included visits to every school in the district, with separate meetings held for teachers, administrators, parents, and students, as well as larger community cluster meetings. The document was formally adopted by the Board approximately six weeks prior to this meeting.

Board members highlighted several elements they found particularly meaningful. The district motto, "We Learn to Thrive," was identified by Superintendent Jensen as the most concise expression of the district's direction, noting it carries multiple layers of meaning. Board President Lyman elaborated on the significance of the concept of *belonging* — an element that

emerged strongly from student feedback — observing that students who feel they belong are more motivated to attend and engage in school.

Mayor Lundberg commented favorably on the document's integration of character development and civic preparation alongside academic skills, noting the recognition that critical thinking and creativity are as important as knowledge acquisition.

Councilmember Lincoln Jacobs raised the practical question of how the vision and values would be disseminated throughout the organization rather than remaining an aspirational statement. Superintendent Jensen acknowledged this challenge and noted that the district is actively working on a more accessible graphic representation. He further emphasized that the board itself genuinely lives by these values, which he viewed as essential to the document having real organizational impact. It was noted that the inclusive process by which the document was created — giving staff, parents, and students a voice — was itself a strategy to build authentic ownership rather than producing something that would simply hang on a wall.

Superintendent Jensen noted that the district's approach to the boundary study serves as a concrete example of the values in action, with community engagement far exceeding what state law requires.

b. Robust School Criteria

Superintendent Jensen and Business Administrator Sandberg presented the district's Robust School Criteria framework, which was developed before the boundary study commenced. Rather than beginning with a question of which schools to close, the district first asked what conditions are necessary for every student and staff member to genuinely thrive. The framework is organized around a foundational layer — comprising high teacher quality, effective school leadership, strong school culture, and safety policy and operations — upon which five additional criteria are built:

1. **Comprehensive Offerings** — The public consistently expressed a desire for students to be appropriately challenged at all levels, including robust AP and concurrent enrollment offerings at the high school level.
2. **Healthy Collaborative Environment** — Identified as closely linked to school size; it becomes difficult to maintain effective teacher collaboration and flexibility in managing student groups when elementary schools fall below approximately three classes per grade level.
3. **Adequate Support Staff** — Also size-dependent, particularly at the elementary level, where smaller schools struggle to sustain necessary support positions within their funding allocations.
4. **Proximity and Geography** — The physical location of a school relative to the population it serves, with centrality generally being preferable.
5. **Physical Facilities** — The age, size, and condition of buildings, which must be weighed when evaluating boundary and closure options.

The discussion noted that criteria one through three are, in practical terms, proxies for school size and are the primary drivers of the optimal enrollment ranges identified in the

framework — roughly three to five classes per grade at the elementary level. Criteria four and five are more relevant when analyzing specific closure or consolidation scenarios. Boardmember Sorensen emphasized that the goal is not to create oversized "mega schools," but to right-size schools so that principals have adequate funding flexibility and can offer programs without exhausting discretionary resources to compensate for under-enrollment.

Council members raised questions about enrollment projections and the role of charter and private schools in the data. Business Administrator Sandberg explained that enrollment projections are built using birth data (geocoded by mother's address), building permit activity, and historical enrollment trends. District-wide, projections have been accurate to within approximately 0.5 percent year-over-year. Charter school enrollment data is tracked as it is publicly available, though home school and private school populations are not captured. He noted that the greatest enrollment fluctuations occur at the first grade, seventh grade, and tenth grade levels. It was also observed that, given rising housing costs and an increasingly built-out geography — with the exception of the Vineyard area — the district does not anticipate a return to the higher birth rates or enrollment growth of prior decades, particularly at the elementary level.

c. Update on School Boundary Study

Business Administrator Sandberg provided a detailed update on the boundary study timeline and process. The study encompasses two major, parallel workstreams: (1) grade-level reconfiguration, and (2) school closures and boundary changes.

On grade reconfiguration, the district is actively exploring a shift to a K–5, 6–8, 9–12 configuration. Public input has been gathered extensively through focus groups and cluster meetings held at all four high school campuses. The data showed overwhelming preference for retaining the ninth grade at the high school level — a 9–12 model — rather than reducing to three high schools, with parents citing practical concerns such as transportation to athletics and the academic benefits of keeping students on a single campus through high school. The related question of whether to configure middle schools as 6–7–8 or 7–8 was noted as still under active discussion with principals. Formal public hearings on grade reconfiguration are scheduled to begin at the September 9, 2026 board meeting, with three separate hearings on high school, middle school, and elementary configurations.

On closures and boundary changes, thirteen schools have been formally named as part of the study, along with two programs — Cascade and Cherry Hill — under consideration for relocation or closure. Beginning in October and running through the first meeting in November, eighteen public hearings will be held across six board meetings. The board is targeting a vote on grade configuration by October 21, 2026, and a final decision on closures and boundaries by December 2, 2026, with a contingency date of December 16 if needed.

Board President Lyman noted that the December deadline is both a practical necessity — state law requires closure announcements by December 31 of the preceding school year — and a response to requests from teachers and staff who have urged the board to make a clear decision rather than extend uncertainty. Board members expressed a commitment to honoring affected school communities with proper closure celebrations and transition planning, and explicitly cited

the experience of schools that were closed without an opportunity for commemoration as a cautionary example. It was also noted that the district will consider grandfathering provisions to allow students who began at a school to complete their tenure there, and is actively exploring true feeder patterns so that cohorts of students progress together from elementary through high school.

Superintendent Jensen cautioned that the cumulative effect of reconfiguration, closures, and boundary changes is likely to affect virtually every family in the district in some way, and encouraged all parties to recognize that not every preference can be accommodated, but that the long-term outcome will be stronger schools for the community.

d. Update on bus garage; TSD agreement with Aspen Peaks SD

Mayor Lundberg and Board President Lyman confirmed that TSD has executed a Memorandum of Understanding with Aspen Peaks School District to operate concurrently out of the bus depot in American Fork for an initial three-year period. This arrangement — described as the first of its kind in the state, distinct from the contracted model used by other districts — allows both districts to share a facility while maintaining independent operational structures. The three-year term is intended as a testing period. Both parties expressed satisfaction with the staffing secured to support the arrangement.

Separately, TSD has also entered into agreements with Aspen Peaks SD covering online school, adult education, East Shore, Polaris, and Summit programs, also for a three-year term. Board President Lyman characterized the online education agreement as an interim measure while the district focuses on boundary and reconfiguration priorities, noting TSD has its own longer-term vision for online education, particularly around serving homeschool families.

The question of a potential TSD bus garage site in Lindon was briefly raised. Mayor Lundberg stated that the City Council had not formally deliberated on the matter as a body, and that the site in question had been identified by the community as a potential future school location given substantial projected residential growth in the western portions of Lindon, Pleasant Grove, and Utah County. No formal position was taken. Board President Lyman noted that constructing a new elementary school carries an estimated cost of \$60 million and that the board's present focus is on making the best use of existing facilities and resources rather than committing to new capital expenditures that would bind future boards.

Business Administrator Sandberg provided a brief update on TSD's district office construction. The district purchased a former car dealership property on State Street in Lindon in August 2026. Plans are being advanced for submission to the Lindon Planning Commission, with a target hearing date of either September 29 or October 13, 2026. Groundbreaking is anticipated in October or November 2026, with a target completion date of June 15, 2026, ahead of staff reporting for the new district on July 1. Funding for the building comes from capital funds built up within Alpine School District over the preceding four to five years, with TSD's allocated share estimated at \$30–\$35 million, including a \$10 million preloaded startup allocation, allowing construction to proceed without new bonding or debt.

2 e. Other Items of Common Interest.

4 The bodies agreed to schedule their next joint meeting for December 7, 2026 at 4:00 P.M.
6 at the TSD District Office in Lindon, in consideration of Lindon City's annual tree lighting event
later that evening.

8
10 Approved September 21, 2026

12
14 _____
Britni Laidler, Recorder

16
18 _____
Carolyn Lundberg, Mayor
20

2 The Lindon City Council regularly scheduled meeting on **Tuesday, September 8, 2026,**
 4 **at 5:15 pm** in the Lindon City Center, City Council Chambers, 100 North State Street,
 Lindon, Utah.

6 **REGULAR SESSION – 5:15 P.M.**

8 Conducting: Carolyn Lundberg, Mayor
 Invocation: Cole Hooley, Councilmember
 10 Pledge of Allegiance: Thomas Cox

12 **PRESENT**

Carolyn Lundberg, Mayor
 14 Steve Stewart, Councilmember
 Cole Hooley, Councilmember
 16 Lincoln Jacobs, Councilmember
 Jake Hoyt, Councilmember
 18 Van Broderick, Councilmember
 Alex Roylance, Facilities
 20 Adam Cowie, City Administrator
 Britni Laidler, City Recorder
 22 Aubrie Ivie, Deputy Recorder

EXCUSED

Michael Florence, Com. Dev. Director
 Brian Haws, City Attorney

24 1. **Call to Order/Roll Call** – The meeting was called to order at 5:15 p.m.

26 2. **Presentations and Announcements:**

28 a) There were no Announcements/Comments from Council Members

30 3. **Open Session for Public Comment** – Mayor Lundberg called for any public
 32 comments. There were no comments.

34 4. **COUNCIL REPORTS:**

Councilmember Jacobs – Councilmember Jacobs reported on Parks and Recreation,
 36 noting that fall soccer and flag football are underway, the pool has closed for the season,
 and the Ed Stevens Memorial Summer Concert Series wrapped up. He highlighted
 38 several upcoming community events: a Picnic in the Park for Constitution Month on
 Saturday, September 12th at 6:00 PM featuring the Bluegrass Thunder Band with
 40 complimentary apple pie and ice cream served by the Youth Council; a Rodeo Queen
 Play Day on September 20th at the Lindon Arena; and the continuation of the Farmers
 42 Market through mid-October on Thursday evenings from 5:00–9:00 PM. Councilmember
 Jacobs reported that representatives from North Point Solid Waste met with Public Works
 44 to discuss the sewer base rate and left the meeting optimistic about potential solutions,
 which will be presented at a future date. He also provided a Planning Commission

update, noting a promising development plan in the area in front of Songbird, though residents of Songbird Cove raised concerns regarding parking challenges that staff and the Chief of Police are reviewing. Additionally, a general plan change request regarding road width near 800 North was presented but will return at a future meeting.

Councilmember Hoyt – Councilmember Hoyt reported on behalf of the Police Department, noting proactive enforcement efforts on the Murdock Trail targeting illegal e-motorbikes, which continues to be an ongoing issue. He also noted several traffic stops over the Labor Day weekend resulted in drug-related offenses. Councilmember Hoyt also highlighted a video featuring K-9 officer Harmon in K-9 trials and commended the community donations that made the K-9 unit possible. He also noted, with good humor, that he and other Council members did not advance in the chamber pickleball tournament.

Councilmember Broderick – Councilmember Broderick reported that the secondary water system has delivered over one billion gallons of water through the season, with approximately five weeks remaining. He commended current and past community leaders for the infrastructure investments that have allowed the city to meet significant demand during consecutive drought years. He then asked Public Works Director, Juan Garrido, to provide an update on completed paving projects for fiscal year 2026, including the full reconstruction of 600 North and 200 South, as well as micro-paving and striping of roads near the Hyundai/Kia dealerships extending to 2800 West. All projects came in at or slightly under budget. Councilmember Broderick previewed that the next major project will be the connection of 400 North to 400 West, planned for FY2027.

Councilmember Stewart – Councilmember Stewart reported on the first official Youth Council meeting of the year, which was held the previous Monday. He stated eight officers were elected to serve in leadership capacities: Mayor – Theresa Okawa; Deputy Mayor – Graham Jensen; Recorder – Vincent Abatti; Secretary – Alyssa Hill; Historian – Vena Orme; Treasurer – Russell Morris; Events Chair – Morgan Stone; and Communications Chair – Morgan Harris. Councilmember Stewart expressed enthusiasm for the group and the year ahead.

Councilmember Hooley – Councilmember Hooley reported that Communities That Care will be hosting a Key Leaders Lunch on September 15th from 11:45 AM to 1:00 PM and stated that it is open to all Council members. He also noted that the Tree Board has welcomed a new member and held a productive recent meeting, and that the Historical Commission has submitted Edgar & Christine Curly as the honorary tree lighters for the December festivities. Councilmember Hooley also noted that the Arts Committee continues to take preliminary steps in defining its scope for Lindon.

Mayor Lundberg – Mayor Lundberg reported that the Huntsman Cancer Institute's cornerstone celebration marking vertical construction progress on what she described as a

significant future employer and healthcare resource. She shared feedback from the Youth Council indicating that while teens appreciate Lindon's parks, trails, and programs such as Little Miss Lindon and the Youth Council itself, they expressed a desire for a dedicated gathering space, such as the proposed 700 North downtown village plaza. Mayor Lundberg also noted the upcoming fall cleanup scheduled for November 14th–23rd.

Mayor Lundberg then briefed the Council on regional transportation planning activities in her capacity on the Mountain Land Association of Governments (MLAG) executive board. She described ongoing studies regarding future transportation needs including: potential lake crossing infrastructure (with a current PEL study taking core samples of Utah Lake bed); planned double-tracking of FrontRunner for increased service frequency; a potential future TRAX station site identified in Lindon; a new dedicated Lindon I-15 slip ramp exit (formerly Proctor Lane, south of the PG/Lindon interchange); and increasing momentum around the Vineyard Connector. She also discussed the ongoing debate between implementing a full Bus Rapid Transit (BRT) system—estimated at \$1.3 billion—versus a more cost-effective enhanced bus service approach under \$100 million, noting that BRT could be disruptive to businesses and traffic flow.

5. Administrator's Report

- October Newsletter: Adam Cowie
- Next Council meetings: September 21st, October 5th • Picnic in the Park; Sat., Sept. 12th @ 6:00pm, City Center Park (Constitution Month)
- Citywide Drill & Food Drive: Monday, Sept. 14th @ 6:00pm. (Food drive items accepted at Aquatics Center until 9pm)
- ULCT Fall Convention in SLC; Oct 27th-28th. Anyone want to attend?
- Halloween Spectacular, Oct 30th @ 6:30pm, City Center Park
- Fall Clean Up (dumpsters at various locations): Nov 14th – 23rd
- City Offices closed Thurs/Fri, Nov 26th-27th for Thanksgiving Holiday
- Tree Lighting Ceremony, Monday, Dec 7th @ 6pm (City Council meeting will start at 7pm)
- Employee Christmas party (employees only); Thurs, Dec 17th @ noon at Community Center
- City Offices closed Wed., Dec. 23rd at Noon, closed Dec 24th-25th for Christmas Holiday
- City Offices closed Friday, Jan. 1st for New Years Holiday
- Misc. Items

6. Approval of Minutes – The minutes of the regular City Council meeting of August 17, 2026.

COUNCILMEMBER HOYT MOVED TO APPROVE THE MINUTES OF THE REGULAR CITY COUNCIL MEETING OF AUGUST 17, 2026 AS PRESENTED WITH NOTED CHANGES. COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE MOTION CARRIED UNANIMOUSLY.

7. **Consent Agenda Items** - Items do not require public comment or discussion and can all be approved by a single motion. The following consent agenda item was presented for approval.

- a) School Resource Officer MOU with Alpine School District; Resolution #2026-29-R
- b) Surplus Equipment Disposal; Resolution #2026-31-R
- c) Proclamation declaring the month of September 2026 as "Constitution Month"

COUNCILMEMBER HOYT MOVED TO APPROVE THE CONSENT AGENDA ITEMS AS PRESENTED. COUNCILMEMBER STEWART SECONDED THE MOTION. THE MOTION CARRIED.

CURRENT BUSINESS

8. **Review & Action: AC installation at Veterans Hall & Aquatic Center.** The Council will review and consider whether to install air conditioning at the Veterans Hall in the Lindon City Center Park. The building has a swamp cooler that is not effective at sufficiently cooling the building when temps exceed about 90 degrees, and the city is receiving complaints from those renting the facility. Air conditioning units are also requested to be installed in the Aquatic Center mechanical room (under the slides) where pump equipment is running very hot and electrical equipment may be damaged by high heat.

City Administrator, Adam Cowie, introduced this item with support from Public Works Director, Juan Garrido. Two Lindon City facilities were presented for consideration.

Veterans Hall: The building in Lindon City Center Park is equipped with a swamp cooler that becomes ineffective when temperatures exceed approximately 90 degrees. The city has received complaints from renters during the summer. A preliminary quote from Professional Heating and Air of Pleasant Grove was obtained for \$11,200 to install new compressors for an A/C system using the existing furnace and ductwork. The Veterans Hall generates approximately \$23,000 in annual rental revenue at \$300 per day, with regular weekend bookings throughout the summer.

Aquatic Center Mechanical Room: A mechanical engineer evaluated the space beneath the slide structure and determined that adequate ventilation cannot be achieved through fans alone due to the building's design. The engineer recommended installation of two mini-split units—one directed at the VFD drives and computer controls, and one lower in the space for the pumps—at a quoted cost of \$17,700. Director Garrido noted that ambient temperatures in the mechanical room have reached 95 degrees mid-summer and remain around 85 degrees even as fall approaches. Multiple pieces of equipment, including variable frequency drives valued at approximately \$30,000 each, have overheated and failed, with fans used as a temporary mitigation measure.

The Council discussed the relative urgency and return on investment for each project. There was broad consensus that the Aquatic Center mechanical room requires immediate attention given the risk to expensive equipment. Councilmember Broderick raised questions about the 26 SEER rating specified in the Aquatic Center quote, noting that higher SEER ratings come at a significant cost premium, and questioned whether the specification was correct or necessary. Councilmember Hooley noted that at a 20-year lifespan, the Veterans Hall investment would be more easily justified. Councilmember Hoyt suggested exploring whether a lower-specification solution could adequately protect the mechanical room equipment without over-engineering the installation. The Council directed staff to obtain at least two additional competitive bids, seek clarification from the mechanical engineer on the SEER specification, and explore whether a package deal with the current vendor could be negotiated given the existing relationship and combined volume.

For the Veterans Hall, the Council indicated openness to moving forward but requested additional bids and further information, including the age of the existing furnaces and a review of whether rental rates should be increased to offset capital improvement costs. A member of the public, identifying himself as a veteran, suggested that the name of the building, "Veterans Hall" could open avenues for federal funding or support from veteran organizations such as the VFW or American Legion if the space were more meaningfully dedicated to honoring veterans.

The Council voted to authorize the Aquatic Center installation up to the quoted amount, contingent on receipt of additional competitive bids and clarification on the SEER rating. The Veterans Hall was referred back to staff for additional bids and information.

Mayor Lundberg called for any further discussion or comments from the council. Hearing none she called for a motion.

COUNCILMEMBER BRODERICK MOVED TO APPROVE THE AQUATIC CENTER AC INSTALLATION NOT TO EXCEED \$17,700, WITH THE CONDITION THAT STAFF OBTAIN AT LEAST TWO ADDITIONAL COMPETITIVE BIDS AND SEEK CLARIFICATION ON THE REQUIRED SEER RATING FROM THE

MECHANICAL ENGINEER COUNCILMEMBER JACOBS SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

COUNCILMEMBER HOYT AYE

COUNCILMEMBER BRODERICK AYE

COUNCILMEMBER JACOBS AYE

COUNCILMEMBER HOOLEY AYE

COUNCILMEMBER STEWART AYE

THE MOTION CARRIED UNANIMOUSLY.

9. Public Hearing: Water Ordinance update (water shares updates); Ordinance #2026-15-O. With the North Union Canal Company, and other associated water companies now dissolved, the Council will review and consider changes to Lindon City Code regarding what types of water shares are accepted for new development and/or for connection to the secondary water system.

COUNCILMEMBER STEWART MOVED TO OPEN THE PUBLIC HEARING. COUNCILMEMBER JACOBS SECONDED THE MOTION. THE MOTION CARRIED.

City Administrator, Adam Cowie presented this item. He explained that the ordinance updates Lindon City Code and the Development Policy Standards to reflect the dissolution of the North Union and Provo Bench Canal Companies. The new preferred water share type is the Provo River Water Users Company (PRWUC) Alpine District Full share, which provides 5 acre-feet per share and has capacity in the Provo River Aqueduct (PRA). Administrator Cowie and Director Juan Garrido detailed the alternative shares accepted and their equivalency ratios. The Orem District share matches the volume of the Alpine Full share but lacks PRA capacity (the ability to use the Murdock Canal through the Provo River Aqueduct), necessitating an additional \$12,000 for equivalency. Other acceptable alternatives include Deer Creek Storage shares (5:1), Pleasant Grove Irrigation Company shares (3:1), and certain legacy shares restricted to specific areas. The ordinance continues to allow developers to pay a fee instead of providing shares. The shift to a 1-to-1 share ratio for primary shares simplifies administration by removing fractional share complexities.

COUNCILMEMBER BRODERICK MOVED TO CLOSE THE PUBLIC HEARING. COUNCILMEMBER JACOBS SECONDED THE MOTION. THE MOTION CARRIED.

Mayor Lundberg called for any further discussion or comments from the council. Hearing none she called for a motion.

COUNCILMEMBER BRODERICK MOVED TO APPROVE ORDINANCE #2026-15-O AS PRESENTED. COUNCILMEMBER STEWART SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

2 COUNCILMEMBER BRODERICK AYE
 COUNCILMEMBER JACOBS AYE
 4 COUNCILMEMBER HOOLEY AYE
 COUNCILMEMBER HOYT AYE
 6 COUNCILMEMBER STEWART AYE
 THE MOTION CARRIED UNANIMOUSLY.

8

10. Public Hearing: FY2026-27 Fee Schedule amendments, Accepted Water Shares; Resolution #2026-30-R. The Council will review and consider modifications to the accepted water shares required by Lindon City within the FY2026-27 Fee Schedule.

10

12

14 COUNCILMEMBER HOYT MOVED TO OPEN THE PUBLIC HEARING.
 COUNCILMEMBER BRODERICK SECONDED THE MOTION. THE MOTION
 16 CARRIED.

18 Administrator Cowie presented updates to the FY2026-27 Fee Schedule to
 incorporate the accepted water share types and equivalency values approved under
 20 Agenda Item 9. Staff noted that share values are based on comparables from a broker and
 two water districts and will be monitored and updated as market conditions change.

22

24 Councilmember Broderick observed that water share values have increased
 substantially in recent years, benefiting those who have held or traded shares.

26 COUNCILMEMBER BRODERICK MOVED TO CLOSE THE PUBLIC
 HEARING. COUNCILMEMBER STEWART SECONDED THE MOTION. THE
 28 MOTION CARRIED.

30 Mayor Lundberg called for any further discussion or comments from the council.
 Hearing none she called for a motion.

32

COUNCILMEMBER BRODERICK MOVED TO APPROVE RESOLUTION
 34 #2026-30-R AS PRESENTED. COUNCILMEMBER STEWART SECONDED THE
 MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

36 COUNCILMEMBER HOYT AYE
 COUNCILMEMBER BRODERICK AYE
 38 COUNCILMEMBER STEWART AYE
 COUNCILMEMBER JACOBS AYE
 40 COUNCILMEMBER HOOLEY AYE
 THE MOTION CARRIED UNANIMOUSLY.

42

**11. Review & Action: Dispatch Services Payment Agreement & Interlocal
 Agreement with Central Utah 911; Resolution #2026-23-R.** The Council will
 44 review and consider for adoption a Resolution authorizing the Mayor to sign a

2 contract for services between Central Utah 911 and Lindon City to provide public
 4 safety dispatch services and adopt the Interlocal Agreement to become part of the
 Central 911 entity; and providing for an effective date.

6 Administrator Cowie provided background on this item to the council stating that
 8 Lindon has historically received dispatch services through Orem City, which had
 10 partnered with Provo following the dissolution of Orem's own dispatch center
 12 approximately four years ago. The arrangement required Provo and Orem to enter into an
 interlocal agreement, which Provo declined to formalize. This, combined with Provo's
 proposed rate increases and lack of transparency, led Orem and Lindon to seek an
 alternative provider.

14 Administrator Cowie stated that Central Utah 911, a standalone special service
 16 district located near the county sheriff's facility, serves more than 20 cities and agencies
 across the region, and its board has approved the addition of both Lindon and Orem. He
 18 then noted that the transition is anticipated to occur in early February, and by switching to
 Central Utah 911 will result in savings of approximately \$100,000 per year for Lindon
 20 and will give the city direct billing and a seat on both the operational and executive
 boards of Central Utah 911, replacing its current status as a subcontractor under Orem.

22 Police Chief, Mike Brower, addressed the council expressing confidence in the
 24 quality of service provided by Central Utah 911, noting familiarity with the agency from
 prior professional experience. He explained that officers would be on a shared channel
 with Orem, consistent with current operations, and that the transition, while requiring
 26 some logistical adjustments to radio infrastructure and dispatching onboarding, is
 expected to be largely seamless. He also extended appreciation to the Mayor and City
 28 Administrator for their advocacy throughout the negotiation process.

30 Councilmember Jacobs identified a date discrepancy in the resolution document
 32 noting that one-page referenced August rather than the intended date of September and
 also noted that payment installment dates in the agreement reference July, which may
 34 need to be updated to reflect the now-anticipated February transition. Staff acknowledged
 the issue and indicated it would be corrected.

36 Mayor Lundberg called for any further discussion or comments from the council.
 38 Hearing none she called for a motion.

40 COUNCILMEMBER HOYT MOVED TO APPROVE RESOLUTION #2026-
 23-R WITH STAFF AUTHORIZED TO ADJUST THE PAYMENT DATE AS
 42 NEEDED AND WITH CORRECTION OF THE NOTED DATE DISCREPANCY.
 COUNCILMEMBER HOOLEY SECONDED THE MOTION. THE VOTE WAS
 RECORDED AS FOLLOWS:

44 COUNCILMEMBER HOYT AYE
 COUNCILMEMBER BRODERICK AYE

2 COUNCILMEMBER JACOBS AYE
 COUNCILMEMBER HOOLEY AYE
 4 COUNCILMEMBER STEWART AYE
 THE MOTION CARRIED UNANIMOUSLY.

6

8 **12. Closed Session** - The City Council will discuss potential purchase or sale of real
 property and pending or possible litigation per Utah Code 52-4-205(1)(e) & 52-4-
 205(1)(c). This session is closed to the general public

10

12 COUNCILMEMBER BRODERICK MOVED TO ENTER A CLOSED
 SESSION TO DISCUSS POTENTIAL PURCHASE OR SALE OF REAL PROPERTY
 AND PENDING OR POSSIBLE LITIGATION PER UTAH CODE 52-4-205(1)(E) &
 14 52-4-205(1)(C). COUNCILMEMBER STEWART SECONDED THE MOTION. THE
 VOTE WAS RECORDED AS FOLLOWS:

16 COUNCILMEMBER HOYT AYE
 COUNCILMEMBER BRODERICK AYE
 18 COUNCILMEMBER JACOBS AYE
 COUNCILMEMBER HOOLEY AYE
 20 COUNCILMEMER STEWART AYE
 THE MOTION CARRIED UNANIMOUSLY.

22

24 COUNCILMEMBER BRODERICK MOVED TO CLOSE THE CLOSED
 SESSION AND RECONVENE THE REGULAR OPEN MEETING.
 COUNCILMEMBER STEWART SECONDED THE MOTION. THE VOTE WAS
 26 RECORDED AS FOLLOWS:

COUNCILMEMBER HOYT AYE
 28 COUNCILMEMBER BRODERICK AYE
 COUNCILMEMBER JACOBS AYE
 30 COUNCILMEMBER HOOLEY AYE
 COUNCILMEMBER STEWART AYE
 32 THE MOTION CARRIED UNANIMOUSLY.

34 **Adjourn –**

36 COUNCILMEMBER BRODERICK MOVED TO ADJOURN THE MEETING
 AT 7:50 PM. COUNCILMEMBER JACOBS SECONDED THE MOTION. ALL
 38 PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

40

Approved – September 21, 2026

42

44

2

Britni Laidler, City Recorder

4

6

Carolyn O. Lundberg, Mayor

Item 7 – Consent Agenda – Consent agenda may contain items which have been discussed beforehand and/or do not require significant discussion, or are administrative in nature, or do not require public comment. The Council may approve all Consent Agenda items in one motion or may discuss individual items as needed and act on them separately.

- a) Surplus Equipment Disposal; Resolution #2026-32-R

Sample Motion: I move to (*approve, continue, deny*) the consent agenda items (*as presented or amended*).

RESOLUTION NO. 2026-32-R

A RESOLUTION DECLARING CERTAIN PROPERTY AND EQUIPMENT OWNED BY LINDON CITY TO BE SURPLUS PROPERTY AND AUTHORIZING THE DISPOSAL OF THE LISTED ITEMS.

WHEREAS, the Municipal Council of Lindon City has adopted policies and procedures for the disposal of surplus property and equipment, with said policy found in Section 3 of the Lindon City Policies and Procedures Manual; and

WHEREAS, the policy requires that a public meeting be held concerning the declaration of any property & equipment deemed to be surplus by the City and which has an estimated valued over \$100; and

WHEREAS, the identified property & equipment is no longer needed and/or has exceeded its useful life and needs to be disposed of.

THEREFORE, BE IT RESOLVED by the Lindon City Council as follows:

- Section 1. That the items described on the attached listing be declared as surplus property of the City; and
- Section 2. That these items be offered for sale to the public through their listing on www.publicsurplus.com or other comparable on-line auction site, or disposal by other means as outlined in the Lindon City Policies and Procedures Manual. If listed for sale, the items will be offered for minimum bids when appropriate. If the minimum bid is not realized, administrative staff may dispose of the items at their discretion including selling for less than the minimum bid; and
- Section 3. This resolution shall take effect immediately upon passage.

Adopted and approved this 21st day of September, 2026.

By _____
Carolyn O. Lundberg, Mayor

Attest:

By _____
Britni Laidler, City Recorder

SEAL:

Lindon City
100 North State Street
Lindon, UT 84042-1808



TEL 801-785-5043
FAX 801-785-4510
www.lindoncity.org

September 9, 2026

Proposed Item for Surplus

Items:

2012 International/Tymco Street Sweeper

Reason for surplus:

- Have a replacement sweeper

Estimated value: \$43,000



Item:
18 foot wooden Picnic Table

Reason for surplus:

- Worn. Will replace it with smaller tables.

Estimated Value: \$100



Item: John Deere Flail Mower

Reason for surplus:

- No longer used

Estimated Value: \$250



Alex Roylance
Facilities and Fleet Manager

- 8. Review & Action: General Plan Amendment – 1200 E. Street Master Plan.** Dave Gardner filed a land use application to amend the Lindon City General Plan Street Master Plan Map to reduce the width of the future 800 N/1200 E. connector road behind the four residential properties at 663 E. 770 N., 677 E. 770 N., 689 E. 770 N., 771 E. 770 N. The Planning Commission recommends denial of the requested change.

Sample Motion: I move to (approve, deny, or continue) the applicant's request to amend the Lindon City General Plan Street Master Plan Map.

A request to amend the Lindon City General Plan Street Master Plan Map by reducing the width of the future 1200 E. road expansion behind the homes located at: 663 E. 770 N., 677 E. 770 N., 689 E. 770 N., 771 E. 770 N.

Date: September 21, 2026

Parcels 17:015:0141

Applicant: David Gardner

City File Number: 26-013-6

Type of Decision: Legislative
Council Action Required: Yes, the planning commission unanimously recommended denial of the application for the reasons noted in the attached meeting minutes.

Presenting Staff: Michael Florence



Summary of Key Issues

Whether to approve a request to amend the Lindon City General Plan Street Master Plan Map by reducing the future 800 N./1200 E road segment width behind the four homes at 663 E. 770 N., 677 E. 770 N., 689 E. 770 N., 771 E. 770 N.

City staff did not prepare an official ordinance for adoption because the Planning Commission recommended denial.

The land use application submitted by the applicant does not identify which street designation, as established in the Lindon City General Plan and the Lindon City Land Development Policies, Standard Specifications and Drawings Manual (Development Manual), is being requested for the reduced-width section of the future roadway. The applicant's request was also not established during the public hearing with the Planning Commission.

Motion

I move to (approve, deny, or continue) the applicant's request to amend the Lindon City General Plan Street Master Plan Map.

Overview

The Lindon City General Plan Street Master Plan Map and the Lindon City Land Development Policies, Standard Specifications and Drawings Manual identify the following classifications for city-owned and maintained streets and establish the corresponding standard cross-section widths. The applicable cross-sections are also included as Exhibit 3.

- Major Arterial: 66’
- Minor Arterial: 66’
- Major Collector: 66’
- Minor Collector: 66’
- Local: 50’

A majority of the concerns expressed by the applicant and adjacent property owners regarding the future roadway relate to the partial right-of-way that was dedicated to Lindon City as part of the Highlands at Bald Mountain subdivision and the easements associated with the future street. Directly behind the four homes that are the subject of this General Plan amendment request, approximately 14 feet of right-of-way was dedicated to the City for the future roadway. The subdivision plats also include slope and construction easements on portions of the adjacent residential properties to accommodate construction of the future roadway.

The future 800 N./1200 E. roadway is currently designated as a Minor Arterial on the Lindon City General Plan Street Master Plan Map. This designation was adopted by the Planning Commission and City Council in July 2025. Prior to that change, the roadway was designated as a Major Collector. Both classifications have an adopted 66-foot cross-section.

Last year, Lindon City engineers evaluated the General Plan Street Master Plan Map and determined that several roadways within Lindon City that are currently classified as Major Collectors are more regionally significant roadways, as they carry larger volumes of traffic and provide connections between multiple jurisdictions and/or provide connections between two or more state highways, and those roads would more appropriately be classified as arterials.

Another reason for the change was to enable these roadways to potentially be eligible for State or Federal funding as needed for construction, intersection improvements, congestion relief projects, etc. Lindon City coordinated with Mountainland Association of Governments (MAG) and determined that regionally significant roadways may be eligible for road construction and traffic congestion relief, but only if such roadways are classified as arterial roads (minor or major).

Historical Background

- 1963: The Utah State Highway Department, in cooperation with Utah County and other municipalities within the county (including Lindon), began a study of the highway and street circulation system throughout the entire county. This study was published as the Provo Area Transportation Study.
- 1968 - Lindon City adopted, as part of the general plan, the future alignment of Bonneville Drive along the foothills, later to be identified as 800 N./1200 E.
- 1976, 1995, 2000, 2011, 2023 –Lindon City readopted its general plan, making minor adjustments to the 800 N./1200 E. alignment.
- The future Minor Arterial Street is also included on Pleasant Grove’s General Plan Roadway Master Plan as 1000 S.
- The southern segment of 1200 E. was dedicated and constructed as part of the Canberra Hills development. 1200 E, began to be platted in 1992 with construction beginning shortly after.
- 1995 & 2004, Lindon City hired an engineering consultant to draft preliminary road designs for the 800 N./1200 E. Major Connector Street.
- 2025 – the Lindon City Council and Planning Commission voted in favor of keeping the future 800 N./1200 E. roadway on the General Plan Street Master Plan Map.

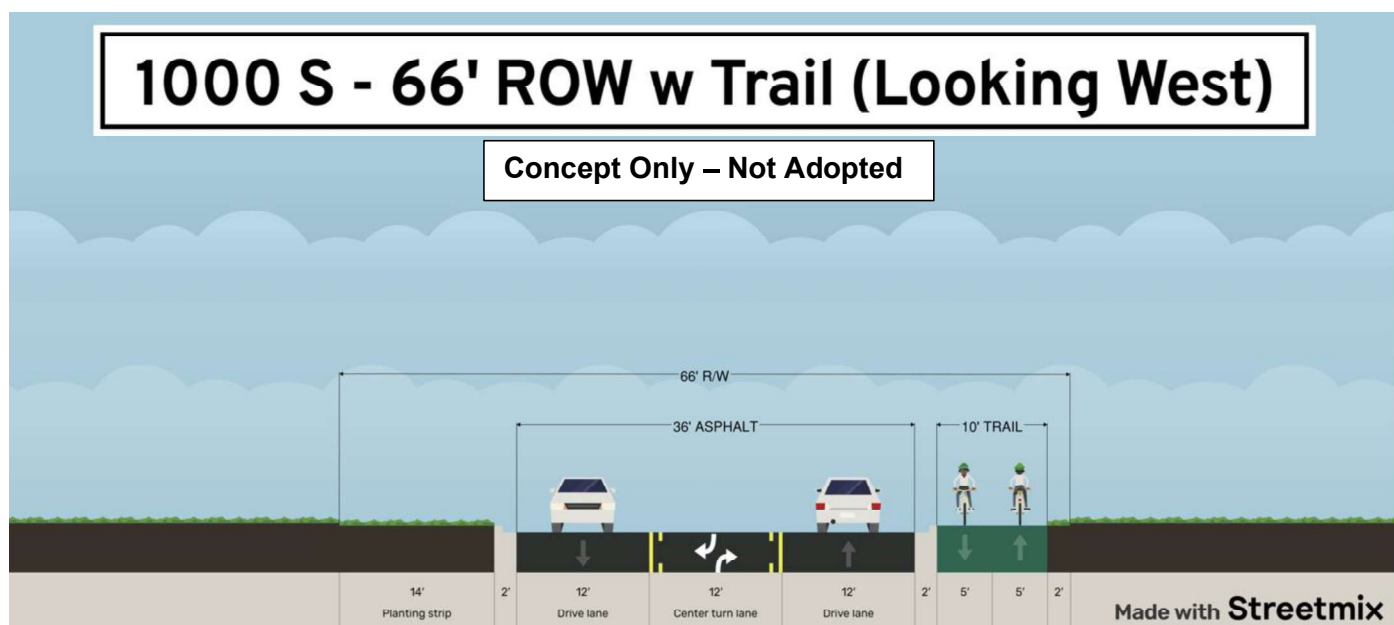
Previous Consideration and Coordination with Pleasant Grove

In late 2024, David Gardner submitted an application requesting that the future 800 N./1200 E. roadway be removed from the Lindon City General Plan Street Master Plan Map. Following a public engagement meeting, public hearing, and public meetings regarding the application, both the Planning Commission and City Council determined in early 2025 that the future roadway should remain on the Street Master Plan Map.

Following the City Council's decision to retain 800 N./1200 E. on the Street Master Plan Map, City representatives met with Pleasant Grove City to discuss the possibility of developing a modified cross-section for the future roadway. Both cities expressed support for exploring a narrower asphalt width while maintaining the existing 66-foot right-of-way and overall cross-section width. The 66’ modified right-of-way width discussed between the two cities still uses the same established right-of-way. See concept cross-section example on the next page.

The alternative concept cross-section discussed between the two cities has not been formally adopted. At the time, Pleasant Grove City was working with a developer who was supportive of the proposed cross-section modification; however, that developer has since withdrawn from the project. The following page provides the concept that PG and Lindon discussed.

A significant consideration for any modification to the future roadway is that approximately 80 percent of the future 800 N. roadway is located within Pleasant Grove City's jurisdiction. Consequently, Lindon City cannot establish a modified roadway cross-section for the entire future roadway without coordinating with and obtaining the necessary approval from Pleasant Grove City.



Lindon City General Plan

When considering amendments to the General Plan or zoning modifications, decision-makers should review relevant policy recommendations found in the General Plan. The Transportation Chapter of the General Plan outlines:

- Policy 1.2 – Ensure that the city retains overall control over the design and location of the major street system within future growth areas.
 - Implementation Measure - Require adequate thoroughfare systems within future growth areas and designate sufficient rights-of-way prior to land development or through the plan approval process.
 - Implementation Measure - Secure rights-of-way prior to or concurrent with land development.
 - Implementation Measure – Require traffic impact analysis when deemed necessary by the city engineer.
- Goal 3 Implementation Measure – Design and install local streets to discourage through-traffic in residential neighborhoods, directing traffic to higher-capacity classifications.

Staff Analysis

Lindon City's General Plan and Development Manual establishes standard street classifications and cross-sections for city-owned and maintained streets. Major and Minor Arterials and Major and Minor Collectors all have an adopted 66-foot cross-section, while Local Streets have an adopted 50-foot cross-section.

The applicant's request does not identify a proposed street classification or cross-section for the portion of the future 800 N./1200 E. roadway that the applicant is requesting to reduce. As a result, the City is unable

to determine what specific amendment to the General Plan Street Master Plan Map is being requested or evaluate the proposal against an identified street standard.

City staff met with Mr. Gardner and his neighbors on July 20, 2026, and explained the General Plan and Development Manual street designations and that the application was missing information on how they wanted to see the future street reduced in width and what designation they were requesting. At the meeting, City Staff suggested that the submitted application was premature and to continue letting the two cities work on the modified cross-section. Mr. Gardner was aware that the two cities had met and discussed modifying the cross-section. After the meeting, city staff realized that information regarding the change in road designation from Collector to Minor Arterial had not been given, and city staff provided that information to Mr. Gardner. City staff reached out on July 30th about a response to the application question. City staff did not receive a response about the street designation, but the application was paid for, so the city scheduled this item for a public hearing on August 25, 2026. At the public hearing, the applicant again did not establish with the planning commission a road designation to assign to their request. The attached meeting minutes outline why the planning commission recommended denial.

The proposed cross-section that PG and Lindon City worked on was included in the planning commission staff report for this application.

Staff Recommendation

Based on the information submitted with the application and the issues outlined above, City staff recommends that the City Council deny the request to amend the General Plan Street Master Plan Map and Development Manual to reduce the width of the future 800 N./1200 E. roadway.

The application does not identify the proposed street classification or cross-section necessary for the City Council to evaluate the requested amendment. Additionally, the future roadway is currently designated as a Minor Arterial with a 66-foot cross-section, and any reduction in the planned cross-section should be coordinated with Pleasant Grove City because the majority of the future roadway is located within its jurisdiction.

Staff recognizes that there may be opportunities to develop a modified roadway design that addresses concerns of the adjacent property owners while maintaining the transportation function of 800 N./1200 E. The last time the two cities met on this issue, they were both in agreement to work on a new cross-section. At the planning commission meeting, the residents wanted the slope and construction easements removed from their property. City staff mentioned that this would be unwise until full civil engineering and geotechnical reports are completed for the road, and possibly construction commenced.

Exhibits

1. Aerial Photo with Future 800 N./1200 E. Road Alignment
2. Applicant request
3. Arterial, Collector, and Local Street Cross-sections
4. Current Street Master Plan Map
5. Planning Commission Meeting Minutes



Exhibit 2 – Applicant's Request

We are requesting a proposed amendment to the Lindon General Master Plan. We would like to request that the plan be amended to shrink the size of the connector road behind the following homes:

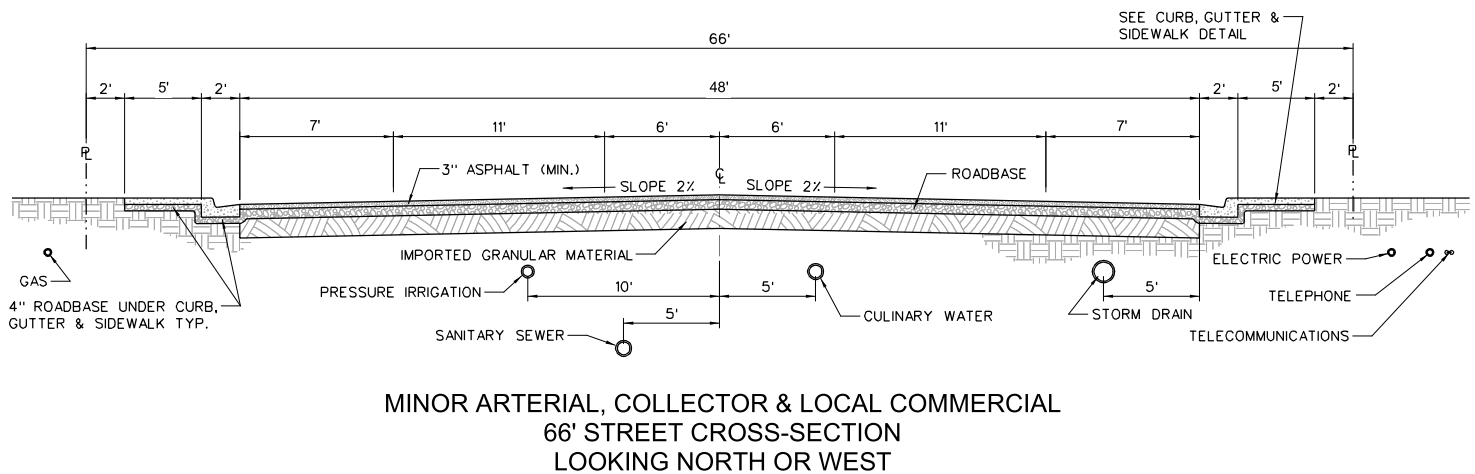
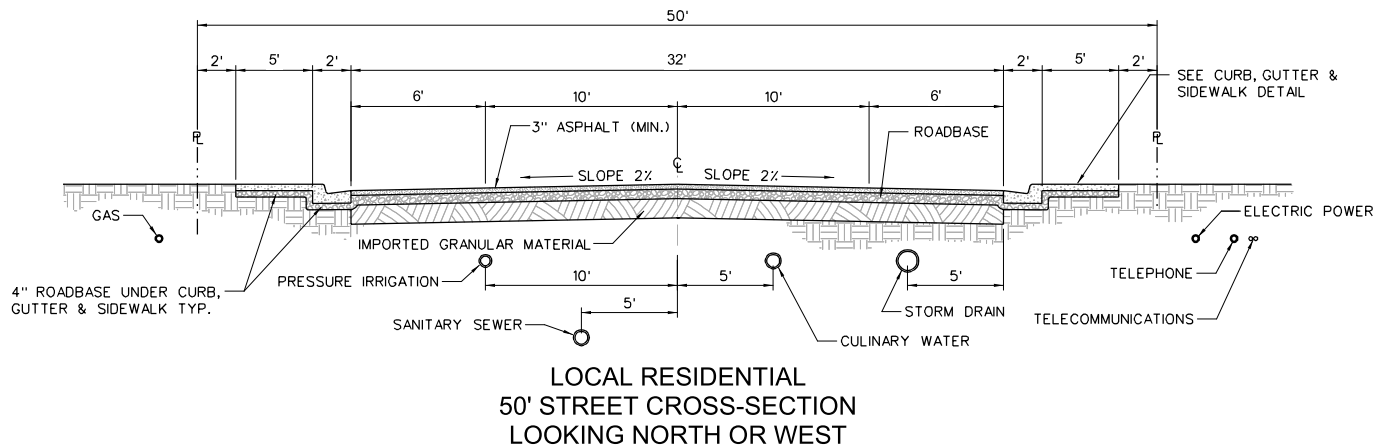
- 663 E. 770 N. (Gardner)
- 677 E. 770 N. (Gardner)
- 689 E. 770 N. (Svendsen)
- 771 E. 770 N. (Harsh)

Last year, we requested that the entire collector road be removed from the general plan. This time we ask only that a 10-15' strip be removed from approximately 650 E. to 747 E. - and the east bench collector is not eliminated. See attached charts and visuals. No plat amendment or removal of existing slope easements is requested at this time. Only a narrow strip sitting in Lindon will be removed to allow that portion of the major collector to be developed, managed, and maintained under the jurisdiction of Pleasant Grove City, which is consistent with the Pleasant Grove 2040 Roadway Master Plan.

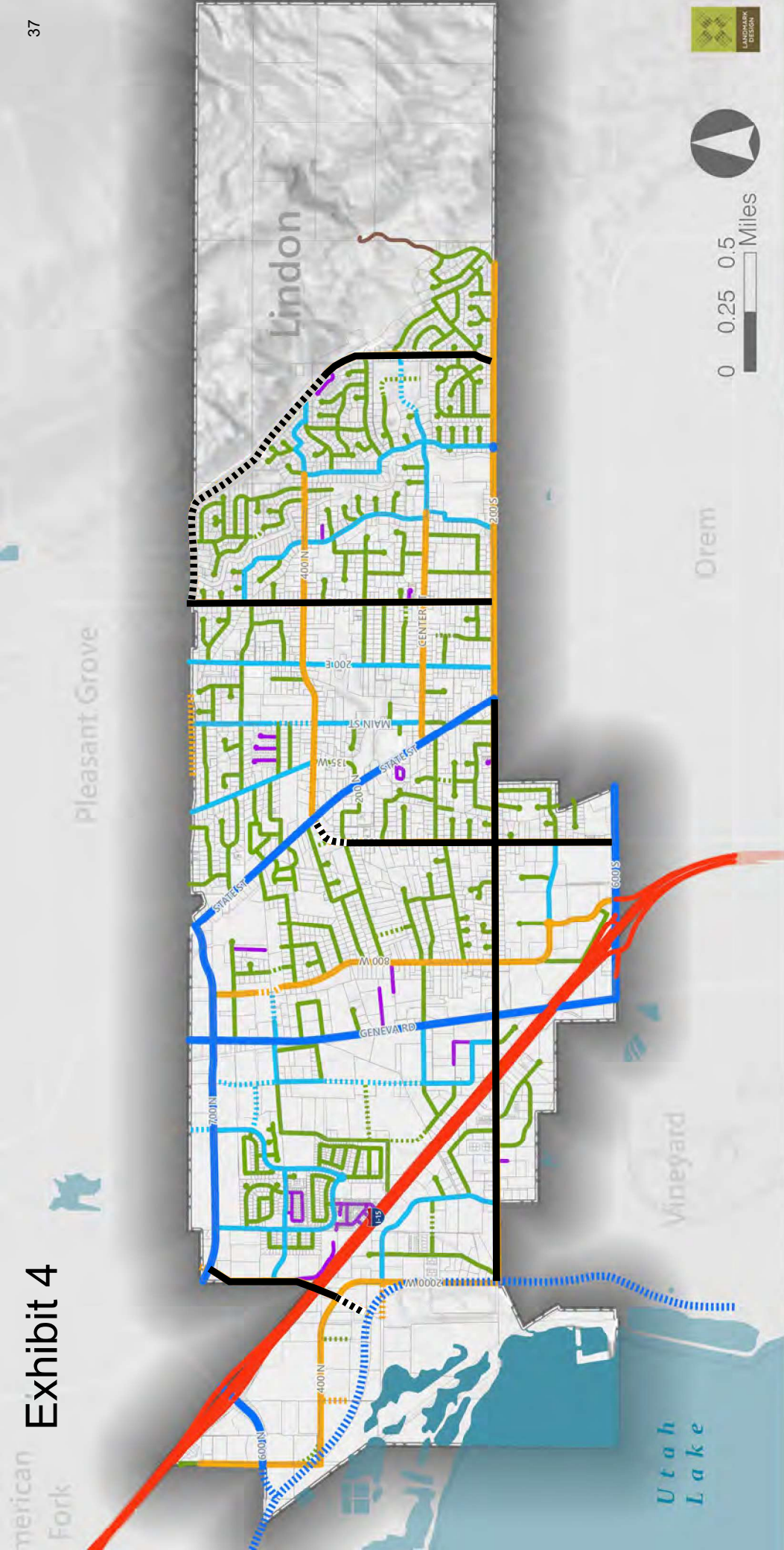
We believe this amendment should be made for the following reasons:

1. Lack of necessity. The Feb. 13th Hales engineering traffic study concluded that both the No Build and Build scenarios are anticipated to keep 400 east and 1200 east at acceptable LOS. "It is not anticipated that the completion of the 1200 East connection is necessary from a traffic and operations perspective." The proposed road fails to connect vital infrastructure, and Lindon does not have significant traffic congestion anywhere, certainly not on the east side.
2. By amending the plan, there is better alignment with Pleasant Grove City's roadway master plan.
3. The proposed amendment results in better, more practical management with PG city. If the narrow strip is kept within Lindon City, there would need to be an interlocal agreement of some sort with PG City. This would mean PG and Lindon would have to constantly coordinate maintenance, repair, and upkeep, which could lead to friction, disputes, and higher management and administrative costs.
4. Shrinking the collector road would be consistent with the Lindon City General Master Plan goals, policies, and objectives. Policy 3.1 in the Lindon General Plan states "Minimize non-local and commercial traffic within our residential neighborhoods" and "to discourage through-traffic in residential neighborhoods".
5. The proposed amendment avoids the challenges the City faced in the prior application request to remove the entire corridor. In those meetings, Lindon staff reported that one of the challenges of removing the major collector road was "if the land is not used for the intended transportation corridor, then the Corridor Preservation Fund must be repaid at the current appraised value. This also includes any surplus land if the road were to be shifted or realigned". After requesting and reviewing all documentation regarding these transactions referred to in prior meetings, it has come to our attention that there is no evidence or legal authority of which we are aware of that would require the City to repay the Corridor Preservation Fund for the small realignment that does not entirely abandon the project.

In short, we believe this amendment to shrink the size of the major connector road in the northeast of Lindon city aligns with the city's stated development goals and allows the residents in these homes and neighborhoods to avoid a road running so closely to their homes. We believe this to be a strong compromise between keeping Lindon City and the applicants.

**NOTES:**

1. IMPORTED GRANULAR MATERIAL (SUB-BASE), ROADBASE, AND ASPHALT THICKNESSES SHALL BE DETERMINED BY PAVEMENT DESIGN.
2. DRINKING WATER PIPELINES SHALL BE INSTALLED ON THE NORTH AND EAST SIDE OF THE STREET, UNLESS APPROVED OTHERWISE BY THE CITY ENGINEER.
3. FIRE HYDRANTS SHALL BE LOCATED EVERY 400 FEET AND ON THE SAME SIDE OF THE STREET AS THE DRINKING WATER PIPELINES, UNLESS APPROVED OTHERWISE BY THE CITY ENGINEER.
4. WATER VALVES SHALL BE CLUSTERED AT THE FITTING ON THE MAIN, UNLESS APPROVED OTHERWISE BY THE CITY ENGINEER.
5. ALL DRINKING WATER MAIN PIPELINES SHALL BE 8-INCH MINIMUM.
6. ALL PRESSURE IRRIGATION MAIN PIPELINES SHALL BE 6-INCH MINIMUM, UNLESS APPROVED OTHERWISE BY THE CITY ENGINEER.
7. TELECOMMUNICATIONS CONDUIT SHALL BE LAID WHERE TELEPHONE CONDUIT IS LAID.
8. REQUIRED COVER OVER UTILITY LINES SHALL BE AS FOLLOWS:
 CULINARY WATER = 48" MINIMUM
 PRESSURE IRRIGATION = 24" MINIMUM
 SANITARY SEWER = PER DESIGN
 STORM DRAIN = PER DESIGN
 TELECOMMUNICATIONS = 24" MINIMUM
 ALL OTHERS = PER UTILITY REQUIREMENTS
9. SIDEWALK NOT REQUIRED IN INDUSTRIAL ZONES WEST OF GENEVA ROAD.



Map 6 Street Master Plan

ADOPTED JULY 3, 2023



Lindon City General Plan

- | Functional Classification | |
|---------------------------|------------------------------|
| | Freeway(UDOT) |
| | Major Arterial (UDOT) |
| | Future Major Arterial (UDOT) |
| | Major Collector |
| | Future Major Collector |
| | Minor Collector |
| | Future Minor Collector |
| | Local |
| | Future Local |
| | Other Public |
| | Private |
| | Minor Arterial |
| | Future Minor Arterial |
| | Lindon City Boundary |

RECORDING; 2. PRIOR TO PLAT RECORDING, THE APPLICANT WILL PROVIDE STAFF WITH A FINAL PLAT MYLAR TO INCLUDE NOTARIZED SIGNATURES OF OWNER'S CONSENT TO DEDICATION AS IDENTIFIED ON THE ATTACHED SUBDIVISION PLAT; 3. PRIOR TO RECORDING, THE APPLICANT WILL PROVIDE STAFF WITH A FINAL SET OF CC&R'S AND BYLAWS TO INCLUDE NOTARIZED SIGNATURES; 4. THE PLAT WILL MEET THE APPLICABLE REQUIREMENTS AS FOUND IN THE LINDON CITY DEVELOPMENT MANUAL; 5. FINAL COVENANTS, CONDITIONS AND RESTRICTIONS WILL BE RECORDED WITH THE SUBDIVISION PLAT; 6. ALL ITEMS OF THE STAFF REPORT. COMMISSIONER DANIELSON SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

CHAIRPERSON KALLAS	AYE
COMMISSIONER CALL	AYE
COMMISSIONER SCHAUERS	AYE
COMMISSIONER DANIELSON	AYE
COMMISSIONER MARCHBANKS	AYE
COMMISSIONER JOHNSON	AYE
COMMISSIONER THOMPSON	AYE

THE MOTION CARRIED UNANIMOUSLY.

7. Public Hearing - General Plan Amendment – 1200 E. Street Master Plan Dave

Gardner filed a land use application to amend the Lindon City General Plan Street Master Plan Map to reduce the width of the future 800 N/1200 E. connector road behind the four residential properties at 663 E. 770 N., 677 E. 770 N., 689 E. 770 N., 771 E. 770 N.

Michael Florence, Community Development Director, presented the application filed by Dave Gardner to amend the Lindon City General Plan Street Master Plan Map to reduce the width of the future 800 N./1200 E. connector road behind four residential properties at 663 E. 770 N., 677 E. 770 N., 689 E. 770 N., and 771 E. 770 N. He provided background on the roadway, which was reclassified from a collector to a minor arterial in July 2025 and is designated as a 66-foot right-of-way. Director Florence noted that approximately 80% of the future roadway alignment falls within Pleasant Grove City's boundaries, limiting Lindon's ability to unilaterally change road profiles or standards. Staff recommended denial of the application, citing the recent reclassification and the need for coordinated action with Pleasant Grove before any design change could be formally adopted. Staff also noted the importance of maintaining the minor arterial designation to remain eligible for Mountainland Association of Governments (MAG) transportation funding.

Director Florence delved into a road profile concept collaboratively developed with Pleasant Grove in 2025. This concept was a strategic plan aimed at maintaining the established 66-foot right-of-way but creatively reducing the asphalt width to 36 feet. The reimagined road layout included a center turn/emergency lane and a multi-use trail positioned on the hillside side, which was intended to serve both pedestrian and cycling traffic. This adaptation was part of an effort to address both infrastructural needs and community impact.

Director Florence highlighted that this proposal had previously been shared with Pleasant Grove officials, receiving a promising and favorable initial response. This positive reception

underscored a shared municipal interest in re-envisioning how the community could engage with its regional transportation needs, balancing city growth with residential expectations. However, despite the initial enthusiasm, no formal adoption of this plan has occurred by either Lindon or Pleasant Grove cities. A significant hurdle was the withdrawal of Ivory Homes, a key stakeholder, from the development of the adjacent Millett property. Ivory Homes' involvement was crucial, as they were expected to work closely within the proposed design parameters, which brought about an interdependency essential for the project's advancement. He stated that the withdrawal prompted a reassessment of priorities and feasibility, leaving the well-received concept in a state of limbo. The unfolding situation called for ongoing dialogue between the cities, developers, and community members to pursue alternative solutions that align with both strategic plans and local needs.

Applicant, Dave Gardner, expressed frustration that this road profile concept, developed nearly a year prior, was not made available to the affected residents until it appeared in the staff report for this meeting. He emphasized that this lack of timely information had left residents feeling sidelined in the planning process. Mr. Gardner presented a stitched-together aerial illustration obtained through multiple GRAMA requests, which visually depicted the slope easement, construction easement, and right-of-way lines overlaying the four residential properties. This illustration clearly showed that the construction easement extended up to and, in some cases, reached the rear portions of the affected homes.

Mr. Gardner further explained that the resulting uncertainty and the legal ramifications of the easement have been a significant burden on homeowners. Mr. Gardner argued that adopting the 36-foot asphalt concept would represent a viable and balanced solution that addresses both the need for infrastructure and the preservation of residential property rights. He contended that integrating this concept into the general plan would safeguard against a scenario in which a future developer could fully exploit the easement area, thus exacerbating existing homeowner concerns.

Additionally, Mr. Gardner advocated for the inclusion of a retaining wall along the proposed road alignment. This retaining wall, he argued, would play a critical role in preventing overflow and slope runoff from entering residential properties and causing potential flooding issues. His proposal sought not only to establish a more cohesive and comprehensive plan that benefits both the city and the residents but also to ensure that future development does not come at the expense of current homeowners' peace of mind and property stability.

COMMISSIONER MARCHBANKS MOVED TO OPEN THE PUBLIC HEARING.
COMMISSIONER JOHNSON SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Chairperson Kallas called for any public comment from public present. The following comments were made:

Jeff Wilson - whose property lies below the subject lots, expressed deep frustration regarding the ongoing lack of progress in developing a long-term solution to the road alignment issue and the way it adversely affects homeowners. Mr. Wilson highlighted the history and complexities of the

subdivision's approval process, pointing out that there seemed to have been mistakes made when the easements were initially aligned with the approved plats. He emphasized that these past decisions have had significant and lasting impacts on property owners like himself, who are now left to deal with the ramifications. Mr. Wilson asserted that accountability is required from the city to address and rectify this situation, which has not only affected his property's value and utility but has also contributed to a sense of uncertainty and instability among the affected homeowners.

Eric Svendsen - who resides at 689 E. 770 N.—articulated the continual flooding risk to his home stemming from the unresolved slope easement. He detailed that he maintains two sump pumps to manage water intrusion, a necessity arising from the existing conditions. Mr. Svendsen emphasized the need for progress, explaining the anxiety of monitoring weather conditions, especially during rain, to ensure his home remains unflooded. He also expressed optimism about any action or solution that could resolve this ongoing issue, indicating his willingness to participate in discussions that could lead to a viable resolution. His remarks underscored the urgent need for a decision on the slope easement, whether it involves implementing a retaining wall or some other protective measure, to safeguard his property from further water damage.

COMMISSIONER THOMPSON MOVED TO CLOSE THE PUBLIC HEARING.
COMMISSIONER DANIELSON SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

Following the public hearing, commissioners engaged in a detailed discussion concerning the limitations inherent in the application as it was presented. The deliberation opened with an acknowledgment of the genuine hardship facing the adjacent homeowners, recognizing the significant impact the current road designation has on their properties, particularly in terms of slope and construction easements that overlap their land. Commissioners expressed sympathy for the homeowners' plight and the prolonged uncertainty affecting their daily lives.

Despite understanding the residents' concerns, the commission emphasized that approving a downgrade of the road designation at this stage would be premature. They reasoned that such a move could potentially be detrimental to the city's long-term planning objectives. It was noted that altering the road designation without a clear and comprehensive plan could remove the city's flexibility for future design options, a flexibility that is vital for responding to unforeseen development challenges or opportunities. The commissioners were also concerned about the risk of jeopardizing eligibility for transportation funding, such as those provided by the Mountainland Association of Governments (MAG), which requires adherence to specific road designations, including preserving the minor arterial status for funding qualification.

Moreover, the commissioners highlighted that a formal general plan amendment must reference an existing road classification category. The proposed 36-foot asphalt concept, although it incorporates innovative planning with reduced asphalt width and additional pedestrian and bike paths, does not fit within the standard road classifications currently recognized in the general plan. As such, it remains an unadopted road type, making it challenging to implement under the existing regulatory framework.

The commission underscored the necessity for collaboration between Lindon City and Pleasant Grove City to formally adopt a new, agreed-upon road profile before a meaningful amendment could be considered. This cooperation is essential, given that a significant portion of the proposed roadway alignment falls within Pleasant Grove's jurisdiction. The harmonization of local codes and standards between the two cities is crucial to crafting a feasible and mutually beneficial solution. Commissioners encouraged city staff to prioritize continued dialogue and negotiation with their Pleasant Grove counterparts to expedite this process.

Importantly, commissioners also noted that the adoption of a new road profile, even if ideally suited to the community's needs, would not itself alter the location of the existing slope easement. Such a change would necessitate a detailed engineering analysis and coordination with any future developer who may undertake the project, taking into consideration the complexities of topography, property lines, and easement adjustments necessary to protect homeowners' interests.

Chairperson Kallas called for further comments or discussion from the Commissioners. Hearing none, he called for a motion.

COMMISSIONER JOHNSON MOVED TO RECOMMEND DENIAL OF THE APPLICANT'S REQUEST TO AMEND THE LINDON CITY GENERAL PLAN STREET MASTER PLAN MAP BY REDUCING THE WIDTH OF THE FUTURE 1200 E. ROAD EXPANSION BEHIND THE HOMES LOCATED AT: 663 E. 770 N., 677 E. 770 N., 689 E. 770 N., 771 E. 770 N. TO THE CITY COUNCIL. COMMISSIONER DANIELSON SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:

CHAIRPERSON KALLAS	AYE
COMMISSIONER CALL	AYE
COMMISSIONER SCHAUERS	AYE
COMMISSIONER DANIELSON	AYE
COMMISSIONER MARCHBANKS	AYE
COMMISSIONER JOHNSON	AYE
COMMISSIONER THOMPSON	AYE

THE MOTION CARRIED UNANIMOUSLY.

8. Public Hearing - Development Manual & Water Shares Ordinance – Lindon City

Lindon City is proposing amendments to Lindon City Code Title 17 and the Lindon City Land Development Policies, Standard Specifications and Drawings Manual to revise the types and amounts of water shares/irrigation water stock accepted by the city for development, permitting, and connecting to the city's water system. The proposed amendments would discontinue the acceptance of North Union Canal water shares and certain equivalent water shares and authorize the acceptance of Alpine Full water shares and equivalent water shares. The proposed amendments to Title 17 also provide clarifying language for accepting water shares or a fee in lieu of shares to the city.

Director Florence presented proposed amendments to Lindon City Code Title 17 and the Lindon City Land Development Policies Manual to update the types and amounts of water shares accepted by the city for development purposes. Public Works Director, Juan Garrido, explained the background, stating after more than 150 years of service, the North Union Canal and Provo

- 9. Review & Action: Lindon City Ordinance Amendment; Ord #2026-16-O.** The Utah Legislature passed Senate Bill 284 (SB 284) during the 2026 Utah Legislative Session which amended state requirements governing detached accessory dwelling units (ADUs). Provisions of the City's existing ordinance are proposed to be amended as well as other requirements for ADU's. The Planning Commission recommends approval of the changes.

Sample Motion: I move to (approve, continue, deny) Ordinance #2026-16-O (as presented or amended).

Ordinance Amendment – 17.02.010 and 17.46.100 – Accessory Dwelling Units

Date: September 21, 2026

Applicant: Lindon City

Presenting Staff: Michael Florence

Type of Decision: Legislative

Council Action Required: Yes, the planning commission unanimously recommended approval

MOTION

I move to *(approve, deny, or continue)* ordinance amendment 2026-16-O *(as presented, or with changes)*.

Summary of Key Issues

- During the 2026 Utah Legislative Session, the Utah Legislature passed Senate Bill 284 (SB 284), which amended state requirements governing detached accessory dwelling units (ADUs).
- SB 284 requires municipalities to:
 - Allow detached accessory dwelling units on lots of at least 11,000 square feet that contain an owner-occupied single-family dwelling.
 - Require one parking stall for a detached ADU that is 650 square feet or less and two parking stalls for a detached ADU larger than 650 square feet.
 - Provide an option to convert a legally constructed accessory structure into a detached ADU, provided the structure:
 - Meets applicable ADU and dwelling setbacks; and
 - Complies with applicable health, fire, and building code requirements.
 - Prohibit regulations governing certain architectural features of detached ADUs, including exterior colors, materials, ornamentation, entrance and garage door placement, roof pitch, and minimum building dimensions.
 - Allow municipalities to regulate certain development standards, including height, maximum size, lot coverage, setbacks, and massing. Municipalities may also require a detached ADU to be designed in a manner consistent with the design of the primary single-family dwelling.
- Lindon City currently has an adopted ordinance allowing detached ADUs. However, the City's existing ordinance requires a minimum lot size of 12,000 square feet and requires two parking spaces for each detached ADU. These provisions will need to be amended to comply with the new state requirements.
- City staff is proposing to adopt the same definitions for internal and detached ADUs as those established in Utah State Code to provide consistency between state and local regulations.
- City staff is also recommending amendments to the City's ADU ordinance to improve consistency and readability. The current code uses both “accessory apartment” and “accessory dwelling unit” terminology. The proposed amendments will use consistent terminology throughout the ordinance.
- Staff is also proposing to replace the existing ADU example site plans. The site plans currently included in the ordinance are difficult to read and interpret. Updated examples are being provided to more clearly illustrate applicable setbacks and other ADU development standards.
- After the public hearing, the planning commission recommended the following changes:
 - Adopt a definition of owner-occupied. The State already has a definition of owner-occupied. The commission liked the definition with some minor changes. Lindon City Code 17.02
 - Remove the utility requirement that all utilities, except for sewer, be shared with the single-family home. Public Works agrees with the change.
 - Under the ownership section, 17.44.2(i), provide that the ADU shall be located internally or detached from the single-family dwelling, and one of the dwellings shall be owner-occupied. This would allow an owner to live in the single-family home or ADU. The

commissioners said that if a senior couple wants to transition to the ADU and rent out their home, they would be allowed to do so, but the owners must live in one of the dwellings on-site.

Utah League of Cities and Town Information Links

- [ULCT Presentation](#)
- [ULCT Handout](#)

Family Impact Consideration:

The Lindon City Planning Commission and City Council have reviewed and considered the impact that the proposed ordinance may have on family health, stability, and formation.

Exhibits

1. Draft Ordinance

ORDINANCE NO. 2026-16-O

AN ORDINANCE OF THE CITY COUNCIL OF LINDON CITY, UTAH COUNTY, UTAH, AMENDING TITLES 17.02 DEFINITIONS AND 17.46 ACCESSORY APARTMENT ZONING ORDINANCE AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the City Council is authorized by state law to enact and amend ordinances establishing land use regulations; and

WHEREAS, the proposed amendment is consistent with the goal of the General Plan to support accessory dwelling units and to provide additional moderate-income housing; and

WHEREAS, the Lindon City Planning Commission and City Council have reviewed and considered the impact that the proposed ordinance may have on family health, stability, and formation; and

WHEREAS, on September 15, 2026, the Planning Commission held a properly noticed public hearing to hear testimony regarding the ordinance amendment; and

WHEREAS, after the public hearing, the Planning Commission further considered the proposed ordinance amendment and recommended that the City Council adopted the attached ordinance; and

WHEREAS, the City Council held a public hearing on _____, to consider the recommendation and the City Council received and considered all public comments that were made therein.

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Lindon, Utah County, State of Utah, as follows:

SECTION I: Amendment. Amend Lindon City Code Section 17.46 as follows:

17.02.010 Definitions

“accessory dwelling unit” means a habitable living unit added to, created within, or detached from a primary single-family dwelling and contained on one lot or parcel.

“detached accessory dwelling unit” means an accessory dwelling unit that is not attached to or within a primary detached single-family dwelling and located on the same lot or parcel as the primary detached single-family dwelling.

“Internal Accessory Dwelling Unit” means an accessory dwelling unit created:

- *Within a primary dwelling;*
- *Within the footprint of the primary dwelling at the time the internal accessory dwelling unit is created; and*
- *For the purpose of offering a long-term rental of thirty (30) consecutive days or longer.*

"Owner-occupied" means a housing unit in which the individual who owns the housing unit, solely or jointly, lives as the individual's primary residence.sewer

17.46.100 Accessory ~~apartments~~ Dwelling Units.

This section establishes requirements and regulations regarding accessory ~~apartments~~ dwelling units.

1. *Purpose Statement.* It is the intent of this section to allow accessory ~~apartments~~ dwelling units in conjunction with owner-occupied single-family ~~homes~~ dwelling in primarily residential zones. The purpose of the accessory ~~apartments~~ dwelling unit provisions is to:

- a. Provide a mix of housing options that responds to changing family needs and smaller households;
- b. Offer a means for residents, seniors, single parents, and families with grown children, to remain in their homes and neighborhoods, and obtain extra income, security, companionship, and services;
- c. Provide a broader range of affordable housing;
- d. Create new housing units within existing residential zones.

2. *General Requirements for All Accessory ~~Apartment~~ Dwelling units.*

- a. *Location and Number of Units.* Accessory ~~apartments~~ dwelling units shall be allowed only in conjunction with an owner-occupied primary single-family dwelling and where such single-family dwelling was not approved as part of an R2 overlay project. A property shall be limited to the maximum number of accessory dwelling units allowed by this section, regardless of the number of owners listed on the title of the property

~~The city prohibits Internal~~ accessory ~~apartments~~ dwelling units are prohibited on ~~for~~ lots or parcels six thousand (6,000) square feet or less and in the areas adopted on the Lindon City Accessory ~~Apartment~~ Dwelling Unit Map. Some lots within the prohibited Accessory Dwelling Unit Mapped area may be allowed per Utah Code 10-21-303(3fi), or as amended, if:

- i. The lot has a final plat approval dated on or after October 1, 2021; and
- ii. Comply with applicable land use regulations.

The prohibited areas identified in the Lindon City Accessory ~~Apartment~~ Dwelling Unit Map are adopted and incorporated into this section, and the map may be amended by ordinance and are equal to less than ~~the~~ twenty-five percent (25%) of primarily residential areas as allowed by Utah Code ~~10-9a-530~~ 10-21-303 or as may be amended.

Detached accessory dwelling units are permitted on any lot or parcel that is eleven thousand (11,000) square feet or larger and contains a single-family dwelling, if the single-family dwelling is a permitted use on the lot or parcel and complies with all applicable land use, building, health, and fire codes.

A legally constructed accessory structure may be converted into a detached accessory dwelling unit upon approval of a building permit and compliance with all applicable land use, and building, health, and fire codes.

b. *Number of Accessory ~~apartments~~ dwelling units.* A maximum number of one (1) accessory ~~apartments~~ dwelling unit shall be allowed in conjunction with each owner-occupied single-family dwelling.

c. *Parking.*

~~i.~~ *Parking for Internal Accessory ~~apartments~~ dwelling units.* An internal accessory ~~apartments~~ dwelling unit shall provide one (1) off-street parking stall (two (2) for the single-family dwelling and one (1) for the accessory ~~apartments~~ dwelling unit). Parking stalls within a garage or carport utilized by the single-family dwelling shall not count toward the one (1) additional required parking stall for the accessory ~~apartments~~ dwelling unit, or vice versa, unless the garage is sized for more than two (2) vehicles and an accessible route from the garage parking to the accessory ~~apartments~~ dwelling unit can be maintained. Parking for an internal accessory ~~apartments~~ dwelling unit shall not be located in the front setback. Parking areas and driveways shall be provided with a dustless, hard surface material such as asphalt, concrete, compacted gravel, masonry, or concrete pavers. A path, sidewalk, or walkway shall be provided from the accessory ~~apartments~~ dwelling unit entrance to the required accessory ~~apartments~~ dwelling unit off-street parking stalls. Any parking spaces contained within a garage or carport shall be replaced if an internal accessory dwelling unit is created with the garage or carport. *Parking dimensions are provided in the Lindon City Code 17.18.020.*

ii. Parking for Detached and Substantially Attached Accessory ~~apartments~~ dwelling units. In addition to the parking required for a single-family dwelling as found in Chapter 17.18, A a single-family dwelling with a detached accessory ~~apartment~~ dwelling unit shall provide parking at the following ratio:

- i. One on-site parking stall if the detached accessory dwelling unit is six hundred and fifty (650) square feet or less in size;*
- ii. Two on-site parking stalls if the detached accessory dwelling unit is six hundred and fifty (650) square feet or more.*

~~at least four (4) total off-street parking stalls (two (2) for the single-family dwelling and two (2) for the accessory ~~apartments~~).~~ Parking stalls within a garage or carport utilized by the single-family dwelling shall not count toward the ~~two (2) additional~~ required parking stalls for the accessory ~~apartments~~ dwelling unit, or vice versa, unless the garage is sized for more than two (2) vehicles and an accessible route from the garage parking to the accessory ~~apartments~~ dwelling unit can be maintained. Not more than one (1) of the designated accessory ~~apartments~~ dwelling unit parking stalls may be located within the front yard setback. Tandem (end-to-end)

parking in a side yard may be acceptable for the required parking. Parking areas and driveways shall be provided with a dustless, hard surface material such as asphalt, concrete, compacted gravel, masonry, or concrete pavers. A path, sidewalk, or walkway shall be provided from the accessory ~~apartments~~ dwelling unit entrance to the required accessory ~~apartments~~ dwelling units off-street parking stalls.

d. *Size Restrictions.* Internal accessory ~~apartments~~ dwelling units shall not have a size restriction. The size of a detached accessory ~~apartments~~ dwelling units shall be at least three hundred (300) square feet and shall not contain more than three (3) bedrooms.

e. *Building, Fire, and Health Codes.* All construction and remodeling shall comply with building, fire and health codes in effect at the time of construction or remodeling, with the exception of requirements as found Utah Code [15a-3](#) or as may be amended. Upon issuance of the accessory ~~apartments~~ dwelling unit building permit, the applicant shall pay fees in accordance with the currently adopted Lindon City fee schedule. ~~Before the permit is issued the applicant shall:~~

~~i. Submit a site plan drawn accurately to scale that shows property lines and dimensions, the location of existing buildings and building entrances, proposed buildings or additions, dimensions from buildings or additions to property lines, and the location of parking stalls.~~

~~ii. Include detailed floor plans drawn to scale with labels on rooms indicating uses or proposed uses and other criteria required by the chief building official.~~

~~f. Accessory apartments Dwelling Unit Design.~~

~~i. Detached Accessory Apartments Dwelling Unit Building Entrances Design. Shall be designed consistent with the design of the single-family dwelling. Entrances to detached accessory apartments shall not face a street unless the detached accessory apartments is placed behind the primary single-family dwelling so that the entrance is not substantially visible from the street. However, where a property qualifies to have an accessory dwelling unit in the front yard under Subsection (3)(b)(ii) below, the accessory dwelling unit may have an entrance that faces a street. The purpose of this requirement is to preserve the single-family residential appearance of the primary single-family dwelling and/or the detached accessory apartments.~~

~~ii. Internal Accessory Apartments Dwelling Unit. The units shall be designed in a manner that does not change the appearance of the primary dwelling as a single-family dwelling.~~

~~f. Accessory dwelling units shall meet the permissible lot coverage requirements as found in Lindon City Code 17.44.120 and also the zone in which the property is located.~~

g. New or existing garages and accessory buildings substantially attached to the main dwelling by covered walkways, covered breezeways, and covered porches may include an accessory ~~apartment~~

dwelling unit. In such instances, the garage/accessory building shall not be more than a distance of eighteen feet (18') from the main dwelling unit measured linearly between the foundation lines of the two (2) structures, and the apartment may not exceed sixty percent (60%) of the footprint of the primary single-family dwelling livable floor area, but in no case shall it exceed one thousand two hundred (1,200) square feet of maximum livable floor area.

h. Apartment Accessory Dwelling Unit Address. The address of the accessory apartment dwelling unit shall be clearly posted so as to be seen from the public street.

i. Ownership. An accessory apartment dwelling unit shall be located internally or detached from a single-family dwelling, and one of the dwellings shall be owner-occupied. The accessory dwelling unit shall not be sold separately, or subdivided from the principal single-family dwelling unit, parcel, or lot.

3. *Additional Requirements for Detached Accessory Apartments.*

a. *Height Restrictions*. Detached accessory apartments dwelling units are limited to two (2) stories above grade with a maximum height not to exceed the height of the primary single-family dwelling or thirty feet (30') high. Building height is determined by averaging the measurements of the four (4) corners of the structure from finished grade to the highest point of the roof structure. The planning director and chief building official shall be responsible for designating and identifying the four (4) corners of a structure and determining building height.

b. *Setbacks*.

~~i. *Accessory Dwelling Unit Rear and Corner Side Setbacks*. A detached accessory apartment dwelling unit must meet the same setbacks as the primary single-family dwelling for the underlying zone in which it is located, except that it shall be set back at least ten feet (10') further from a front-facing façade of the primary single-family dwelling which faces a street. Detached accessory apartments on the street-side yard of corner lots are only required to be set back ten feet (10') further than the front-facing façade of the primary single-family dwelling. No additional setback applies to street-side yard areas. See Table 17.46B. If a deck is constructed on the second story, the building setback will be measured from the deck.~~

i. *Accessory Dwelling Unit Rear and Corner Side Setbacks*. A detached accessory dwelling unit must comply with the setbacks required for the primary single-family dwelling in the underlying zone, except as provided below:

A detached accessory dwelling unit must be located at least ten feet (10') farther from the street-facing façade of the primary single-family dwelling than the primary dwelling's required setback.

On a corner lot, a detached accessory dwelling unit located on the street-side yard is required to be set back ten feet (10') farther from the street-facing façade of the primary single-family dwelling. No additional setback is required within the street-side yard.

See Figure 17.46B. If a second-story deck is constructed on the accessory dwelling unit, the building setback shall be measured from the edge of the deck.

- ii. *Front Accessory Dwelling Unit Setbacks for Lots with More than Two Hundred and Fifty Feet (250') of Depth.* Lots that have a depth greater than two hundred and fifty feet (250') may be allowed to have an accessory ~~apartment~~ dwelling unit located in the front yard. If the detached accessory dwelling unit is located in front of the primary single-family dwelling, then the front, rear and side yard setbacks are the same as those required for primary single-family dwellings in the zoning district. The accessory ~~apartment~~ dwelling unit shall be separated from the primary single-family dwelling by sixty feet (60').
 - c. *Size Limit.* The detached accessory ~~apartment~~ dwelling unit may be attached to or part of other accessory structures, but in no case shall the maximum livable floor area of the detached accessory ~~apartment~~ dwelling unit exceed one thousand five hundred (1,500) square feet or forty percent (40%) of the primary single-family dwelling, whichever is less. The total livable square footage is calculated for both stories and does not apply separately to each story. Stairways for access to the second story shall be constructed on the interior of the accessory ~~apartment~~ dwelling unit. No exterior staircases shall be constructed unless required by building code. If an accessory ~~apartment~~ dwelling unit is connected to or constructed above a garage, the ~~apartment~~ accessory dwelling unit shall have a separate entrance from the garage area.
 - d. *Exterior Design.* ~~Architectural features and roofline of the detached accessory apartment shall be designed and constructed to be compatible with the character and materials used on the exterior of the primary single-family dwelling. An internal accessory dwelling unit shall be designed in a manner that does not change the appearance of the primary dwelling as a single-family dwelling. A detached accessory dwelling unit shall be designed consistent with the design of the single-family dwelling.~~
 - e. *Utilities.* ~~Except for sewer service, all~~ All public and private utility services to the detached accessory ~~apartment~~ dwelling unit shall be provided through utility lines which service the primary single-family dwelling. Additional utility meters, utility laterals, or secondary service hook-ups are not permitted except as approved by the ~~chief building official and/or the~~ public works director in cases where options to provide utilities through the primary single-family dwelling service laterals are not feasible or cause significant hardship to the applicant.
4. *Notice.* The city may record a notice, as described in Utah Code ~~10-9a-530~~ 10-21-303 or as may be amended, when an accessory ~~apartment~~ dwelling unit is approved.

5. *Enforcement.* In addition to any other legal or equitable remedies available to Lindon City, the city may hold a lien against a property that contains an internal accessory dwelling unit as provided for in Utah Code ~~10-9a-530~~ 10-21-303 or as may be amended.

6. *Accessory Apartment Map.* The ~~below map~~ map below is adopted as part of this code and is also on file with Lindon City.

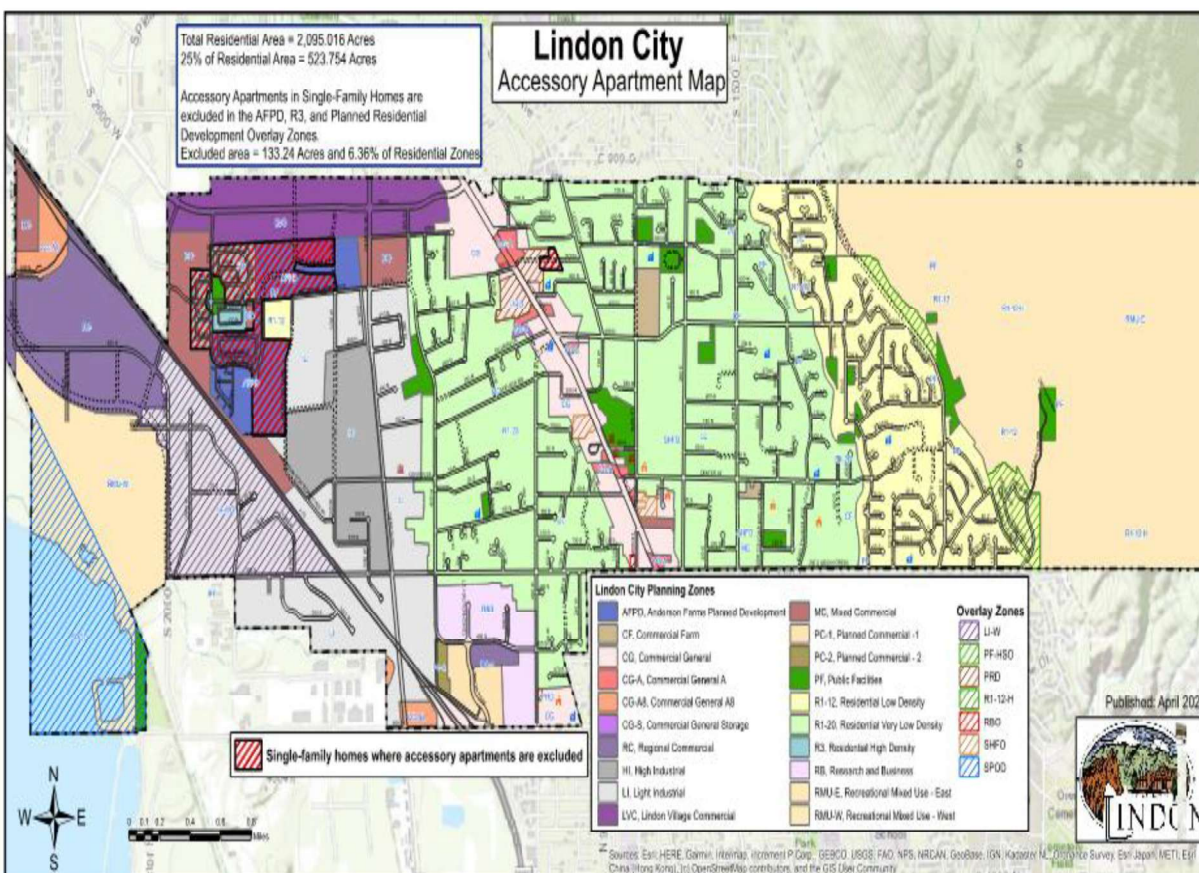


Figure 17.46 B. (Typical setbacks for detached accessory apartments)

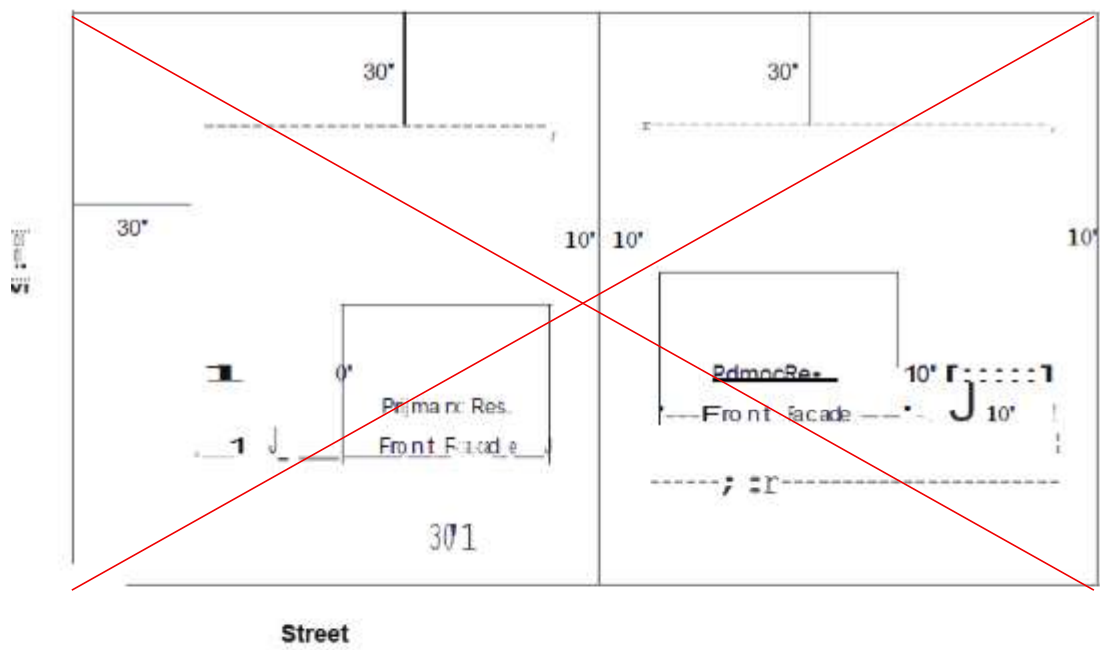
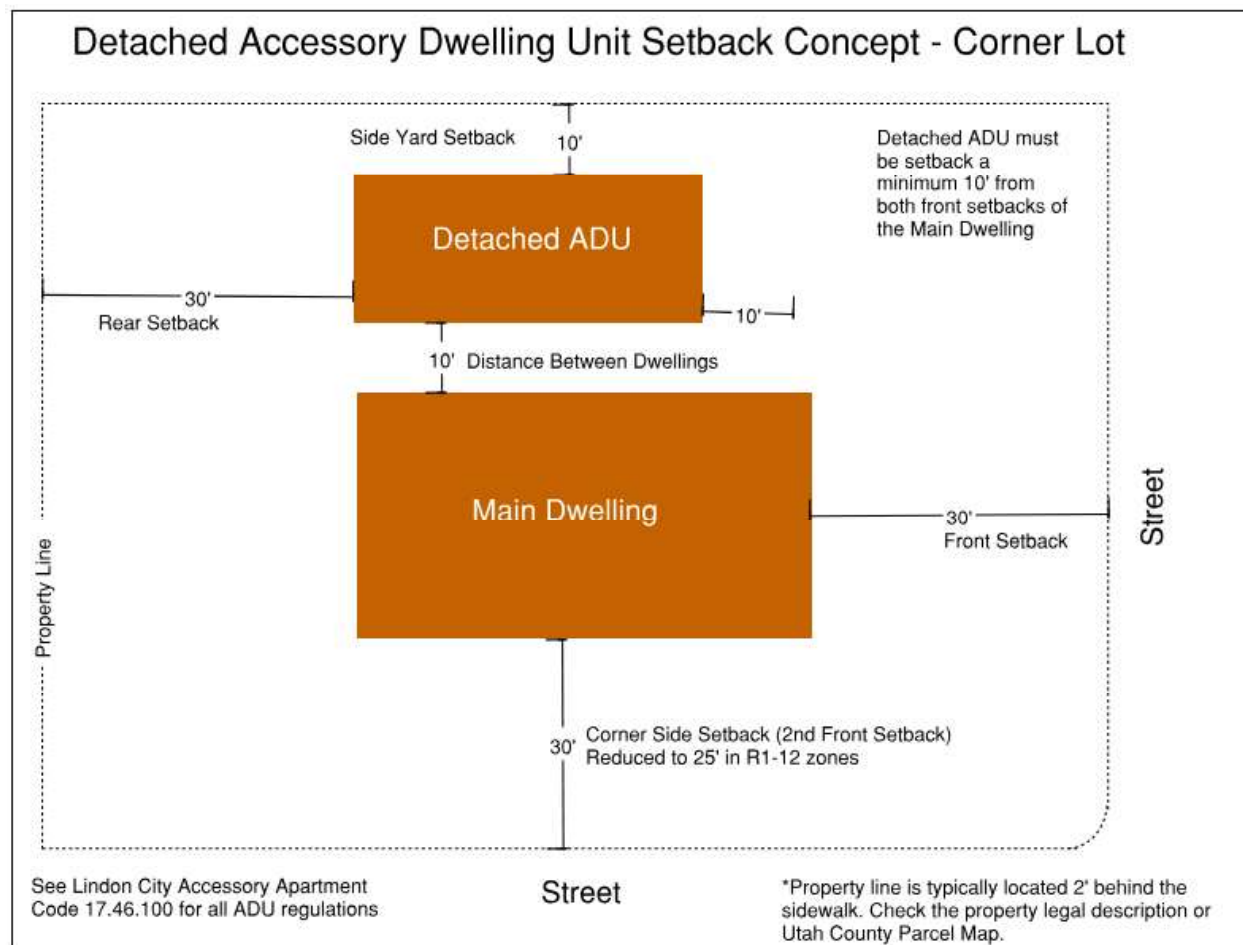
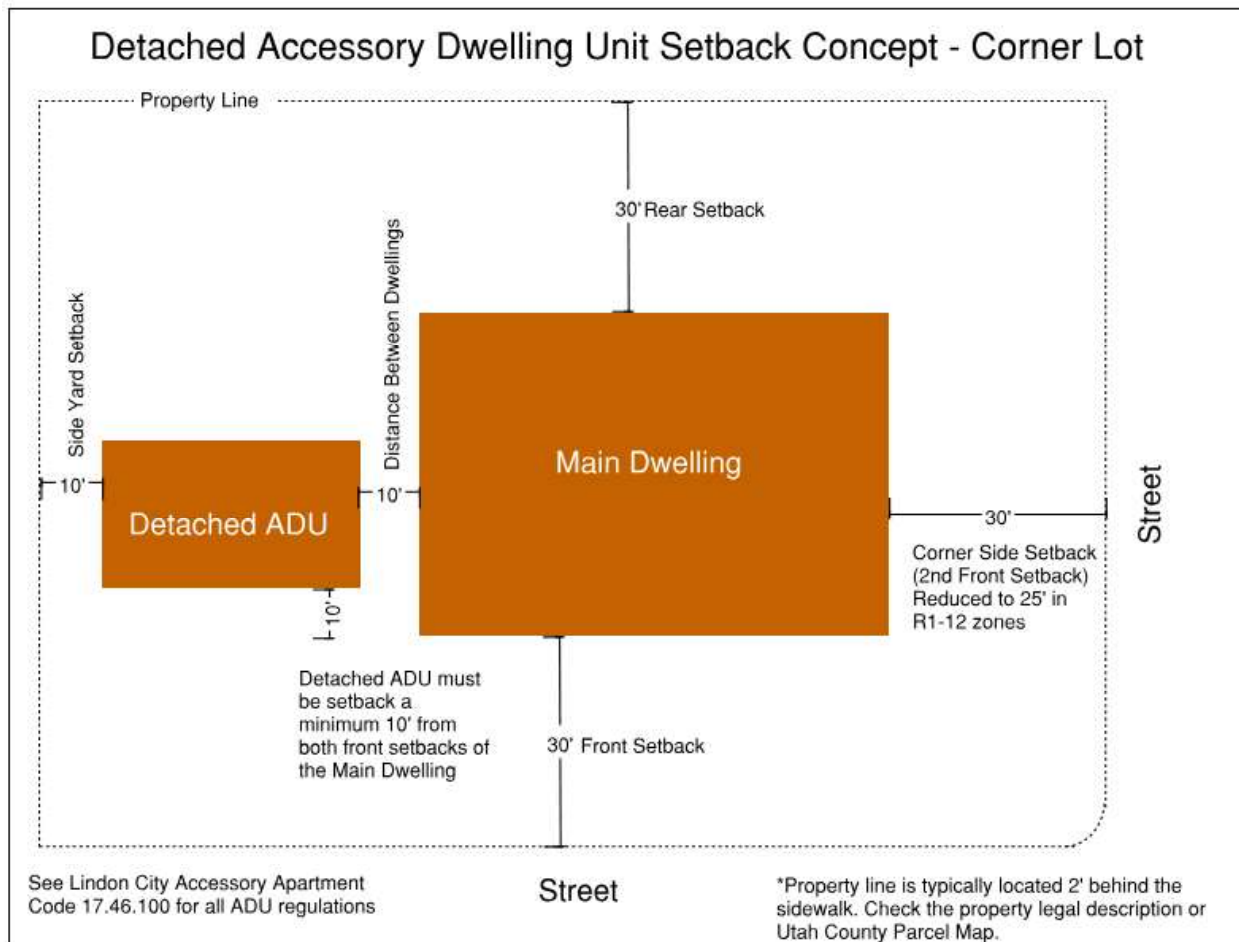


Figure 17.46B – Typical setbacks for detached accessory apartments





SECTION II: The provisions of this ordinance and the provisions adopted or incorporated by reference are severable. If any provision of this ordinance is found to be invalid, unlawful, or unconstitutional by a court of competent jurisdiction, the balance of the ordinance shall nevertheless be unaffected and continue in full force and effect.

SECTION III: Provisions of other ordinances in conflict with this ordinance and the provisions adopted or incorporated by reference are hereby repealed or amended as provided herein.

SECTION IV: This ordinance shall take effect immediately upon its passage and posting as provided by law.

PASSED and ADOPTED and made EFFECTIVE by the City Council of Lindon City, Utah, this
_____ day of _____, 2026.

Carolyn O. Lundberg, Mayor

ATTEST:

Britni Laidler,
Lindon City Recorder

SEAL

10. Review & Action: Surplus real property declaration & Road Dedication Plat; Resolution #2026-27-R. The Council will review and consider disposal of a portion of property near 135 West 200 North and consider approval and acceptance of a roadway dedication plat.

Sample Motion: I move to (approve, continue, deny) Resolution #2026-27-R (as presented or amended).

RESOLUTION NO. 2026-27-R**A RESOLUTION DECLARING CERTAIN REAL PROPERTY OWNED BY LINDON CITY TO BE SURPLUS REAL PROPERTY AND AUTHORIZING DISPOSAL OF THE PROPERTY.**

WHEREAS, the Municipal Council of Lindon City desires the disposal of surplus real property that is part of an old deed from the City Center Park, or possibly old road right-of-way dedication along the edge of 135 West, and which consists of approximately 1,249 sq/ft of real property located on the northwest corner of 135 West and 200 North, Lindon, Utah as shown on Exhibit A; and

WHEREAS, the procedure for the disposal of parcels of real property as outlined in Lindon City Code (LCC) Chapter 3.07 was consulted and, based on a recent (March 2025) appraisal obtained by the City for commercially zoned, but residentially used, undeveloped property in Lindon on a similarly situated parcel near State Street and valued at approx. \$12.74 / sq. ft., and that this property is additionally unbuildable due to setbacks from property lines and road right-of-way lines, find that the property will be valued at less than \$100,000 and therefore disposal is not bound to the requirements listed in LCC 3.07; and

WHEREAS, the City held a public meeting about the property disposal on September 21, 2026 and during the meeting information from the Lindon City Engineers identified that the property is not suitable for perpendicular parking, and no other suitable needs for the property exist; and

WHEREAS, the City has received interest from an adjacent landowner along this portion of 135 West who is willing to purchase the land from the City and who will be covering costs of transferring ownership and adjusting parcel boundaries of the property so that Lindon City bears no direct cost for selling and disposing of the property, and a road dedication plat has been prepared to clean up the boundary along the roadway; and

WHEREAS, the City Council has determined that the property is surplus real property and that the proceeds from the sale of the surplus land will benefit Lindon City residents through use of the funds for other public purposes.

THEREFORE, BE IT RESOLVED by the Lindon City Council as follows:

- Section 1. That the property consisting of approximately 1,249 sq/ft on the NW corner of 135 West 200 North as shown on Exhibit A is declared as surplus real property; and
- Section 2. The City Council approves the road dedication plat and authorizes the Mayor to sign all necessary documents so that the declared surplus real property may be transferred to the adjacent property owner after sale and closing on the property per the general terms outlined in this Resolution; and
- Section 3. This resolution shall take effect immediately upon passage.

Adopted and approved this 21st day of September, 2026.

By _____
Carolyn O. Lundberg, Mayor

Attest:

By _____
Britni Laidler, City Recorder

SEAL:

Surplus Property Purchase – Bardell and Diana Faux - 165 W. 200 N.

Date: September 21, 2026

Applicant: Bardell and Diana Faux

Presenting Staff: Michael Florence

Type of Decision: Legislative

MOTION

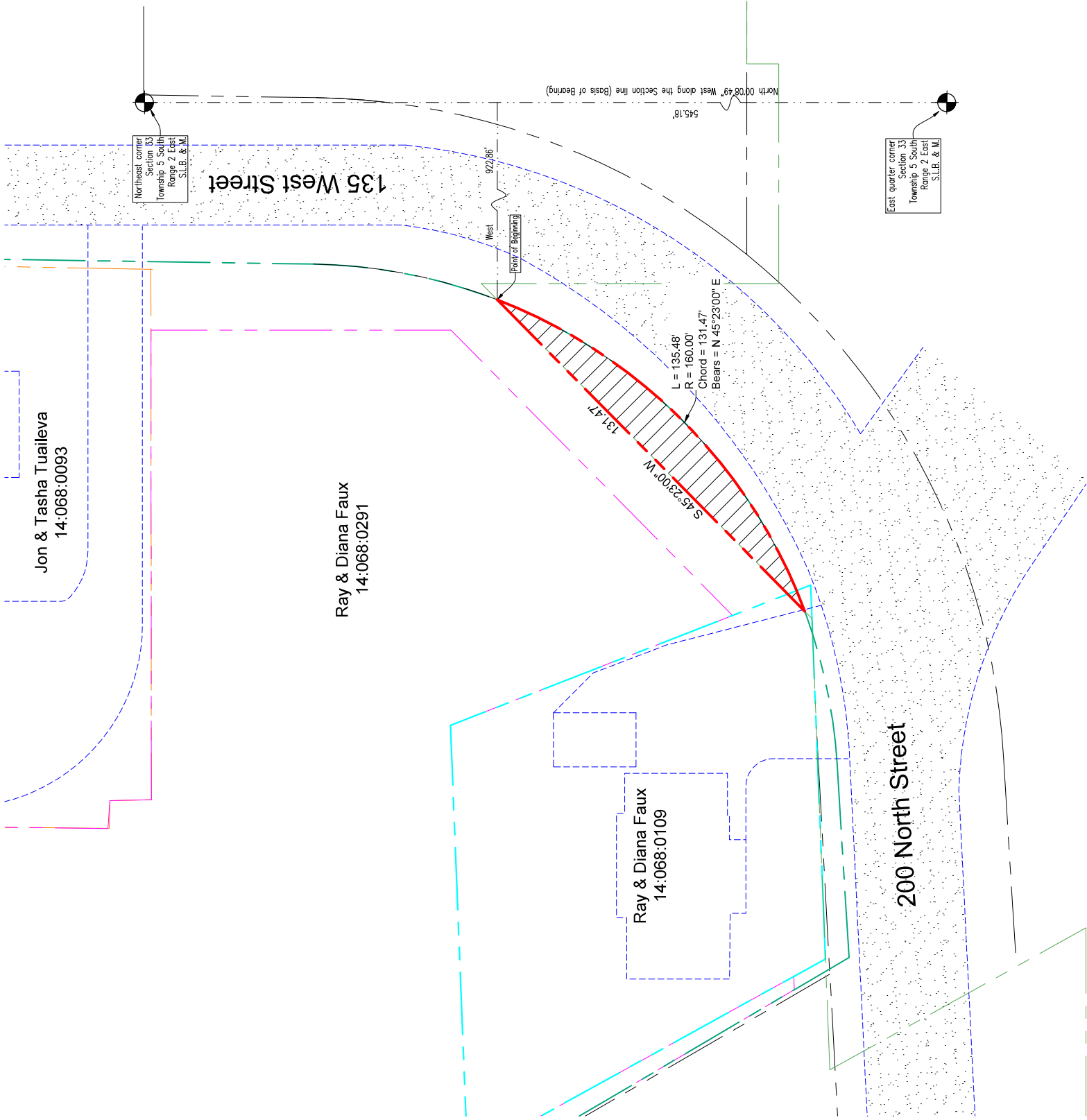
I move to (*approve, deny, or continue*) the surplus property request to purchase 1,249 square feet of property from Parcel # 14:068:0202

Summary of Key Issues

- Bardell and Diana Faux live at 165 W. 200 N. and have requested to purchase 1,249 square feet of property from Lindon City. This subject property is located across the street from the City Center Park.
- The purpose of the Faux's request to purchase the property is that they are looking to develop their property in the future. They wanted to clean up any property lines, add the 1,249 square feet to their developable area, and establish the exact right-of-way.
- The property for the City Center Park was previously owned by Diana Faux's grandparents, Stanley and Jennie Keetch. This property was deeded to Lindon City in 1961 for the park.
- The applicants have prepared a deed and road dedication plat.
- Due to parking constraints at the City Center Park, Lindon City Engineers evaluated where this property could be used for parking and prepared Exhibit 4. In reviewing this proposal, Lindon City Engineers have recommended that this specific section of the road would not be a good location for 90' or future parallel parking due to safety concerns. They said, "The horizontal curve alone is problematic and reduces visibility for southbound vehicles turning westbound. Parked vehicles along the curve would further restrict visibility around the curve. The curve is also on a hill, which compounds the problem."

Exhibits

1. Purchase Exhibit
2. Road Dedication Plat
3. Deed – Lindon City to the Faux's
4. Proposed Parking Alternative for the property



**AFTER RECORDED MAIL
DOCUMENT AND TAX
NOTICES TO:**

Lindon City
100 N. State Street
Lindon, UT 84042

QUIT CLAIM DEED

The **CITY OF LINDON**, a municipal corporation of the State of Utah

Grantor,

whose address is 100 North State, Lindon, UT 84042 hereby **QUIT CLAIMS ITS INTEREST** to:

**RAY BARDELL FAUX AND DIANA FAUX, TRUSTEES OF THE RAY AND DIANA FAUX LIVING
TRUST U/A September 19, 2022**

Grantee,

Whose address is 165 W 200 N Lindon, UT 84042 for the sum of TEN DOLLARS and other good and valuable consideration, the following tract of land located in Utah County, State of Utah, to-wit:

Legal Description:

Parcel 1

PROPERTY FROM LINDON CITY TO BARDELL FAUX

Commencing at a point located North 00°08'49" West along the Section line 545.18 feet and West 922.86 feet from the East quarter corner of Section 33, Township 5 South, Range 2 East, Salt Lake Base and Meridian; thence along the arc of a 160.00 foot radius curve to the right 135.48 feet (chord bears South 45°23'00" West 131.47 feet); thence North 45°23'00" East 131.47 feet to the point of beginning.

Area = 1,249 sq.ft.

Exhibit A

A survey provided by Dudley & Associates is attached hereto.

Subject to easements, restrictions and rights of way appearing of record and enforceable in law and subject to all taxes and thereafter.

In **WITNESS** whereof, the grantors caused its name to be affixed this instrument on the ____ day of _____ 2026.

**GRANTORS: CITY OF LINDON, a municipal corporation
of the State of Utah**

By: its: _____

STATE OF UTAH)
)
 COUNTY OF UTAH)

On this ____ day of _____ 2026 before me, the undersigned Notary Public, personally appeared _____
 as _____ **(Authorized agent for the City of Lindon) authorized to sign in behalf of CITY OF LINDON, a
 municipal corporation of the State of Utah** personally known to me to be the persons whose name are subscribed to the within
 instrument and acknowledged to me that they executed the same and that by their signatures on the instrument the persons acted, and
 executed this instrument.

NOTARY STAMP BELOW – Do not cover other deed language.

 NOTARY PUBLIC
 RESIDING at
 My commission expires _____



10' Trail

Curb & Gutter

Sidewalk

Standard 9'x18'
Parking Stalls

11. Review & Action: Series 2026 Water Revenue Bonds; Parameters Resolution #2026-33-R.

The Council will review and consider for adoption a resolution authorizing the issuance and sale of not more than \$7,400,000 aggregate principal amount of Water Revenue Bonds, Series 2026; and related matters.

Sample Motion: I move to (approve, continue, deny) Resolution #2026-33-R (as presented or amended).

Lindon, Utah

September 21, 2026

The City Council (“Council”) of Lindon City, Utah (the “City”), met in regular public session on September 21, 2026, at its regular meeting place in Lindon, Utah at 5:15 p.m. with the following members of the Council present:

Carolyn Lundberg	Mayor
Van Broderick	Council Member
Cole Hooley	Council Member
Jake Hoyt	Council Member
Lincoln Jacobs	Council Member
Steve Stewart	Council Member

Also present:

Adam Cowie	City Administrator
Britni Laidler	City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this September 21, 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 Council Member _____ and seconded by Council Member _____, was adopted by the following vote:

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

RESOLUTION NO. 2026-33-R

A RESOLUTION OF THE CITY COUNCIL OF LINDON CITY, UTAH (THE “CITY”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$7,400,000 AGGREGATE PRINCIPAL AMOUNT OF WATER REVENUE BONDS, SERIES 2026 (THE “SERIES 2026 BONDS”) (TO BE ISSUED IN ONE OR MORE SERIES AND WITH SUCH OTHER SERIES OR TITLE AS MAY BE DETERMINED); 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 CITY 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 PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD AND SETTING OF A PUBLIC HEARING DATE; AUTHORIZING AND APPROVING THE EXECUTION OF A GENERAL INDENTURE OF TRUST AND A SUPPLEMENTAL INDENTURE OF TRUST, A BOND PURCHASE CONTRACT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the “Council”) of the City desires to (a) finance improvements to the City’s water system including, well and pipe connections, the replacement of water pipelines, and all related improvements (collectively, the “Series 2026 Project”), (b) fund any required deposit to a debt service reserve fund, if necessary, 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 City desires to issue 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 City), pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), (b) this Resolution, and (c) a General Indenture of Trust (the “General Indenture”) and a Supplemental Indenture of Trust to be entered into in connection with the Series 2026 Bonds (the “Supplemental Indenture and together with the General Indenture, the “Indenture”), in substantially the forms attached hereto as Exhibit C; and

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

WHEREAS, to facilitate the foregoing, the City desires to post a Notice of Public Hearing and Bonds to Be Issued to be in compliance with the Act with respect to the Series 2026 Bonds; and

WHEREAS, pursuant to Sections 11-14-316, and 11-14-318 of the Act, the Notice of Public Hearing and Bonds to be Issued shall (a) constitute the notice of intent to issue bonds, (b) constitute notice of a public hearing to receive input from the public with respect to the Series 2026 Bonds and (c) initiates a 30-day contestability period in which any person of interest may contest the issuance of the Series 2026 Bonds; and

WHEREAS, there has been presented to the Council at this meeting a form of a bond purchase contract (the “Bond Purchase Contract”), in substantially the form attached hereto as Exhibit D to be entered into between the City and the underwriter/purchaser (the “Underwriter/Purchaser”) selected by the hereinafter described Designated Officers and the Council desires to approve and authorize such Bond Purchase Contract; and

WHEREAS, in order to allow the City, in consultation with the City’s Municipal Advisor, LRB Public Finance Advisors, Inc., (the “Municipal Advisor”) flexibility in setting the pricing date of the Series 2026 Bonds, the Council desires to grant to any one of the Mayor (including any Mayor Pro Tem, the “Mayor”), or the City Administrator, (each, a “Designated Officer” and collectively, the “Designated Officers”), the authority to select the Underwriter/Purchaser to approve the method of sale, principal amounts, interest rates, terms, pledged revenues, maturities, redemption features, and purchase price at which the Series 2026 Bonds shall be sold and make any changes with respect thereto from those 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 BE IT RESOLVED by the City Council of Lindon City, Utah, as follows:

Section 1. For the purpose of (a) financing the Series 2026 Project, (b) funding a deposit to a debt service reserve fund, if necessary, and (c) paying costs of issuance of the Series 2026 Bonds, the City hereby authorizes the issuance of the Series 2026 Bonds which shall be designated “Lindon City, Utah Water Revenue Bonds, Series 2026” (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the City) in the aggregate principal amount of not to exceed \$7,400,000. The Series 2026 Bonds shall mature in not more than twenty five (25) years from their date or dates, shall be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, shall bear interest at a rate or rates of not to exceed five and one-half percent (5.5%) per annum, as shall be approved by the Designated Officers all within the Parameters set forth herein.

Section 2. The Indenture and the Bond Purchase Contract, in substantially the forms presented to this meeting and attached hereto as Exhibit C and Exhibit D, respectively, are hereby authorized, approved, and confirmed. The Mayor and City Recorder are hereby authorized to execute and deliver the Supplemental Indenture and the Bond Purchase Contract in substantially the forms and with substantially the content as the forms presented at this meeting for and on behalf of the City, with final terms as may be established by the Designated Officers, in

consultation with the Municipal Advisor, within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 4 hereof.

Section 3. The Designated Officers are hereby authorized to select the Underwriter/Purchaser and a trustee, to approve the method of sale, and to specify and agree as to 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 City, provided that such terms are within the Parameters set by this Resolution. The execution of the Bond Purchase Contract (or certificate of award or term sheet, if the Series 2026 Bonds are sold pursuant to a competitive bidding process) shall demonstrate the approval of the Designated Officers.

Section 4. The Designated Officers or other appropriate officials of the City are authorized to make any alterations, changes or additions to the Indenture, the Series 2026 Bonds, the Bond Purchase Contract or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2026 Bonds (within the Parameters set by this Resolution), to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States. The execution thereof by the Mayor or Designated Officer on behalf of the City of the documents approved hereby shall conclusively establish such necessity, appropriateness, and approval with respect to all such additions, modifications, deletions, and changes incorporated therein.

Section 5. 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 (or any deputy City Recorder, collectively, 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. The Series 2026 Bonds shall recite that the Series 2026 Bonds are issued under the authority of the Constitution of the State of Utah, the Act, and other applicable law.

Section 6. The Designated Officers or other appropriate officials of the City are hereby authorized and directed to execute and deliver to the trustee the written order of the City for authentication and delivery of the Series 2026 Bonds in accordance with the provisions of the Indenture.

Section 7. Upon their issuance, the Series 2026 Bonds will constitute special, limited obligations of the City 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, or any other instrument, shall be construed as creating a general obligation of the City, 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 City or its taxing powers.

Section 8. The Designated Officers and other appropriate officials of the City, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the City any or all additional certificates, documents and other papers (including but not limited to an

escrow agreement, insurance agreements, reserve instruments, or guaranty agreements permitted by the Indenture) 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 9. 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 irrevocable until the principal of, premium, if any, and interest on the Series 2026 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 10. In accordance with the provisions of the Act, the City directs its officers and staff to cause a "Notice of Public Hearing and Bonds to be Issued" (the "Notice"), to be published in substantially the form attached hereto as Exhibit B. The City shall hold a public hearing on October 5, 2026, to receive input from the public with respect to the issuance of the Series 2026 Bonds and the potential economic impact that the improvements and facilities to be financed with the proceeds of the Series 2026 Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after the Notice is published (a) as a Class A notice under Section 63G-30-102 Utah Code Annotated 1953, as amended ("Utah Code") (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code, (ii) on the City's official website, and (iii) in a public location within the City that is reasonably likely to be seen by residents of the City and (b) as required in Section 45-1-101, Utah Code. The City Recorder shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the office of the City Recorder, for public examination during the regular business hours of the City until at least thirty (30) days from and after the initial date of publication thereof.

Section 11. The City hereby reserves the right to opt not to issue the Series 2026 Bonds for any reason.

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.

Section 13. The City hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Series 2026 Project. The Series 2026 Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Series 2026 Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Series 2026 Bonds which will be issued to finance the reimbursed costs of the Series 2026 Project is not expected to exceed \$7,400,000.

APPROVED AND ADOPTED this September 21, 2026.

LINDON CITY, UTAH

(SEAL)

By: _____
Mayor

ATTEST

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.

LINDON CITY, UTAH

[SEAL]

By: _____
Mayor

ATTEST

City Recorder

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

I, Britni Laidler, the undersigned City Recorder of Lindon 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 September 21, 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 September 21, 2026, and pursuant to the Resolution, a Notice of Public Hearing and Bonds to be Issued will be published no less than fourteen (14) days before the public hearing date (a) as a Class A notice under Section 63G-30-102 Utah Code Annotated 1953, as amended (“Utah Code”) (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code, (ii) on the City’s official website, and (iii) in a public location within the City that is reasonably likely to be seen by residents of the City and (b) as required by Section 45-1-101, Utah Code..

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this September 21, 2026.

(SEAL)

By: _____
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH OPEN MEETING LAW

I, Britni Laidler, the undersigned City Recorder of Lindon 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 (“Utah Code”), I gave not less than twenty-four (24) hours public notice (the “Notice”) of the agenda, date, time and place of the September 21, 2026, public meeting held by the City Council of the City (the “Council”), by causing the Notice, in the form attached hereto as Schedule 1:

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

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

(iii) 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 Notice of 2026 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, (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 September 21, 2026.

By: _____
City Recorder

SCHEDULE 1 -- NOTICE OF MEETING

SCHEDULE 2 --ANNUAL MEETING SCHEDULE

EXHIBIT B

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), that on September 21, 2026, the City Council (the “Council”) of Lindon City, Utah (the “Issuer”), adopted a resolution (the “Resolution”) authorizing the issuance of the Issuer’s Water Revenue 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) and called a public hearing to receive input from the public with respect to (a) the issuance of the Bonds, and (b) any potential impact that Project (defined below) to be financed with the proceeds of the Bonds may have on the private sector.

PURPOSE, TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on October 5, 2026, at the hour of 5:15 p.m. at Lindon City Hall, 100 North State Street, Lindon, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of the Bonds and (b) any potential economic impact that the project to be financed with the proceeds of the Bonds may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE BONDS

The Bonds will be issued for the purpose of (a) financing improvements to the Issuer’s water system including, well and pipe connections, the replacement of water pipelines, and all related improvements (collectively, the “Project”), (b) funding any required deposit to a debt service reserve fund, if necessary, and (c) paying costs of issuance with respect to the Bonds.

PARAMETERS OF THE BONDS

The Issuer intends to issue the Bonds in the aggregate principal amount of not more than (\$7,400,000), to mature in not more than twenty five (25) years from their date or dates, to be sold at a price of not less than ninety-eight percent (98%) of the total principal amount thereof, and to bear interest at a rate or rates not to exceed five and one-half percent (5.5%) 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 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. The Indenture is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer, provided that the principal amount, interest rate or rates, maturity and discount of the Bonds will not exceed the maximums set forth above. The Issuer reserves the right not to issue the Bonds for any reason and at any time up to the issuance of the Bonds.

REVENUES PROPOSED TO BE PLEDGED

The Bonds are special, limited obligations of the Issuer payable from the net revenues (the “Net Revenues”) of the water system (the “System”).

OUTSTANDING BONDS SECURED BY REVENUES

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

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's financial report (the "Financial Report") at: <https://reporting.auditor.utah.gov/searchreport/s/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact, Adam Cowie, City Administrator at 801-785-5043.

TOTAL ESTIMATED COST OF BONDS

Based on an estimate of the current interest rate and financing plan, the estimated total debt service cost of the Bonds, if held until maturity is \$11,060,175.

A copy of the Resolution and the Indenture are on file at 100 North State Street, Lindon City Utah, where they may be examined during regular business hours from 8:00 a.m. to 5:00 p.m. Monday through Friday for a period of at least thirty (30) days from and after the date of posting 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 Bonds), or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this September 21, 2026.

/s/ Britni Laidler

City Recorder

EXHIBIT C

FORM OF GENERAL INDENTURE
AND
FORM OF SUPPLEMENTAL INDENTURE

GENERAL INDENTURE OF TRUST

Dated as of [_____1, 2026]

between

LINDON CITY, UTAH

and

[TRUSTEE NAME],
as Trustee

Relating to

LINDON CITY, UTAH
WATER REVENUE BONDS

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THIS GENERAL INDENTURE OF TRUST, dated as of [_____]1, 2026] by and between LINDON CITY, UTAH (the “Issuer”), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, and [TRUSTEE NAME], 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 corporate trust office in Salt Lake City, Utah, as trustee (the “Trustee”),

W I T N E S S E T H:

WHEREAS, the Issuer desires to finance improvements and additions to its water system (the “System”), including, but not limited to additions, extensions, buildings and other improvements to house and operate said facilities, to refund and retire existing obligations, to fund debt service reserves, and to pay issuance expenses to be incurred in connection with the issuance and sale of the Bonds herein authorized and defined; and

WHEREAS, the Issuer anticipates that the Revenues, after payment of Operation and Maintenance Expenses (the “Net Revenues”) will be sufficient to pay debt service on the Bonds issued hereunder; and

WHEREAS, the Net Revenues will not be pledged or hypothecated in any manner or for any purpose at the time of the issuance of the Initial Bonds (as herein defined) and the Issuer desires to pledge said Net Revenues toward the payment of the principal and interest on said Bonds; and

WHEREAS, 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”), the Issuer is authorized to issue its bonds payable from a special fund into which the Net Revenues of the Issuer may be pledged;

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 the 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 Security Instrument Repayment Obligations according to their tenor and effect and of all Reserve Instrument 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 (i) the Net Revenues, (ii) all moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund), and (iii) 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 and any Supplemental 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 Repayment Obligation over any other by reason of time of issuance, sale, delivery, 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 Net 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.

“Acquisition/Construction Fund” means the Lindon City, Utah, Water Revenue Acquisition/Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 5.1 hereof.

“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 Rebutable 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 Recorder, City Administrator, Finance Director, or any other officer of the Issuer so designated in writing by an Authorized Representative of the Issuer to the Trustee.

“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.

“Balloon Bonds” means, unless otherwise provided in the related Supplemental Indenture, Bonds (and/or Security Instrument Repayment Obligations relating thereto), other than Bonds which mature within one year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or, (b) at the option of the Owner thereof may be redeemed, during any period of twelve consecutive months; provided, however, that to constitute Balloon Bonds, the Issuer must so designate such Bonds.

“Bond Fund” means the Lindon City, Utah, Water Revenue Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 5.3 hereof.

“Bond Fund Year” means the 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 (i) (a) 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 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 (b) on which the New York Stock Exchange is open, or (ii) 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.

“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.

“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.

“Corporate Trust Office” means the designated corporate trust office of the Trustee at which, at any particular time, its corporate trust business shall be administered, which at the date of execution of this Indenture is that specified in Section 11.4 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, fees of financial rating services and 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 (i) all interest payable during such Bond Fund Year on such Series of Bonds, plus (ii) the Principal Installments payable during such Bond Fund Year on (a) 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 (b) 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 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);

(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

(6) amortization of Balloon Bonds may be assumed on a level debt service basis over a twenty-year period at the interest rate based on the Revenue Bond Index as last published in *The Bond Buyer*, provided that the full amount of Balloon Bonds shall be included in the calculation if the calculation is made within twelve (12) months of the actual maturity of such Balloon Bonds and no credit facility exists;

and further provided, that there shall be excluded from Debt Service (a) 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, (b) 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, (c) 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 and (d) all interest on Bonds to the extent of Direct Payments attributable to Debt Service on Outstanding Bonds or Additional Bonds proposed to be issued.

"Debt Service Reserve Fund" means the Lindon City, Utah, Debt Service Reserve Fund created in Section 3.5 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 (i) 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 2% of original principal, then determined on the basis of initial purchase price to the public), (ii) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and (iii) 125% of the average annual Debt Service for such Series of Bonds; provided, however, that in the event any Series of Additional Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series of Bonds issued pursuant to the Indenture, then the portion of such Series of Bonds that remain Outstanding immediately after the issuance of such Additional Bonds and the portion of such Additional Bonds that is allocable to the refunding of such Series of 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.

"Direct Payments" means the interest subsidy payments received by the Issuer from the Internal Revenue Service pursuant to Section 6431 of the Code or other substantially similar programs with respect to Bonds issued hereunder.

"Direct Payment Bonds" means the interest subsidy bonds issuable by the Issuer under Sections 54AA and 6431 of the Code and a "qualified bond" under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

"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 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 Lindon City, Utah, and its successors.

“Mayor” means the Mayor of the Issuer and any deputy to the Mayor or any successor to the duties of such office.

“Moody’s” means Moody’s Investors Service, Inc.

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

“Operation and Maintenance Expenses” means all expenses reasonably incurred in connection with the operation and maintenance of the System, whether incurred by the Issuer or paid to any other entity pursuant to contract or otherwise, repairs and renewals (other than capital improvements) necessary to keep the System in efficient operating condition, including costs for

water, cost of audits hereinafter required, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance hereinafter required, Administrative Costs and, generally all expenses, exclusive of depreciation (including depreciation related expenses of any joint venture) and, any in-lieu of tax transfers to Issuer funds, interest expense for interfund loans from Issuer funds, and reimbursement to the Issuer for general overhead and administration of the Issuer, which under generally accepted accounting practices are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

“Other Available Funds” means for any year the amount available throughout the applicable year for transfer from the Rate Stabilization Fund to the Revenue Fund, as designated by the Issuer.

“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.

“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 (i) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (ii) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

“Principal” means (i) 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 (ii) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

“Principal Installment” means, as of any date of calculation, (i) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (a) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) 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 (ii) 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 renovation of the System, or the acquisition of improvements and equipment (with an expected life beyond a current Fiscal Year) for use in the System.

“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 Bond and designating it as a “Put Bond.”

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

“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 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 and/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 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 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 of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody’s and maturing no more than 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

(h) Any other investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, including investments contracts permitted by Section 51-7-17(2)(d) thereof.

"Rate Stabilization Fund" means the Rate Stabilization Fund of the Issuer to be held by the Issuer and administered pursuant to Section 5.12 hereof.

"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 any 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 (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, 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 (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, 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 the Lindon City, Utah, Water Revenue Rebate Fund created in Section 3.8 hereof to be held by the Trustee and administered pursuant to Section 5.8 hereof.

"Register" means the record of ownership of the Bonds maintained by the Registrar.

"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, 6.5 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 of the month immediately preceding each Interest Payment Date.

"Regulations" and all references thereto shall mean and include 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 a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

“Repair and Replacement Fund” means the Lindon City, Utah, Water Revenue Repair and Replacement Fund created in Section 3.7 hereof to be held by the Issuer and administered pursuant to Section 5.7 hereof.

“Repair and Replacement Reserve Requirement” means the amount or amounts from time to time required under each Supplemental Indenture to be on deposit in the Repair and Replacement Fund.

“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 specify 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 the Lindon City, Utah, Water Revenue Reserve Instrument Fund created in Section 3.6 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 (including the Supplemental Indenture authorizing the use of such Reserve Instrument) 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 the Lindon City, Utah, Water Revenue Fund created in Section 3.2 hereof to be held by the Issuer and administered pursuant to Section 5.2 hereof.

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

“S&P” means S&P Global Ratings.

“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 the Lindon City, Utah, Water Revenue Sinking Fund Account of the Bond Fund created in Section 3.4 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 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 at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

“Swap Payments” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Issuer. Swap Payments do not include any Termination Payments.

“Swap Receipts” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable for the account of the Issuer by the Swap Counterparty. Swap Receipts do not include amounts received with respect to the early termination or modification of an Interest Rate Swap.

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

“Term Bonds” means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Sinking Fund Account.

“Termination Payments” means the amount payable to the Swap Counterparty by the Issuer with respect to the early termination or modification of an Interest Rate Swap. Termination Payments may only be payable from and secured by Net Revenues after payment of all amounts then due pursuant to the Indenture.

“Trustee” means [Trustee Name] 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.

“Year” means any twelve consecutive month period.

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 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, delivery, 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 “[Taxable] Water Revenue [Refunding] Bonds, Series _____,” 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 \$1,000,000 or more in aggregate principal amount of Bonds (or owners of 100% of any Series then Outstanding) by wire transfer to a bank account located in the United States 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 will 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 or as provided in Section 2.6 hereof at the 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 Net Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created hereunder and held by the Trustee (except the Rebate Fund) or the income from the temporary investment thereof) and Other Available Funds. The Bonds shall be a valid claim of the Registered Owners thereof only against the Net 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 Net 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 taxation therefor or to make any appropriation for their payment.

The provisions of this Section 2.3 relating to the execution of Bonds may be changed as they apply to the Bonds of any Series by the Supplemental Indenture authorizing such Series of Bonds.

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 to the Trustee for the account of the Issuer of the purchase price therefor. 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 thereof. 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, duly certified by the City Recorder, 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) herein 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 to the Trustee of the Issuer 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 this Indenture has been duly executed and delivered

by the Issuer and is a valid and binding obligation of the Issuer; (b) this Indenture creates the valid pledge which it on the Net Revenues; and (c) the Bonds of such Series are valid and binding special 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 (or may substitute one Security Instrument for another) with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements deemed necessary in connection therewith.

(e) 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.

(f) 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.

(g) 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, (i) the Security Instrument Issuer shall be deemed to be the Owner of the Outstanding Bonds of such Series (a) when the approval, consent or action of the Bondowners for such Series of Bonds is required or may be exercised under the Indenture and (b) following an Event of Default and (ii) the Indenture may not be amended in any manner which affects the rights of such Security Instrument Issuer without its prior written consent.

(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.

(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.

(h) The Issuer may provide for the execution of an Interest Rate Swap in connection with any Series of Bonds issued hereunder if so provided in the Supplemental Indenture. The obligation of the Issuer to pay Swap Payments may be secured with (a) a

lien on the Net Revenues on a parity with the lien thereon of Debt Service on the related Bonds (as more fully described in Section 5.2 herein) and may be net of Swap Receipts or (b) a subordinate lien on the Net Revenues and may be net of Swap Receipts. Such obligations may also be secured by other legally available moneys of the Issuer, all as established in the Supplemental Indenture for the related Series of Bonds. Termination Payments may only be payable from and secured by Net Revenues after payment of all amounts then due pursuant to the Indenture.

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, or an affidavit of an officer of the Bondholder attesting to such loss, theft or destruction, 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 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 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 (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 fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day fifteen 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.

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 hereof, to be redeemed shall be selected by the Trustee randomly 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. 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, simultaneous with the mailed notice to Registered Owners, to the Municipal Securities Rulemaking Board and 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. Such further notice shall contain the information required in clause (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 five 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 Net 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 Net 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 (i) the issuance of such Additional Bonds otherwise complies with the provisions hereof 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 Net Revenues plus Other Available Funds for any Year, less any Direct Payments, 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 125% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds outstanding for said Year; provided, however, that such Net Revenue coverage test set forth above in this Subsection (b) 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) In the case of Additional Bonds issued to finance a Project, the Issuer shall have delivered to the Trustee a certificate from an Authorized Representative:

(i) setting forth the Estimated Net Revenues as herein described (assuming, if applicable, the completion of the Project, or any portion thereof, financed with proceeds of the Additional Bonds) either:

(A) for each of the two Bond Fund Years succeeding the latest estimated date of completion of the Project, or any portion thereof, if proceeds of the Additional Bonds are used to fund interest during the construction period, or

(B) if (A) is not the case, for the then current Bond Fund Year and each succeeding Bond Fund Year to and including the second Bond Fund Year succeeding the latest estimated date of completion of the Project, or any portion thereof; and

(ii) verifying that the Estimated Net Revenues as shown in (i) above for each of such Bond Fund Years, less any Direct Payments, plus Other Available Funds are not less than 125% of the Aggregate Annual Debt Service Requirement for each of such Bond Fund Years with respect to all of the Bonds and Additional Bonds which would then be Outstanding (after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Additional Bonds so proposed to be issued.

For purposes of this Section 2.13(c), “Estimated Net Revenues” shall be determined by the Authorized Representative as follows:

(A) The total Net Revenues of the System for any Year in the 24 months immediately preceding the authentication and delivery of the Additional Bonds shall first be determined. For purposes of these calculations, Revenues may be adjusted to give full effect to rate increases implemented prior to the issuance of the Additional Bonds.

(B) Next, the additional Net Revenues, if any, resulting from the Project, or any portion thereof, financed with the proceeds of the Additional Bonds will be estimated by a Qualified Engineer for the applicable Bond Fund Years as determined in Section 2.13(c)(i)(A) or (B) above.

(C) The Estimated Net Revenues will be the sum of the Net Revenues as calculated in (A) above, less any Direct Payments, plus 80% of the estimated additional Net Revenues as calculated in (B) above.

(d) 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

(e) 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 Net Revenues to secure payment of the Bonds and other Repayment Obligations hereunder, the Net 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 Net Revenues subordinate to that of the Bonds and Repayment Obligations.

Section 2.16 Perfection of Security Interest. (a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Net Revenues pledged under the Indenture in favor of the Trustee as security for payment of the 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, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Net Revenues.

ARTICLE III CREATION OF FUNDS AND ACCOUNTS

Section 3.1 Creation of Acquisition/Construction Fund. There is hereby created and ordered established in the custody of the Trustee the Acquisition/Construction Fund. There is hereby created and ordered established in the custody of the Trustee a separate account within the Acquisition/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 Acquisition/Construction Fund.

Section 3.2 Creation of Revenue Fund. The Issuer shall create and establish with 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 3.3 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee the Bond Fund.

Section 3.4 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 3.5 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 3.6 Creation of Reserve Instrument Fund. There is hereby created and ordered established in the custody of the Trustee the Reserve Instrument Fund.

Section 3.7 Creation of Repair and Replacement Fund. There is hereby created and ordered established in the custody of the Issuer the Repair and Replacement Fund.

Section 3.8 Creation of Rebate Fund. There is hereby created and ordered established in the custody of the Trustee the Rebate Fund.

Section 3.9 Creation of Rate Stabilization Fund. There is hereby created and ordered established in the custody of the Issuer the Rate Stabilization Fund. For accounting purposes, the Rate Stabilization Fund may be redesignated by different account name by the Issuer from time to time.

Section 3.10 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 funds the Trustee may create.

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 Acquisition/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 Acquisition/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 Acquisition/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 Acquisition/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 Acquisition/Construction Fund or to inquire into the purposes for which disbursements are being made from the Acquisition/Construction Fund.

(c) The Issuer shall deliver to the Trustee, within 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) herein 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 Acquisition/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 Acquisition/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, (i) toward the redemption of the Series of Bonds issued to finance such Project or (ii) to pay principal and/or interest next falling due with respect to such Series of Bonds.

Section 5.2 Application of Revenues.

(a) Unless otherwise provided herein, all Revenues shall be deposited in the Revenue Fund and shall be accounted for by the Issuer separate and apart from all other moneys of the Issuer.

(b) As a first charge and lien on the Revenues, the Issuer shall cause to be paid from the Revenue Fund from time to time as the Issuer shall determine, all Operation and

Maintenance Expenses of the System as the same become due and payable, and thereupon such expenses shall be promptly paid.

(c) So long as any Bonds are Outstanding hereunder, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, (i.e., the Net Revenues), such Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) shall be applied on or before the first day of each month as follows:

(i) approximately one-sixth (or one-twelfth in the event that the Supplemental Indenture provides that interest on the Bonds authorized thereunder is payable annually instead of semiannually) of the interest falling due on the Bonds on the next succeeding interest payment date established for the Bonds; provided, however, that in the event that less than six (or twelve, if applicable) months will transpire prior to the first interest payment date following the issuance of a Series of Bonds, the Issuer shall transfer an amount equal to a fraction the numerator of which is one and the denominator of which is the number of full months to transpire prior to such Interest Payment Date times the amount of interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds; plus

(ii) approximately one-twelfth of the principal and premium and Sinking Fund Installments, if any, falling due on the next succeeding interest payment date established for the Bonds on which principal is due; provided, however, that in the event principal on a Series of Bonds is due on the first Interest Payment Date following the issuance of such Series, the Issuer shall deposit an amount equal to a fraction the numerator of which is one and the denominator of which is the number of full months to transpire prior to such Interest Payment Date times the amount of principal and premium and Sinking Fund Installment, if any, due on such Interest Payment Date;

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 date as the same become due and payable. The foregoing provisions may be revised by a Supplemental Indenture for any Series of Bonds having other than semiannual Interest Payment Dates.

(In lieu of monthly payments, a Supplemental Indenture may provide for semiannual payments to the Bond Fund, in which case the date of payment to the Trustee of an amount equal to the principal of, premium, if any, and interest falling due on the Bonds on the next succeeding Interest Payment Date shall not be less than fifteen days prior to said Interest Payment Date.)

(d) As a third charge and lien on the Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) (on a parity basis), the Issuer shall make the following transfers to the Trustee on or before the fifteenth day of each month of each year:

(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 Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) 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 a ratable portion (based on the amount to be transferred pursuant to Section 5.2(d)(ii) hereof) of remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) if less than the amount necessary; 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 Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund), or a ratable portion (based on the amount to be transferred pursuant to Section 5.2(d)(i) hereof) 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 Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) 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 within one year from any draw date under the Reserve Instrument.

(e) As a fourth charge and lien on the Net Revenues (and, if applicable any amounts on deposit in the Rate Stabilization Fund), the Issuer shall deposit in the Repair and Replacement Fund any amount required hereby and by any Supplemental Indenture to accumulate therein the Repair and Replacement Reserve Requirement. In the event that the amount on deposit in the Repair and Replacement Fund shall ever be less than the Repair and Replacement Reserve Requirement for the Bonds then Outstanding (or, after the issuance of Additional Bonds, the amount required to be on deposit therein), from time to time, the Issuer shall deposit to the Repair and Replacement Fund from the Revenue Fund all remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) of the System after payments required by Sections 5.2(b), 5.2(c) and 5.2(d) herein have been made until there is on deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement. Subject to the provisions of Section 5.2(f) herein, this provision is not intended to limit, and shall not limit, the right of the Issuer to deposit additional moneys in the Repair and Replacement Fund from time to time as the Issuer may determine.

(f) Subject to making the foregoing deposits, the Issuer may use the balance of the Net Revenues accounted for in the Revenue Fund for any of the following:

- (i) redemption of Bonds;
- (ii) refinancing, refunding, or advance refunding of any Bonds;
- (iii) for transfer to the Rate Stabilization Fund; or
- (iv) 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(c) hereof;
- (iii) any amount in the Acquisition/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 (1) 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); (2) all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations in accordance with their respective terms; and (3) the 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 either be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof, (ii) deposited from available Net Revenues over the period of time specified therein, or (iii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any 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, pursuant to Section 5.2(d) hereof and the provisions of any Supplemental Indenture, to 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(d)(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.

The Issuer may, upon obtaining 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 5.6 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.

Section 5.7 Use of Repair and Replacement Fund. All moneys in the Repair and Replacement Fund may be drawn on and used by the Issuer for the purpose of (a) paying the cost of unusual or extraordinary maintenance or repairs of the System; (b) paying the costs of any renewals, renovation, improvements, expansion or replacements to the System; and (c) paying the cost of any replacement of buildings, lines, equipment and other related facilities, to the extent the same are not paid as part of the ordinary and normal expense of the operation of the System.

Funds shall be deposited monthly from available Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) in such amounts as may be required from time to time by each Supplemental Indenture until the Repair and Replacement Fund has an amount equivalent to the Repair and Replacement Requirement. Any deficiencies below the Repair and Replacement Requirement shall be made up from Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) of the System available for such purposes. Funds at any time on deposit in the Repair and Replacement Fund in excess of the amount required to be maintained therein may, at any time, be used by the Issuer for any lawful purpose.

Section 5.8 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 Rebatale 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 5.8 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 5.8.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section 5.8. 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 5.8 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 excludability from gross income of interest on the Bonds or the status of the Bonds as entitled to Direct Payments, if applicable.

Section 5.9 Investment of Funds. Any moneys in the Bond Fund, the Acquisition/Construction Fund, the Reserve Instrument Fund, the Rebate Fund or the Debt Service Reserve Fund shall, at the discretion and written authorization of the Issuer's Authorized Representative, 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 Acquisition/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 5.9. 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 grant 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 will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

The Issuer may invest the amounts on deposit in the Repair and Replacement Fund as permitted by applicable law.

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 and the Trustee agrees that it will take all such steps as the Issuer may require.

Section 5.10 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 5.8 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 5.11 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.

Section 5.12 Use of Rate Stabilization Fund. The Issuer may create and maintain the Rate Stabilization Fund as a separate fund of the Issuer. The Rate Stabilization Fund may be funded by the Issuer from any legally available funds of the Issuer and/or may be funded by the Issuer from amounts transferred from the Revenue Fund as provided in Section 5.2(f)(iii). The Issuer may, from time to time, designate all or a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Funds (as described in the definition thereof). Except for amounts designated as provided in the immediately preceding sentence (for the year so designated), amounts on deposit in the Rate Stabilization Fund may be used by the Issuer for any lawful purpose. To the extent that amounts on deposit in the Revenue Fund are insufficient in any

year for any of the purposes thereof the Issuer covenants that, to the extent amounts are on deposit in the Rate Stabilization Fund, to transfer amounts from the Rate Stabilization Fund to the Revenue Fund to cover any such insufficiency.

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, Security Instrument Issuer and Reserve Instrument Provider as follows:

(a) While any of the principal of and interest on the Bonds are outstanding and unpaid, or any Repayment Obligations are outstanding, any resolution or other enactment of the Governing Body of the Issuer, applying the Net Revenues for the payment of the Bonds and the Repayment Obligations 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 the Repayment Obligations which would in any way jeopardize the timely payment of principal or interest when due. Furthermore, the rates, for all services supplied by the System to the Issuer and to its inhabitants and to all rate payers within or without the boundaries of the Issuer, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide: Net Revenues for each Bond Fund Year which when added to the Other Available Funds for such year (less Direct Payments) shall equal not less than 125% of the Aggregate Annual Debt Service Requirement for such year; plus an amount sufficient to fund the Debt Service Reserve Fund for the Bonds in the time, rate and manner specified herein; provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. There shall be no free service, and such rates shall be charged against all users of the System, including the Issuer. The Issuer agrees that should its annual financial statement made in accordance with the provisions of Section 6.1(d) hereof disclose that during the period covered by such financial statement the Net Revenues and Other Available Funds were not at least equal to the above requirement, the Issuer shall request that a Qualified Engineer, independent accountant, or other independent financial consultant make recommendations as to the revision of the rates, charges and fees and that the Issuer on the basis of such recommendations will revise the schedule of rates, charges and fees and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues and Other Available Funds as herein required.

(b) The Issuer will maintain the System in good condition and operate the same in an efficient manner.

(c) Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider shall have a right, in addition to all other rights afforded it by the laws of the State, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to charge or collect reasonable rates for services supplied by the System sufficient to meet all requirements hereof and of any applicable Reserve Instrument Agreement.

(d) So long as any principal and interest payments of the Bonds are Outstanding, or any Repayment Obligations are outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each 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 thereto and to inspect the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Net Revenues and the System, and that such audit will be available for inspection by each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider.

All expenses incurred in compiling the information required by this Section 6.1 shall be regarded and paid as an Operation and Maintenance Expense.

Section 6.2 Lien of Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Net 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 lien on the Net Revenues and shall not be entitled to any priority one over the other in the application of the Net 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 (i) proceeds of the issuance and sale of Bonds, (ii) Net Revenues, or (iii) 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 Net 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 Net 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 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 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 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 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 and Direct Payments. 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 excluded 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 includible 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 or entitled to Direct Payments 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 (i) will not take any action that would cause interest on tax-exempt Bonds issued hereunder to become includible in gross income for purposes of federal income taxation, (ii) will not take any action that would jeopardize the Direct Payments on Bonds issued under this Indenture, (iii) 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 includible in gross income for purposes of federal income taxation, (iv) will not omit to take or cause to be taken, in timely manner, any action, which omission would jeopardize the Direct Payments on Bonds issued under this Indenture and (v) 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 tax-exempt Bonds and the Direct Payments on any Direct Payment Bonds issued under this Indenture.

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 Management of System. The Issuer, in order to assure the efficient management and operation of the System and to assure each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider from time to time that the System will be operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character.

Section 6.10 Use of Legally Available Moneys. Notwithstanding any other provisions hereof, nothing herein shall be construed to prevent the Issuer from (i) paying all or any part of the Operation and Maintenance Expenses from any funds available to the Issuer for such purpose, (ii) depositing any funds available to the Issuer for such purpose in any account in the Bond Fund for the payment of the interest on, premium, if any, or the principal of any Bonds issued under provisions hereof or for the redemption of any such Bonds, or (iii) depositing any funds available to the Issuer for such purpose in the Reserve Instrument Fund for the payment of any amounts payable under any applicable Reserve Instrument Agreement.

Section 6.11 Payment of Taxes and Other Charges. The Issuer covenants that all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon the System or upon any part thereof or upon any income therefrom will be paid when the same shall become due, that no lien or charge upon the System or any part thereof or upon any Revenues thereof, except for the lien and charge thereon created hereunder and securing the Bonds, will be created or permitted to be created ranking equally with or prior to the Bonds (except for the lien of the parity lien thereon of Additional Bonds issued from time to time hereunder and under

Supplemental Indentures hereto), and that all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon the Revenues thereof will be paid or discharged, or adequate provision will be made for the payment or discharge of such claims and demands within 60 days after the same shall accrue; provided, however, that nothing in this Section 6.11 shall require any such lien or charge to be paid or discharged or provision made therefor so long as the validity of such lien or charge shall be contested in good faith and by appropriate legal proceedings.

Section 6.12 Insurance. The Issuer, in its operation of the System, will self-insure or carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating public utilities of the same type. The cost of such insurance shall be considered an Operation and Maintenance Expense of the System. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Bond Fund.

Section 6.13 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 6.14 Covenant Not to Sell. The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all principal of and interest on the Bonds, and all Repayment Obligations, have been paid in full, except as follows:

(a) The Issuer may sell any portion of said property which shall have been replaced by other property of like kind and of at least equal value. The Issuer may sell, lease, abandon, mortgage, or otherwise dispose of any portion of the property which shall cease to be necessary for the efficient operation of the System the disposition of which will not, as reasonably determined by the governing body of the Issuer, result in a material reduction in Net Revenues in any year; and the value of which, as reasonably determined by the governing body of the Issuer (together with any other property similarly disposed of within the 12 calendar months preceding the proposed disposition) does not exceed 10% of the value of the System assets, provided, however, that in the event of any sale or lease as aforesaid, the proceeds of such sale or lease not needed to acquire other System property shall be paid into the Bond Fund.

(b) The Issuer may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right does not impede the operation of the System; and any payment received by the Issuer under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues.

Section 6.15 Billing Procedure. The Issuer shall submit a monthly billing for services rendered to persons who are liable for the payment of charges for such services, shall require that each such bill be paid in full as a unit, and refuse to permit payment of a portion without payment of the remainder. Any bill not paid within sixty (60) days from the date it is mailed to the customer shall be deemed delinquent. The Issuer hereby agrees that if any bill remains delinquent for more than sixty (60) days and has an outstanding balance of at least \$40, it will initiate proceedings to cause all water service to the user concerned to be cut off immediately.

Section 6.16 Annual Budget. Prior to the beginning of each Fiscal Year the Issuer shall prepare and adopt a budget for the System for the next ensuing Fiscal Year. At the end of the first six months of each Fiscal Year, the Issuer shall review its budget for such Fiscal Year, and in the event actual Revenues, Operation and Maintenance Expenses or other requirements do not substantially correspond with such budget, the Issuer shall prepare an amended budget for the remainder of such Fiscal Year. The Issuer also may adopt at any time an amended budget for the remainder of the then current Fiscal Year.

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, in the reasonable opinion of any Registered Owner of not less than 50% in aggregate principal amount of the Bonds then Outstanding hereunder, 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 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 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 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 Default shall continue for 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 25% in aggregate Principal amount of the Bonds then Outstanding hereunder; or

(j) 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.

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) 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 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and if 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 (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) 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 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 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 and any other outstanding fees and expenses of the Trustee relating to its duties under this Indenture, 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 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 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 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, 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 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 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 proceeding 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 such duties and only such duties as are specifically set forth in this Indenture and 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 gross 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 (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 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 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 security or indemnity acceptable to the Trustee 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.

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 or sent by facsimile 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, as applicable.

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 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 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 (i) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (ii) 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; 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 by the Issuer 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 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, 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. 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. The indemnification provided to the Trustee under this Section 8.14 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

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.

Section 8.16 Direct Payment Authorization. The Issuer hereby authorizes and directs the Trustee to take all necessary actions, if applicable, to effectively carry out the duties required to apply for and accept Direct Payments from the Internal Revenue Service on behalf of the Issuer under Sections 54AA and 6431 of the Code or such other tax provisions of substantially similar nature which may be hereafter authorized, including, but not limited to, filing and signing IRS

Form 8038-CP, receiving the Direct Payment on the Issuer's behalf, and using such Direct Payment to pay Debt Service on the Bonds. For fixed rate bonds, the Trustee shall file the 8038-CP at least 60 days (but not more than 90 days) before the relevant Interest Payment Date (unless otherwise directed by a change in regulations). For variable rate bonds, the Trustee shall file the 8038-CP for reimbursements in arrears within 25 days after the last Interest Payment Date within the quarterly period for which reimbursement is being requested (unless otherwise directed by a change in regulations). The Issuer hereby covenants that it will deposit the Direct Payments with the Trustee for use in paying Debt Service on the Bonds.

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, 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, or any successor provisions of law;
- (f) To make any change which shall not materially adversely affect (determined as if there were no Security Instrument in place) 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 (A) 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 (B) 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 or (C) to establish or maintain the Direct Payments related to any Series of Bonds;

(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 (1) a Supplemental Indenture designating the facilities to comprise the Project, (2) 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 (3) a certificate of the Issuer to the effect 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 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 (i) 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 (ii) 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 (a) 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 (b) 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 (c) 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 (d) 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 hereof, 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.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.2, the Trustee, shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required by the terms of Section 2.6 hereof to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Corporate Trust Office of the Trustee for inspection by all Bondholders. At the time such notices are mailed by the Trustee, the Issuer may, but is not required to, designate a reasonable time period for receipt of such consents and shall include such requirement in the notices sent to the Bondholders. If the Bondholders of not less than 66 2/3% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as is in this Article IX permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 9.3 Opinion of Counsel as to Supplemental Indenture. In executing any Supplemental Indenture, the Trustee shall receive and will be fully protected in conclusively relying upon an opinion of counsel stating that the execution of such Supplemental Indenture is authorized or permitted by this Indenture and is the legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its terms.

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.

Any discharge of the lien of the Indenture shall also be subject to any applicable terms of a related Supplemental Indenture.

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 the provisions of this Indenture; and
- (c) if the Bonds to be redeemed will not be redeemed within 90 days of such deposit, 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 Subparagraph (a) above.

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.

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 IX 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, 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. The amount of Bonds held by any person executing such instrument as a Registered Owner of

Bonds and the fact, amount and numbers of the Bonds held by such person and the date of his holding the same shall be proved by the registration books of the Trustee.

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 or sent by facsimile addressed to it at 100 North State Street, Lindon, Utah 84042, 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 or sent by facsimile addressed to it at [Trustee Name], [Insert Trustee Address], Attention: [Corporate Trust Department], 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 Electronic Signatures. Each party hereto acknowledges and agrees that it may execute this Indenture, 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.

Section 11.8 Applicable Law. THIS INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE.

Section 11.9 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 11.10 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 11.11 Effective Date. This Indenture shall become effective immediately.

Section 11.12 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.

LINDON CITY, UTAH, as Issuer

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

[TRUSTEE NAME], as Trustee

By: _____
Vice President

EXHIBIT AFORM OF REQUISITION

Re: Lindon City, Utah, Water Revenue Bonds, _____ in the sum of
\$ _____

[Trustee Name]
[Trustee Address
City, Utah Zip]

You are hereby authorized to disburse from the Series _____ Account of the Acquisition/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 _____ Account of the Acquisition/Construction Fund based upon audited, itemized claims substantiated in support thereof (evidence of such support not herein required by the Trustee), is justly due and owing and constitutes a Cost of a Project and has not been the basis for a previous withdrawal.

The amount remaining in the Series _____ Account of the Acquisition/Construction Fund after such disbursement is made, together with the amount of unencumbered Net Revenues, if any, which the Issuer reasonably estimates will be deposited in the Series _____ Account of the Acquisition/Construction Fund during the period of construction of the Project from the investment of moneys on deposit in the Series _____ Account of the Acquisition/Construction Fund, will, together with any other moneys lawfully available or expected to be lawfully available for payment of the Cost of the Project and after payment of the amount requested in said requisition, be sufficient to pay the Cost of Completion for the Project in accordance with the plans and specifications therefor then in effect; it being understood that no moneys from the Series _____ Account of the Acquisition/Construction Fund may be expended unless, after giving effect thereto, the funds remaining in the Series _____ Account of the Acquisition/Construction Fund, together with such other funds and income and lawfully available moneys, are sufficient to pay the Cost of Completion for the Project.

DATED: _____

By: _____

Its: _____

FIRST SUPPLEMENTAL INDENTURE OF TRUST

Dated as of [_____ 1, 2026]

by and between

LINDON CITY, UTAH

and

[TRUSTEE NAME],
as Trustee

Supplementing the
General Indenture of Trust
Dated as of [_____ 1, 2026]

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FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture of Trust, dated as of [_____]1, 2026], by and between Lindon 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 [Trustee Name], 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 office in Salt Lake City, Utah (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 [_____]1, 2026] (the “General Indenture”) with the Trustee; and

WHEREAS, the Issuer desires to issue a series of bonds in order to finance improvements and additions to its water system facilities (the “System”) as hereinafter set forth; and

WHEREAS, in order to (a) finance improvements to the Issuer’s water system including, but not limited to well pipe connections, the replacement of water pipelines, and all related improvements (collectively, the “Series 2026 Project”), and (b) finance the costs of issuance of the Series 2026 Bonds (defined below) herein authorized, the Issuer has determined to issue its Water Revenue Bonds, Series 2026 in the aggregate principal amount of \$[PAR] (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 First Supplemental Indenture (the “First 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 First 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 First Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2026 Bonds and all other Bonds Outstanding and 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 the Reserve Instrument by the Reserve Instrument Provider, 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 First 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 [Trustee Name], as Trustee, its successors in

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 Net 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 Security Instrument Issuers of Security Instrument for any Bonds without preference, priority, or distinction as to lien or otherwise (except as otherwise specifically provided), of any one Bond over any other Bond, or any Security Instrument Repayment Obligations over any of the others, 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 First 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, when used 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 the date of delivery of the Series 2026 Bonds.

“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 May 1 and November 1 commencing May 1, 2027.

“Series 2026 Acquisition/Construction Account” means the account established within the Acquisition/Construction Fund under the General Indenture held in trust by the Trustee, into which a portion of the proceeds of the Series 2026 Bonds shall be deposited as provided herein.

“Series 2026 Bonds” means the Lindon City, Utah, Water Revenue Bonds, Series 2026 authorized herein.

[“Series 2026 Debt Service Reserve Account” means the account established within the Debt Service Reserve Fund under the General Indenture held in trust by the Trustee.]

“Series 2026 Debt Service Reserve Requirement” means, with respect to the Series 2026 Bonds, an amount equal to \$[0.]

“Series 2026 Project” means the financing of improvements to the Issuer’s water system including, well pipe connections, the replacement of water pipelines, and all related improvements.

“[Underwriter/Purchaser]” means [_____].

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) finance the Series 2026 Project [(ii) make any required deposits into a debt service reserve,] and (iii) pay costs incurred in connection with the issuance of the Series 2026 Bonds. The Series 2026 Bonds shall be limited to \$[PAR] in aggregate principal amount, shall be issued in fully registered form, 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, “Water Revenue 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:

<u>[Maturity (November 1)]</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026		
2027		
2028		
2029		
2030		
2031		
2032		

<u>[Maturity (November 1)]</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047]		

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

Section 2.3 [Optional Redemption]. The Series 2026 Bonds maturing on or before November 1, 20__ are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on or after November 1, 20__ are subject to redemption prior to maturity in whole or in part at the option of the Issuer on November 1, 20__ or on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as November 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, if any, thereon to the date of redemption.]

Section 2.4 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 and attest 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 2.5 Delivery of Bonds. It is hereby determined that the Series 2026 Bonds shall be authenticated and delivered to the [Underwriter/Purchaser] upon compliance with the General Indenture and payment of the purchase price thereof.

Section 2.6 Designation of Registrar. The Trustee is hereby designated as Registrar for the Series 2026 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Registrar.

Section 2.7 Designation of Paying Agent. The Trustee is hereby designated as Paying Agent for the Series 2026 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Paying Agent.

Section 2.8 [Book-Entry System]. (a) Except as provided in paragraphs (b) and (c) of this Section 2.8 the Registered Owner of all Series 2026 Bonds shall be, and the Series 2026 Bonds shall be registered in the name of Cede & Co., 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 Bond shall be made in accordance with the provisions of this First 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.

(a) 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 Bond 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 Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each Series 2026 Bond, (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 First 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 First Supplemental Indenture, the word “Cede” in this First Supplemental Indenture shall refer to such new nominee of DTC.

(b) Except as provided in paragraph (c)(iii) of this Section 2.8 and notwithstanding any other provisions of this First 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.

(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 Bond 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 First Supplemental Indenture to the contrary, so long as any Series 2026 Bond 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 Bond and all notices with respect to such Series 2026 Bond 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 First 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 2.9 Limited Obligation. The Series 2026 Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Net Revenues (except to the extent paid out of moneys attributable to the Series 2026 Bond proceeds or other funds created hereunder or under the Indenture (excluding the Rebate Fund) or the income from the temporary investment thereof).

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 Net 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 Net Revenues.

Section 2.11 Series 2026 Bonds as Initial Bonds. The Series 2026 Bonds are issued as the Initial Bonds under the General Indenture.

ARTICLE III APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 3.1 Creation of Series 2026 Accounts. There is hereby established with the Trustee a Series 2026 Acquisition/Construction Account within the Acquisition/Construction Fund.

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 reoffering premium of \$[_____] less an [Underwriter/Purchaser]'s discount of \$[_____] and the Trustee shall deposit said proceeds into the Series 2026 Acquisition/Construction Account.

Section 3.3 [No Series 2026 Debt Service Reserve Requirement. [There shall be no Series 2026 Debt Service Reserve Requirement with respect to the Series 2026 Bonds.]

Section 3.4 Series 2026 Acquisition/Construction Account. Disbursements of moneys in the Series 2026 Acquisition/Construction Account shall be made in accordance with the terms of Section 5.1 of the General Indenture; provided, however, that costs of issuance shall be paid by the Trustee from the Series 2026 Acquisition/Construction Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request signed by an Authorized Representative of the Issuer in substantially the form of Exhibit B attached hereto.

Section 3.5 [Repair and Replacement Fund]. For purposes of the Series 2026 Bonds, the Repair and Replacement Reserve Requirement is \$0.]

ARTICLE IV CONFIRMATION OF GENERAL INDENTURE

As supplemented by this First Supplemental Indenture, and except as provided herein, the General Indenture is in all respects ratified and confirmed, and the General Indenture and this First 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 First Supplemental Indenture, and to any revenues, receipts and moneys to be derived therefrom.

ARTICLE V MISCELLANEOUS

Section 5.1 Confirmation of Sale of Series 2026 Bonds. The sale of the Series 2026 Bonds to the [Underwriter/Purchaser] at the price described above, is hereby ratified, confirmed and approved.

Section 5.2 Severability. If any provision of this First 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 First Supplemental Indenture contained, shall not affect the remaining portions of this First Supplemental Indenture, or any part thereof.

Section 5.3 Counterparts. This First 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.

Section 5.4 Electronic Signatures. Each party hereto acknowledges and agrees that it may execute this Indenture, 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.

Section 5.5 Applicable Law. THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE OF UTAH.

Section 5.6 Effective Date. This First Supplemental Indenture shall become effective immediately upon execution.

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

LINDON CITY, UTAH

(SEAL)

By: _____
Mayor

COUNTERSIGN:

By: _____
City Recorder

[TRUSTEE NAME], as Trustee

By: _____
Vice President

EXHIBIT A(FORM OF SERIES 2026 BOND)

[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.]

Registered

Registered

UNITED STATES OF AMERICA
LINDON CITY, UTAH
WATER REVENUE BONDS
SERIES 2026

Number R - ____

\$ _____

Interest RateMaturity DateDated DateCUSIP

%

November 1, ____

Registered Owner: [CEDE & CO.]

Principal Amount: _____

Lindon City, Utah (the "Issuer"), a political subdivision 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 the Maturity Date specified above with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on [May 1 and November 1] of each year, commencing [May 1, 2027] (each an "Interest Payment Date"), until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the designated offices of [Trustee Name], Corporate Trust Department, [Salt Lake City, Utah] ("Trustee" and "Paying Agent") or its successors. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at his address 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 Bond is one of an issue of Bonds of the Issuer designated as the “Water Revenue Bonds, Series 2026” (the “Series 2026 Bonds”) in the aggregate principal amount of \$[PAR] of like tenor and effect, except as to date of maturity and interest rate, numbered R-01 and upwards, issued by the Issuer pursuant to a General Indenture of Trust dated as of [_____] 1, 2026], as supplemented by a First Supplemental Indenture of Trust dated as of [_____] 1, 2026] (collectively the “Indenture”) approved by a resolution of the Issuer adopted on September 21, 2026 (the “Bond Resolution”), for the purpose of (i) financing improvements to the Issuer’s water system (the “System”), including, but not limited to well pipe connections, the replacement of water pipelines, and all related improvements and (ii) paying certain issuance expenses, 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 “Lindon City, Utah Water 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 Net Revenues (as defined in the Indenture) derived and to be derived from the Issuer’s System all as more fully described and provided in the Indenture.

As more fully provided in the Indenture, the Series 2026 Bonds shall be payable only from the Net Revenues (as defined in the Indenture) 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 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 [and mandatory sinking fund] redemption as provided in the Indenture.

The Bonds are issued as fully registered Bonds. Subject to the limitations and upon payment of the charges provided in the Indenture, registered Bonds may be exchanged for a like aggregate principal amount of registered Bonds of other authorized denominations of the same series and the same maturity.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the designated corporate offices of [Trustee Name] (the “Registrar”), in Salt Lake City, Utah, 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 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 the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

This Bond is issued under and pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), and this 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 Bonds shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

The Issuer covenants and agrees that it will cause to be collected and accounted for sufficient Net Revenues as will at all times be sufficient to pay promptly the principal of and interest on this 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.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. 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 Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond, 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 Net 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 Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Net Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Bonds of which this Bond is one and all bonds issued on a parity with this Bond.

This 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 Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this 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.

LINDON CITY, UTAH

(SEAL)

(facsimile or manual signature)
Mayor

COUNTERSIGN:

(facsimile or manual signature)
City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Water Revenue Bonds, Series 2026 of Lindon City, Utah.

[TRUSTEE NAME], as Trustee

By: _____ (Manual Signature)
Vice President

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).

EXHIBIT BCOST OF ISSUANCE DISBURSEMENT REQUEST

[Trustee Name]

[Inset Truste Address]

Pursuant to Section 3.4 of the First Supplemental Indenture of Trust dated as of [_____]1, 2026], you are hereby authorized to pay to the following costs of issuance from the Series 2026 Acquisition/Construction Account:

(See Attached Schedule)

 AUTHORIZED REPRESENTATIVE,
 LINDON CITY, UTAH
Costs of IssuancePayeePurposeAmount

EXHIBIT D

FORM OF BOND PURCHASE CONTRACT

BOND PURCHASE CONTRACT

\$[PAR]
LINDON CITY, UTAH
WATER REVENUE BONDS, SERIES 2026

[_____, 2026]

Lindon City
100 North State Street
Lindon, Utah

The undersigned [Underwriter Name] (the “Underwriter”), offers to enter into this bond purchase contract (the “Purchase Contract”) with Lindon City, Utah (the “City”), which will be binding upon the City and the Underwriter upon the acceptance hereof by the City. This offer is made subject to its acceptance by the City 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 hereinafter defined Official Statement.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the City hereby agrees to cause to be delivered to the Underwriter, all (but not less than all) of the City’s \$[PAR] aggregate principal amount of Water Revenue Bonds, Series 2026 (the “Bonds”) at a purchase price of \$[_____] (representing the par amount of the Bonds, plus \$[_____] of net original issue premium and less \$[_____] of Underwriter’s discount).

2. Description and Purpose of the Bonds. The Bonds will be dated the date of Closing (as hereinafter defined) and will be executed by the City and will be authenticated and delivered by [Trustee Name], as trustee (the “Trustee”), pursuant to the General Indenture of Trust dated as of [_____] 1, 2026], as supplemented and amended (the “General Indenture”), and as further supplemented by a First Supplemental Indenture of Trust, dated as of [_____] 1, 2026] (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”), each between the City and the Trustee. The Bonds shall mature on the dates and in the amounts and shall bear interest as set forth on Exhibit A hereto and shall be as more particularly described in the Indenture and the Official Statement dated [_____] , relating to the 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”).

The Bonds are being executed and delivered to (a) finance improvements to the City’s water system including, but not limited to well pipe connections, the replacement of water pipelines, and all related improvements (collectively, the “Project”) and (b) pay costs of issuance of the Bonds.

3. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth in the Official Statement. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering price or prices set forth in the Official Statement. The Underwriter also reserves the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such transactions, if commenced, at any time.

4. Establishment of Issue Price.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City 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 City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by LRB Public Finance Advisors, Inc., its municipal advisor (the “Municipal Advisor”), and any notice or report to be provided to the City may be provided to the Municipal Advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the City will treat the first price at which 10% of each maturity of the 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 City the price or prices at which the Underwriter 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 Bonds, the Underwriter agrees to promptly report to the City the prices at which Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% Test has been satisfied as to the 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 City 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 Bonds.

(c) The Underwriter confirms that it has offered the 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, 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 Bonds for which the 10% Test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City 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 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:

- (i) the close of the fifth business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Underwriter will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the 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 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 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 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 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 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 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 City 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 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 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 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 Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City 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 Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter 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” (when not capitalized) means (A) any person that agrees pursuant to a written contract with the City (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) 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),

(iii) a purchaser of any of the 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. Delivery of Official Statement. Pursuant to the authorization of the City, the Underwriter has distributed copies of the Preliminary Official Statement dated [____], relating to the Bonds, which, together with the cover page and appendices thereto, is herein called the “Preliminary Official Statement.” By its acceptance of this proposal, the City hereby approves and ratifies the distribution and use by the Underwriter of the Preliminary Official Statement. The City agrees to execute and deliver a final Official Statement in substantially the same form as the Preliminary Official Statement with such changes as may be made thereto, with the consent of the City and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 7(n) hereof. The City hereby authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds: the Preliminary Official Statement, the Official Statement, the Indenture, and the Continuing Disclosure Undertaking (as hereinafter defined) and other documents or contracts to which the City 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 City to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

6. The Closing. At 9:00 a.m., Utah time, on [____], or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter (the “Closing Date”), the City will cause to be executed and delivered (i) the 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 City and the Underwriter. The Underwriter will accept such delivery of the Bonds and pay the purchase price of such Bonds as set forth in Section 1 hereof in immediately available funds to the order of the City. This payment for and delivery of the Bonds, together with the execution and delivery of the aforementioned documents, is herein called the “Closing.”

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

(a) Due Organization, Existence and Authority. The City is a municipality and a public body corporate and politic duly organized and existing under the laws of the State of Utah (the “State”) with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Indenture, and the Continuing Disclosure Undertaking (collectively, the “City Documents”) and to carry out and consummate the transactions contemplated by the City Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action of the City, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained or described in, the Preliminary Official Statement, the Official Statement and the City Documents, 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, and assuming the authorization, execution and delivery by the other parties thereto, each City Document and the Bonds will constitute the legally valid and binding obligation of the City enforceable in accordance with their 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.

(c) Official Statement Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is as of the date hereof, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain no misstatement of any material fact and do 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 the Insurer, the Policy, DTC and DTC's book-entry system).

(d) Underwriter's Consent to Amendments and Supplements to Official Statement. The City 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 City 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 Bonds.

(e) City Agreement to Amend or Supplement Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the "underwriting period" (as defined in 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 Bonds to reflect such event, the City promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the City shall promptly furnish to the Underwriter a reasonable number of copies or an electronic version acceptable to the Underwriter 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 “underwriting period” will be the Closing Date.

(f) No Material Change in Finances. Except as otherwise described in the Official Statement, there have not been any material adverse changes in the financial condition of the City since June 30, 2024.

(g) No Breach or Default. As of the time of acceptance hereof, (A) the City is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued by the City, and (B) the City is not, in any manner which would materially adversely affect the transactions contemplated by the City Documents, 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 material trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City 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 City Documents, a default or event of default under any such instrument; and, as of such time, the authorization, execution and delivery of the City Documents and compliance with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by the City Documents, 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 City (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 City Documents.

(h) No Litigation. As of the time of acceptance hereof, no litigation, with merit, in the State or federal court has been served on the City or, to the best knowledge of the City after due investigation, is threatened (A) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the City to enter into the City Documents; (C) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the City or to its ability to pay the debt service payments on the Bonds when due; or (D) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or 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.

(i) No Prior Liens on Revenues. Except for the Outstanding Parity Bonds (as described in the Official Statement), the City does not have outstanding any indebtedness which indebtedness is secured by a lien on the Net Revenues superior to or on a parity with the lien of the Bonds on the Net Revenues.

(j) Further Cooperation: Blue Sky. The City 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 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 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 Bonds; provided, however, that the City 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.

(k) 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, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City of its obligations in connection with, the City Documents 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 Bonds.

(l) No Other Obligations. Between the date of this Purchase Contract and the date of Closing and except as otherwise disclosed in the Official Statement, the City will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Revenues.

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

(n) Compliance with Rule 15c2-12. The Preliminary Official Statement heretofore delivered to the Underwriter is hereby deemed final by the City as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The City hereby covenants and agrees that, within seven business days from the date hereof, the City shall cause a final form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and Rules of the Municipal Securities

Rulemaking Board, with such additional copies as shall reasonably be requested by the Underwriter.

(o) Continuing Disclosure. Except as noted in the Official Statement, within the last five years the City has been in compliance with all continuing disclosure undertakings that it has entered into pursuant to Rule 15c2-12. The City 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 as Appendix F 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 City of its obligations hereunder, both as of the date hereof and as of the Closing Date. 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 City contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(i) Executed Agreements and Performance Thereunder. At the time of the Closing (a) the City 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) there shall be in full force and effect such resolutions (collectively, the “Resolution”) as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the City Documents, (c) the City shall perform or have performed its obligations required or specified in the City Documents 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(d) and 7(e) 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 City Documents, or any other agreement or document pursuant to which any of the City’s financial obligations was issued and the City 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 City to pay debt service on the Bonds.

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

(i) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official

Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) the marketability of the Bonds or the market price thereof, or the ability of the Underwriter to enforce contracts for the sale at the initial offering prices set forth in the Official Statement, in the opinion of the Underwriter, have been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation 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 the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(iv) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official 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 execution, delivery, offering or sale of obligations of the general character of the Bonds, or the execution, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(vi) a general banking moratorium shall have been established by federal or state authorities, or a major financial crisis or any material disruption in commercial banking or securities settlement or clearance services shall have occurred; or

(vii) there shall have occurred (a) any new outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis, or escalation thereof in financial markets, (b) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations, or (c) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county or other political subdivision located in the United States having a population of over 1,000,000; or

(viii) the withdrawal or downgrading of any rating of the Bonds or other debt securities of the City or the claims paying ability of the Insurer by Moody's Investors Service, Inc. ("Moody's") or S&P Global Ratings ("S&P"), or any formal statement shall be published, such as being placed on "credit watch" with negative implications or "negative outlook" or similar qualification, with respect to the Bonds or other debt securities of the City or the claims paying ability of the Insurer; or

(ix) any event occurring, or information becoming known that, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a 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; or

(x) any litigation or proceedings shall be pending or threatened 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 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 there were made, not misleading; or

(xi) there shall be in force a general suspension of trading on the New York Stock Exchange, which suspension materially adversely affects the ability of the Underwriter to market, sell or deliver the Bonds; or

(xii) there shall have occurred any materially adverse change in the financial condition of the City.

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

(i) Approving Opinion. An approving opinion of Bond Counsel dated the Closing Date and substantially in the form included as Appendix E to the Official Statement, together with a letter from such counsel, dated the Closing Date and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the City may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them.

(ii) Disclosure Counsel Opinion. The opinion of Gilmore & Bell, P.C., as disclosure counsel to the City, in form and substance acceptable to the Underwriter, and dated the Closing Date substantially to the following effect:

(A) The Purchase Contract has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, is a valid and binding agreement of the City 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 statements contained in the Preliminary Official Statement and the Official Statement on the cover page and under the captions ["INTRODUCTION," "THE SERIES 2026 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," and "TAX MATTERS"] insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, State law and Bond Counsel's opinions concerning certain federal and State tax matters relating to the Bonds, present a fair and accurate summary of such provisions; and

(C) While such counsel has not verified and is not passing upon and does not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, such counsel has participated in conferences with representatives of and counsel for the City and representatives of the Underwriter at which the contents of the Preliminary Official Statement and the Official Statement were discussed and revised. Based on such counsel's role as disclosure counsel in connection with the issuance of the Bonds, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation which caused such counsel

to believe that the Preliminary Official Statement contained as of its date or the Official Statement contained as of its date or as of the Closing Date contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except that no opinion or belief is expressed as to (i) the expressions of opinion, the assumptions, the projections, the financial statements, or other financial, numerical, economic, demographic or statistical data contained in the Official Statement, (ii) the information with respect to DTC and DTC's book-entry system or the Insurer and the Policy, and (iii) the information contained in Appendices A, C, F, and G to the Preliminary Official Statement and the Official Statement).

(iii) City Attorney Opinion. An opinion of the City Attorney dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to Bond Counsel and the Underwriter substantially to the following effect:

(A) The City is a municipality and a public body corporate and politic duly organized and existing under the laws of the State;

(B) The City Documents have been duly authorized, executed and delivered by the City and, assuming the validity thereof against the other parties thereto, constitute the valid, legal and binding agreements of the City enforceable against the City 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, and the City has full right, power and authority to carry out and consummate all transactions contemplated by the City Documents as of the date of the Official Statement and as of the Closing Date;

(C) Except for the Outstanding Parity Bonds, the City will not have outstanding any indebtedness which indebtedness is secured by a lien on the Net Revenues superior to or on a parity with the lien of the Bonds on the Net Revenues;

(D) The resolutions of the City approving and authorizing the execution and delivery of the City Documents, and approving the Official Statement, have been duly adopted at a meeting of the governing body of the City, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the resolutions are in full force and effect and have not been modified, amended or rescinded;

(E) To the best knowledge of such counsel, the execution and delivery of the City Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not, in any respect which will have a material adverse impact on the transactions contemplated by the City Documents conflict with, or constitute, or with the giving of notice or the passage of time would constitute, on the part of the City a breach of or default under, any material agreement or other instrument to which the City is a party or by which it is bound or any existing law, administrative rule, regulation, order, decree, judgment, license or permit to which the City is subject (excluding, however, any opinion as to compliance with any applicable federal securities laws); or by which the City or any of its property is bound;

(F) The Preliminary Official Statement and the Official Statement has been prepared by, or on behalf of, the City under the supervision of authorized officials of the City, and executed on its behalf by authorized officers of the City;

(G) The information in the Preliminary Official Statement and the Official Statement under the captions [“LINDON CITY,” “THE SYSTEM,” and “LEGAL MATTERS—Absence of Litigation”] is true and accurate to the best of such counsel’s knowledge at and as of the date of the Official Statement and at and as of the Closing Date;

(H) To the best of such counsel’s knowledge, no additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the Closing Date for the City to enter into the City Documents or to perform its obligations thereunder; and

(I) No litigation, with merit, in the State or federal court has been served on the City or, to such counsel’s best knowledge, is threatened, against the City challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the payment of debt service on the Bonds or in any way contesting or affecting the validity of the City Documents or any of the transactions referred to therein or contemplated thereby or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or, except as described in the Official Statement, under which a determination adverse to the City would have a material adverse effect upon the financial condition or the revenues of the City, or which, in any manner, questions or affects the right or ability of the City to enter into the City Documents or affects in any manner the right or ability of the City to make payments of principal and interest on the Bonds from Net Revenues.

(iv) Underwriter's Counsel Opinion. An opinion of [____], counsel to the Underwriter ("Underwriter's Counsel"), dated the Closing Date and addressed to the Underwriter to the effect that:

(A) Such counsel is of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(B) While such counsel is not passing upon, and does not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, and makes no representation that they have independently verified the accuracy, completeness or fairness of any such statements, such counsel has participated in conferences with representatives of and counsel for the City and Bond Counsel and representatives of the Underwriter at which the contents of the Official Statement were discussed and revised. Based on such counsel's representation of the Underwriter in connection with the issuance of the Bonds, without independent verification, such counsel advises the Underwriter as a matter of fact and not opinion that nothing has come to the attention of the attorneys in such firm rendering legal services in connection with such representation which caused such counsel to believe that the Preliminary Official Statement (apart from (i) CUSIP numbers, (ii) the information relating to The Depository Trust Company and its book entry only system, (iii) the financial statements or other financial, operating, statistical, numerical or accounting data contained or incorporated therein, (iv) the Insurer and the Policy, and (v) the information describing the opinion of Bond Counsel in "TAX MATTERS" and the form of opinion of Bond Counsel in Appendix D, as to all of which we do not express any conclusion or belief) contained as of its date and the Official Statement (apart from (i) CUSIP numbers, (ii) the information relating to The Depository Trust Company and its book entry only system, (iii) the financial statements or other financial, operating, statistical, numerical or accounting data contained or incorporated therein, and (iv) the information describing the opinion of Bond Counsel in "TAX MATTERS" and the form of opinion of Bond Counsel in Appendix E, as to all of which we do not express any conclusion or belief) contained as of its date or as of the Closing Date contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(C) The provisions of the Continuing Disclosure Undertaking, comply with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

(v) City Certificate. A certificate of the City, dated the Closing Date, signed on behalf of the City by the Mayor and City Recorder or other duly authorized officers of the City to the effect that:

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

(B) No event affecting the City 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 therein, 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 and 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 City Documents.

(vi) Trustee's Certificate. A certificate, dated the Closing Date, 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 party 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 Bonds under the Indenture and delivered the 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 authentication and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture.

(vii) Transcript. A transcript of all proceedings relating to the authorization, execution and delivery of the Bonds.

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

(ix) Documents. An executed copy of each of the City Documents.

(x) City Resolution. A copy of the Resolution, certified by the City Recorder.

(xi) 15c2-12 Certificate of the City. A certificate of the City “deeming final” the Preliminary Official Statement for purposes of Rule 15c2-12.

(xii) 8038-G. Evidence that the federal tax information form 8038-G relating to the Bonds has been prepared for filing.

(xiii) Tax Certificate. A tax certificate relating to the Bonds in form satisfactory to Bond Counsel.

(xiv) Ratings. Evidence that the Bonds have been rated [“___” by S&P Global Ratings (“S&P”) and “[___]” from Fitch Ratings (“Fitch”).

(xv) Continuing Disclosure Undertaking. An executed copy of the Continuing Disclosure Undertaking.

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

If the City 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 City 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 City shall pay or cause to be paid the expenses incident to the performance of the obligations of the City hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the City Documents and the cost of preparing, printing, issuing and delivering the Bonds; (b) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the City; (c) the fees and disbursements of Bond Counsel, Disclosure Counsel, counsel to the City, and counsel to the Underwriter; (d) the fees and disbursements of the rating agencies; (e) the cost of printing and distributing the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing and distributing the Official Statement and any supplements and amendments thereto, including a reasonable number of copies thereof for distribution by the Underwriter; (f) expenses (included in the expense component of the Underwriter’s spread) incurred on behalf of the City’s officers or employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or

employees; (g) CUSIP Service Bureau fees and charges; (h) the premium relating to the Policy; and (i) Trustee fees. The City 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 Bonds.

10. Notice. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to Lindon City, 100 North State Street, Lindon, Utah 84042, Attention: City Administrator.

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 the Underwriter, [Underwriter Name], [Insert Underwriter Address; Attention: _____].

11. Entire Agreement. This Purchase Contract, when accepted by the City, shall constitute the entire agreement between the City and the Underwriter with respect to the subject matter hereof and is made solely for the benefit of the City 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 City's representations, warranties and agreements 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 Bonds.

12. No Advisory or Fiduciary Role. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the City and the Underwriter; (ii) 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 City; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City 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 City on other matters) and the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract; (iv) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); and (v) the City has consulted its own legal, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

13. 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 City, including this Purchase Contract.

14. Counterparts; Electronic Signatures. This Purchase Contract and all documents necessary or required to complete the sale of the Bonds may be executed in multiple counterparts, all of which taken together will constitute one and the same instrument. Pursuant to the Uniform Electronic Transactions Act, Title 46, Chapter 4 Utah Code Annotated 1953, as amended, the Underwriter and the City hereby agree and consent to the use of electronic signatures and electronic records in connection with the Bond transaction; provided, however, that such consent and agreement only permits the use of, but does not require, electronic signatures or electronic records, including on documents delivered in counterparts.

15. 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.

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

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

[UNDERWRITER NAME], as Underwriter

By:_____

Title:_____

Accepted as of the date first stated above:

Time of acceptance:

_____ a.m./p.m. M.D.T.

This _____, 2026.

LINDON CITY, UTAH

By:_____

Mayor

(SEAL)

ATTEST:

By:_____

City Recorder

EXHIBIT A

\$(PAR)

LONDON CITY, UTAH
WATER REVENUE BONDS, SERIES 2026

<u>[Maturity Date (November 1)]</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Hold-the-Price (or Undersold) Maturity</u>
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2042				
2045				
2046				
2047]				

[c Yield to optional call on November 1, 20__.]

EXHIBIT B

UNDERWRITER'S RECEIPT OF BONDS AND ISSUE PRICE CERTIFICATE

\$[PAR]
LINDON CITY, UTAH
WATER REVENUE BONDS, SERIES 2026

The undersigned, on behalf of [Underwriter Name] (the "Original Purchaser"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. Receipt of the Bonds. The Original Purchaser hereby acknowledges receipt of the Bonds pursuant to the Bond Purchase Contract (the "Purchase Contract") by and between the Original Purchaser and Lindon City, Utah (the "Issuer"), dated [] (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. For purposes of this section 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 Original Purchaser 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.

“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).

The Original Purchaser represents as follows:

1. Attached as Schedule B 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. [As of the Effective Time there were no Undersold Maturities.]

[Underwriter Name], as Original Purchaser

By: _____

Title: _____

Dated: _____, 2026.

To Be Attached:

SCHEDULE A — Sale Prices [*Same as Exhibit A to the Bond Purchase Contract*]

SCHEDULE B — Final Pricing Wire

\$6,885,000

Lindon City, Utah

Water Revenue Bonds, Series 2026

(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)

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\$6,885,000

Lindon City, Utah

Water Revenue Bonds, Series 2026

(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)

Sources & Uses

Dated 11/05/2026 | Delivered 11/05/2026

Sources Of Funds

Par Amount of Bonds	\$6,885,000.00
Reoffering Premium	273,733.35
Total Sources	\$7,158,733.35

Uses Of Funds

Deposit to Project Construction Fund	7,000,000.00
Costs of Issuance	124,308.35
Total Underwriter's Discount (0.500%)	34,425.00
Total Uses	\$7,158,733.35

\$6,885,000

Lindon City, Utah

Water Revenue Bonds, Series 2026

(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/05/2026	-	-	-	-	-
05/01/2027	-	-	168,300.00	168,300.00	168,300.00
11/01/2027	205,000.00	5.000%	172,125.00	377,125.00	-
05/01/2028	-	-	167,000.00	167,000.00	544,125.00
11/01/2028	215,000.00	5.000%	167,000.00	382,000.00	-
05/01/2029	-	-	161,625.00	161,625.00	543,625.00
11/01/2029	225,000.00	5.000%	161,625.00	386,625.00	-
05/01/2030	-	-	156,000.00	156,000.00	542,625.00
11/01/2030	240,000.00	5.000%	156,000.00	396,000.00	-
05/01/2031	-	-	150,000.00	150,000.00	546,000.00
11/01/2031	250,000.00	5.000%	150,000.00	400,000.00	-
05/01/2032	-	-	143,750.00	143,750.00	543,750.00
11/01/2032	265,000.00	5.000%	143,750.00	408,750.00	-
05/01/2033	-	-	137,125.00	137,125.00	545,875.00
11/01/2033	280,000.00	5.000%	137,125.00	417,125.00	-
05/01/2034	-	-	130,125.00	130,125.00	547,250.00
11/01/2034	290,000.00	5.000%	130,125.00	420,125.00	-
05/01/2035	-	-	122,875.00	122,875.00	543,000.00
11/01/2035	305,000.00	5.000%	122,875.00	427,875.00	-
05/01/2036	-	-	115,250.00	115,250.00	543,125.00
11/01/2036	320,000.00	5.000%	115,250.00	435,250.00	-
05/01/2037	-	-	107,250.00	107,250.00	542,500.00
11/01/2037	340,000.00	5.000%	107,250.00	447,250.00	-
05/01/2038	-	-	98,750.00	98,750.00	546,000.00
11/01/2038	355,000.00	5.000%	98,750.00	453,750.00	-
05/01/2039	-	-	89,875.00	89,875.00	543,625.00
11/01/2039	375,000.00	5.000%	89,875.00	464,875.00	-
05/01/2040	-	-	80,500.00	80,500.00	545,375.00
11/01/2040	395,000.00	5.000%	80,500.00	475,500.00	-
05/01/2041	-	-	70,625.00	70,625.00	546,125.00
11/01/2041	415,000.00	5.000%	70,625.00	485,625.00	-
05/01/2042	-	-	60,250.00	60,250.00	545,875.00
11/01/2042	435,000.00	5.000%	60,250.00	495,250.00	-
05/01/2043	-	-	49,375.00	49,375.00	544,625.00
11/01/2043	460,000.00	5.000%	49,375.00	509,375.00	-
05/01/2044	-	-	37,875.00	37,875.00	547,250.00
11/01/2044	480,000.00	5.000%	37,875.00	517,875.00	-
05/01/2045	-	-	25,875.00	25,875.00	543,750.00
11/01/2045	505,000.00	5.000%	25,875.00	530,875.00	-
05/01/2046	-	-	13,250.00	13,250.00	544,125.00
11/01/2046	530,000.00	5.000%	13,250.00	543,250.00	-
05/01/2047	-	-	-	-	543,250.00
Total	\$6,885,000.00	-	\$4,175,175.00	\$11,060,175.00	-

Yield Statistics

Bond Year Dollars	\$83,503.50
Average Life	12.128 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	4.7134152%
True Interest Cost (TIC)	4.6045505%
Bond Yield for Arbitrage Purposes	4.5233835%
All Inclusive Cost (AIC)	4.8075260%

IRS Form 8038

Net Interest Cost	4.5435116%
Weighted Average Maturity	11.995 Years

2026 Water Rev. Bonds - (SINGLE PURPOSE | 9/ 9/2026 | 4:16 PM

\$6,885,000

Lindon City, Utah

Water Revenue Bonds, Series 2026

(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
11/05/2026	-	-	-	-	-	-
05/01/2027	-	-	168,300.00	168,300.00	168,300.00	168,300.00
11/01/2027	205,000.00	5.000%	172,125.00	377,125.00	377,125.00	-
05/01/2028	-	-	167,000.00	167,000.00	167,000.00	544,125.00
11/01/2028	215,000.00	5.000%	167,000.00	382,000.00	382,000.00	-
05/01/2029	-	-	161,625.00	161,625.00	161,625.00	543,625.00
11/01/2029	225,000.00	5.000%	161,625.00	386,625.00	386,625.00	-
05/01/2030	-	-	156,000.00	156,000.00	156,000.00	542,625.00
11/01/2030	240,000.00	5.000%	156,000.00	396,000.00	396,000.00	-
05/01/2031	-	-	150,000.00	150,000.00	150,000.00	546,000.00
11/01/2031	250,000.00	5.000%	150,000.00	400,000.00	400,000.00	-
05/01/2032	-	-	143,750.00	143,750.00	143,750.00	543,750.00
11/01/2032	265,000.00	5.000%	143,750.00	408,750.00	408,750.00	-
05/01/2033	-	-	137,125.00	137,125.00	137,125.00	545,875.00
11/01/2033	280,000.00	5.000%	137,125.00	417,125.00	417,125.00	-
05/01/2034	-	-	130,125.00	130,125.00	130,125.00	547,250.00
11/01/2034	290,000.00	5.000%	130,125.00	420,125.00	420,125.00	-
05/01/2035	-	-	122,875.00	122,875.00	122,875.00	543,000.00
11/01/2035	305,000.00	5.000%	122,875.00	427,875.00	427,875.00	-
05/01/2036	-	-	115,250.00	115,250.00	115,250.00	543,125.00
11/01/2036	320,000.00	5.000%	115,250.00	435,250.00	435,250.00	-
05/01/2037	-	-	107,250.00	107,250.00	107,250.00	542,500.00
11/01/2037	340,000.00	5.000%	107,250.00	447,250.00	447,250.00	-
05/01/2038	-	-	98,750.00	98,750.00	98,750.00	546,000.00
11/01/2038	355,000.00	5.000%	98,750.00	453,750.00	453,750.00	-
05/01/2039	-	-	89,875.00	89,875.00	89,875.00	543,625.00
11/01/2039	375,000.00	5.000%	89,875.00	464,875.00	464,875.00	-
05/01/2040	-	-	80,500.00	80,500.00	80,500.00	545,375.00
11/01/2040	395,000.00	5.000%	80,500.00	475,500.00	475,500.00	-
05/01/2041	-	-	70,625.00	70,625.00	70,625.00	546,125.00
11/01/2041	415,000.00	5.000%	70,625.00	485,625.00	485,625.00	-
05/01/2042	-	-	60,250.00	60,250.00	60,250.00	545,875.00
11/01/2042	435,000.00	5.000%	60,250.00	495,250.00	495,250.00	-
05/01/2043	-	-	49,375.00	49,375.00	49,375.00	544,625.00
11/01/2043	460,000.00	5.000%	49,375.00	509,375.00	509,375.00	-
05/01/2044	-	-	37,875.00	37,875.00	37,875.00	547,250.00
11/01/2044	480,000.00	5.000%	37,875.00	517,875.00	517,875.00	-
05/01/2045	-	-	25,875.00	25,875.00	25,875.00	543,750.00
11/01/2045	505,000.00	5.000%	25,875.00	530,875.00	530,875.00	-
05/01/2046	-	-	13,250.00	13,250.00	13,250.00	544,125.00
11/01/2046	530,000.00	5.000%	13,250.00	543,250.00	543,250.00	-
05/01/2047	-	-	-	-	-	543,250.00
Total	\$6,885,000.00	-	\$4,175,175.00	\$11,060,175.00	\$11,060,175.00	-

2026 Water Rev. Bonds - (| SINGLE PURPOSE | 9/ 9/2026 | 4:16 PM

\$6,885,000

Lindon City, Utah

Water Revenue Bonds, Series 2026

(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
11/01/2027	Serial Coupon	5.000%	2.950%	205,000.00	101.983%	-	-	-	209,065.15
11/01/2028	Serial Coupon	5.000%	2.970%	215,000.00	103.892%	-	-	-	223,367.80
11/01/2029	Serial Coupon	5.000%	3.050%	225,000.00	105.529%	-	-	-	237,440.25
11/01/2030	Serial Coupon	5.000%	3.160%	240,000.00	106.844%	-	-	-	256,425.60
11/01/2031	Serial Coupon	5.000%	3.270%	250,000.00	107.903%	-	-	-	269,757.50
11/01/2032	Serial Coupon	5.000%	3.410%	265,000.00	108.546%	-	-	-	287,646.90
11/01/2033	Serial Coupon	5.000%	3.570%	280,000.00	108.775%	-	-	-	304,570.00
11/01/2034	Serial Coupon	5.000%	3.720%	290,000.00	108.775%	-	-	-	315,447.50
11/01/2035	Serial Coupon	5.000%	3.850%	305,000.00	108.668%	-	-	-	331,437.40
11/01/2036	Serial Coupon	5.000%	4.000%	320,000.00	108.167%	-	-	-	346,134.40
11/01/2037	Serial Coupon	5.000%	4.180%	340,000.00	106.639%	c 4.238%	11/01/2036	100.000%	362,572.60
11/01/2038	Serial Coupon	5.000%	4.320%	355,000.00	105.469%	c 4.408%	11/01/2036	100.000%	374,414.95
11/01/2039	Serial Coupon	5.000%	4.460%	375,000.00	104.314%	c 4.556%	11/01/2036	100.000%	391,177.50
11/01/2040	Serial Coupon	5.000%	4.570%	395,000.00	103.417%	c 4.665%	11/01/2036	100.000%	408,497.15
11/01/2041	Serial Coupon	5.000%	4.690%	415,000.00	102.449%	c 4.769%	11/01/2036	100.000%	425,163.35
11/01/2046	Term 1 Coupon	5.000%	4.970%	2,410,000.00	100.233%	c 4.981%	11/01/2036	100.000%	2,415,615.30
Total	-	-	-	\$6,885,000.00	-	-	-	-	\$7,158,733.35

Bid Information

Par Amount of Bonds	\$6,885,000.00
Reoffering Premium or (Discount)	273,733.35
Gross Production	\$7,158,733.35
Total Underwriter's Discount (0.500%)	\$(34,425.00)
Bid (103.476%)	7,124,308.35
Total Purchase Price	\$7,124,308.35
Bond Year Dollars	\$83,503.50
Average Life	12.128 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	4.7134152%
True Interest Cost (TIC)	4.6045505%

\$6,885,000¹

LINDON CITY, UTAH

WATER REVENUE BONDS, SERIES 2026

(WELL HOUSE #5 PROJECT)

CALENDAR OF EVENTS

(SEPTEMBER 9, 2026)

AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30			
30	31												

OCTOBER							NOVEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30					

	City Council Meetings		Holiday		Closing
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DATE	EVENT	RESPONSIBILITY	STATUS
Aug. 14 (Fri.)	LRB to furnish: a) preliminary Calendar of Events, b) preliminary debt service calculations, and c) debt service coverage analysis for review (the "PLAN OF FINANCE").	MA	Completed
Aug. 18 (Tue.)	Project Financing Kick-off Meeting	CITY, MA	Completed
Aug. 18 (Tue.)	Finalize selection of the initial Finance Team members for services of Bond/Disclosure Counsel and Trustee.	CITY, MA	Completed
Sept. 4 (Fri.)	LRB to furnish parameters to Bond Counsel  Maximum Par Amount of Bonds  Maximum Maturity Date and Coupon Rate  Maximum Discount Bond Counsel to begin drafting SUPER PARAMETERS RESOLUTION and related bond documents	MA, BC	
Sept. 7 (Mon.)	Labor Day		

¹ Preliminary, subject to change

DATE	EVENT	RESPONSIBILITY	STATUS
Sept. 15 (Tue.)	Bond Counsel to disseminate <i>draft</i> Bond Documents to the City for inclusion in the City Council packets for September 21, 2026 City Council meeting. • Draft (super) Parameters Resolution • Draft Preliminary Official Statement • Supplemental Indenture • Official Notice of Bond Sale • Other Related Bond Documents	BC	
Sept. 17 (Thu.)	LRB to distribute draft Ratings Presentation to City for review	MA	
Sept. 21 (Mon.)	City Council regularly scheduled meeting to consider adoption of the Super Parameters Resolution authorizing the publication of the <u>NOTICE OF INTENT TO ISSUE BONDS</u> , designating a pricing committee to finalize the transaction and setting a <u>PUBLIC HEARING</u> on the issuance of the Series 2026 Sewer Revenue Bonds for October 5, 2026 , City Council meeting	CITY, MA, BC,	
Sept. 22 (Tue.)	City to post <u>NOTICE OF PUBLIC HEARING</u> on <i>Utah Public Notice Website</i> .	CITY, BC	
Sept. 22 (Tue.)	Publication of <u>NOTICE OF INTENT TO ISSUE BONDS</u> and <u>NOTICE OF PUBLIC HEARING</u> (30-day contestability period begins).	CITY, BC	
Sept. 24 (Thu.)	Review Ratings Presentation with City Staff via Zoom call (__: [a.m.] MST)	City, MA	
Oct. 1 (Thu.)	Ratings Presentation in [San Francisco, CA/New York]	CITY, MA, RA	
Oct. 5 (Mon.)	Public Hearing on 2026 Bonds at regularly scheduled City Council meeting	CITY	
Oct. (Thu.)	Document review and Due Diligence review -- Zoom conference call (__: [a.m.] MST)	CITY, MA, BC	
Oct. 12 (Mon.)	Columbus Day		
Oct. 15 (Thu.)	Receive rating. Send Rating to Bond Counsel for inclusion in Bond Documents	MA, RA	
Oct. 21 (Wed.)	Completion of 30-day Contest Period on the Bonds	-	
Oct. 21 (Wed.)	Distribute POS electronically	BC	
Oct. 21 (Wed.)	Bond Counsel and LRB prepare final Official Notice of Bond Sale	BC, MA	
Oct. 23 (Fri.)	Order CUSIP numbers	MA	
Oct. 29 (Thu.)	Bond Sale of Series 2026 Bonds via Zoom [9:30am] MST	CITY, MA, BC	
Oct. 30 (Fri.)	Bond Counsel distributes Closing Documents	BC	
Oct. 30 (Fri.)	Distribute draft Closing Memorandum	MA	
Oct. 30 (Fri.)	Distribute Final Closing Memorandum	MA	
Nov. 3 (Tue.)	DTC Eligibility Questionnaire submitted by the Underwrites	UW	
Nov. 3 (Tue.)	Distribute Final Closing Memorandum	MA	
Nov. 3 (Tue.)	Distribute Final Official Statements to Underwriter	MA	
Nov. 4 (Wed.)	Pre-Closing (if needed)	ALL PARTIES	
Nov. 5 (Thu.)	Closing and delivery of bond proceeds [9:00 a.m. MST] via conference call	ALL PARTIES	

LEGEND

BC:	BOND & DISCLOSURE COUNSEL – GILMORE & BELL (Randy Larsen)
CITY:	CITY STAFF AND OFFICIALS
MA:	MUNICIPAL ADVISOR – LRB PUBLIC FINANCE ADVISORS (Jason Burningham)
RA:	RATING AGENCY – TBD
T:	TRUSTEE & PAYING AGENT – TBD
UW:	UNDERWRITER – TBD



DISTRIBUTION LIST – FINANCIAL TEAM MEMBERS

ISSUER

LINDON CITY REDEVELOPMENT AGENCY
100 North State Street
Lindon, Utah 84042

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Email: clundberg@lindon.gov

Adam Cowie, City Administrator
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Kristen Aaron, Finance Director
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Chase Adams, Assistant Finance Director
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Michael Florence, Economic Development Director
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Brian Haws, City Attorney
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Hayden Peterson, City Treasurer
Email: hpeterson@lindon.gov

Britni Laidler, City Recorder
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BOND AND DISCLOSURE COUNSEL

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Jason Burningham, Principal
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Phone: 801.244.0403
Email: adam@lrbbfinance.com

UNDERWRITER

[TO BE DETERMINED]

TRUSTEE

[TO BE DETERMINED]

RATING AGENCY

[TO BE DETERMINED]



12. Review & Action: Series 2026 Sewer Revenue Bonds; Parameters Resolution #2026-34-R.

The Council will review and consider for adoption a resolution authorizing the issuance and sale of not more than \$3,500,000 aggregate principal amount of sewer revenue bonds and \$1,700,000 aggregate principal amount of sewer revenue refunding bonds (collectively, the “series 2026 bonds”); and related matters.

Sample Motion: I move to (approve, continue, deny) Resolution #2026-34-R (as presented or amended).

Lindon, Utah

September 21, 2026

The City Council (“Council”) of Lindon City, Utah (the “City”), met in regular public session on September 21, 2026, at its regular meeting place in Lindon, Utah at 5:15 p.m. with the following members of the Council present:

Carolyn Lundberg	Mayor
Van Broderick	Council Member
Cole Hooley	Council Member
Jake Hoyt	Council Member
Lincoln Jacobs	Council Member
Steve Stewart	Council Member

Also present:

Adam Cowie	City Administrator
Britni Laidler	City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, the City Recorder presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this September 21, 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 Council Member _____ and seconded by Council Member _____, was adopted by the following vote:

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

RESOLUTION NO. 2026-34-R

A RESOLUTION OF THE CITY COUNCIL OF LINDON CITY, UTAH (THE “CITY”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$3,500,000 AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE BONDS, SERIES 2026, AND \$1,700,000 AGGREGATE PRINCIPAL AMOUNT OF SEWER REVENUE REFUNDING BONDS (COLLECTIVELY, 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 CITY 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 PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD AND SETTING OF A PUBLIC HEARING DATE; AUTHORIZING AND APPROVING THE EXECUTION OF A GENERAL INDENTURE OF TRUST, A SUPPLEMENTAL INDENTURE OF TRUST AND/OR A MASTER RESOLUTION, A BOND PURCHASE CONTRACT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the “Council”) of the City desires to (a) finance the acquisition and construction of improvements to the City’s sewer system including pipe upsizing and all related improvements (collectively, the “Series 2026 Project”), (b) refund all or a portion of the City’s outstanding Sewer Revenue Bonds (the “Refunding Bonds”) (c) fund any required deposit to a debt service reserve fund, and (d) 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 City desires to issue 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 City, pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Bond Act”), and the Utah Refunding Bonds Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the “Refunding Bond Act” and together with the Bond Act, the “Act”) (b) this Resolution, and (c) a General Indenture of Trust (the “General Indenture”) and one or more Supplemental Indentures of Trust (each a “Supplemental Indenture” and together with the General Indenture, the “Indenture”) and/or a Master Resolution of the City with substantially similar terms (the “Master Resolution”), each of the Indenture and the Master Resolution in substantially the forms attached hereto as Exhibit C; and

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

WHEREAS, the Act provides an issuing entity issuing bonds for refunding purposes also must give notice of its intent to issue bonds under the Act; and

WHEREAS, to facilitate the foregoing, the City desires to post a Notice of Public Hearing and Bonds to Be Issued to be in compliance with the Act with respect to the Series 2026 Bonds; and

WHEREAS, pursuant to Sections 11-14-316, 11-14-318, and 11-27-4 of the Act, the Notice of Public Hearing and Bonds to be Issued shall (a) constitute the notice of intent to issue bonds, (b) constitute notice of a public hearing to receive input from the public with respect to the Series 2026 Bonds and (c) initiates a 30-day contestability period in which any person of interest may contest the issuance of the Series 2026 Bonds; and

WHEREAS, there has been presented to the Council at this meeting a form of a bond purchase contract (the “Bond Purchase Contract”), in substantially the form attached hereto as Exhibit D to be entered into between the City and the underwriter/purchaser (the “Underwriter/Purchaser”) selected by the hereinafter described Designated Officers and the Council desires to approve and authorize such Bond Purchase Contract; and

WHEREAS, in order to allow the City, in consultation with the City’s Municipal Advisor, LRB Public Finance Advisors, Inc., (the “Municipal Advisor”) flexibility in setting the pricing date of the Series 2026 Bonds, the Council desires to grant to any one of the Mayor (including any Mayor Pro Tem, the “Mayor”), or the City Administrator, (each, a “Designated Officer” and collectively, the “Designated Officers”), the authority to select the Underwriter/Purchaser to approve the method of sale, principal amounts, interest rates, terms, pledged revenues, maturities, redemption features, and purchase price at which the Series 2026 Bonds shall be sold and make any changes with respect thereto from those 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 BE IT RESOLVED by the City Council of Lindon City, Utah, as follows:

Section 1. For the purpose of (a) financing the Series 2026 Project, (b) refunding the Refunded Bonds, (c) funding a deposit to a debt service reserve fund, if necessary, and (d) paying costs of issuance of the Series 2026 Bonds, the City hereby authorizes the issuance of a series of bonds which shall be designated “Lindon, Utah Sewer Revenue and 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 City) in the aggregate principal amount of not to exceed \$3,500,000 to finance the Series 2026 Project, and in the aggregate principal amount of not to exceed \$1,700,000 to refund the Refunded Bonds. The Series 2026 Bonds shall mature in not

more than twenty five (25) years from their date or dates, shall be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, shall bear interest at a rate or rates of not to exceed five and one-half percent (5.5%) per annum, as shall be approved by the Designated Officers all within the Parameters set forth herein.

Section 2. The Indenture, the Master Resolution and the Bond Purchase Contract, in substantially the forms presented to this meeting and attached hereto as Exhibit C and Exhibit D, respectively, are hereby authorized, approved, and confirmed. The Mayor and City Recorder are hereby authorized to execute and deliver the Indenture or the Master Resolution, and the Bond Purchase Contract in substantially the forms and with substantially the content as the forms presented at this meeting for and on behalf of the City, with final terms as may be established by the Designated Officers, in consultation with the Municipal Advisor, within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 4 hereof.

Section 3. The Designated Officers are hereby authorized to select the Underwriter/Purchaser and a trustee (if required), to approve the method of sale, and to specify and agree as to 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 City, provided that such terms are within the Parameters set by this Resolution. The execution of the Bond Purchase Contract (or certificate of award or term sheet, if the Series 2026 Bonds are sold pursuant to a competitive bidding process) shall demonstrate the approval of the Designated Officers for the portion of the Series 2026 Bonds used to finance the Series 2026 Project.

Section 4. The Designated Officers or other appropriate officials of the City are authorized to make any alterations, changes or additions to the Indenture or the Master Resolution, the Series 2026 Bonds, the Bond Purchase Contract 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), 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. The execution thereof by the Mayor or Designated Officer on behalf of the City of the documents approved hereby shall conclusively establish such necessity, appropriateness, and approval with respect to all such additions, modifications, deletions, and changes incorporated therein.

Section 5. 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 or the Master Resolution. The Mayor and the City Recorder (or any deputy City Recorder, collectively, 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. The Series 2026 Bonds shall recite that the Series 2026 Bonds are issued under the authority of the Constitution of the State of Utah, the Act, and other applicable law.

Section 6. The Designated Officers or other appropriate officials of the City are hereby authorized and directed to execute and deliver to the trustee, if applicable, or the Underwriter/Purchaser, if applicable, the written order of the City for authentication and delivery of the Series 2026 Bonds in accordance with the provisions of the Indenture or the Master Resolution.

Section 7. Upon their issuance, the Series 2026 Bonds will constitute special, limited obligations of the City payable solely from and to the extent of the sources set forth in the Series 2026 Bonds and the Indenture or the Master Resolution. No provision of this Resolution, the Indenture, the Master Resolution, the Series 2026 Bonds, or any other instrument, shall be construed as creating a general obligation of the City, 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 City or its taxing powers.

Section 8. The Designated Officers and other appropriate officials of the City, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the City any or all additional certificates, documents and other papers (including but not limited to an escrow agreement, insurance agreements, reserve instruments, or guaranty agreements permitted by the Indenture or Master Resolution) 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 9. After the Series 2026 Bonds are delivered to the Underwriter/Purchaser and upon receipt of payment therefor, this Resolution shall be and remain irrevocable until the principal of, premium, if any, and interest on the Series 2026 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture or the Master Resolution.

Section 10. In accordance with the provisions of the Act, the City directs its officers and staff to cause a "Notice of Public Hearing and Bonds to be Issued" (the "Notice"), to be published in substantially the form attached hereto as Exhibit B. The City shall hold a public hearing on October 5, 2026, to receive input from the public with respect to the portion of the proceeds from the issuance of the Series 2026 Bonds issued under the Bond Act and the potential economic impact that the improvements and facilities to be financed with the proceeds of the Series 2026 Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after the Notice is published (a) as a Class A notice under Section 63G-30-102 Utah Code Annotated 1953, as amended ("Utah Code") (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code, (ii) on the City's official website, and (iii) in a public location within the City that is reasonably likely to be seen by residents of the City and (b) as required in Section 45-1-101, Utah Code. The City Recorder shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the office of the City Recorder, for public examination during the regular business hours of the City until at least thirty (30) days from and after the initial date of publication thereof.

Section 11. The City hereby reserves the right to opt not to issue the Series 2026 Bonds for any reason.

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.

Section 13. The City hereby declares its intention and reasonable expectation to use a portion of the proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Series 2026 Project. The Series 2026 Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Series 2026 Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Series 2026 Bonds which will be issued to finance the reimbursed costs of the Series 2026 Project is not expected to exceed \$3,500,000.

APPROVED AND ADOPTED this September 21, 2026.

LINDON CITY, UTAH

(SEAL)

By: _____
Mayor

ATTEST

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.

LINDON CITY, UTAH

[SEAL]

By: _____
Mayor

ATTEST

City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Britni Laidler, the undersigned City Recorder of Lindon 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 (“Utah Code”), I gave not less than twenty-four (24) hours public notice (the “Notice”) of the agenda, date, time and place of the September 21, 2026, public meeting held by the City Council of the City (the “Council”), by causing the Notice, in the form attached hereto as Schedule 1:

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

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

(iii) 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 Notice of 2026 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, (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 September 21, 2026.

By: _____
City Recorder

SCHEDULE 1 -- NOTICE OF MEETING
SCHEDULE 2 --ANNUAL MEETING SCHEDULE

EXHIBIT B

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Bond Act”), and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended (the “Refunding Bond Act” and collectively with the Bond Act, the “Act”) that on September 21, 2026, the City Council (the “Council”) of Lindon City, Utah (the “Issuer”), adopted a resolution (the “Resolution”) authorizing the issuance of the Issuer’s Sewer Revenue and 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 and called a public hearing to receive input from the public with respect to (a) the issuance of the portion of the Bonds issued under the Bond Act, and (b) any potential impact that the Project (defined below) financed with the proceeds of that portion of the Bonds issued under the Bond Act may have on the private sector.

PURPOSE, TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on October 5, 2026, at the hour of 5:15 p.m. at Lindon City Hall, 100 North State Street, Lindon, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of that portion of the Bonds issued under the Bond Act, and (b) any potential economic impact that the project to be financed with the proceeds of the Bonds may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE BONDS

The Bonds will be issued for the purpose of (a) financing the acquisition and construction of improvements to the Issuer’s sewer system including pipe upsizing, and all related improvements (collectively, the “Project”), (b) refunding all or a portion of the Issuer’s outstanding Sewer Revenue Bonds (the “Refunded Bonds”), (c) funding any required deposit to a debt service reserve fund, if necessary, and (d) paying costs of issuance with respect to the Bonds.

PARAMETERS OF THE BONDS

The Issuer intends to issue the Bonds in the aggregate principal amount of not more than (\$3,500,000) to finance the Project, and in the aggregate principal amount of not to exceed (\$1,700,000) to refund the Refunded Bonds, both to mature in not more than twenty five (25) years from their date or dates, to be sold at a price of not less than ninety-eight percent (98%) of the total principal amount thereof, and to bear interest at a rate or rates not to exceed five and one-half percent (5.5%) per annum. The Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution either a General Indenture of Trust and a Supplemental Indenture of Trust (collectively, the “Indenture”) or a Master Resolution (the “Master Resolution”), which were before the Council in substantially final forms at the time of the adoption of the Resolution.

REVENUES PROPOSED TO BE PLEDGED

The Bonds are special, limited obligations of the Issuer payable from the net revenues (the “Net Revenues”) of the sewer system (the “System”).

OUTSTANDING BONDS SECURED BY REVENUES

The Issuer currently has \$1,600.000 of bonds outstanding secured by the Net Revenues of the System.

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer’s outstanding bonds may be found in the Issuer’s financial report (the “Financial Report”) at: <https://reporting.auditor.utah.gov/searchreport/s/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact, Adam Cowie, City Administrator at 801-785-5043.

TOTAL ESTIMATED COST OF BONDS

Based on an estimate of the current interest rate and financing plan, the estimated total debt service cost of the Bonds, if held until maturity is \$4,773,847.22.

A copy of the Resolution, the Indenture, and the Master Resolution are on file at 100 North State Street, Lindon City Utah, where they may be examined during regular business hours from 8:00 a.m. to 5:00 p.m. Monday through Friday for a period of at least thirty (30) days from and after the date of posting 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 Bonds), the Master Resolution (but only as it relates to the Bonds), or the Bonds, or any provision made for the security and payment of the Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this September 21, 2026.

/s/ Britni Laidler
City Recorder

EXHIBIT C

FORM OF INDENTURE AND FORM OF MASTER RESOLUTION

GENERAL INDENTURE OF TRUST

Dated as of [_____1, 2026]

between

LINDON CITY, UTAH

and

[TRUSTEE NAME],
as Trustee

Relating to

LINDON CITY, UTAH
SEWER REVENUE BONDS

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THIS GENERAL INDENTURE OF TRUST, dated as of [_____]1, 2026] by and between LINDON CITY, UTAH (the “Issuer”), a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah, and [TRUSTEE NAME], 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 corporate trust office in Salt Lake City, Utah, as trustee (the “Trustee”),

W I T N E S S E T H:

WHEREAS, the Issuer desires to finance improvements and additions to its sewer system (the “System”), including, but not limited to additions, extensions, buildings and other improvements to house and operate said facilities, to refund and retire existing obligations, to fund debt service reserves, and to pay issuance expenses to be incurred in connection with the issuance and sale of the Bonds herein authorized and defined; and

WHEREAS, the Issuer anticipates that the Revenues, after payment of Operation and Maintenance Expenses (the “Net Revenues”) will be sufficient to pay debt service on the Bonds issued hereunder; and

WHEREAS, the Net Revenues will not be pledged or hypothecated in any manner or for any purpose at the time of the issuance of the Initial Bonds (as herein defined) and the Issuer desires to pledge said Net Revenues toward the payment of the principal and interest on said Bonds; and

WHEREAS, 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”), the Issuer is authorized to issue its bonds payable from a special fund into which the Net Revenues of the Issuer may be pledged;

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 the 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 Security Instrument Repayment Obligations according to their tenor and effect and of all Reserve Instrument 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 (i) the Net Revenues, (ii) all moneys in funds and accounts held by the Trustee hereunder (except the Rebate Fund), and (iii) 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 and any Supplemental 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 Repayment Obligation over any other by reason of time of issuance, sale, delivery, 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 Net 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.

“Acquisition/Construction Fund” means the Lindon City, Utah, Sewer Revenue Acquisition/Construction Fund created in Section 3.1 hereof to be held by the Trustee and administered pursuant to Section 5.1 hereof.

“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 Rebutable 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 Recorder, City Administrator, Finance Director, or any other officer of the Issuer so designated in writing by an Authorized Representative of the Issuer to the Trustee.

“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.

“Balloon Bonds” means, unless otherwise provided in the related Supplemental Indenture, Bonds (and/or Security Instrument Repayment Obligations relating thereto), other than Bonds which mature within one year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or, (b) at the option of the Owner thereof may be redeemed, during any period of twelve consecutive months; provided, however, that to constitute Balloon Bonds, the Issuer must so designate such Bonds.

“Bond Fund” means the Lindon City, Utah, Sewer Revenue Bond Fund created in Section 3.3 hereof to be held by the Trustee and administered pursuant to Section 5.3 hereof.

“Bond Fund Year” means the 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 (i) (a) 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 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 (b) on which the New York Stock Exchange is open, or (ii) 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.

“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.

“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.

“Corporate Trust Office” means the designated corporate trust office of the Trustee at which, at any particular time, its corporate trust business shall be administered, which at the date of execution of this Indenture is that specified in Section 11.4 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, fees of financial rating services and 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 (i) all interest payable during such Bond Fund Year on such Series of Bonds, plus (ii) the Principal Installments payable during such Bond Fund Year on (a) 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 (b) 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 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);

(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

(6) amortization of Balloon Bonds may be assumed on a level debt service basis over a twenty-year period at the interest rate based on the Revenue Bond Index as last published in *The Bond Buyer*, provided that the full amount of Balloon Bonds shall be included in the calculation if the calculation is made within twelve (12) months of the actual maturity of such Balloon Bonds and no credit facility exists;

and further provided, that there shall be excluded from Debt Service (a) 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, (b) 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, (c) 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 and (d) all interest on Bonds to the extent of Direct Payments attributable to Debt Service on Outstanding Bonds or Additional Bonds proposed to be issued.

“Debt Service Reserve Fund” means the Lindon City, Utah, Debt Service Reserve Fund created in Section 3.5 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 (i) 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 2% of original principal, then determined on the basis of initial purchase price to the public), (ii) the maximum annual Debt Service during any Bond Fund Year for such Series of Bonds, and (iii) 125% of the average annual Debt Service for such Series of Bonds; provided, however, that in the event any Series of Additional Bonds is issued to refund only a portion and not all of the then Outstanding Bonds of any other Series of Bonds issued pursuant to the Indenture, then the portion of such Series of Bonds that remain Outstanding immediately after the issuance of such Additional Bonds and the portion of such Additional Bonds that is allocable to the refunding of such Series of 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.

“Direct Payments” means the interest subsidy payments received by the Issuer from the Internal Revenue Service pursuant to Section 6431 of the Code or other substantially similar programs with respect to Bonds issued hereunder.

“Direct Payment Bonds” means the interest subsidy bonds issuable by the Issuer under Sections 54AA and 6431 of the Code and a “qualified bond” under Section 54AA(g)(2) of the Code or such other tax credit bonds of substantially similar nature which may be hereafter authorized.

“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 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 Lindon City, Utah, and its successors.

“Mayor” means the Mayor of the Issuer and any deputy to the Mayor or any successor to the duties of such office.

“Moody’s” means Moody’s Investors Service, Inc.

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

“Operation and Maintenance Expenses” means all expenses reasonably incurred in connection with the operation and maintenance of the System, whether incurred by the Issuer or paid to any other entity pursuant to contract or otherwise, repairs and renewals (other than capital improvements) necessary to keep the System in efficient operating condition, including costs for

sewer, cost of audits hereinafter required, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance hereinafter required, Administrative Costs and, generally all expenses, exclusive of depreciation (including depreciation related expenses of any joint venture) and, any in-lieu of tax transfers to Issuer funds, interest expense for interfund loans from Issuer funds, and reimbursement to the Issuer for general overhead and administration of the Issuer, which under generally accepted accounting practices are properly allocable to operation and maintenance; however, only such expenses as are reasonably and properly necessary to the efficient operation and maintenance of the System shall be included.

“Other Available Funds” means for any year the amount available throughout the applicable year for transfer from the Rate Stabilization Fund to the Revenue Fund, as designated by the Issuer.

“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.

“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 (i) pledged or in which any interest has otherwise been granted to a Security Instrument Issuer as collateral security for Security Instrument Repayment Obligations or (ii) purchased and held by a Security Instrument Issuer pursuant to a Security Instrument.

“Principal” means (i) 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 (ii) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity.

“Principal Installment” means, as of any date of calculation, (i) with respect to any Series of Bonds, so long as any Bonds thereof are Outstanding, (a) the Principal amount of Bonds of such Series due on a certain future date for which no Sinking Fund Installments have been established, or (b) 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 (ii) 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 renovation of the System, or the acquisition of improvements and equipment (with an expected life beyond a current Fiscal Year) for use in the System.

“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 Bond and designating it as a “Put Bond.”

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

“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 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 and/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 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 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 of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody’s and maturing no more than 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

(h) Any other investments or securities permitted for investment of public funds under the State Money Management Act of 1974, Title 51, Chapter 7, Utah Code, including investments contracts permitted by Section 51-7-17(2)(d) thereof.

"Rate Stabilization Fund" means the Rate Stabilization Fund of the Issuer to be held by the Issuer and administered pursuant to Section 5.12 hereof.

"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 any 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 (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, 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 (i) the interest thereon is intended to be excludable from gross income for federal income tax purposes or (ii) Direct Payments are applicable, 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 the Lindon City, Utah, Sewer Revenue Rebate Fund created in Section 3.8 hereof to be held by the Trustee and administered pursuant to Section 5.8 hereof.

"Register" means the record of ownership of the Bonds maintained by the Registrar.

"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, 6.5 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 of the month immediately preceding each Interest Payment Date.

"Regulations" and all references thereto shall mean and include 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 a remarketing agent or commercial paper dealer appointed by the Issuer pursuant to a Supplemental Indenture.

“Repair and Replacement Fund” means the Lindon City, Utah, Sewer Revenue Repair and Replacement Fund created in Section 3.7 hereof to be held by the Issuer and administered pursuant to Section 5.7 hereof.

“Repair and Replacement Reserve Requirement” means the amount or amounts from time to time required under each Supplemental Indenture to be on deposit in the Repair and Replacement Fund.

“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 specify 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 the Lindon City, Utah, Sewer Revenue Reserve Instrument Fund created in Section 3.6 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 (including the Supplemental Indenture authorizing the use of such Reserve Instrument) 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 the Lindon City, Utah, Sewer Revenue Fund created in Section 3.2 hereof to be held by the Issuer and administered pursuant to Section 5.2 hereof.

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

“S&P” means S&P Global Ratings.

“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 the Lindon City, Utah, Sewer Revenue Sinking Fund Account of the Bond Fund created in Section 3.4 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 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 at least one of the Rating Agencies and meeting the requirements of applicable laws of the State.

“Swap Payments” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by the Issuer. Swap Payments do not include any Termination Payments.

“Swap Receipts” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable for the account of the Issuer by the Swap Counterparty. Swap Receipts do not include amounts received with respect to the early termination or modification of an Interest Rate Swap.

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

“Term Bonds” means the Bonds which shall be subject to retirement by operation of mandatory sinking fund redemptions from the Sinking Fund Account.

“Termination Payments” means the amount payable to the Swap Counterparty by the Issuer with respect to the early termination or modification of an Interest Rate Swap. Termination Payments may only be payable from and secured by Net Revenues after payment of all amounts then due pursuant to the Indenture.

“Trustee” means [Trustee Name] 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.

“Year” means any twelve consecutive month period.

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 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, delivery, 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 headlines 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 “[Taxable] Sewer Revenue [Refunding] Bonds, Series _____,” 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 \$1,000,000 or more in aggregate principal amount of Bonds (or owners of 100% of any Series then Outstanding) by wire transfer to a bank account located in the United States 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 will 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 or as provided in Section 2.6 hereof at the 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 Net Revenues (except to the extent paid out of moneys attributable to the Bond proceeds or other funds created hereunder and held by the Trustee (except the Rebate Fund) or the income from the temporary investment thereof) and Other Available Funds. The Bonds shall be a valid claim of the Registered Owners thereof only against the Net 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 Net 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 taxation therefor or to make any appropriation for their payment.

The provisions of this Section 2.3 relating to the execution of Bonds may be changed as they apply to the Bonds of any Series by the Supplemental Indenture authorizing such Series of Bonds.

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 to the Trustee for the account of the Issuer of the purchase price therefor. 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 thereof. 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, duly certified by the City Recorder, 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) herein 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 to the Trustee of the Issuer 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 this Indenture has been duly executed and delivered

by the Issuer and is a valid and binding obligation of the Issuer; (b) this Indenture creates the valid pledge which it on the Net Revenues; and (c) the Bonds of such Series are valid and binding special 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 (or may substitute one Security Instrument for another) with respect to any Series of Bonds and the execution and delivery of any Security Instrument Agreements deemed necessary in connection therewith.

(e) 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.

(f) 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.

(g) 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, (i) the Security Instrument Issuer shall be deemed to be the Owner of the Outstanding Bonds of such Series (a) when the approval, consent or action of the Bondowners for such Series of Bonds is required or may be exercised under the Indenture and (b) following an Event of Default and (ii) the Indenture may not be amended in any manner which affects the rights of such Security Instrument Issuer without its prior written consent.

(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.

(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.

(h) The Issuer may provide for the execution of an Interest Rate Swap in connection with any Series of Bonds issued hereunder if so provided in the Supplemental Indenture. The obligation of the Issuer to pay Swap Payments may be secured with (a) a

lien on the Net Revenues on a parity with the lien thereon of Debt Service on the related Bonds (as more fully described in Section 5.2 herein) and may be net of Swap Receipts or (b) a subordinate lien on the Net Revenues and may be net of Swap Receipts. Such obligations may also be secured by other legally available moneys of the Issuer, all as established in the Supplemental Indenture for the related Series of Bonds. Termination Payments may only be payable from and secured by Net Revenues after payment of all amounts then due pursuant to the Indenture.

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, or an affidavit of an officer of the Bondholder attesting to such loss, theft or destruction, 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 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 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 (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 fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day fifteen 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.

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 hereof, to be redeemed shall be selected by the Trustee randomly 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. 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, simultaneous with the mailed notice to Registered Owners, to the Municipal Securities Rulemaking Board and 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. Such further notice shall contain the information required in clause (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 five 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 Net 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 Net 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 (i) the issuance of such Additional Bonds otherwise complies with the provisions hereof 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 Net Revenues plus Other Available Funds for any Year, less any Direct Payments, 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 125% of the sum of the Aggregate Annual Debt Service Requirement on all Bonds outstanding for said Year; provided, however, that such Net Revenue coverage test set forth above in this Subsection (b) 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) In the case of Additional Bonds issued to finance a Project, the Issuer shall have delivered to the Trustee a certificate from an Authorized Representative:

(i) setting forth the Estimated Net Revenues as herein described (assuming, if applicable, the completion of the Project, or any portion thereof, financed with proceeds of the Additional Bonds) either:

(A) for each of the two Bond Fund Years succeeding the latest estimated date of completion of the Project, or any portion thereof, if proceeds of the Additional Bonds are used to fund interest during the construction period, or

(B) if (A) is not the case, for the then current Bond Fund Year and each succeeding Bond Fund Year to and including the second Bond Fund Year succeeding the latest estimated date of completion of the Project, or any portion thereof; and

(ii) verifying that the Estimated Net Revenues as shown in (i) above for each of such Bond Fund Years, less any Direct Payments, plus Other Available Funds are not less than 125% of the Aggregate Annual Debt Service Requirement for each of such Bond Fund Years with respect to all of the Bonds and Additional Bonds which would then be Outstanding (after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Additional Bonds so proposed to be issued.

For purposes of this Section 2.13(c), “Estimated Net Revenues” shall be determined by the Authorized Representative as follows:

(A) The total Net Revenues of the System for any Year in the 24 months immediately preceding the authentication and delivery of the Additional Bonds shall first be determined. For purposes of these calculations, Revenues may be adjusted to give full effect to rate increases implemented prior to the issuance of the Additional Bonds.

(B) Next, the additional Net Revenues, if any, resulting from the Project, or any portion thereof, financed with the proceeds of the Additional Bonds will be estimated by a Qualified Engineer for the applicable Bond Fund Years as determined in Section 2.13(c)(i)(A) or (B) above.

(C) The Estimated Net Revenues will be the sum of the Net Revenues as calculated in (A) above, less any Direct Payments, plus 80% of the estimated additional Net Revenues as calculated in (B) above.

(d) 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

(e) 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 Net Revenues to secure payment of the Bonds and other Repayment Obligations hereunder, the Net 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 Net Revenues subordinate to that of the Bonds and Repayment Obligations.

Section 2.16 Perfection of Security Interest. (a) The Indenture creates a valid and binding pledge and assignment of security interest in all of the Net Revenues pledged under the Indenture in favor of the Trustee as security for payment of the 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, and is and shall have priority as against all parties having claims of any kind in tort, contract, or otherwise hereafter imposed on the Net Revenues.

ARTICLE III CREATION OF FUNDS AND ACCOUNTS

Section 3.1 Creation of Acquisition/Construction Fund. There is hereby created and ordered established in the custody of the Trustee the Acquisition/Construction Fund. There is hereby created and ordered established in the custody of the Trustee a separate account within the Acquisition/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 Acquisition/Construction Fund.

Section 3.2 Creation of Revenue Fund. The Issuer shall create and establish with 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 3.3 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Trustee the Bond Fund.

Section 3.4 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 3.5 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 3.6 Creation of Reserve Instrument Fund. There is hereby created and ordered established in the custody of the Trustee the Reserve Instrument Fund.

Section 3.7 Creation of Repair and Replacement Fund. There is hereby created and ordered established in the custody of the Issuer the Repair and Replacement Fund.

Section 3.8 Creation of Rebate Fund. There is hereby created and ordered established in the custody of the Trustee the Rebate Fund.

Section 3.9 Creation of Rate Stabilization Fund. There is hereby created and ordered established in the custody of the Issuer the Rate Stabilization Fund. For accounting purposes, the Rate Stabilization Fund may be redesignated by different account name by the Issuer from time to time.

Section 3.10 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 funds the Trustee may create.

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 Acquisition/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 Acquisition/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 Acquisition/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 Acquisition/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 Acquisition/Construction Fund or to inquire into the purposes for which disbursements are being made from the Acquisition/Construction Fund.

(c) The Issuer shall deliver to the Trustee, within 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) herein 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 Acquisition/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 Acquisition/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, (i) toward the redemption of the Series of Bonds issued to finance such Project or (ii) to pay principal and/or interest next falling due with respect to such Series of Bonds.

Section 5.2 Application of Revenues.

(a) Unless otherwise provided herein, all Revenues shall be deposited in the Revenue Fund and shall be accounted for by the Issuer separate and apart from all other moneys of the Issuer.

(b) As a first charge and lien on the Revenues, the Issuer shall cause to be paid from the Revenue Fund from time to time as the Issuer shall determine, all Operation and

Maintenance Expenses of the System as the same become due and payable, and thereupon such expenses shall be promptly paid.

(c) So long as any Bonds are Outstanding hereunder, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, (i.e., the Net Revenues), such Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) shall be applied on or before the first day of each month as follows:

(i) approximately one-sixth (or one-twelfth in the event that the Supplemental Indenture provides that interest on the Bonds authorized thereunder is payable annually instead of semiannually) of the interest falling due on the Bonds on the next succeeding interest payment date established for the Bonds; provided, however, that in the event that less than six (or twelve, if applicable) months will transpire prior to the first interest payment date following the issuance of a Series of Bonds, the Issuer shall transfer an amount equal to a fraction the numerator of which is one and the denominator of which is the number of full months to transpire prior to such Interest Payment Date times the amount of interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds; plus

(ii) approximately one-twelfth of the principal and premium and Sinking Fund Installments, if any, falling due on the next succeeding interest payment date established for the Bonds on which principal is due; provided, however, that in the event principal on a Series of Bonds is due on the first Interest Payment Date following the issuance of such Series, the Issuer shall deposit an amount equal to a fraction the numerator of which is one and the denominator of which is the number of full months to transpire prior to such Interest Payment Date times the amount of principal and premium and Sinking Fund Installment, if any, due on such Interest Payment Date;

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 date as the same become due and payable. The foregoing provisions may be revised by a Supplemental Indenture for any Series of Bonds having other than semiannual Interest Payment Dates.

(In lieu of monthly payments, a Supplemental Indenture may provide for semiannual payments to the Bond Fund, in which case the date of payment to the Trustee of an amount equal to the principal of, premium, if any, and interest falling due on the Bonds on the next succeeding Interest Payment Date shall not be less than fifteen days prior to said Interest Payment Date.)

(d) As a third charge and lien on the Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) (on a parity basis), the Issuer shall make the following transfers to the Trustee on or before the fifteenth day of each month of each year:

(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 Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) 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 a ratable portion (based on the amount to be transferred pursuant to Section 5.2(d)(ii) hereof) of remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) if less than the amount necessary; 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 Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund), or a ratable portion (based on the amount to be transferred pursuant to Section 5.2(d)(i) hereof) 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 Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) 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 within one year from any draw date under the Reserve Instrument.

(e) As a fourth charge and lien on the Net Revenues (and, if applicable any amounts on deposit in the Rate Stabilization Fund), the Issuer shall deposit in the Repair and Replacement Fund any amount required hereby and by any Supplemental Indenture to accumulate therein the Repair and Replacement Reserve Requirement. In the event that the amount on deposit in the Repair and Replacement Fund shall ever be less than the Repair and Replacement Reserve Requirement for the Bonds then Outstanding (or, after the issuance of Additional Bonds, the amount required to be on deposit therein), from time to time, the Issuer shall deposit to the Repair and Replacement Fund from the Revenue Fund all remaining Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) of the System after payments required by Sections 5.2(b), 5.2(c) and 5.2(d) herein have been made until there is on deposit in the Repair and Replacement Fund an amount equal to the Repair and Replacement Reserve Requirement. Subject to the provisions of Section 5.2(f) herein, this provision is not intended to limit, and shall not limit, the right of the Issuer to deposit additional moneys in the Repair and Replacement Fund from time to time as the Issuer may determine.

(f) Subject to making the foregoing deposits, the Issuer may use the balance of the Net Revenues accounted for in the Revenue Fund for any of the following:

- (i) redemption of Bonds;
- (ii) refinancing, refunding, or advance refunding of any Bonds;
- (iii) for transfer to the Rate Stabilization Fund; or
- (iv) 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(c) hereof;
- (iii) any amount in the Acquisition/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 (1) 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); (2) all agreements relating to all outstanding Security Instrument Repayment Obligations and Reserve Instrument Repayment Obligations in accordance with their respective terms; and (3) the 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 either be (i) deposited immediately upon the issuance and delivery of such Series from (a) proceeds from the sale thereof or from any other legally available source, or (b) by a Reserve Instrument or Instruments, or (c) any combination thereof, (ii) deposited from available Net Revenues over the period of time specified therein, or (iii) deposited from any combination of (i) and (ii) above; provided however, the foregoing provisions shall be subject to the requirements of any 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, pursuant to Section 5.2(d) hereof and the provisions of any Supplemental Indenture, to 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(d)(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.

The Issuer may, upon obtaining 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 5.6 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.

Section 5.7 Use of Repair and Replacement Fund. All moneys in the Repair and Replacement Fund may be drawn on and used by the Issuer for the purpose of (a) paying the cost of unusual or extraordinary maintenance or repairs of the System; (b) paying the costs of any renewals, renovation, improvements, expansion or replacements to the System; and (c) paying the cost of any replacement of buildings, lines, equipment and other related facilities, to the extent the same are not paid as part of the ordinary and normal expense of the operation of the System.

Funds shall be deposited monthly from available Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) in such amounts as may be required from time to time by each Supplemental Indenture until the Repair and Replacement Fund has an amount equivalent to the Repair and Replacement Requirement. Any deficiencies below the Repair and Replacement Requirement shall be made up from Net Revenues (and, if applicable, any amounts on deposit in the Rate Stabilization Fund) of the System available for such purposes. Funds at any time on deposit in the Repair and Replacement Fund in excess of the amount required to be maintained therein may, at any time, be used by the Issuer for any lawful purpose.

Section 5.8 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 Rebatale 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 5.8 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 5.8.

(d) The Trustee shall, at least 60 days prior to each Rebate Calculation Date, notify the Issuer of the requirements of this Section 5.8. 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 5.8 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 excludability from gross income of interest on the Bonds or the status of the Bonds as entitled to Direct Payments, if applicable.

Section 5.9 Investment of Funds. Any moneys in the Bond Fund, the Acquisition/Construction Fund, the Reserve Instrument Fund, the Rebate Fund or the Debt Service Reserve Fund shall, at the discretion and written authorization of the Issuer's Authorized Representative, 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 Acquisition/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 5.9. 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 grant 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 will furnish the Issuer periodic cash transaction statements which include the detail for all investment transactions made by the Trustee hereunder.

The Issuer may invest the amounts on deposit in the Repair and Replacement Fund as permitted by applicable law.

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 and the Trustee agrees that it will take all such steps as the Issuer may require.

Section 5.10 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 5.8 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 5.11 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.

Section 5.12 Use of Rate Stabilization Fund. The Issuer may create and maintain the Rate Stabilization Fund as a separate fund of the Issuer. The Rate Stabilization Fund may be funded by the Issuer from any legally available funds of the Issuer and/or may be funded by the Issuer from amounts transferred from the Revenue Fund as provided in Section 5.2(f)(iii). The Issuer may, from time to time, designate all or a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Funds (as described in the definition thereof). Except for amounts designated as provided in the immediately preceding sentence (for the year so designated), amounts on deposit in the Rate Stabilization Fund may be used by the Issuer for any lawful purpose. To the extent that amounts on deposit in the Revenue Fund are insufficient in any

year for any of the purposes thereof the Issuer covenants that, to the extent amounts are on deposit in the Rate Stabilization Fund, to transfer amounts from the Rate Stabilization Fund to the Revenue Fund to cover any such insufficiency.

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, Security Instrument Issuer and Reserve Instrument Provider as follows:

(a) While any of the principal of and interest on the Bonds are outstanding and unpaid, or any Repayment Obligations are outstanding, any resolution or other enactment of the Governing Body of the Issuer, applying the Net Revenues for the payment of the Bonds and the Repayment Obligations 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 the Repayment Obligations which would in any way jeopardize the timely payment of principal or interest when due. Furthermore, the rates, for all services supplied by the System to the Issuer and to its inhabitants and to all rate payers within or without the boundaries of the Issuer, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide: Net Revenues for each Bond Fund Year which when added to the Other Available Funds for such year (less Direct Payments) shall equal not less than 125% of the Aggregate Annual Debt Service Requirement for such year; plus an amount sufficient to fund the Debt Service Reserve Fund for the Bonds in the time, rate and manner specified herein; provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. There shall be no free service, and such rates shall be charged against all users of the System, including the Issuer. The Issuer agrees that should its annual financial statement made in accordance with the provisions of Section 6.1(d) hereof disclose that during the period covered by such financial statement the Net Revenues and Other Available Funds were not at least equal to the above requirement, the Issuer shall request that a Qualified Engineer, independent accountant, or other independent financial consultant make recommendations as to the revision of the rates, charges and fees and that the Issuer on the basis of such recommendations will revise the schedule of rates, charges and fees and further revise Operation and Maintenance Expenses so as to produce the necessary Net Revenues and Other Available Funds as herein required.

(b) The Issuer will maintain the System in good condition and operate the same in an efficient manner.

(c) Each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider shall have a right, in addition to all other rights afforded it by the laws of the State, to apply to and obtain from any court of competent jurisdiction such decree or order as may be necessary to require the Issuer to charge or collect reasonable rates for services supplied by the System sufficient to meet all requirements hereof and of any applicable Reserve Instrument Agreement.

(d) So long as any principal and interest payments of the Bonds are Outstanding, or any Repayment Obligations are outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each 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 thereto and to inspect the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants, showing the receipts and disbursements for account of the Net Revenues and the System, and that such audit will be available for inspection by each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider.

All expenses incurred in compiling the information required by this Section 6.1 shall be regarded and paid as an Operation and Maintenance Expense.

Section 6.2 Lien of Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligations constitute an irrevocable first lien upon the Net 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 lien on the Net Revenues and shall not be entitled to any priority one over the other in the application of the Net 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 (i) proceeds of the issuance and sale of Bonds, (ii) Net Revenues, or (iii) 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 Net 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 Net 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 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 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 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 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 and Direct Payments. 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 excluded 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 includible 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 or entitled to Direct Payments 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 (i) will not take any action that would cause interest on tax-exempt Bonds issued hereunder to become includible in gross income for purposes of federal income taxation, (ii) will not take any action that would jeopardize the Direct Payments on Bonds issued under this Indenture, (iii) 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 includible in gross income for purposes of federal income taxation, (iv) will not omit to take or cause to be taken, in timely manner, any action, which omission would jeopardize the Direct Payments on Bonds issued under this Indenture and (v) 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 tax-exempt Bonds and the Direct Payments on any Direct Payment Bonds issued under this Indenture.

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 Management of System. The Issuer, in order to assure the efficient management and operation of the System and to assure each Registered Owner, Security Instrument Issuer and Reserve Instrument Provider from time to time that the System will be operated on sound business principles, will employ competent and experienced management for the System, will use its best efforts to see that the System is at all times operated and maintained in first-class repair and condition and in such manner that the operating efficiency thereof shall be of the highest character.

Section 6.10 Use of Legally Available Moneys. Notwithstanding any other provisions hereof, nothing herein shall be construed to prevent the Issuer from (i) paying all or any part of the Operation and Maintenance Expenses from any funds available to the Issuer for such purpose, (ii) depositing any funds available to the Issuer for such purpose in any account in the Bond Fund for the payment of the interest on, premium, if any, or the principal of any Bonds issued under provisions hereof or for the redemption of any such Bonds, or (iii) depositing any funds available to the Issuer for such purpose in the Reserve Instrument Fund for the payment of any amounts payable under any applicable Reserve Instrument Agreement.

Section 6.11 Payment of Taxes and Other Charges. The Issuer covenants that all taxes and assessments or other municipal or governmental charges lawfully levied or assessed upon the System or upon any part thereof or upon any income therefrom will be paid when the same shall become due, that no lien or charge upon the System or any part thereof or upon any Revenues thereof, except for the lien and charge thereon created hereunder and securing the Bonds, will be created or permitted to be created ranking equally with or prior to the Bonds (except for the lien of the parity lien thereon of Additional Bonds issued from time to time hereunder and under

Supplemental Indentures hereto), and that all lawful claims and demands for labor, materials, supplies or other objects which, if unpaid, might by law become a lien upon the System or any part thereof or upon the Revenues thereof will be paid or discharged, or adequate provision will be made for the payment or discharge of such claims and demands within 60 days after the same shall accrue; provided, however, that nothing in this Section 6.11 shall require any such lien or charge to be paid or discharged or provision made therefor so long as the validity of such lien or charge shall be contested in good faith and by appropriate legal proceedings.

Section 6.12 Insurance. The Issuer, in its operation of the System, will self-insure or carry insurance, including, but not limited to, workmen's compensation insurance and public liability insurance, in such amounts and to such extent as is normally carried by others operating public utilities of the same type. The cost of such insurance shall be considered an Operation and Maintenance Expense of the System. In the event of loss or damage, insurance proceeds shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder shall be paid into the Bond Fund.

Section 6.13 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 6.14 Covenant Not to Sell. The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all principal of and interest on the Bonds, and all Repayment Obligations, have been paid in full, except as follows:

(a) The Issuer may sell any portion of said property which shall have been replaced by other property of like kind and of at least equal value. The Issuer may sell, lease, abandon, mortgage, or otherwise dispose of any portion of the property which shall cease to be necessary for the efficient operation of the System the disposition of which will not, as reasonably determined by the governing body of the Issuer, result in a material reduction in Net Revenues in any year; and the value of which, as reasonably determined by the governing body of the Issuer (together with any other property similarly disposed of within the 12 calendar months preceding the proposed disposition) does not exceed 10% of the value of the System assets, provided, however, that in the event of any sale or lease as aforesaid, the proceeds of such sale or lease not needed to acquire other System property shall be paid into the Bond Fund.

(b) The Issuer may lease or make contracts or grant licenses for the operation of, or make arrangements for the use of, or grant easements or other rights with respect to, any part of the System, provided that any such lease, contract, license, arrangement, easement or right does not impede the operation of the System; and any payment received by the Issuer under or in connection with any such lease, contract, license, arrangement, easement or right in respect of the System or any part thereof shall constitute Revenues.

Section 6.15 Billing Procedure. The Issuer shall submit a monthly billing for services rendered to persons who are liable for the payment of charges for such services, shall require that each such bill be paid in full as a unit, and refuse to permit payment of a portion without payment of the remainder. Any bill not paid within sixty (60) days from the date it is mailed to the customer shall be deemed delinquent. The Issuer hereby agrees that if any bill remains delinquent for more than sixty (60) days and has an outstanding balance of at least \$40, it will initiate proceedings to cause all sewer service to the user concerned to be cut off immediately.

Section 6.16 Annual Budget. Prior to the beginning of each Fiscal Year the Issuer shall prepare and adopt a budget for the System for the next ensuing Fiscal Year. At the end of the first six months of each Fiscal Year, the Issuer shall review its budget for such Fiscal Year, and in the event actual Revenues, Operation and Maintenance Expenses or other requirements do not substantially correspond with such budget, the Issuer shall prepare an amended budget for the remainder of such Fiscal Year. The Issuer also may adopt at any time an amended budget for the remainder of the then current Fiscal Year.

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, in the reasonable opinion of any Registered Owner of not less than 50% in aggregate principal amount of the Bonds then Outstanding hereunder, 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 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 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 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 Default shall continue for 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 25% in aggregate Principal amount of the Bonds then Outstanding hereunder; or

(j) 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.

If an Event of Default shall have occurred, and if requested so to do by (i) Registered Owners of not less than 25% in aggregate Principal amount of the Bonds then Outstanding, (ii) 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 25% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 25% in aggregate Principal amount of Bonds at the time Outstanding, and if 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 (i) the Registered Owners of a majority in aggregate Principal amount of the Bonds then Outstanding, (ii) 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 50% in aggregate Principal amount of Bonds at the time Outstanding, or (iii) any combination of Registered Owners and Security Instrument Issuers described in (i) and (ii) above representing not less than 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 and any other outstanding fees and expenses of the Trustee relating to its duties under this Indenture, 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 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 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 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, 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 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 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 proceeding 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 such duties and only such duties as are specifically set forth in this Indenture and 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 gross 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 (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 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 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 security or indemnity acceptable to the Trustee 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.

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 or sent by facsimile 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, as applicable.

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 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 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 (i) in writing delivered to the Trustee, and signed by the Issuer, unless there exists any Event of Default, or (ii) 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; 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 by the Issuer 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 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, 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. 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. The indemnification provided to the Trustee under this Section 8.14 will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

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.

Section 8.16 Direct Payment Authorization. The Issuer hereby authorizes and directs the Trustee to take all necessary actions, if applicable, to effectively carry out the duties required to apply for and accept Direct Payments from the Internal Revenue Service on behalf of the Issuer under Sections 54AA and 6431 of the Code or such other tax provisions of substantially similar nature which may be hereafter authorized, including, but not limited to, filing and signing IRS

Form 8038-CP, receiving the Direct Payment on the Issuer's behalf, and using such Direct Payment to pay Debt Service on the Bonds. For fixed rate bonds, the Trustee shall file the 8038-CP at least 60 days (but not more than 90 days) before the relevant Interest Payment Date (unless otherwise directed by a change in regulations). For variable rate bonds, the Trustee shall file the 8038-CP for reimbursements in arrears within 25 days after the last Interest Payment Date within the quarterly period for which reimbursement is being requested (unless otherwise directed by a change in regulations). The Issuer hereby covenants that it will deposit the Direct Payments with the Trustee for use in paying Debt Service on the Bonds.

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, 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, or any successor provisions of law;
- (f) To make any change which shall not materially adversely affect (determined as if there were no Security Instrument in place) 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 (A) 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 (B) 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 or (C) to establish or maintain the Direct Payments related to any Series of Bonds;

(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 (1) a Supplemental Indenture designating the facilities to comprise the Project, (2) 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 (3) a certificate of the Issuer to the effect 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 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 (i) 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 (ii) 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 (a) 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 (b) 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 (c) 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 (d) 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 hereof, 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.

If at any time the Issuer shall request the Trustee to enter into any such Supplemental Indenture for any of the purposes of this Section 9.2, the Trustee, shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such Supplemental Indenture to be given by registered or certified mail to the Bondholder of each Bond shown by the list of Bondholders required by the terms of Section 2.6 hereof to be kept at the office of the Trustee. Such notices shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that copies thereof are on file at the Corporate Trust Office of the Trustee for inspection by all Bondholders. At the time such notices are mailed by the Trustee, the Issuer may, but is not required to, designate a reasonable time period for receipt of such consents and shall include such requirement in the notices sent to the Bondholders. If the Bondholders of not less than 66 2/3% in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture shall have consented to and approved the execution thereof as herein provided, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Indenture as is in this Article IX permitted and provided, the Indenture shall be and be deemed to be modified and amended in accordance therewith.

Section 9.3 Opinion of Counsel as to Supplemental Indenture. In executing any Supplemental Indenture, the Trustee shall receive and will be fully protected in conclusively relying upon an opinion of counsel stating that the execution of such Supplemental Indenture is authorized or permitted by this Indenture and is the legal, valid and binding obligation of the Issuer, enforceable against it in accordance with its terms.

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.

Any discharge of the lien of the Indenture shall also be subject to any applicable terms of a related Supplemental Indenture.

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 the provisions of this Indenture; and
- (c) if the Bonds to be redeemed will not be redeemed within 90 days of such deposit, 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 Subparagraph (a) above.

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.

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 IX 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, 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. The amount of Bonds held by any person executing such instrument as a Registered Owner of

Bonds and the fact, amount and numbers of the Bonds held by such person and the date of his holding the same shall be proved by the registration books of the Trustee.

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 or sent by facsimile addressed to it at 100 North State Street, Lindon, Utah 84042, 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 or sent by facsimile addressed to it at [Trustee Name], [Insert Trustee Address], Attention: [Corporate Trust Department], 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 Electronic Signatures. Each party hereto acknowledges and agrees that it may execute this Indenture, 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.

Section 11.8 Applicable Law. THIS INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE.

Section 11.9 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 11.10 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 11.11 Effective Date. This Indenture shall become effective immediately.

Section 11.12 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.

LINDON CITY, UTAH, as Issuer

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

[TRUSTEE NAME], as Trustee

By: _____
Vice President

EXHIBIT AFORM OF REQUISITION

Re: Lindon City, Utah, Sewer Revenue Bonds, _____ in the sum of
\$ _____

[Trustee Name]
[Trustee Address
City, Utah Zip]

You are hereby authorized to disburse from the Series _____ Account of the Acquisition/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 _____ Account of the Acquisition/Construction Fund based upon audited, itemized claims substantiated in support thereof (evidence of such support not herein required by the Trustee), is justly due and owing and constitutes a Cost of a Project and has not been the basis for a previous withdrawal.

The amount remaining in the Series _____ Account of the Acquisition/Construction Fund after such disbursement is made, together with the amount of unencumbered Net Revenues, if any, which the Issuer reasonably estimates will be deposited in the Series _____ Account of the Acquisition/Construction Fund during the period of construction of the Project from the investment of moneys on deposit in the Series _____ Account of the Acquisition/Construction Fund, will, together with any other moneys lawfully available or expected to be lawfully available for payment of the Cost of the Project and after payment of the amount requested in said requisition, be sufficient to pay the Cost of Completion for the Project in accordance with the plans and specifications therefor then in effect; it being understood that no moneys from the Series _____ Account of the Acquisition/Construction Fund may be expended unless, after giving effect thereto, the funds remaining in the Series _____ Account of the Acquisition/Construction Fund, together with such other funds and income and lawfully available moneys, are sufficient to pay the Cost of Completion for the Project.

DATED: _____

By: _____

Its: _____

FIRST SUPPLEMENTAL INDENTURE OF TRUST

Dated as of [_____ 1, 2026]

by and between

LINDON CITY, UTAH

and

[TRUSTEE NAME],
as Trustee

Supplementing the
General Indenture of Trust
Dated as of [_____ 1, 2026]

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FIRST SUPPLEMENTAL INDENTURE OF TRUST

This First Supplemental Indenture of Trust, dated as of [_____]1, 2026], by and between Lindon 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 [Trustee Name], 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 office in Salt Lake City, Utah (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 [_____]1, 2026] (the “General Indenture”) with the Trustee; and

WHEREAS, the Issuer desires to issue a series of bonds in order to finance improvements and additions to its sewer system facilities (the “System”) as hereinafter set forth; and

WHEREAS, [the Issuer desires to issue bonds in order to refund all or a portion of its outstanding Sewer Revenue Bonds, Series 2011 and Series 2018 (the “Refunded Bonds”)]; and

WHEREAS, in order to (a) finance the acquisition and construction of improvements to the Issuer’s sewer system, including pipe upsizing, and all related improvements (collectively, the “Series 2026 Project”), (b) refund the Refunded Bonds. (c) make any required deposits into a debt service reserve, if necessary, and (d) finance the costs of issuance of the Series 2026 Bonds (defined below) herein authorized, the Issuer has determined to issue its Sewer Revenue [and Refunding] Bonds, Series 2026 in the aggregate principal amount of \$[PAR] (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 First Supplemental Indenture (the “First 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 First 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 First Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2026 Bonds and all other Bonds Outstanding and 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 the Reserve Instrument by the Reserve Instrument Provider,

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 First 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 [Trustee Name], as Trustee, its successors in 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 Net 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 Security Instrument Issuers of Security Instrument for any Bonds without preference, priority, or distinction as to lien or otherwise (except as otherwise specifically provided), of any one Bond over any other Bond, or any Security Instrument Repayment Obligations over any of the others, 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 First 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, when used 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 the date of delivery of the Series 2026 Bonds.

“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 May 1 and November 1 commencing May 1, 2027.

["Refunded Bonds" means the Sewer Revenue Bonds Series 2011, and Series 2017.]

"Series 2026 Acquisition/Construction Account" means the account established within the Acquisition/Construction Fund under the General Indenture held in trust by the Trustee, into which a portion of the proceeds of the Series 2026 Bonds shall be deposited as provided herein.

"Series 2026 Bonds" means the Lindon City, Utah, Sewer Revenue [and Refunding] Bonds, Series 2026 authorized herein.

"Series 2026 Debt Service Reserve Account" means the account established within the Debt Service Reserve Fund under the General Indenture held in trust by the Trustee.

"Series 2026 Debt Service Reserve Requirement" means, with respect to the Series 2026 Bonds, an amount equal to \$[0.]

"Series 2026 Project" means the acquisition and construction of improvements to the Issuer's sewer system and all related improvements.

"[Underwriter/Purchaser]" means [_____].

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) [finance the Series 2026 Project/provide funds to refund the Refunded Bonds] [(ii) make any required deposits into a debt service reserve, if necessary,] and (iii) pay costs incurred in connection with the issuance of the Series 2026 Bonds. The Series 2026 Bonds shall be limited to \$[PAR] in aggregate principal amount, shall be issued in fully registered form, 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, "Sewer Revenue [and 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:

<u>Maturity</u> <u>(November 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		

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

Section 2.3 [Optional Redemption]. The Series 2026 Bonds maturing on or before November 1, 20__ are not subject to redemption prior to maturity. The Series 2026 Bonds maturing on or after November 1, 20__ are subject to redemption prior to maturity in whole or in part at the option of the Issuer on November 1, 20__ or on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as November 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, if any, thereon to the date of redemption.]

Section 2.4 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 and attest 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 2.5 Delivery of Bonds. It is hereby determined that the Series 2026 Bonds shall be authenticated and delivered to the [Underwriter/Purchaser] upon compliance with the General Indenture and payment of the purchase price thereof.

Section 2.6 Designation of Registrar. The Trustee is hereby designated as Registrar for the Series 2026 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Registrar.

Section 2.7 Designation of Paying Agent. The Trustee is hereby designated as Paying Agent for the Series 2026 Bonds, acceptance of which appointment shall be evidenced by execution of this First Supplemental Indenture by the Paying Agent.

Section 2.8 [Book-Entry System]. (a) Except as provided in paragraphs (b) and (c) of this Section 2.8 the Registered Owner of all Series 2026 Bonds shall be, and the Series 2026 Bonds shall be registered in the name of Cede & Co., 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 Bond shall be made in accordance with the provisions of this First 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.

(a) 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 Bond 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 Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each Series 2026 Bond, (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 First 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 First Supplemental Indenture, the word “Cede” in this First Supplemental Indenture shall refer to such new nominee of DTC.

(b) Except as provided in paragraph (c)(iii) of this Section 2.8 and notwithstanding any other provisions of this First 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.

(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 Bond 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 First Supplemental Indenture to the contrary, so long as any Series 2026 Bond 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 Bond and all notices with respect to such Series 2026 Bond 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 First 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 2.9 Limited Obligation. The Series 2026 Bonds, together with interest thereon, shall be limited obligations of the Issuer payable solely from the Net Revenues (except to the extent paid out of moneys attributable to the Series 2026 Bond proceeds or other funds created hereunder or under the Indenture (excluding the Rebate Fund) or the income from the temporary investment thereof).

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 Net 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 Net Revenues.

Section 2.11 Series 2026 Bonds as Initial Bonds. The Series 2026 Bonds are issued as the Initial Bonds under the General Indenture.

Section 2.12 [Series 2026A Bonds as Refunding Bonds.] The Series 2026 Bonds are issued in order to refund the Refunded Bonds under Section 2.13 of the General Indenture. The Issuer hereby certifies that the requirements set forth in Section 2.4(c) of the General Indenture have been and will be complied with in connection with the issuance of the Series 2026 Bonds.]

ARTICLE III APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 3.1 Creation of Series 2026 Accounts. There is hereby established with the Trustee a Series 2026 Acquisition/Construction Account within the Acquisition/Construction Fund.

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 reoffering premium of \$[_____] less an [Underwriter/Purchaser]'s discount of \$[_____] and the Trustee shall deposit said proceeds into the Series 2026 Acquisition/Construction Account.

Section 3.3 No Series 2026 Debt Service Reserve Requirement. [There shall be no Series 2026 Debt Service Reserve Requirement with respect to the Series 2026 Bonds.]

Section 3.4 Series 2026 Acquisition/Construction Account. Disbursements of moneys in the Series 2026 Acquisition/Construction Account shall be made in accordance with the terms of Section 5.1 of the General Indenture; provided, however, that costs of issuance shall be paid by the Trustee from the Series 2026 Acquisition/Construction Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request signed by an Authorized Representative of the Issuer in substantially the form of Exhibit B attached hereto.

Section 3.5 Repair and Replacement Fund. [For purposes of the Series 2026 Bonds, the Repair and Replacement Reserve Requirement is \$0.]

Section 3.6 [Transfer of Fund and Application of Proceeds of the Series 2026 Bonds. The Series 2026 Bonds shall be delivered to the [Water Quality Board/Zions Bank] in exchange for the surrender of the Issuer's Series [_____] Bonds. The Trustee is hereby instructed to destroy such Series [_____] Bonds.]

ARTICLE IV CONFIRMATION OF GENERAL INDENTURE

As supplemented by this First Supplemental Indenture, and except as provided herein, the General Indenture is in all respects ratified and confirmed, and the General Indenture and this First 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 First Supplemental Indenture, and to any revenues, receipts and moneys to be derived therefrom.

ARTICLE V MISCELLANEOUS

Section 5.1 Confirmation of Sale of Series 2026 Bonds. The sale of the Series 2026 Bonds to the [Underwriter/Purchaser] at the price described above, is hereby ratified, confirmed and approved.

Section 5.2 Severability. If any provision of this First 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 First Supplemental Indenture contained, shall not affect the remaining portions of this First Supplemental Indenture, or any part thereof.

Section 5.3 Counterparts. This First 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.

Section 5.4 Electronic Signatures. Each party hereto acknowledges and agrees that it may execute this Indenture, 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.

Section 5.5 Applicable Law. THIS FIRST SUPPLEMENTAL INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE OF UTAH.

Section 5.6 Effective Date. This First Supplemental Indenture shall become effective immediately upon execution.

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

LINDON CITY, UTAH

(SEAL)

By: _____
Mayor

COUNTERSIGN:

By: _____
City Recorder

[TRUSTEE NAME], as Trustee

By: _____
Vice President

EXHIBIT A

(FORM OF SERIES 2026 BOND)

[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.]

Registered

Registered

UNITED STATES OF AMERICA
LINDON CITY, UTAH
SEWER REVENUE [AND REFUNDING] BONDS
SERIES 2026

Number R - ____

\$ _____

Interest Rate

Maturity Date

Dated Date

CUSIP

%

November 1, ____

Registered Owner: CEDE & CO.

Principal Amount: _____

Lindon City, Utah (the “Issuer”), a political subdivision 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 the Maturity Date specified above with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on May 1 and November 1 of each year, commencing May 1, 2027 (each an “Interest Payment Date”), until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the designated offices of [Trustee Name], Corporate Trust Department, Salt Lake City, Utah (“Trustee” and “Paying Agent”) or its successors. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at his address 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 Bond is one of an issue of Bonds of the Issuer designated as the “Sewer Revenue [and Refunding] Bonds, Series 2026” (the “Series 2026 Bonds”) in the aggregate principal amount of \$[PAR] of like tenor and effect, except as to date of maturity and interest rate, numbered R-01 and upwards, issued by the Issuer pursuant to a General Indenture of Trust dated as of [_____] 1, 2026], as supplemented by a First Supplemental Indenture of Trust dated as of [_____] 1, 2026] (collectively the “Indenture”) approved by a resolution of the Issuer adopted on September 21, 2026 (the “Bond Resolution”), for the purpose of (i) financing the acquisition and construction of improvements to the Issuer’s sewer system and all related improvements (ii) [refunding the Refunded Bonds] (iii) [funding any required deposits into reserve fund,] and (iv) paying certain issuance expenses, 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 “Lindon City, Utah Sewer 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 Net Revenues (as defined in the Indenture) derived and to be derived from the Issuer’s System all as more fully described and provided in the Indenture.

As more fully provided in the Indenture, the Series 2026 Bonds shall be payable only from the Net Revenues (as defined in the Indenture) 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 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 [and mandatory sinking fund] redemption as provided in the Indenture.

The Bonds are issued as fully registered Bonds. Subject to the limitations and upon payment of the charges provided in the Indenture, registered Bonds may be exchanged for a like aggregate principal amount of registered Bonds of other authorized denominations of the same series and the same maturity.

This Bond is transferable by the registered holder hereof in person or by his attorney duly authorized in writing at the designated corporate offices of [Trustee Name] (the “Registrar”), in Salt Lake City, Utah, 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 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 the Issuer nor the Paying Agent shall be affected by any notice to the contrary.

This Bond is issued under and pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), and this 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 Bonds shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

The Issuer covenants and agrees that it will cause to be collected and accounted for sufficient Net Revenues as will at all times be sufficient to pay promptly the principal of and interest on this 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.

This Bond and the issue of Bonds of which it is a part are issued in conformity with and after full compliance with the Constitution of the State of Utah and pursuant to the provisions of the Act and all other laws applicable thereto. 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 Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond, 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 Net 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 Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Net Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Bonds of which this Bond is one and all bonds issued on a parity with this Bond.

This 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 Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this 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.

LINDON CITY, UTAH

(SEAL)

(facsimile or manual signature)

Mayor

COUNTERSIGN:

(facsimile or manual signature)

City Recorder

CERTIFICATE OF AUTHENTICATION

This Bond is one of the Sewer Revenue [and Refunding] Bonds, Series 2026 of Lindon City, Utah.

[TRUSTEE NAME], as Trustee

By: _____ (Manual Signature)
Vice President

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).

EXHIBIT BCOST OF ISSUANCE DISBURSEMENT REQUEST

[Trustee Name]

[Inset Truste Address]

Pursuant to Section 3.4 of the First Supplemental Indenture of Trust dated as of [_____]1, 2026], you are hereby authorized to pay to the following costs of issuance from the Series 2026 Acquisition/Construction Account:

(See Attached Schedule)

 AUTHORIZED REPRESENTATIVE,
 LINDON CITY, UTAH
Costs of IssuancePayeePurposeAmount

SUPPLEMENTAL MASTER RESOLUTION
OF
LINDON CITY, UTAH
AS ISSUER
DATED AS OF
[_____1, 2026]

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SUPPLEMENTAL MASTER RESOLUTION

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

WHEREAS, Lindon City, Utah (the “Issuer”) has previously issued Sewer Revenue Bonds, Series 2026 (the “Series 2026 Bonds”) and Sewer Revenue Bonds, Series 2011 (the “Series 2011 Bonds”), pursuant to a Master Resolution dated as of January 18, 2011 (the “Original Master Resolution”); and

WHEREAS, the Issuer desires to finance all or a portion of the costs of acquisition and construction of improvements to the Issuer’s sewer system and all related improvements (the “Series 2026 Project”), through the issuance of Sewer Revenue Bonds, Series 2026 (the “Series 2026 Bonds”) in an aggregate principal amount of \$[PAR]; pursuant to this supplemental master resolution (the “Supplemental Master Resolution” and together with the Original Master Resolution, the “Master Resolution”); and

WHEREAS, the Series 2026 Bonds shall be issued on a parity with the Issuer’s Parity Bonds, such that the Series 2026 Bonds are secured by an equal lien pledge of the Net Revenues with said Parity Bonds; and

WHEREAS, [] (the “Purchaser”) has offered to purchase the Series 2026 Bonds at par in the total principal amount of \$[PAR]; and

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

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

ARTICLE I DEFINITIONS

Section 1.1 Definitions. All terms defined in the Original Master Resolution shall have the same meanings ascribed to such terms in this Supplemental Master Resolution, except as otherwise defined or modified herein or unless the context otherwise clearly indicates. As used in this Supplemental Master Resolution, the following terms shall have the following meanings unless the context otherwise clearly indicates:

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

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

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

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

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

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

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

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

“Governing Body” means the City Council of the Issuer.

“Interest Payment Dates” means each [June 1] and [December 1], beginning [June 1, 20__].

“Master Resolution” means collectively, the Original Master Resolution dated as of January 18, 2011, and this Supplemental Master Resolution dated as of [_____] 1, 2026].

“Original Master Resolution” means the Original Master Resolution dated as of January 18, 2011.

“Parity Bonds” means any bonds issued on a parity with the Series 2026 Bonds, including the Issuer’s Sewer Revenue Bonds, Series 2017 and Sewer Revenue Bonds, Series 2011..

“Purchaser” means, with respect to the Series 2026 Bonds, [_____].

“Revenue Fund” means the Lindon City Sewer Revenue Fund created in Section 3.4 of the Original Master Resolution in the hands of the Issuer to be administered pursuant to Section 3.4 of the Original Master Resolution and Section 3.4 of this Supplemental Master Resolution.

“Series 2011 Bonds” means the Issuer’s outstanding Sewer Revenue Bonds, Series 2011.

“Series 2017 Bonds” means the Issuer’s outstanding Sewer Revenue Bonds, Series 2017

“Series 2026 Bonds” means the Issuer’s Sewer Revenue Bonds, Series 2026 issued in the total principal amount of \$[PAR] authorized herein.

“Series 2026 Project” means financing all or a portion of the costs of acquisition and construction of improvements to the Issuer’s sewer system and all related improvements.

“Sinking Fund Year” means the 12-month period beginning July 1 of each year and ending June 30 of the following year, except with respect to the Series 2026 Bonds that the first Sinking

Fund Year will begin on the initial delivery date of the Series 2026 Bonds and will end on the following June 30.

“Supplemental Master Resolution” means this Supplemental Master Resolution dated as of [_____]1, 2026].

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

ARTICLE II ISSUANCE OF SERIES 2026 BONDS

Section 2.1 Principal Amount, Designation, Series, and Interest Rate. The Series 2026 Bonds are hereby authorized for the purpose of providing funds to (a) finance the Series 2026 Project and (b) pay costs incurred in connection with the issuance of the Series 2026 Bonds. The Series 2026 Bonds shall be limited to \$[PAR] in aggregate principal amount, shall be issued in the form set forth in Exhibit A, in fully registered form and shall bear interest at the rate of [_____] % per annum and shall be payable 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, “Lindon City, Utah Sewer Revenue Bonds, Series 2026.”

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

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

Section 2.3 Mandatory Sinking Fund Redemption. The Series 2026 Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest thereon to the redemption date on the dates and in the principal amounts as follows:

Mandatory Sinking Fund
 Redemption Date
(December 1)

Mandatory Sinking Fund
Redemption Amount

* Final Maturity Date

Upon redemption of any Series 2026 Bonds maturing on [December 1, ____], other than by application of such mandatory sinking fund redemption, an amount equal to the principal amount so redeemed will be credited toward a part or all of any one or more of such mandatory sinking fund redemption amounts for the Series 2026 Bonds maturing on [December 1, 20__], in such order of mandatory sinking fund date as shall be directed by the Issuer.

To the extent that a mandatory sinking fund redemption results in the reduction in aggregate principal amount of the Series 2026 Bonds Outstanding, a Registered Owner shall not be required to submit its Series 2026 Bond certificate to the Paying Agent for payment and shall instead make an appropriate notation on such Bond certificate indicating the date and amounts of such redemption in principal, except in the case of final maturity, in which case the certificate must be presented to the Paying Agent prior to payment. The Paying Agent’s records shall govern in the case of discrepancy with the noted schedule on the Series 2026 Bonds, absent manifest error.

Section 2.4 Optional Redemption and Redemption Prices. The Series 2026 Bonds are callable at any time, in whole or in part, (and, if in part, in such order of maturity as determined by the Issuer) at the option and direction of the Issuer and upon thirty (30) days’ prior written notice, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date.

Section 2.5 Execution and Delivery of the Series 2026 Bonds. The Mayor of the Issuer is hereby authorized to execute by manual or facsimile signature the Series 2026 Bonds and the City Recorder of the Issuer to countersign by manual or facsimile signature the Series 2026 Bonds and to have imprinted, engraved, lithographed, stamped, or otherwise placed on the Series 2026 Bonds the official seal of the Issuer. The City Recorder is hereby authorized to deliver to the

Purchaser the Series 2026 Bonds upon payment to the Issuer of the proceeds of the Series 2026 Bonds.

Section 2.6 Bank Designation of Series 2026 Bonds. For purposes of and in accordance with Section 265 of the Code, the Issuer has designated the Series 2026 Bonds as an issue qualifying for the exception for certain qualified tax-exempt obligations to the rule denying banks and other financial institutions 100% of the deduction for interest expenses which is allocable to tax-exempt interest. The Issuer reasonably anticipates that the total amount of tax-exempt obligations (other than obligations described in Section 265(b)(3)(C)(ii) of the Code) which will be issued by the Issuer and by any aggregated issuer during calendar year 2017 will not exceed \$10,000,000. For purposes of this Section, “aggregated issuer” means any entity which, (i) issues obligations on behalf of the Issuer, (ii) derives its issuing authority from the Issuer, or (iii) is directly or indirectly controlled by the Issuer within the meaning of Treasury Regulation Section 1.150-1(e). The Issuer hereby represents that (a) it has not created and does not intend to create and does not expect to benefit from any entity formed or availed of to avoid the purposes of Section 265(b)(3)(C) or (D) of the Code and (b) the total amount of obligations so designated by the Issuer, and all aggregated issuers for calendar year 2026 does not exceed \$10,000,000.

ARTICLE III REGISTRATION, PAYMENT, AND FLOW OF FUNDS

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

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

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

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

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

Section 3.2 Deposit of Bond Proceeds. The proceeds from the sale of the Series 2026 Bonds in the amount of \$[PAR], shall be applied as follows:

(a) \$[] to finance the Series 2026 Project; and

(b) the Issuer shall bring to the closing on the Bonds checks payable to its Municipal Advisor and Bond Counsel in the amounts of \$[] and \$[], respectively to pay costs of issuance.

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

Section 3.4 Flow of Funds. From and after the delivery date of the Series 2026 Bonds, and until all the Parity Bonds and Series 2026 Bonds have been fully paid, the Revenues shall be set aside into the “Lindon City Sewer Revenue Fund” referred to herein as the “Revenue Fund.” The Issuer will thereafter make accounting allocations of the funds deposited in said Revenue Fund in accordance with the directions of Section 3.4 of the Original Master Resolution.

Section 3.5 Investment of Funds. Any funds allocated to the Bond Account may, at the discretion of the Issuer, be invested in accordance with the State Money Management Act. All income derived from the investment of the moneys of the Bond Fund shall be maintained in said respective accounts, and funds disbursed along with the other moneys on deposit therein as herein provided. There shall not be required to be in the Bond Fund at any time more than the total amount required to pay the total interest and principal outstanding of the Bonds. Whenever the money in the Bond Fund equals the total interest and principal amount of the Bonds outstanding, the money in said Fund shall be used to prepay all of the Bonds.

Section 3.6 Perfection of Security Interest. (a) The Master Resolution creates a valid and binding pledge and assignment of security interest in all of the Net Revenues pledged under

the Master Resolution as security for payment of the Series 2026 Bonds, enforceable in accordance with the terms thereof.

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

ARTICLE IV GENERAL COVENANTS

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

(a) The Issuer covenants that it shall fund and expressly maintain as provided herein all funds referenced herein of the covenants listed in Section 4.1 of the Original Master Resolution (other than subsections (f) and (r)) until such time as the Series 2026 Bonds have been paid in full.”

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

(c) The proceeds of the Series 2026 Bonds shall be segregated from all other accounts of the Issuer and used, together with all investment earnings thereon, to finance the Series 2026 Project. The Issuer shall maintain a record of all earning and withdrawals from such account, along with credible evidence of withdrawals as appropriate expenditures on the Series 2026 Project.

(d) So long as any Series 2026 Bonds remain outstanding, the Issuer will provide timely delivery of any material adverse event notices.

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

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

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

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

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

(B) if (i) is not the case, for the then current Sinking Fund Year and each succeeding Sinking Fund Year to and including the second Sinking Fund Year succeeding the latest estimated date of completion of the Improvements; and

(ii) verifying that the Estimated Net Revenues as shown in (1) above for each of such Sinking Fund Years are not less than one hundred twenty-five percent (125%) of the aggregate Annual Debt Service for each of such Sinking Fund Years with respect to all of the Series 2026 Bonds and Parity Bonds which would then be Outstanding (after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Parity Bonds so proposed to be issued.

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

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

(ii) Next, the additional Net Revenues, if any, resulting from the Improvements financed with the proceeds of the Parity Bonds will be estimated for the applicable Sinking Fund Years as determined in (b)(1)(i) or (ii) above.

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

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

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

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

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

ARTICLE V MISCELLANEOUS

Section 5.1 Default and Remedies. Failure of the Issuer to perform any covenant or requirement of the Issuer under this Supplemental Master Resolution within thirty (30) days after having been notified in writing by a Bondholder of such failure, shall constitute an event of Default hereunder and shall allow each Bondholder to take the following enforcement remedies:

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

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

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

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

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

Whenever the Issuer shall propose to amend or modify this Supplemental Master Resolution under the provisions of this section, it shall cause notice of the proposed amendment to be sent to all Bondholders of all Series 2026 Bonds then outstanding. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the City Recorder for public inspection. Should a Bondholder consent to the proposed amendment to this Supplemental Master Resolution, it shall submit to the Issuer a written instrument which shall refer to the proposed amendatory resolution described in said notice and shall specifically consent to and approve the adoption thereof. Upon receipt of Bondholder consents representing at least seventy-five percent (75%) of the principal of Series 2026 Bonds outstanding, the Governing Body of the Issuer may adopt said amendatory resolution, and it shall become effective, provided, however, that nothing in this Section 5.2 shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on delinquent payments, without the consent of the Bondholder of such Series 2026 Bonds, or (b) a reduction in the amount or extension of the time of any payment required by any Fund or account established hereunder without the consent of the Bondholders of all the Series 2026 Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Series 2026 Bonds, the Bondholders of which are required to consent to any such waiver or a mandatory resolution, or (d) affect the rights of the Bondholders of less than all Series 2026 Bonds then outstanding, without the consent of the Bondholders of all the Series 2026 Bonds at the time outstanding which would be affected by the action to be taken.

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

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

Section 5.3 Maintenance of Proceedings. A certified copy of this Supplemental Master Resolution and every amendatory or supplemental ordinance or resolution shall be kept on file in the office of the City Recorder where it shall be made available for inspection by any Bondholder or his agent. Upon payment of the reasonable cost of preparing the same, a certified copy of this Supplemental Master Resolution, any amendatory or supplemental ordinance or resolution will be furnished to any Bondholder. The Bondholders may, by suit, action, mandamus, injunction, or other proceedings, either at law or in equity, enforce or compel performance of all duties and

obligations required by this Supplemental Master Resolution to be done or performed by the Issuer. Nothing contained herein, however, shall be construed as imposing on the Issuer any duty or obligation to levy any tax to pay the principal and interest on the Series 2026 Bonds authorized herein or to meet any obligation contained herein concerning the Series 2026 Bonds.

Section 5.4 Defeasance of the Series 2026 Bonds. If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to the Registered Owner of the Series 2026 Bonds for the payments due or to become due thereon at the times and in the manner stipulated therein, then the first lien pledge of the Net Revenues under this Supplemental Master Resolution and any and all estate, right, title and interest in and to any of the funds and accounts created hereunder (except moneys or securities held by a Depository Bank for the payment of the Series 2026 Bonds) shall be cancelled and discharged.

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

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

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

Section 5.7 Notice of Series 2026 Bonds to be Issued. In accordance with the provisions of the Act, the City Recorder has caused a “Notice of Public Hearing and Bonds to be Issued” (the “Notice”) to be published as (a) Class A notice under Section 63G-30-102 Utah Code Annotated 1953, as amended (“Utah Code”) (i) on the Utah Public Notice Website created under Section 63A-16-601, Utah Code, (ii) on the City’s official website, and (iii) in a public location within the City that is reasonably likely to be seen by residents of the City and (b) as required in Section 45-1-101, Utah Code. The City Recorder has caused a copy of the Resolution (together with all exhibits hereto) to be kept on file in the office of the City Recorder, for public examination during the regular business hours of the City until at least thirty (30) days from and after the initial date of publication thereof. The public hearing was held on October 5, 2026, to receive input with respect to the issuance of the Series 2026 Bonds and the potential economic impact that the Series 2026 Project will have on the private sector.

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

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

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

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

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

EXHIBIT A

FORM OF BONDS

UNITED STATES OF AMERICA
STATE OF UTAH
LINDON CITY
SEWER REVENUE BOND, SERIES 2026

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

Number R - 1

\$[PAR]

Interest RateMaturity DateDated Date

[]%

Registered Owner: []

Principal Amount: [] NO/100 DOLLARS*****

Lindon City, Utah ("Issuer"), a political subdivision 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 the Maturity Date specified above with interest thereon until paid at the Interest Rate specified above per annum, payable semiannually on [June 1 and December 1] of each year commencing [June 1, 20__] (each an "Interest Payment Date"), until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the designated offices of the City Recorder, as Paying Agent or its successors. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at his address 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 Bond is one of an issue of Bonds of the Issuer designated as the "Sewer Revenue Bonds, Series 2026" (the "Series 2026 Bonds") in the aggregate principal amount of \$[PAR], 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 Master Resolution dated as of January 18, 2011 (the "Original Master Resolution"), as supplemented and amended by a Supplemental Master Resolution dated as of []1, 2026] (the "Supplemental Master Resolution" and collectively with the Original Master Resolution, the "Master Resolution"), approved by resolution adopted on

September 21, 2026 (the “Bond Resolution”), for the purpose of providing funds to (a) finance all or a portion of the acquisition and construction of improvements to the Issuer’s sewer system and all related improvements (the “Series 2026 Project”), and (b) pay costs incurred in connection with the issuance of the Series 2026 Bonds, all in full conformity with the Constitution and laws of the State of Utah.

If any installment payment of principal or interest is not paid when due and payable, the Issuer shall pay interest at the Default Rate (as defined in the Master Resolution) from said due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest and then to principal.

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 “Lindon City, Utah Sewer 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 Net Revenues as defined in and more fully described and provided in the Master Resolution.

The Series 2026 Bonds shall be payable only from the Net 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.

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 Bonds 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 Net Revenues as defined in the Master Resolution as will at all times be sufficient to pay promptly the principal of and interest on this Series 2026 Bonds 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 Master Resolution.

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 Bonds 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 Bonds, 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 Net 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 Bonds and the issue of which it forms a part, as authorized for issue under the Master Resolution, and that the Net 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 Bonds is one and all bonds issued on a parity with this Series 2026 Bonds.

The Series 2026 Bonds shall be subject to redemption prior to maturity upon the terms and notice described in the Master Resolution.

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

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

(SEAL)

By: _____ (Do Not Sign)
Mayor

COUNTERSIGN:

By: _____ (Do Not Sign)
City Recorder

EXHIBIT D

FORM OF BOND PURCHASE CONTRACT

BOND PURCHASE CONTRACT

\$[PAR]
LINDON CITY, UTAH
SEWER REVENUE BONDS, SERIES 2026

[_____, 2026]

Lindon City
100 North State Street
Lindon, Utah

The undersigned [Underwriter Name] (the “Underwriter”), offers to enter into this bond purchase contract (the “Purchase Contract”) with Lindon City, Utah (the “City”), which will be binding upon the City and the Underwriter upon the acceptance hereof by the City. This offer is made subject to its acceptance by the City 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 hereinafter defined Official Statement.

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase, and the City hereby agrees to cause to be delivered to the Underwriter, all (but not less than all) of the City’s \$[PAR] aggregate principal amount of Sewer Revenue Bonds, Series 2026 (the “Bonds”) at a purchase price of \$[_____] (representing the par amount of the Bonds, plus \$[_____] of net original issue premium and less \$[_____] of Underwriter’s discount).

2. Description and Purpose of the Bonds. The Bonds will be dated the date of Closing (as hereinafter defined) and will be executed by the City and will be authenticated and delivered by [Trustee Name], as trustee (the “Trustee”), pursuant to the General Indenture of Trust dated as of [_____] 1, 2026], as supplemented and amended (the “General Indenture”), and as further supplemented by a First Supplemental Indenture of Trust, dated as of [_____] 1, 2026] (the “First Supplemental Indenture” and together with the General Indenture, the “Indenture”), each between the City and the Trustee. The Bonds shall mature on the dates and in the amounts and shall bear interest as set forth on Exhibit A hereto and shall be as more particularly described in the Indenture and the Official Statement dated [_____] , relating to the 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”).

The Bonds are being executed and delivered to (a) finance improvements to the Issuer’s water system including, but not limited to well pipe connections, the replacement of water pipelines, and all related improvements (collectively, the “Project”) and (b) pay costs of issuance of the Series 2026 Bonds.

3. Public Offering. The Underwriter agrees to make an initial public offering of all the Bonds at the public offering prices (or yields) set forth in the Official Statement. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering price or prices set forth in the Official Statement. The Underwriter also reserves the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market price of the Bonds at a level above that which might otherwise prevail in the open market and (ii) to discontinue such transactions, if commenced, at any time.

4. Establishment of Issue Price.

(a) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City 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 City and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by LRB Public Finance Advisors, Inc., its municipal advisor (the “Municipal Advisor”), and any notice or report to be provided to the City may be provided to the Municipal Advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the City will treat the first price at which 10% of each maturity of the 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 City the price or prices at which the Underwriter 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 Bonds, the Underwriter agrees to promptly report to the City the prices at which Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% Test has been satisfied as to the 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 City 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 Bonds.

(c) The Underwriter confirms that it has offered the 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, 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 Bonds for which the 10% Test has not been satisfied and for which the City and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the City 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 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:

- (i) the close of the fifth business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Underwriter will advise the City promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the 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 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 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 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 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 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 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 City 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 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 Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the 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 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 Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City 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 Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter 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” (when not capitalized) means (A) any person that agrees pursuant to a written contract with the City (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) 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),

(iii) a purchaser of any of the 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. Delivery of Official Statement. Pursuant to the authorization of the City, the Underwriter has distributed copies of the Preliminary Official Statement dated [____], relating to the Bonds, which, together with the cover page and appendices thereto, is herein called the “Preliminary Official Statement.” By its acceptance of this proposal, the City hereby approves and ratifies the distribution and use by the Underwriter of the Preliminary Official Statement. The City agrees to execute and deliver a final Official Statement in substantially the same form as the Preliminary Official Statement with such changes as may be made thereto, with the consent of the City and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 7(n) hereof. The City hereby authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds: the Preliminary Official Statement, the Official Statement, the Indenture, and the Continuing Disclosure Undertaking (as hereinafter defined) and other documents or contracts to which the City 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 City to the Underwriter in connection with the transactions contemplated by this Purchase Contract.

6. The Closing. At 9:00 a.m., Utah time, on [____], or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the City and the Underwriter (the “Closing Date”), the City will cause to be executed and delivered (i) the 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 City and the Underwriter. The Underwriter will accept such delivery of the Bonds and pay the purchase price of such Bonds as set forth in Section 1 hereof in immediately available funds to the order of the City. This payment for and delivery of the Bonds, together with the execution and delivery of the aforementioned documents, is herein called the “Closing.”

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

(a) Due Organization, Existence and Authority. The City is a municipality and a public body corporate and politic duly organized and existing under the laws of the State of Utah (the “State”) with full right, power and authority to execute, deliver and perform its obligations under this Purchase Contract, the Indenture, and the Continuing Disclosure Undertaking (collectively, the “City Documents”) and to carry out and consummate the transactions contemplated by the City Documents and the Official Statement.

(b) Due Authorization and Approval. By all necessary official action of the City, the City has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations contained or described in, the Preliminary Official Statement, the Official Statement and the City Documents, 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, and assuming the authorization, execution and delivery by the other parties thereto, each City Document and the Bonds will constitute the legally valid and binding obligation of the City enforceable in accordance with their 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.

(c) Official Statement Accurate and Complete. The Preliminary Official Statement was as of its date, and the Official Statement is as of the date hereof, true and correct in all material respects, and the Preliminary Official Statement and the Official Statement contain no misstatement of any material fact and do 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 the Insurer, the Policy, DTC and DTC's book-entry system).

(d) Underwriter's Consent to Amendments and Supplements to Official Statement. The City 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 City 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 Bonds.

(e) City Agreement to Amend or Supplement Official Statement. If after the date of this Purchase Contract and until 25 days after the end of the "underwriting period" (as defined in 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 Bonds to reflect such event, the City promptly will prepare at its expense an amendment or supplement which will correct such statement or omission and the City shall promptly furnish to the Underwriter a reasonable number of copies or an electronic version acceptable to the Underwriter 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 “underwriting period” will be the Closing Date.

(f) No Material Change in Finances. Except as otherwise described in the Official Statement, there have not been any material adverse changes in the financial condition of the City since June 30, 2024.

(g) No Breach or Default. As of the time of acceptance hereof, (A) the City is not in default, nor has it been in default, as to principal or interest with respect to an obligation issued by the City, and (B) the City is not, in any manner which would materially adversely affect the transactions contemplated by the City Documents, 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 material trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the City 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 City Documents, a default or event of default under any such instrument; and, as of such time, the authorization, execution and delivery of the City Documents and compliance with the provisions of each of such agreements or instruments do not in any manner which would materially adversely affect the transactions contemplated by the City Documents, 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 City (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 City Documents.

(h) No Litigation. As of the time of acceptance hereof, no litigation, with merit, in the State or federal court has been served on the City or, to the best knowledge of the City after due investigation, is threatened (A) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (B) affecting, contesting or seeking to prohibit, restrain or enjoin the execution or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from gross income for federal income tax purposes or contesting the powers of the City to enter into the City Documents; (C) which, except as described in the Official Statement, may result in any material adverse change to the financial condition of the City or to its ability to pay the debt service payments on the Bonds when due; or (D) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or 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.

(i) No Prior Liens on Revenues. Except for the Outstanding Parity Bonds (as described in the Official Statement), the City does not have outstanding any indebtedness which indebtedness is secured by a lien on the Net Revenues superior to or on a parity with the lien of the Bonds on the Net Revenues.

(j) Further Cooperation: Blue Sky. The City 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 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 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 Bonds; provided, however, that the City 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.

(k) 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, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City of its obligations in connection with, the City Documents 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 Bonds.

(l) No Other Obligations. Between the date of this Purchase Contract and the date of Closing and except as otherwise disclosed in the Official Statement, the City will not, without the prior written consent of the Underwriter, offer or issue any bonds, notes or other obligations for borrowed money, or incur any material liabilities, directly or contingently payable from the Revenues.

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

(n) Compliance with Rule 15c2-12. The Preliminary Official Statement heretofore delivered to the Underwriter is hereby deemed final by the City as of its date and as of the date hereof, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of Rule 15c2-12. The City hereby covenants and agrees that, within seven business days from the date hereof, the City shall cause a final form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of Rule 15c2-12 and Rules of the Municipal Securities

Rulemaking Board, with such additional copies as shall reasonably be requested by the Underwriter.

(o) Continuing Disclosure. Except as noted in the Official Statement, within the last five years the City has been in compliance with all continuing disclosure undertakings that it has entered into pursuant to Rule 15c2-12. The City 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 as Appendix F 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 City of its obligations hereunder, both as of the date hereof and as of the Closing Date. 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 City contained herein, shall be true, complete and correct at the date hereof and at the time of the Closing, as if made on the Closing Date.

(i) Executed Agreements and Performance Thereunder. At the time of the Closing (a) the City 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) there shall be in full force and effect such resolutions (collectively, the “Resolution”) as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated by the Official Statement and the City Documents, (c) the City shall perform or have performed its obligations required or specified in the City Documents 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(d) and 7(e) 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 City Documents, or any other agreement or document pursuant to which any of the City’s financial obligations was issued and the City 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 City to pay debt service on the Bonds.

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

(i) any event shall occur which causes any statement contained in the Official Statement to be materially misleading or results in a failure of the Official

Statement to state a material fact necessary to make the statements in the Official Statement, in the light of the circumstances under which they were made, not misleading; or

(ii) the marketability of the Bonds or the market price thereof, or the ability of the Underwriter to enforce contracts for the sale at the initial offering prices set forth in the Official Statement, in the opinion of the Underwriter, have been materially adversely affected by an amendment to the Constitution of the United States or by any legislation in or by the Congress of the United States or by the State, or the amendment of legislation pending as of the date of this Purchase Contract in the Congress of the United States, or the recommendation to Congress or endorsement for passage (by press release, other form of notice or otherwise) of legislation 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 the proposal for consideration of legislation by either such Committee or by any member thereof, or the presentment of legislation for consideration as an option by either such Committee, or by the staff of the Joint Committee on Taxation of the Congress of the United States, or the favorable reporting for passage of legislation to either House of the Congress of the United States by a Committee of such House to which such legislation has been referred for consideration, or any decision of any federal or State court or any ruling or regulation (final, temporary or proposed) or official statement on behalf of the United States Treasury Department, the Internal Revenue Service or other federal or State authority; or

(iii) any legislation, ordinance, rule or regulation shall be introduced in, or be enacted by any governmental body, department or agency of the State, or a decision by any court of competent jurisdiction within the State or any court of the United States shall be rendered which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of the Bonds; or

(iv) legislation shall be enacted by the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official 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 execution, delivery, offering or sale of obligations of the general character of the Bonds, or the execution, delivery, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of, or that obligations of the general character of the Bonds, or the Bonds, are not exempt from registration under, any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, or that the Indenture needs to be qualified under the Trust Indenture Act of 1939, as amended and as then in effect; or

(v) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which restrictions materially adversely affect the Underwriter's ability to trade the Bonds; or

(vi) a general banking moratorium shall have been established by federal or state authorities, or a major financial crisis or any material disruption in commercial banking or securities settlement or clearance services shall have occurred; or

(vii) there shall have occurred (a) any new outbreak or escalation of hostilities, declaration by the United States of a national or international emergency or war or other calamity or crisis, or escalation thereof in financial markets, (b) a downgrade of the sovereign debt rating of the United States by any major credit rating agency or payment default on United States Treasury obligations, or (c) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against any state of the United States or any city, county or other political subdivision located in the United States having a population of over 1,000,000; or

(viii) the withdrawal or downgrading of any rating of the Bonds or other debt securities of the City or the claims paying ability of the Insurer by Moody's Investors Service, Inc. ("Moody's") or S&P Global Ratings ("S&P"), or any formal statement shall be published, such as being placed on "credit watch" with negative implications or "negative outlook" or similar qualification, with respect to the Bonds or other debt securities of the City or the claims paying ability of the Insurer; or

(ix) any event occurring, or information becoming known that, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a 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; or

(x) any litigation or proceedings shall be pending or threatened 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 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 there were made, not misleading; or

(xi) there shall be in force a general suspension of trading on the New York Stock Exchange, which suspension materially adversely affects the ability of the Underwriter to market, sell or deliver the Bonds; or

(xii) there shall have occurred any materially adverse change in the financial condition of the City.

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

(i) Approving Opinion. An approving opinion of Bond Counsel dated the Closing Date and substantially in the form included as Appendix E to the Official Statement, together with a letter from such counsel, dated the Closing Date and addressed to the Underwriter, to the effect that the foregoing opinion addressed to the City may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them.

(ii) Disclosure Counsel Opinion. The opinion of Gilmore & Bell, P.C., as disclosure counsel to the City, in form and substance acceptable to the Underwriter, and dated the Closing Date substantially to the following effect:

(A) The Purchase Contract has been duly authorized, executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, is a valid and binding agreement of the City 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 statements contained in the Preliminary Official Statement and the Official Statement on the cover page and under the captions ["INTRODUCTION," "THE SERIES 2026 BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," and "TAX MATTERS"] insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture, State law and Bond Counsel's opinions concerning certain federal and State tax matters relating to the Bonds, present a fair and accurate summary of such provisions; and

(C) While such counsel has not verified and is not passing upon and does not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement or the Official Statement, such counsel has participated in conferences with representatives of and counsel for the City and representatives of the Underwriter at which the contents of the Preliminary Official Statement and the Official Statement were discussed and revised. Based on such counsel's role as disclosure counsel in connection with the issuance of the Bonds, no facts came to the attention of the attorneys in such firm rendering legal services in connection with such representation which caused such counsel

to believe that the Preliminary Official Statement contained as of its date or the Official Statement contained as of its date or as of the Closing Date contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect (except that no opinion or belief is expressed as to (i) the expressions of opinion, the assumptions, the projections, the financial statements, or other financial, numerical, economic, demographic or statistical data contained in the Official Statement, (ii) the information with respect to DTC and DTC's book-entry system or the Insurer and the Policy, and (iii) the information contained in Appendices A, C, F, and G to the Preliminary Official Statement and the Official Statement).

(iii) City Attorney Opinion. An opinion of the City Attorney dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to Bond Counsel and the Underwriter substantially to the following effect:

(A) The City is a municipality and a public body corporate and politic duly organized and existing under the laws of the State;

(B) The City Documents have been duly authorized, executed and delivered by the City and, assuming the validity thereof against the other parties thereto, constitute the valid, legal and binding agreements of the City enforceable against the City 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, and the City has full right, power and authority to carry out and consummate all transactions contemplated by the City Documents as of the date of the Official Statement and as of the Closing Date;

(C) Except for the Outstanding Parity Bonds, the City will not have outstanding any indebtedness which indebtedness is secured by a lien on the Net Revenues superior to or on a parity with the lien of the Bonds on the Net Revenues;

(D) The resolutions of the City approving and authorizing the execution and delivery of the City Documents, and approving the Official Statement, have been duly adopted at a meeting of the governing body of the City, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout and the resolutions are in full force and effect and have not been modified, amended or rescinded;

(E) To the best knowledge of such counsel, the execution and delivery of the City Documents and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not, in any respect which will have a material adverse impact on the transactions contemplated by the City Documents conflict with, or constitute, or with the giving of notice or the passage of time would constitute, on the part of the City a breach of or default under, any material agreement or other instrument to which the City is a party or by which it is bound or any existing law, administrative rule, regulation, order, decree, judgment, license or permit to which the City is subject (excluding, however, any opinion as to compliance with any applicable federal securities laws); or by which the City or any of its property is bound;

(F) The Preliminary Official Statement and the Official Statement has been prepared by, or on behalf of, the City under the supervision of authorized officials of the City, and executed on its behalf by authorized officers of the City;

(G) The information in the Preliminary Official Statement and the Official Statement under the captions [“LINDON CITY,” “THE SYSTEM,” and “LEGAL MATTERS—Absence of Litigation”] is true and accurate to the best of such counsel’s knowledge at and as of the date of the Official Statement and at and as of the Closing Date;

(H) To the best of such counsel’s knowledge, no additional authorization, approval, consent, waiver or any other action by any person, board or body, public or private, not previously obtained is required as of the Closing Date for the City to enter into the City Documents or to perform its obligations thereunder; and

(I) No litigation, with merit, in the State or federal court has been served on the City or, to such counsel’s best knowledge, is threatened, against the City challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the payment of debt service on the Bonds or in any way contesting or affecting the validity of the City Documents or any of the transactions referred to therein or contemplated thereby or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or, except as described in the Official Statement, under which a determination adverse to the City would have a material adverse effect upon the financial condition or the revenues of the City, or which, in any manner, questions or affects the right or ability of the City to enter into the City Documents or affects in any manner the right or ability of the City to make payments of principal and interest on the Bonds from Net Revenues.

(iv) Underwriter's Counsel Opinion. An opinion of [_____], counsel to the Underwriter ("Underwriter's Counsel"), dated the Closing Date and addressed to the Underwriter to the effect that:

(A) Such counsel is of the opinion that the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended;

(B) While such counsel is not passing upon, and does not assume responsibility for, the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Official Statement, and makes no representation that they have independently verified the accuracy, completeness or fairness of any such statements, such counsel has participated in conferences with representatives of and counsel for the City and Bond Counsel and representatives of the Underwriter at which the contents of the Official Statement were discussed and revised. Based on such counsel's representation of the Underwriter in connection with the issuance of the Bonds, without independent verification, such counsel advises the Underwriter as a matter of fact and not opinion that nothing has come to the attention of the attorneys in such firm rendering legal services in connection with such representation which caused such counsel to believe that the Preliminary Official Statement (apart from (i) CUSIP numbers, (ii) the information relating to The Depository Trust Company and its book entry only system, (iii) the financial statements or other financial, operating, statistical, numerical or accounting data contained or incorporated therein, (iv) the Insurer and the Policy, and (v) the information describing the opinion of Bond Counsel in "TAX MATTERS" and the form of opinion of Bond Counsel in Appendix D, as to all of which we do not express any conclusion or belief) contained as of its date and the Official Statement (apart from (i) CUSIP numbers, (ii) the information relating to The Depository Trust Company and its book entry only system, (iii) the financial statements or other financial, operating, statistical, numerical or accounting data contained or incorporated therein, and (iv) the information describing the opinion of Bond Counsel in "TAX MATTERS" and the form of opinion of Bond Counsel in Appendix E, as to all of which we do not express any conclusion or belief) contained as of its date or as of the Closing Date contains any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; and

(C) The provisions of the Continuing Disclosure Undertaking, comply with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

(v) City Certificate. A certificate of the City, dated the Closing Date, signed on behalf of the City by the Mayor and City Recorder or other duly authorized officers of the City to the effect that:

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

(B) No event affecting the City 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 therein, 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 and 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 City Documents.

(vi) Trustee's Certificate. A certificate, dated the Closing Date, 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 party 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 Bonds under the Indenture and delivered the 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 authentication and delivery of the Bonds or the consummation by the Trustee of its obligations under the Indenture.

(vii) Transcript. A transcript of all proceedings relating to the authorization, execution and delivery of the Bonds.

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

(ix) Documents. An executed copy of each of the City Documents.

(x) City Resolution. A copy of the Resolution, certified by the City Recorder.

(xi) 15c2-12 Certificate of the City. A certificate of the City “deeming final” the Preliminary Official Statement for purposes of Rule 15c2-12.

(xii) 8038-G. Evidence that the federal tax information form 8038-G relating to the Bonds has been prepared for filing.

(xiii) Tax Certificate. A tax certificate relating to the Bonds in form satisfactory to Bond Counsel.

(xiv) Ratings. Evidence that the Bonds have been rated [“___” by S&P Global Ratings (“S&P”) and “[___]” from Fitch Ratings (“Fitch”).

(xv) Continuing Disclosure Undertaking. An executed copy of the Continuing Disclosure Undertaking.

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

If the City 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 City 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 City shall pay or cause to be paid the expenses incident to the performance of the obligations of the City hereunder including but not limited to (a) the costs of the preparation and printing, or other reproduction (for distribution on or prior to the date hereof) of the City Documents and the cost of preparing, printing, issuing and delivering the Bonds; (b) the fees and disbursements of any counsel, financial advisors, accountants or other experts or consultants retained by the City; (c) the fees and disbursements of Bond Counsel, Disclosure Counsel, counsel to the City, and counsel to the Underwriter; (d) the fees and disbursements of the rating agencies; (e) the cost of printing and distributing the Preliminary Official Statement and any supplements and amendments thereto and the cost of printing and distributing the Official Statement and any supplements and amendments thereto, including a reasonable number of copies thereof for distribution by the Underwriter; (f) expenses (included in the expense component of the Underwriter’s spread) incurred on behalf of the City’s officers or employees which are incidental to implementing this Purchase Contract, including, but not limited to, meals, transportation, lodging, and entertainment of those officers or

employees; (g) CUSIP Service Bureau fees and charges; (h) the premium relating to the Policy; and (i) Trustee fees. The City 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 Bonds.

10. Notice. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to Lindon City, 100 North State Street, Lindon, Utah 84042, Attention: City Administrator.

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 the Underwriter, [Underwriter Name], [Insert Underwriter Address; Attention: _____].

11. Entire Agreement. This Purchase Contract, when accepted by the City, shall constitute the entire agreement between the City and the Underwriter with respect to the subject matter hereof and is made solely for the benefit of the City 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 City's representations, warranties and agreements 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 Bonds.

12. No Advisory or Fiduciary Role. The City acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the City and the Underwriter; (ii) 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 City; (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City 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 City on other matters) and the Underwriter has no obligation to the City with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract; (iv) the Underwriter is not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); and (v) the City has consulted its own legal, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

13. 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 City, including this Purchase Contract.

14. Counterparts; Electronic Signatures. This Purchase Contract and all documents necessary or required to complete the sale of the Bonds may be executed in multiple counterparts, all of which taken together will constitute one and the same instrument. Pursuant to the Uniform Electronic Transactions Act, Title 46, Chapter 4 Utah Code Annotated 1953, as amended, the Underwriter and the City hereby agree and consent to the use of electronic signatures and electronic records in connection with the Bond transaction; provided, however, that such consent and agreement only permits the use of, but does not require, electronic signatures or electronic records, including on documents delivered in counterparts.

15. 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.

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

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

[UNDERWRITER NAME], as Underwriter

By: _____

Title: _____

Accepted as of the date first stated above:

Time of acceptance:

_____ a.m./p.m. M.D.T.

This _____, 2026.

LINDON CITY, UTAH

By: _____

Mayor

(SEAL)

ATTEST:

By: _____

City Recorder

EXHIBIT A

\$(PAR)

LONDON CITY, UTAH
SEWER REVENUE BONDS, SERIES 2026

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Hold-the-Price</u> <u>(or Undersold)</u> <u>Maturity</u>
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
2039				
2040				
2042				
2045				
2046				
2047				

[c Yield to optional call on November 1, 20__.]

EXHIBIT B

UNDERWRITER'S RECEIPT OF BONDS AND ISSUE PRICE CERTIFICATE

\$[PAR]
LINDON CITY, UTAH
SEWER REVENUE BONDS, SERIES 2026

The undersigned, on behalf of [Underwriter Name] (the "Original Purchaser"), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the "Bonds").

1. Receipt of the Bonds. The Original Purchaser hereby acknowledges receipt of the Bonds pursuant to the Bond Purchase Contract (the "Purchase Contract") by and between the Original Purchaser and Lindon City, Utah (the "Issuer"), dated [_____] (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. For purposes of this section 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 Original Purchaser 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.

“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).

The Original Purchaser represents as follows:

1. Attached as Schedule B 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. [As of the Effective Time there were no Undersold Maturities.]

[Underwriter Name], as Original Purchaser

By: _____

Title: _____

Dated: _____, 2026.

To Be Attached:

SCHEDULE A — Sale Prices [*Same as Exhibit A to the Bond Purchase Contract*]

SCHEDULE B — Final Pricing Wire

\$2,975,000

Lindon City, Utah
Sewer Revenue Bonds, Series 2026
(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)

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\$2,975,000

Lindon City, Utah
Sewer Revenue Bonds, Series 2026
(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)

Sources & Uses

Dated 11/05/2026 | Delivered 11/05/2026

<i>Sources Of Funds</i>	
Par Amount of Bonds	\$2,975,000.00
Reoffering Premium	118,554.00
Total Sources	\$3,093,554.00
<i>Uses Of Funds</i>	
Deposit to Project Construction Fund	3,000,000.00
Costs of Issuance	78,679.00
Total Underwriter's Discount (0.500%)	14,875.00
Total Uses	\$3,093,554.00

\$2,975,000

Lindon City, Utah

Sewer Revenue Bonds, Series 2026

(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/05/2026	-	-	-	-	-
05/01/2027	-	-	72,722.22	72,722.22	72,722.22
11/01/2027	90,000.00	5.000%	74,375.00	164,375.00	-
05/01/2028	-	-	72,125.00	72,125.00	236,500.00
11/01/2028	95,000.00	5.000%	72,125.00	167,125.00	-
05/01/2029	-	-	69,750.00	69,750.00	236,875.00
11/01/2029	100,000.00	5.000%	69,750.00	169,750.00	-
05/01/2030	-	-	67,250.00	67,250.00	237,000.00
11/01/2030	105,000.00	5.000%	67,250.00	172,250.00	-
05/01/2031	-	-	64,625.00	64,625.00	236,875.00
11/01/2031	110,000.00	5.000%	64,625.00	174,625.00	-
05/01/2032	-	-	61,875.00	61,875.00	236,500.00
11/01/2032	115,000.00	5.000%	61,875.00	176,875.00	-
05/01/2033	-	-	59,000.00	59,000.00	235,875.00
11/01/2033	120,000.00	5.000%	59,000.00	179,000.00	-
05/01/2034	-	-	56,000.00	56,000.00	235,000.00
11/01/2034	125,000.00	5.000%	56,000.00	181,000.00	-
05/01/2035	-	-	52,875.00	52,875.00	233,875.00
11/01/2035	130,000.00	5.000%	52,875.00	182,875.00	-
05/01/2036	-	-	49,625.00	49,625.00	232,500.00
11/01/2036	140,000.00	5.000%	49,625.00	189,625.00	-
05/01/2037	-	-	46,125.00	46,125.00	235,750.00
11/01/2037	145,000.00	5.000%	46,125.00	191,125.00	-
05/01/2038	-	-	42,500.00	42,500.00	233,625.00
11/01/2038	155,000.00	5.000%	42,500.00	197,500.00	-
05/01/2039	-	-	38,625.00	38,625.00	236,125.00
11/01/2039	160,000.00	5.000%	38,625.00	198,625.00	-
05/01/2040	-	-	34,625.00	34,625.00	233,250.00
11/01/2040	170,000.00	5.000%	34,625.00	204,625.00	-
05/01/2041	-	-	30,375.00	30,375.00	235,000.00
11/01/2041	180,000.00	5.000%	30,375.00	210,375.00	-
05/01/2042	-	-	25,875.00	25,875.00	236,250.00
11/01/2042	185,000.00	5.000%	25,875.00	210,875.00	-
05/01/2043	-	-	21,250.00	21,250.00	232,125.00
11/01/2043	195,000.00	5.000%	21,250.00	216,250.00	-
05/01/2044	-	-	16,375.00	16,375.00	232,625.00
11/01/2044	205,000.00	5.000%	16,375.00	221,375.00	-
05/01/2045	-	-	11,250.00	11,250.00	232,625.00
11/01/2045	220,000.00	5.000%	11,250.00	231,250.00	-
05/01/2046	-	-	5,750.00	5,750.00	237,000.00
11/01/2046	230,000.00	5.000%	5,750.00	235,750.00	-
05/01/2047	-	-	-	-	235,750.00
Total	\$2,975,000.00	-	\$1,798,847.22	\$4,773,847.22	-

Yield Statistics

Bond Year Dollars	\$35,976.94
Average Life	12.093 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	4.7118182%
True Interest Cost (TIC)	4.6024805%
Bond Yield for Arbitrage Purposes	4.5210233%
All Inclusive Cost (AIC)	4.9023558%

IRS Form 8038

Net Interest Cost	4.5415471%
Weighted Average Maturity	11.960 Years

2026 Sewer Rev Bonds - (\$ | SINGLE PURPOSE | 9/ 9/2026 | 4:19 PM

\$2,975,000**Lindon City, Utah****Sewer Revenue Bonds, Series 2026****(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)****Net Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Net New D/S	Fiscal Total
11/05/2026	-	-	-	-	-	-
05/01/2027	-	-	72,722.22	72,722.22	72,722.22	72,722.22
11/01/2027	90,000.00	5.000%	74,375.00	164,375.00	164,375.00	-
05/01/2028	-	-	72,125.00	72,125.00	72,125.00	236,500.00
11/01/2028	95,000.00	5.000%	72,125.00	167,125.00	167,125.00	-
05/01/2029	-	-	69,750.00	69,750.00	69,750.00	236,875.00
11/01/2029	100,000.00	5.000%	69,750.00	169,750.00	169,750.00	-
05/01/2030	-	-	67,250.00	67,250.00	67,250.00	237,000.00
11/01/2030	105,000.00	5.000%	67,250.00	172,250.00	172,250.00	-
05/01/2031	-	-	64,625.00	64,625.00	64,625.00	236,875.00
11/01/2031	110,000.00	5.000%	64,625.00	174,625.00	174,625.00	-
05/01/2032	-	-	61,875.00	61,875.00	61,875.00	236,500.00
11/01/2032	115,000.00	5.000%	61,875.00	176,875.00	176,875.00	-
05/01/2033	-	-	59,000.00	59,000.00	59,000.00	235,875.00
11/01/2033	120,000.00	5.000%	59,000.00	179,000.00	179,000.00	-
05/01/2034	-	-	56,000.00	56,000.00	56,000.00	235,000.00
11/01/2034	125,000.00	5.000%	56,000.00	181,000.00	181,000.00	-
05/01/2035	-	-	52,875.00	52,875.00	52,875.00	233,875.00
11/01/2035	130,000.00	5.000%	52,875.00	182,875.00	182,875.00	-
05/01/2036	-	-	49,625.00	49,625.00	49,625.00	232,500.00
11/01/2036	140,000.00	5.000%	49,625.00	189,625.00	189,625.00	-
05/01/2037	-	-	46,125.00	46,125.00	46,125.00	235,750.00
11/01/2037	145,000.00	5.000%	46,125.00	191,125.00	191,125.00	-
05/01/2038	-	-	42,500.00	42,500.00	42,500.00	233,625.00
11/01/2038	155,000.00	5.000%	42,500.00	197,500.00	197,500.00	-
05/01/2039	-	-	38,625.00	38,625.00	38,625.00	236,125.00
11/01/2039	160,000.00	5.000%	38,625.00	198,625.00	198,625.00	-
05/01/2040	-	-	34,625.00	34,625.00	34,625.00	233,250.00
11/01/2040	170,000.00	5.000%	34,625.00	204,625.00	204,625.00	-
05/01/2041	-	-	30,375.00	30,375.00	30,375.00	235,000.00
11/01/2041	180,000.00	5.000%	30,375.00	210,375.00	210,375.00	-
05/01/2042	-	-	25,875.00	25,875.00	25,875.00	236,250.00
11/01/2042	185,000.00	5.000%	25,875.00	210,875.00	210,875.00	-
05/01/2043	-	-	21,250.00	21,250.00	21,250.00	232,125.00
11/01/2043	195,000.00	5.000%	21,250.00	216,250.00	216,250.00	-
05/01/2044	-	-	16,375.00	16,375.00	16,375.00	232,625.00
11/01/2044	205,000.00	5.000%	16,375.00	221,375.00	221,375.00	-
05/01/2045	-	-	11,250.00	11,250.00	11,250.00	232,625.00
11/01/2045	220,000.00	5.000%	11,250.00	231,250.00	231,250.00	-
05/01/2046	-	-	5,750.00	5,750.00	5,750.00	237,000.00
11/01/2046	230,000.00	5.000%	5,750.00	235,750.00	235,750.00	-
05/01/2047	-	-	-	-	-	235,750.00
Total	\$2,975,000.00	-	\$1,798,847.22	\$4,773,847.22	\$4,773,847.22	-

2026 Sewer Rev Bonds - (\$ | SINGLE PURPOSE | 9/ 9/2026 | 4:19 PM

\$2,975,000

Lindon City, Utah

Sewer Revenue Bonds, Series 2026

(Public Sale, AA- Underlying; Uninsured) (No DSRF, 20 yr.)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	YTM	Call Date	Call Price	Dollar Price
11/01/2027	Serial Coupon	5.000%	2.950%	90,000.00	101.983%	-	-	-	91,784.70
11/01/2028	Serial Coupon	5.000%	2.970%	95,000.00	103.892%	-	-	-	98,697.40
11/01/2029	Serial Coupon	5.000%	3.050%	100,000.00	105.529%	-	-	-	105,529.00
11/01/2030	Serial Coupon	5.000%	3.160%	105,000.00	106.844%	-	-	-	112,186.20
11/01/2031	Serial Coupon	5.000%	3.270%	110,000.00	107.903%	-	-	-	118,693.30
11/01/2032	Serial Coupon	5.000%	3.410%	115,000.00	108.546%	-	-	-	124,827.90
11/01/2033	Serial Coupon	5.000%	3.570%	120,000.00	108.775%	-	-	-	130,530.00
11/01/2034	Serial Coupon	5.000%	3.720%	125,000.00	108.775%	-	-	-	135,968.75
11/01/2035	Serial Coupon	5.000%	3.850%	130,000.00	108.668%	-	-	-	141,268.40
11/01/2036	Serial Coupon	5.000%	4.000%	140,000.00	108.167%	-	-	-	151,433.80
11/01/2037	Serial Coupon	5.000%	4.180%	145,000.00	106.639%	c 4.238%	11/01/2036	100.000%	154,626.55
11/01/2038	Serial Coupon	5.000%	4.320%	155,000.00	105.469%	c 4.408%	11/01/2036	100.000%	163,476.95
11/01/2039	Serial Coupon	5.000%	4.460%	160,000.00	104.314%	c 4.556%	11/01/2036	100.000%	166,902.40
11/01/2040	Serial Coupon	5.000%	4.570%	170,000.00	103.417%	c 4.665%	11/01/2036	100.000%	175,808.90
11/01/2041	Serial Coupon	5.000%	4.690%	180,000.00	102.449%	c 4.769%	11/01/2036	100.000%	184,408.20
11/01/2046	Term 1 Coupon	5.000%	4.970%	1,035,000.00	100.233%	c 4.981%	11/01/2036	100.000%	1,037,411.55
Total		-	-	-	\$2,975,000.00	-	-	-	\$3,093,554.00

Bid Information

Par Amount of Bonds	\$2,975,000.00
Reoffering Premium or (Discount)	118,554.00
Gross Production	\$3,093,554.00
Total Underwriter's Discount (0.500%)	\$(14,875.00)
Bid (103.485%)	3,078,679.00
Total Purchase Price	\$3,078,679.00
Bond Year Dollars	\$35,976.94
Average Life	12.093 Years
Average Coupon	5.0000000%
Net Interest Cost (NIC)	4.7118182%
True Interest Cost (TIC)	4.6024805%

\$2,975,000¹

LINDON CITY, UTAH

SEWER REVENUE BONDS, SERIES 2026

(TO BE DESCRIBED)

CALENDAR OF EVENTS

(SEPTEMBER 9, 2026)

AUGUST							SEPTEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1			1	2	3	4	5
2	3	4	5	6	7	8	6	7	8	9	10	11	12
9	10	11	12	13	14	15	13	14	15	16	17	18	19
16	17	18	19	20	21	22	20	21	22	23	24	25	26
23	24	25	26	27	28	29	27	28	29	30			
30	31												

OCTOBER							NOVEMBER						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30					

	City Council Meetings		Holiday		Closing
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DATE	EVENT	RESPONSIBILITY	STATUS
Aug. 14 (Fri.)	LRB to furnish: a) preliminary Calendar of Events, b) preliminary debt service calculations, and c) debt service coverage analysis for review (the "PLAN OF FINANCE").	MA	Completed
Aug. 18 (Tue.)	Project Financing Kick-off Meeting	CITY, MA	Completed
Aug. 18 (Tue.)	Finalize selection of the initial Finance Team members for services of Bond/Disclosure Counsel and Trustee.	CITY, MA	Completed
Sept. 4 (Fri.)	LRB to furnish parameters to Bond Counsel  Maximum Par Amount of Bonds  Maximum Maturity Date and Coupon Rate  Maximum Discount Bond Counsel to begin drafting SUPER PARAMETERS RESOLUTION and related bond documents	MA, BC	
Sept. 7 (Mon.)	Labor Day		
Sept. 10 (Thu.)	LRB to distribute Request for Proposal (RFP) for Underwriter Services	MA	

¹ Preliminary, subject to change

DATE	EVENT	RESPONSIBILITY	STATUS
Sept. 15 (Tue.)	Bond Counsel to disseminate <i>draft</i> Bond Documents to the City for inclusion in the City Council packets for September 21, 2026 City Council meeting. - BC Draft (super) Parameters Resolution - BC Draft Preliminary Official Statement - BC Supplemental Indenture - BC Other Related Bond Documents	BC	
Sept. 17 (Thu.)	LRB to distribute draft Ratings Presentation to City for review	MA	
Sept. 21 (Mon.)	City Council regularly scheduled meeting to consider adoption of the Super Parameters Resolution authorizing the publication of the <u>NOTICE OF INTENT TO ISSUE BONDS</u> , designating a pricing committee to finalize the transaction and setting a <u>PUBLIC HEARING</u> on the issuance of the Series 2026 Sewer Revenue Bonds for October 5, 2026 , City Council meeting	CITY, MA, BC	
Sept. 22 (Tue.)	City to post <u>NOTICE OF PUBLIC HEARING</u> on <i>Utah Public Notice Website</i> .	CITY, BC	
Sept. 22 (Tue.)	Publication of <u>NOTICE OF INTENT TO ISSUE BONDS</u> and <u>NOTICE OF PUBLIC HEARING</u> (30-day contestability period begins).	CITY, BC	
Sept. 24 (Thu.)	Underwriter RFP responses due by 4:00 p.m. MST	MA	
Sept. 24 (Thu.)	Review Ratings Presentation with City Staff via Zoom call (__: [a.m.] MST)	CITY, MA	
Sept. 28 (Mon.)	Present Underwriter RFP analysis to City. Inform Underwriter of selection. Inform Bond Counsel of Underwriter selection	CITY, MA	
Oct. 1 (Thu.)	Ratings Presentation in [San Francisco, CA/New York]	CITY, MA, RA	
Oct. 5 (Mon.)	Public Hearing on 2026 Bonds at regularly scheduled City Council meeting	CITY	
Oct. 8 (Thu.)	Document review and Due Diligence review -- Zoom conference call (__: [a.m.] MST)	CITY, MA, BC, UW, UWC	
Oct. 12 (Mon.)	Columbus Day		
Oct. 15 (Thu.)	Receive rating. Send Rating to Bond Counsel for inclusion in Bond Documents	MA, RA	
Oct. 21 (Wed.)	Completion of 30-day Contest Period on the Bonds	-	
Oct. 26 (Mon.)	Distribute POS electronically	BC	
Oct. 28 (Wed.)	Pre-pricing conference call (__: [p.m.] MST)	CITY, MA, UW	
Oct. 29 (Thu.)	Pricing of Series 2026 Bonds. Post-sale wrap-up conference call at [12:00 noon] MST. Provide final debt service numbers to Bond Counsel.	CITY, MA, UW	
Oct. 30 (Fri.)	Distribute draft Closing Memorandum	MA	
Nov. 3 (Tue.)	Distribute Final Closing Documents	BC	
Nov. 3 (Tue.)	Distribute Final Closing Memorandum	MA	
Nov. 4 (Wed.)	Pre-Closing & Signing of Documents (Specific date and time to be confirmed by the City)	CITY, BC, MA	
Nov. 5 (Thu.)	Closing and delivery of bond proceeds [9:00 a.m. MST] via conference call	ALL PARTIES	

LEGEND

BC:	BOND & DISCLOSURE COUNSEL – GILMORE & BELL (Randy Larsen)
CITY:	CITY STAFF AND OFFICIALS
MA:	MUNICIPAL ADVISOR – LRB PUBLIC FINANCE ADVISORS (Jason Burningham)
RA:	RATING AGENCY – TBD
T:	TRUSTEE & PAYING AGENT – TBD
UW:	UNDERWRITER – TBD
UWC:	UNDERWRITER'S COUNSEL - TBD



DISTRIBUTION LIST – FINANCIAL TEAM MEMBERS

ISSUER

LINDON CITY REDEVELOPMENT AGENCY
100 North State Street
Lindon, Utah 84042

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Email: clundberg@lindon.gov

Adam Cowie, City Administrator
Email: acowie@lindon.gov

Kristen Aaron, Finance Director
Email: kaaron@lindon.gov

Chase Adams, Assistant Finance Director
Email: cadams@lindon.gov

Michael Florence, Economic Development Director
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Brian Haws, City Attorney
Email: bhaws@lindon.gov

Hayden Peterson, City Treasurer
Email: hpeterson@lindon.gov

Britni Laidler, City Recorder
Email: blaidler@lindon.gov

BOND AND DISCLOSURE COUNSEL

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Randy Larsen, Shareholder
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Garrett Gross
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MUNICIPAL ADVISOR

LRB PUBLIC FINANCE ADVISORS
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Jason Burningham, Principal
Phone: 801.201.6839
Email: jason@lrbfinance.com

Adam Oakley, Analyst
Phone: 801.244.0403
Email: adam@lrbfinance.com

UNDERWRITER

[TO BE DETERMINED]

UNDERWRITER'S COUNSEL

[TO BE DETERMINED]

TRUSTEE

[TO BE DETERMINED]

RATING AGENCY

[TO BE DETERMINED]



13. Closed Session - The City Council will discuss potential purchase or sale of real property and pending or possible litigation per Utah Code 52-4-205(1)(e) & 52-4-205(1)(c). This session is closed to the general public.

Sample Motion: I move to enter a closed session to discuss potential purchase or sale of real property.

(Roll call vote needed to enter a closed session)

(To close the Closed Session)

Sample motion: I move to close the Closed Session and reconvene the regular open meeting.

ADJOURN