



Jim Miller, *Mayor*
Stephen Willden, *Mayor Pro Tem*
Shellie Baertsch, *Council Member*
Michael McOmber, *Council Member*
Bud Poduska, *Council Member*
Chris Porter, *Council Member*

CITY COUNCIL MEETING

Tuesday, September 20, 2016

7:00 P.M.

City of Saratoga Springs Council Chambers
1307 North Commerce Drive, Suite 200, Saratoga Springs, Utah 84045

1. Call to Order.
2. Roll Call.
3. Invocation / Reverence.
4. Pledge of Allegiance.
5. Public Input – This time has been set aside for the public to express ideas, concerns, and comments.

REPORTS:

1. Mayor.
2. City Council.
3. Administration Communication with Council.
4. Staff Updates: Inquiries, Applications, and Approvals.

PUBLIC HEARINGS:

1. FY 2016-17 Budget Amendments; Resolution R16-50 (9-20-16).
2. Water Revenue Bonds, Series 2016 – Consideration for Adoption of a Resolution of the City Council of the City of Saratoga Springs, Utah, Authorizing the Issuance and Sale of Its Revenue Bonds, Series 2016, in the Aggregate Principal Amount of Not to Exceed \$13,000,000; and Related Matters. Resolution R16-51 (9-20-16).
3. Saratoga Springs Commercial – Rezone, Plat Amendment; Ordinance 16-20 (9-20-16).
4. Code Amendments – Land Development Code Sections 19.06 Landscaping & Fencing, 19.14.03 Site Plans, and 19.18 Signs; Ordinance 16-21 (9-20-16).
5. Papa's Express Car Wash – Site Plan, CUP

BUSINESS ITEMS:

1. Ordinance 16-22 (9-20-16) Approving Madison Meadows (Mountain View II) Rezone.
2. Ordinance 16-23 (9-20-16) Approving Cowboys Conditional Rezone.
3. Legacy Farms Village Plan 1 Plats E and F – Lighting SID Resolution R16-52 (9-20-16).

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify the City Recorder at 766-9793 at least one day prior to the meeting.

APPROVAL OF MINUTES:

1. August 30, 2016.
2. September 6, 2016.

CLOSED SESSION:

Motion to enter into closed session for any of the following: purchase, exchange, or lease of real property; discussion regarding deployment of security personnel, devices, or systems; pending or reasonably imminent litigation; the character, professional competence, or the physical or mental health of an individual.

ADJOURNMENT

*Decorum - The Council requests that citizens help maintain the decorum of the meeting by turning off electronic devices, being respectful to the Council and others.
Councilmembers may participate in this meeting electronically via video or telephonic conferencing.
The order of the agenda items is subject to change by order of the Mayor.
Final action may be taken concerning any topic listed on the agenda.*

City Council Staff Report

Author: Chelese M. Rawlings, Finance Manager
Subject: Budget Amendments
Date: September 20, 2016
Type of Item: Resolution



Summary Recommendation: Staff recommends approval of the following by resolution amending the budget for the fiscal year 2016-17.

Description

A. Topic

This is the second budget amendment for the fiscal year 2016-2017.

B. Background

On July 19, 2016 the first budget amendments for FY16-17 were approved. Attached is the detail of the requested budget amendments for the 2nd budget amendments.

C. Analysis

Additional budgeted expenditures are detailed in the attached spreadsheet.

Recommendation: Staff recommends approval of the resolution amending the budget for the fiscal year 2016-17.

RESOLUTION NO. R16-50 (9-20-16)

**A RESOLUTION AMENDING THE CITY OF
SARATOGA SPRINGS BUDGET FOR
FISCAL YEAR 2016-2017 AND
ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, the City Council of the City of Saratoga Springs has found it necessary to amend the City's current 2016-2017 fiscal year budget;

WHEREAS, pursuant to state law, the City Council has conducted a public hearing on the proposed amended budget; and,

WHEREAS, the City Council has determined that the proposed budget amendment is in the best interests of the public, will further the public health, safety, and welfare, and will assist in the efficient administration of City government.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF SARATOGA SPRINGS, UTAH, THAT:

1. The City of Saratoga Springs does hereby adopt the amended 2016-2017 fiscal year budget as set forth and attached hereto.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon passage.

Passed on the 20th day of September, 2016.

CITY OF SARATOGA SPRINGS
A UTAH MUNICIPAL CORPORATION

Signed: _____
Jim Miller, Mayor

Attest: _____
Cindy LoPiccolo, City Recorder

Saratoga Springs, Utah

September 20, 2016

The City Council (the “Council”) of the City of Saratoga Springs, Utah (the “Issuer”) met in regular session on Tuesday, September 20, 2016, at its regular meeting place in the City of Saratoga Springs, Utah, at 7:00 p.m. with the following members of the Council present:

| | |
|------------------|---------------|
| Jim Miller | Mayor |
| Shellie Baertsch | Councilmember |
| Michael McOmber | Councilmember |
| Bud Poduska | Councilmember |
| Chris Porter | Councilmember |
| Stephen Willden | Councilmember |

Also present:

| | |
|------------------|---------------|
| Mark Christensen | City Manager |
| Cindy LoPiccolo | 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 20, 2016, meeting, a copy of which is attached hereto as Exhibit A.

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

AYE:

NAY:

The resolution is as follows:

RESOLUTION NO. R16-51 (9-20-16)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SARATOGA SPRINGS, UTAH (THE "ISSUER"), AUTHORIZING THE ISSUANCE AND SALE OF ITS WATER REVENUE BONDS, SERIES 2016 IN THE AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$13,000,000; DELEGATING TO CERTAIN OFFICERS OF THE CITY THE POWER TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE WATER REVENUE BONDS, SERIES 2016 WITHIN CERTAIN PARAMETERS PREVIOUSLY ADOPTED BY A RESOLUTION OF THE CITY; PROVIDING FOR THE PLEDGING OF CERTAIN REVENUES FOR THE PAYMENT OF SAID BONDS; AUTHORIZING THE EXECUTION BY THE ISSUER OF AN ELEVENTH SUPPLEMENTAL INDENTURE OF TRUST, AN OFFICIAL STATEMENT, A BOND PURCHASE AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AND AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the "Council") of the Issuer desires to (a) finance the construction of improvements to both the secondary and culinary water facilities of the water system, and all related improvements (collectively, the "Project"), (b) fund any required deposit to a debt service reserve fund and (c) pay costs of issuance of the Series 2016 Bonds, herein described; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, and subject to the limitations set forth herein, the Issuer desires to issue its Water Revenue Bonds, Series 2016 (to be issued in one or more series from time to time and with any other series or title designations) (the "Series 2016 Bonds"), 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, as heretofore amended and supplemented (the "General Indenture"), as further amended and supplemented by an Supplemental Indenture (the "Supplemental Indenture," and together with the General Indenture, the "Indenture"), in substantially the forms presented to the meeting at which this Resolution was adopted and which are attached hereto as Exhibit B; and

WHEREAS, by resolution adopted August 16, 2016 (the "Parameters Resolution"), the Issuer approved the issuance of the Series 2016 Bonds, established parameters therefore and directed the publication of a "Notice of Public Hearing and Bonds to be Issued" (the "Notice"); and

WHEREAS, the Issuer hereby entitles such Series 2016 Bonds authorized by the Parameters Resolution as the Series 2016 Bonds; and

WHEREAS, there has been presented to the Council at this meeting a form of a bond purchase agreement (the “Bond Purchase Agreement”) to be entered into between the Issuer and the underwriter or the purchaser selected by the Issuer for the Series 2016 Bonds (the “Underwriter/Purchaser”) in substantially the form attached hereto as Exhibit C, in the event that the Series 2016 Bonds are not sold pursuant to a public bid with an official notice of bond sale, as determined by the Designated Officer (defined below); and

WHEREAS, in the event that the Designated Officers (defined below) determine that it is in the best interests of the Issuer to publicly offer the Series 2016 Bonds, the Issuer desires to authorize the use and distribution of a Preliminary Official Statement (the “Preliminary Official Statement”), and to approve a final Official Statement (the “Official Statement”) in substantially the form attached hereto as Exhibit D, and other documents relating thereto; and

WHEREAS, in order to allow the Issuer (in consultation with the Issuer’s Municipal Advisor, Zions Bank Public Finance (the “Municipal Advisor”)) flexibility in setting the pricing date of the Series 2016 Bonds to optimize debt service savings to the Issuer, the Council desires to grant to any one of the [Mayor or Mayor Pro tem (the “Mayor”), City Manager or the Finance Director] of the Issuer (collectively, the “Designated Officers”) the authority to approve the final interest rates, principal amounts, terms, maturities, redemption features, and purchase price at which the Series 2016 Bonds shall be sold, and to set forth the final terms of the Series 2016 Bonds, and 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, it is hereby resolved by the City Council of the City of Saratoga Springs, Utah, as follows:

Section 1. For the purpose of (a) financing the Project, (b) funding a deposit to a debt service reserve fund, if necessary, and (c) paying costs of issuance of the Series 2016 Bonds, the Issuer hereby authorizes the issuance of the Series 2016 Bonds which shall be designated “City of Saratoga Springs, Utah Water Revenue Bonds, Series 2016” (to be issued in one or more series from time to time and with such other series or title designation) in the initial aggregate principal amount of not to exceed \$13,000,000.

Section 2. The final interest rate or rates for the Series 2016 Bonds and other terms shall be set by the Designated Officers within the parameters of the Parameters Resolution, in consultation with the Municipal Advisor, at the rate or rates which will, taking into account the purchase price offered by the Underwriter/Purchaser of the Series 2016 Bonds, in the opinion of the Designated Officers, result in the lowest cost of funding reasonably achievable given the manner of offering the Series 2016 Bonds at the time of the sale of the Series 2016 Bonds and evidenced by signing the Bond Purchase Agreement. The issuance of the Series 2016 Bonds shall be subject to the final approval of Bond Counsel and to the approval of the City Attorney for the Issuer.

Section 3. The Supplemental Indenture and the Bond Purchase Agreement in substantially the forms presented to this meeting and attached hereto as Exhibits B and C,

respectively, are hereby authorized, approved, and confirmed. The Mayor and the City Recorder are hereby authorized to execute and deliver the Supplemental Indenture and the Bond Purchase Agreement in substantially the forms and with substantially the content as the forms presented at this meeting for and on behalf of the Issuer, with final terms as may be established by the Designated Officers, within the Parameters set forth herein, and with such alterations, changes or additions as may be necessary or as may be authorized by Section 4 hereof. The above described Designated Officers are hereby authorized to select the Underwriter/Purchaser 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 2016 Bonds for and on behalf of the Issuer, provided that such terms are within the Parameters set by this Resolution.

Section 4. The Issuer hereby authorizes the utilization of the Preliminary Official Statement, in the form attached hereto as Exhibit D in the marketing of the Series 2016 Bonds and hereby approves the Official Statement in substantially the same form as the Preliminary Official Statement. The Mayor is hereby authorized to execute the Official Statement evidencing its approval by the Issuer.

Section 5. The appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Indenture, the Series 2016 Bonds, the Preliminary Official Statement, the Official Statement, the Bond Purchase Agreement or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2016 Bonds (within the Parameters set by this Resolution), to conform to any applicable bond insurance or reserve instrument or to remove the same, to correct errors or omissions therein, to complete the same, to remove ambiguities therefrom, or to conform the same to other provisions of said instruments, to the provisions of this Resolution or any resolution adopted by the Council or the provisions of the laws of the State of Utah or the United States.

Section 6. The Designated Officers or other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Indenture, the Series 2016 Bonds, the Bond Purchase Agreement, the Official Statement or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2016 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.

Section 7. The form, terms, and provisions of the Series 2016 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Indenture. The Mayor and the City Recorder are hereby authorized and directed to execute and seal the Series 2016 Bonds and to deliver said Series 2016 Bonds to the Underwriter/Purchaser. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution.

Section 8. The Designated Officers or other appropriate officials of the Issuer are hereby authorized and directed to execute and deliver to the Underwriter/Purchaser the Series 2016 Bonds in accordance with the provisions of the Indenture.

Section 9. Upon their issuance, the Series 2016 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2016 Bonds and the Indenture. No provision of this Resolution, the Indenture, the Series 2016 Bonds, or any other instrument, shall be construed as creating a general obligation of the Issuer, or of creating a general obligation of the State of Utah or political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its taxing powers.

Section 10. The Designated Officers or other appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers 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 11. After the Series 2016 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 2016 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Indenture.

Section 12. It is hereby declared that all parts of this Resolution are severable, and if any section, clause or provision of this Resolution shall, for any reason, be held to be invalid or unenforceable, the invalidity or unenforceability of any such section, clause or provision shall not affect the remaining sections, clauses or provisions of this Resolution.

Section 13. All resolutions, orders and regulations or parts thereof heretofore adopted or passed which are in conflict herewith are, to the extent of such conflict, hereby repealed. This repealer shall not be construed so as to revive any resolution, order, regulation or part thereof heretofore repealed.

APPROVED AND ADOPTED this September 20, 2016.

By: _____
Jim Miller, Mayor

ATTEST:

By: _____
Cindy LoPiccolo, City Recorder

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

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

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

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

I, Cindy LoPiccolo, the duly appointed and qualified City Recorder of the City of Saratoga Springs, Utah (the "City"), do hereby certify according to the records of the City Council of the City (the "City Council") in my official possession that the foregoing constitutes a true and correct excerpt of the minutes of the meeting of the City Council held on September 20, 2016, including a resolution (the "Resolution") adopted at said meeting as said minutes and Resolution are officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this September 20, 2016.

(SEAL)

By: _____
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Cindy LoPiccolo, the undersigned City Recorder of the City of Saratoga Springs, Utah (the "City"), do hereby certify, according to the records of the City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 52-4-202, Utah Code Annotated, 1953, as amended, I gave not less than twenty-four (24) hours public notice of the agenda, date, time and place of the September 20, 2016, public meeting held by the City Council of the City (the "City Council") as follows:

(a) By causing a Notice, in the form attached hereto as Schedule 1, to be posted at the principal offices of the City on September __, 2016, at least twenty-four (24) hours prior to the convening of the meeting, said Notice having continuously remained so posted and available for public inspection until the completion of the meeting;

(b) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be delivered to the Daily Herald on September ____, 2016, at least twenty-four (24) hours prior to the convening of the meeting; and

(c) By causing a copy of such Notice, in the form attached hereto as Schedule 1, to be posted on the Utah Public Notice Website (<http://pmn.utah.gov>) at least twenty-four (24) hours prior to the convening of the meeting.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this September 20, 2016.

(SEAL)

By: _____
City Recorder

SCHEDULE 1
NOTICE OF MEETING

EXHIBIT B

SECOND SUPPLEMENTAL INDENTURE

(See Transcript Document No. __)

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

(See Transcript Document No. __)

EXHIBIT D

FORM OF PRELIMINARY OFFICIAL STATEMENT

(See Transcript Document No. __)

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2016

NEW ISSUE—Issued in Book-Entry Form Only

**Rating: _____ “_____”
See “BOND RATING” herein.**

In the opinion of Ballard Spahr LLP, Bond Counsel to the City, interest on the Series 2016 Bonds is excludable from gross income for purposes of federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the Series 2016 Bonds is not a preference item for purposes of either individual or corporate federal alternative minimum tax; however, interest paid to corporate holders of the Series 2016 Bonds may be indirectly subject to alternative minimum tax under certain circumstances. Bond Counsel is also of the opinion that interest on the Series 2016 Bonds is exempt from State of Utah individual income tax under currently existing law. See “TAX MATTERS,” herein.

\$ _____^{*}
**CITY OF SARATOGA SPRINGS, UTAH
WATER REVENUE BONDS,
SERIES 2016**

Dated: Date of Delivery

Due: December 1, as shown on the inside cover

The Series 2016 Bonds are issuable as fully registered bonds and when initially issued will be registered in the name of Cede & Co., as nominee of DTC, which will act as securities depository for the Series 2016 Bonds. Purchases of Series 2016 Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC participants. Owners of the Series 2016 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2016 Bonds. Interest on the Series 2016 Bonds is payable on June 1 and December 1 of each year, commencing _____ 1, 20____, through U.S. Bank National Association, as Paying Agent, all as more fully described herein. So long as DTC or its nominee is the registered owner of the Series 2016 Bonds, payments of the principal of, premium, if any, and interest on such Series 2016 Bonds will be made directly to DTC or its nominee. Disbursement of such payments to DTC participants is the responsibility of DTC and disbursement of such payments to the beneficial owners is the responsibility of DTC participants. See “THE SERIES 2016 BONDS—Book-Entry Only System” herein.

The Series 2016 Bonds are being issued for the purpose of (i) financing the acquisition and construction of improvements to the City’s water utility system (the “System”) (collectively, the “Project”), [(ii) funding a deposit to a debt service reserve fund,] and (iii) paying costs of issuance of the Series 2016 Bonds.

[The Series 2016 Bonds are subject to optional redemption prior to maturity as described herein.] See “THE SERIES 2016 BONDS—Redemption” herein.

The Series 2016 Bonds are limited obligations of the City, payable solely from certain Revenues of the System after payment of Operation and Maintenance Expenses, as described herein. The lien of the Series 2016 Bonds on a portion of the connection fees that are part of Revenues is subordinate to the lien on such Revenues securing the Settlement Obligation. The Series 2016 Bonds are not general obligations of the City or the State of Utah or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2016 Bonds shall not directly, indirectly, or contingently obligate the City or the State of Utah or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2016 Bonds.

[COMPETITIVE BID?]

The Series 2016 Bonds are offered when, as, and if issued and received by the successful bidder(s) thereof, subject to the approval of their legality by Ballard Spahr LLP, Bond Counsel to the City. Certain matters relating to disclosure will be passed upon for the City by Ballard Spahr LLP, Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by Kevin Thurman, Esq., City Attorney. It is expected that the Series 2016 Bonds, in book-entry only form, will be available for delivery on or about _____, 2016.

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. This Official Statement is dated _____, 2016, and the information contained herein speaks only as of that date.

^{*} Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

\$ _____ *

**CITY OF SARATOGA SPRINGS, UTAH
WATER REVENUE BONDS,
SERIES 2016**

MATURITIES, AMOUNTS, INTEREST RATES, AND PRICES OR YIELDS

| <u>Due</u> <u>(December 1)</u> | <u>Principal</u> <u>Amount</u> | <u>Interest</u> <u>Rate</u> | <u>Yield</u> | <u>CUSIP**</u> |
|-----------------------------------|-----------------------------------|--------------------------------|--------------|----------------|
|-----------------------------------|-----------------------------------|--------------------------------|--------------|----------------|

* Preliminary; subject to change.

** The above-referenced CUSIP number(s) have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Series 2016 Bonds. None of the City, the Trustee or the Financial Adviser is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to its correctness on the particular Series 2016 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

The information contained in this Official Statement has been furnished by the City, DTC, and other sources that are believed to be reliable. No dealer, broker, salesperson or any other person has been authorized by the City to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by the City.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2016 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereafter shall under any circumstances create any implication that there has been no change in the affairs of the City or in any other information contained herein, since the date of this Official Statement.

This Official Statement contains "forward-looking statements" within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof.

The yields or prices at which the Series 2016 Bonds are offered to the public may vary from the initial reoffering yields or prices shown on the inside front cover page of this Official Statement. In connection with this offering, the successful bidder(s) of the Series 2016 Bonds may engage in transactions that stabilize, maintain or otherwise affect market yields or prices of the Series 2016 Bonds. Such transactions, if commenced, may be discontinued at any time.

The City maintains a website; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2016 Bonds.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

\$ _____
*
CITY OF SARATOGA SPRINGS
WATER REVENUE AND REFUNDING BONDS,
SERIES 2016

City of Saratoga Springs
1370 North Commerce Drive, Suite 200
Saratoga Springs, Utah 84045
(801) 766-9793 – Telephone

MAYOR AND CITY COUNCIL

Jim Miller Mayor
Shellie Baertsch Councilmember
Michael McOmber Councilmember
Bud Poduska Councilmember
Chris Porter Councilmember
Stephen Willden Councilmember

CITY ADMINISTRATION

Mark Christensen City Manager
Spencer Kyle Assistant City Manager
Chelese Rawlings Finance Director
Cindy LoPiccolo City Recorder
Debbie Elms City Treasurer
Kevin Thurman City Attorney
George Leatham Assistant Public Works Supervisor
Jeremy Lapin City Engineer

TRUSTEE, PAYING AGENT, AND REGISTRAR

U.S. Bank National Association
170 South Main Street, Suite 200
Salt Lake City, Utah 84101
(801) 534-6083

MUNICIPAL ADVISOR

Zions Public Finance
One South Main Street, 18th Floor
Salt Lake City, Utah 84133
(801) 844-7373

BOND AND DISCLOSURE COUNSEL

Ballard Spahr LLP
201 South Main Street, Suite 800
Salt Lake City, Utah 84111
(801) 531-3000

* Preliminary; subject to change.

TABLE OF CONTENTS

| | | | |
|---|----|---|----|
| INTRODUCTION | 1 | Fund Structure; Accounting Basis | 25 |
| Authorization and Purpose of the Series | | Budget and Appropriation Process | 26 |
| 2016 Bonds | 1 | Employee Work Force and Retirement | |
| The System | 1 | System..... | 26 |
| Security and Sources of Payment for the | | Other Post-Employment Benefits | 27 |
| Bonds | 2 | Risk Management | 27 |
| Redemption Provisions | 2 | Investment of Funds..... | 27 |
| Registration, Denominations, Manner of | | Financial Records and Statements | 28 |
| Payment..... | 2 | DEBT STRUCTURE OF THE CITY | 28 |
| Transfer or Exchange..... | 3 | Outstanding Municipal Indebtedness of | |
| Tax-Exempt Status..... | 3 | the City | 28 |
| Conditions of Delivery, Anticipated | | NO DEFAULTED OBLIGATIONS | 29 |
| Date, Manner, and Place of Delivery | 3 | CERTAIN INVESTMENT CONSIDERATIONS .. | 29 |
| Basic Documentation | 4 | General..... | 29 |
| Contact Persons..... | 4 | Settlement Obligation | 29 |
| THE SERIES 2016 BONDS..... | 4 | The Water Supply Agreement..... | 29 |
| General..... | 4 | Operation of the System..... | 30 |
| Redemption Provisions | 5 | Destruction of the System..... | 30 |
| Book-Entry Only System..... | 6 | INDEPENDENT ACCOUNTANTS | 30 |
| DEBT SERVICE OF THE SERIES 2016 | | MUNICIPAL ADVISOR | 30 |
| BONDS..... | 7 | SALE OF SERIES 2016 BONDS | 31 |
| THE PROJECT | 7 | CONTINUING DISCLOSURE..... | 31 |
| ESTIMATED SOURCES AND USES OF | | LITIGATION | 31 |
| FUNDS | 8 | LEGAL MATTERS | 31 |
| SECURITY AND SOURCES OF PAYMENT | | TAX MATTERS | 32 |
| FOR THE BONDS | 8 | Federal Income Tax | 32 |
| General..... | 8 | State of Utah Income Tax | 32 |
| Flow of Funds | 9 | No Further Opinion..... | 32 |
| Rate Covenant..... | 10 | Changes in Federal and State Tax Laws | 32 |
| Rate Stabilization Fund and Other | | BOND RATINGS..... | 33 |
| Available Funds | 10 | MISCELLANEOUS | 33 |
| The Settlement Obligation | 11 | Additional Information | 33 |
| [No Debt Service Reserve Fund] | 11 | APPENDIX A AUDITED BASIC FINANCIAL | |
| Additional Bonds | 11 | STATEMENTS WITH INDEPENDENT | |
| THE SYSTEM..... | 13 | AUDITOR’S REPORT FOR THE YEAR | |
| General Description of Culinary Water | | ENDED JUNE 30, 2015 | 1 |
| and Secondary Water Facilities | 13 | APPENDIX B EXTRACTS FROM THE | |
| Sources and Supplies of Water | 13 | GENERAL INDENTURE OF TRUST | 1 |
| Water Usage..... | 16 | APPENDIX C ECONOMIC AND | |
| Major Water Users..... | 16 | DEMOGRAPHIC INFORMATION | |
| Water Connections..... | 17 | REGARDING THE CITY AND UTAH | |
| System Rates..... | 17 | COUNTY..... | 1 |
| Connection, Billing, and Collection | | APPENDIX D FORM OF CONTINUING | |
| Process | 20 | DISCLOSURE UNDERTAKING | 1 |
| Historical and Pro Forma Net Income | | APPENDIX E FORM OF OPINION OF BOND | |
| and Debt Service Coverage | 20 | COUNSEL | 1 |
| Five-Year Financial Summaries..... | 22 | APPENDIX F PROVISIONS REGARDING | |
| THE CITY | 24 | BOOK-ENTRY ONLY SYSTEM..... | 1 |
| General Information..... | 24 | | |
| Form of Government..... | 24 | | |

OFFICIAL STATEMENT

RELATING TO

\$ _____*
CITY OF SARATOGA SPRINGS, UTAH
WATER REVENUE BONDS,
SERIES 2016

INTRODUCTION

This Official Statement, including the cover page, introduction and appendices provides information regarding the issuance and sale by the City of Saratoga Springs, Utah (the “City”), a political subdivision and body politic of the State of Utah (the “State”), of its \$ _____* Water Revenue and Refunding Bonds, Series 2016 (the “Series 2016 Bonds”), initially issued in book-entry form only. This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of Series 2016 Bonds to potential investors is made only by means of the entire Official Statement. Capitalized terms used herein and not otherwise defined shall have the meanings given such terms in APPENDIX B—EXTRACTS FROM THE GENERAL INDENTURE OF TRUST.

See also the following appendices attached hereto which are hereby incorporated herein by reference: “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR THE YEAR ENDED JUNE 30, 2015,” “APPENDIX B—EXTRACTS FROM THE GENERAL INDENTURE OF TRUST,” “APPENDIX C—ECONOMIC AND DEMOGRAPHIC INFORMATION REGARDING THE CITY AND UTAH COUNTY,” “APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING,” “APPENDIX E—FORM OF OPINION OF BOND COUNSEL,” and “APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.”

Authorization and Purpose of the Series 2016 Bonds

The Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”); (ii) a General Indenture of Trust dated as of November 1, 2014 (the “General Indenture”), as previously amended and supplemented, between the City and U.S. Bank National Association, as trustee (the “Trustee”), and as further supplemented by a Second Supplemental Indenture of Trust dated as of _____ 1, 2016 (the “Second Supplemental Indenture” and together with the General Indenture, the “Indenture”) between the City and the Trustee; (iii) resolutions of the City adopted on August 16, 2016 and September 20, 2016 (together, the “Resolution”), which provide for the issuance of the Series 2016 Bonds; and (iv) other applicable provisions of law.

The Series 2016 Bonds are being issued for the purpose of (i) financing the acquisition and construction of improvements to the hereinafter described System (collectively, the “Project”) and (ii) paying costs of issuance of the Series 2016 Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” and “THE PROJECT.”

The System

[The City currently owns and operates culinary water facilities to provide culinary water services to the residents of the City (the “Culinary Water Facilities”) and secondary water facilities to provide secondary water services to the residents of the City (the “Secondary Water Facilities,” and together with the Culinary Water Facilities, the “System”). The System provides service to 5,738 connections, approximately 95% of which are residential and the remainder of which are commercial, schools, churches and governmental facilities.]

* Preliminary; subject to change.

[The Culinary Water Facilities include five equipped and active wells; two unequipped, future wells; seven storage tanks that provide 11 million gallons of storage; four booster stations, and approximately 90 miles of water distribution lines.]

[The Secondary Water Facilities include five equipped and active wells; five storage reservoirs that provide 44.5 acre feet of storage; two booster stations; two canal staging ponds; four filter stations; and approximately 80 miles of pipeline. See “THE SYSTEM” herein.]

Security and Sources of Payment for the Bonds

General. The Bonds (as hereinafter defined), including the Series 2016 Bonds, will be payable from and secured solely by a pledge and assignment of the Revenues from the System and moneys on deposit in the funds and accounts (other than the Rebate Fund) held by the Trustee under the Indenture. The Revenues of the System will be applied to pay the Operation and Maintenance Expenses before being applied to pay principal of and interest on the Bonds.

The Series 2016 Bonds are limited obligations of the City, payable solely from the Revenues of the System after Payment of Operation and Maintenance Expenses, as described herein. The lien of the Series 2016 Bonds on a portion of the connection fees that are part of Revenues is subordinate to the lien on such Revenues securing the hereinafter described Settlement Obligation. The Series 2016 Bonds are not general obligations of the City or the State or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2016 Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2016 Bonds. The City will not mortgage or grant a security interest in the System or any portion thereof to secure payment of the Series 2016 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

The Settlement Obligation. The City previously entered into a Settlement and Culinary Water Asset Purchase and Sale Agreement effective as of February 2, 2005 (the “Settlement Agreement”) among the City and Lake Mountain Mutual Water Company (the “Water Company”), Saratoga Springs Development, LLC (“Saratoga Development”), Scott McLachlan (“McLachlan”) and Lynn Wardley (“Wardley” and together with the Water Company, Saratoga Development and McLachlan, the “Plaintiffs”). Pursuant to the Settlement Agreement, the City purchased water facilities from the Plaintiffs for the purchase price of \$21,000,000 (the “Settlement Obligation”). The Settlement Obligation bears no interest and is payable from two-thirds of each culinary impact fee received by the City (the “Previously Allocated Revenues”). The lien of the Settlement Obligation on the Previously Allocated Revenues is senior to the lien of the Bonds on the Previously Allocated Revenues. However, the Settlement Obligation is not payable from or secured by any other Revenues of the System. See “SECURITY FOR THE BONDS—The Settlement Obligation” herein.

Outstanding Parity Bonds and Additional Bonds. The City has previously issued and has outstanding under the Indenture its Water Revenue and Refunding Bonds, Series 2014 (the “Series 2014 Bonds”). The City may issue Additional Bonds payable on a parity with the Series 2016 Bonds upon complying with certain requirements set forth in the Indenture. Such Additional Bonds together with the Series 2014 Bonds and the Series 2016 Bonds are sometimes collectively referred to herein as the “Bonds.” See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additional Bonds” herein.

Redemption Provisions

[The Series 2016 Bonds are subject to optional redemption prior to maturity.] See “THE SERIES 2016 BONDS—Redemption” herein.

Registration, Denominations, Manner of Payment

The Series 2016 Bonds are issuable only as fully registered bonds without coupons and, when initially issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the Series 2016 Bonds. Purchases of Series 2016

Bonds will be made in book-entry form only, in the principal amount of \$5,000 or any integral multiple thereof, through brokers and dealers who are, or who act through, DTC Participants (as hereinafter defined). Beneficial Owners (as hereinafter defined) of the Series 2016 Bonds will not be entitled to receive physical delivery of bond certificates so long as DTC or a successor securities depository acts as the securities depository with respect to the Series 2016 Bonds.

Principal of, premium, if any, and interest on the Series 2016 Bonds (interest payable June 1 and December 1 of each year, commencing _____ 1, 20__ (each an “Interest Payment Date”)) are payable to the registered owners of the Series 2016 Bonds through U.S. Bank National Association, Salt Lake City, Utah, which, in addition to acting as Trustee, will also act as Paying Agent and Registrar with respect to the Series 2016 Bonds (respectively, the “Paying Agent” and the “Bond Registrar”). So long as DTC is the registered owner, it will, in turn, remit such principal, premium, if any, and interest to the DTC Participants, for subsequent disbursements to the Beneficial Owners of the Series 2016 Bonds, as described under the caption “THE SERIES 2016 BONDS—Book-Entry Only System” herein.

Transfer or Exchange

Except as described under “THE SERIES 2016 BONDS—Book-Entry Only System” herein, in all cases in which the privilege of exchanging or transferring the Series 2016 Bonds is exercised, the City shall execute, and the Registrar shall authenticate and deliver, the Series 2016 Bonds in accordance with the provisions of the Indenture. For every such exchange or transfer of the Series 2016 Bonds, the City or the Registrar may make a charge sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid with respect to such exchange or transfer of the Series 2016 Bonds, but may impose no other charge therefor.

The Registrar, shall not be required to transfer or exchange any Series 2016 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 Series 2016 Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Series 2016 Bond for redemption. The “Regular Record Date” means the fifteenth day immediately preceding each Interest Payment Date. The “Special Record Date” means such date as may be fixed for the payment of defaulted interest on the Series 2016 Bonds pursuant to the Indenture.

Tax-Exempt Status

Federal Income Tax. In the opinion of Ballard Spahr LLP, Bond Counsel to the City, interest on the Series 2016 Bonds is excludable from gross income for purposes of the federal income tax, assuming continuing compliance with the requirements of the federal tax laws. Interest on the Series 2016 Bonds is not a preference item for purposes of either individual or corporate federal alternative minimum tax; however, interest paid to corporate holders of the Series 2016 Bonds may be indirectly subject to alternative minimum tax under certain circumstances. See “TAX MATTERS” herein.

State Income Tax. Bond Counsel is also of the opinion that, under currently existing laws, interest on the Series 2016 Bonds is exempt from State of Utah individual income taxes. See “TAX MATTERS” herein.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of or the accrual or receipt of interest on the Series 2016 Bonds.

Conditions of Delivery, Anticipated Date, Manner, and Place of Delivery

The Series 2016 Bonds are offered, subject to prior sale, when, as and if issued and received by the **successful bidder** subject to approval of legality by Ballard Spahr LLP, Bond Counsel to the City, and certain other conditions. Certain matters relating to disclosure will be passed upon by Ballard Spahr LLP, disclosure counsel to the City. Certain legal matters will be passed on for the City by Kevin Thurman, Esq., City Attorney. It is expected that the Series 2016 Bonds in book-entry form will be available for delivery and for deposit with DTC or its agent on or about November 5, 2014.

Basic Documentation

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Brief descriptions of the City, the Series 2016 Bonds, and the Indenture are included in this Official Statement. Such descriptions do not purport to be comprehensive or definitive. All references herein to the Indenture are qualified in their entirety by reference to such document, and references herein to the Series 2016 Bonds are qualified in their entirety by reference to the form thereof included in the Indenture and the information with respect thereto included in the aforementioned document, copies of which are available for inspection at the principal office of the Trustee on or after the delivery of the Series 2016 Bonds. Descriptions of the Indenture and the Series 2016 Bonds are qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity having jurisdiction. During the period of the offering of the Series 2016 Bonds, copies of the preliminary forms of any of the aforementioned documents will be available from the “contact persons” as indicated below. Also see APPENDIX B—EXTRACTS FROM THE GENERAL INDENTURE OF TRUST herein. The “basic documentation” which includes the Resolution, the Indenture and other documentation, authorizing the issuance of the Series 2016 Bonds and establishing the rights and responsibilities of the City and other parties to the transaction, may be obtained from the “contact persons” as indicated below.

Contact Persons

The chief contact person for the City concerning the Series 2016 Bonds is:

Mark Christensen, City Manager
City of Saratoga Springs
1307 North Commerce Drive, Suite 200
Saratoga Springs, Utah 84043
Telephone: (801) 766-9793
markc@saratogaspingscity.com

The chief contact person for the Municipal Advisor concerning the Series 2016 Bonds is:

Johnathan Ward, Vice President
Zions Bank Public Finance
One South Main Street, 18th Floor
Salt Lake City, Utah 84133-1109
Telephone: (801) 844-7379
johnathan.ward@zionsbank.com

THE SERIES 2016 BONDS

General

The Series 2016 Bonds are dated their date of delivery and except as otherwise provided in the Indenture, shall bear interest from said date. Interest on the Series 2016 Bonds will be payable semiannually on June 1 and December 1 of each year commencing _____ 1, 20____. Interest on the Series 2016 Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months. The Series 2016 Bonds will be issued as fully registered bonds, initially in book-entry form, in denominations of \$5,000 or any integral multiple thereof, not exceeding the amount of each maturity.

The Series 2016 Bonds shall bear interest at the rates and shall mature in each of the years as set forth on the inside cover page to this Official Statement.

The Series 2016 Bonds are limited obligations of the City, payable solely from the Revenues of the System after payment of Operation and Maintenance Expenses, as described herein. The lien of the Series 2016

*Bonds on the **Previously Allocated Revenues** is subordinate to the lien of the **Settlement Obligations** on the **Previously Allocated Revenues**. The Series 2016 Bonds are not general obligations of the City or the State or any agency, instrumentality, or political subdivision thereof. The issuance of the Series 2016 Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Series 2016 Bonds.*

Interest on the Series 2016 Bonds will be paid on each Interest Payment Date to the Registered Owner thereof (initially DTC) who is the Registered Owner at the close of business on the Regular Record Date for such interest. Any such interest not so punctually paid or duly provided for shall forthwith cease to be payable to the registered owner of any Series 2016 Bonds on such Regular Record Date, and may be paid to 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 days prior to such Special Record Date. The principal of and premium, if any, on the Series 2016 Bonds are payable upon presentation and surrender thereof at the principal corporate trust office of the Trustee.

Redemption Provisions

[Optional Redemption]. The Series 2016 Bonds maturing on or prior to December 1, 20___, are not subject to redemption prior to maturity. The Series 2016 Bonds maturing on or after December 1, 20___, are subject to redemption at the option of the City on December 1, 20___, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the City, at a redemption price equal to 100% of the principal amount of the Series 2016 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.]

[Mandatory Sinking Fund Redemption?]

Notice of Redemption. In the event any of the Series 2016 Bonds are to be redeemed, the Registrar shall cause notice of redemption with the information required by the Indenture to be mailed by first class mail, postage prepaid, to all Registered Owners of Series 2016 Bonds to be redeemed at their addresses as they appear on the registration books of the Bond Registrar at least 30 days but not more than 60 days prior to the date fixed for redemption.

If at the time of any notice of optional redemption there shall not be on deposit with the Trustee moneys sufficient to redeem all the Series 2016 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 Series 2016 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 City shall not be required to redeem such Series 2016 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.

A second notice of redemption shall be given not later than 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.

In addition to the foregoing, further notice of any redemption of Series 2016 Bonds shall be given by the Trustee simultaneous with the mailed notice to Registered Owners, by first-class mail 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 Series 2016 Bonds. Failure to give all or any portion of such further notice shall not in any manner defeat the effectiveness of a call for redemption.

Partially Redeemed Fully Registered Bonds. If fewer than all of the Series 2016 Bonds of any one maturity are to be redeemed, the particular Series 2016 Bonds or portions of Series 2016 Bonds to be redeemed shall be selected by the Trustee by lot in such manner as the Trustee, in its discretion, may deem fair and appropriate. In case any Series 2016 Bond shall be redeemed in part only, upon the presentation of such Series 2016 Bond for such

partial redemption, the City 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 City, a Series 2016 Bond or Bonds of the same interest rate and maturity, in aggregate principal amount equal to the unredeemed portion of such registered Series 2016 Bond. A portion of any Series 2016 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or an integral multiple thereof and in selecting portions of such Series 2016 Bonds for redemption, the Trustee will treat each such Series 2016 Bond as representing that number of Series 2016 Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Series 2016 Bonds by \$5,000.

Book-Entry Only System

The Series 2016 Bonds originally will be issued solely in book-entry form to The Depository Trust Company (“DTC”), New York, New York, or its nominee, Cede & Co., to be held in DTC’s book-entry system. So long as such Series 2016 Bonds are held in the book-entry only system, DTC or its nominee will be the registered owner or Holder of such Series 2016 Bonds for all purposes of the Indenture, the Series 2016 Bonds and this Official Statement. Purchases of beneficial ownership interests in the Series 2016 Bonds may be made in denominations described above. For a description of the book-entry only system for the Series 2016 Bonds, see “APPENDIX F—PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM.”

(The remainder of this page intentionally left blank.)

DEBT SERVICE OF THE SERIES 2016 BONDS

The following table sets forth the debt service requirements of the Series 2016 Bonds.

| <u>Payment Dates</u> | <u>Principal</u> | <u>Interest</u> | <u>Fiscal Total</u> |
|----------------------|------------------|-----------------|---------------------|
| 12/1/2016 | | | |
| 6/1/2017 | | | |
| 12/1/2017 | | | |
| 6/1/2018 | | | |
| 12/1/2018 | | | |
| 6/1/2019 | | | |
| 12/1/2019 | | | |
| 6/1/2020 | | | |
| 12/1/2020 | | | |
| 6/1/2021 | | | |
| 12/1/2021 | | | |
| 6/1/2022 | | | |
| 12/1/2022 | | | |
| 6/1/2023 | | | |
| 12/1/2023 | | | |
| 6/1/2024 | | | |
| 12/1/2024 | | | |
| 6/1/2025 | | | |
| 12/1/2025 | | | |
| 6/1/2026 | | | |
| 12/1/2026 | | | |
| 6/1/2027 | | | |
| 12/1/2027 | | | |
| 6/1/2028 | | | |
| 12/1/2028 | | | |
| 6/1/2029 | | | |
| 12/1/2029 | | | |
| 6/1/2030 | | | |
| 12/1/2030 | | | |
| 6/1/2031 | | | |
| 12/1/2031 | | | |
| 6/1/2032 | | | |
| 12/1/2032 | | | |
| 6/1/2033 | | | |
| 12/1/2033 | | | |
| 6/1/2034 | | | |
| TOTAL | | | |

(Source: Municipal Advisor.)

THE PROJECT

A portion of the proceeds of the Series 2016 Bonds will be used for improvements to the System, including one or more of the following: _____

ESTIMATED SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Series 2016 Bonds are estimated to be approximately as follows:

Sources:

Par Amount of Series 2016 Bonds
[Net] Reoffering Premium]
Total Sources

Uses:

Deposit to Construction Fund
Costs of Issuance⁽¹⁾
Total Uses

⁽¹⁾ Includes [purchaser's discount,] legal fees, municipal advisor fees, rating agency fees, trustee, registrar and paying agent fees, and other costs incurred in connection with the issuance of the Series 2016 Bonds.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are special limited obligations payable from and secured solely by a pledge and assignment of the Revenues from the System after payment of Operation and Maintenance Expenses and moneys on deposit in the funds and accounts (other than the Rebate Fund) held by the Trustee under the Indenture. The lien of the Bonds on the Previously Allocated Revenues is subordinate to the lien of the Settlement Obligations on the Previously Allocated Revenues. The Bonds are not general obligations of the City, the State or any agency, instrumentality, or political subdivision thereof. The issuance of the Bonds shall not directly, indirectly, or contingently obligate the City or the State or any agency, instrumentality, or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for the payment of the Bonds.

“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 City or paid to any other entity pursuant to contract or otherwise, necessary to keep the System in efficient operating condition, including cost of audits required by the Indenture, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance required by the Indenture, 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 City funds and interest expense for interfund loans from City funds, 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.

“Revenues” means all revenues, fees (including impact fees and connection fees to the extent such fees can legally be used for the purposes financed under the Indenture), Direct Payments, income, rents and receipts received or earned by the City from or attributable to the ownership and operation of the System (including proceeds of business interruption insurance), including (without limitation) all fees and service charges received by the City from service contracts for the disposal or treatment of sewage with other governmental entities or businesses, together with all interest earned by and profits derived from the sale of investments in the funds of the City. A portion of the System impact fees have been previously pledged under the Settlement Agreement (the Previously Allocated Revenues) such that the pledge of impact fees under the Indenture will be subordinate to the pledge in the Settlement Agreement while the Settlement Agreement is outstanding.

Flow of Funds

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

(b) As a first charge and lien on the Revenues, the City shall cause to be paid from the Revenue Fund from time to time as the City 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, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, i.e., from the Net Revenues, the City shall, at least fifteen (15) days before each Interest Payment Date, transfer from the Revenue Fund to the Trustee for and deposit into the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the City need not allocate to the Revenue Fund to pay interest on the Bonds); plus

(ii) the principal and premium, if any, falling due on the next succeeding principal payment date established for the Bonds; plus

(iii) the Sinking Fund Installments, if any, falling due on the next succeeding Sinking Fund Installment 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 Interest Payment 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.

(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 City 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 by the Indenture 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 in the Indenture 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 City 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 the Indenture) 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 the Indenture) 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 City shall deposit in the Repair and Replacement Fund any amount required by the Indenture 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 City 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 paragraphs (b), (c) and (d) above 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 paragraph (f) below, this provision is not intended to limit, and shall not limit, the right of the City to deposit additional moneys in the Repair and Replacement Fund from time to time as the City may determine.

(f) Subject to making the foregoing deposits, the City 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.

Rate Covenant

The City covenants in the Indenture that while any of the principal of and interest on the Bonds are outstanding or any Repayment Obligations are outstanding the rates (including connection fees) for all services supplied by the System to the City and to its inhabitants and to all customers within or without the boundaries of the City, will be sufficient to pay the System's Operation and Maintenance Expenses and to provide for each Bond Fund Year Net Revenues which when added to the Other Available Funds for such year will equal not less than 125% of the Aggregate Annual Debt Service Requirement for such Bond Fund Year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture; provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. The City agrees that there shall be no free water service, and such rates shall be charged against all users of the System, including the City. The City agrees that should its annual financial statement made in accordance with the provisions of the Indenture 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 City 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 City 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 required by the Indenture.

Rate Stabilization Fund and Other Available Funds

The City has created and is to maintain the Rate Stabilization Fund as a separate fund of the City. The Rate Stabilization Fund is to be funded in the amount of \$400,000 and may continue to be funded by the City from legally available funds of the City and/or Revenues of the System following the payment of obligations of the System (including operation and maintenance costs, debt service and the funding of reserves). The City may, from time to time, designate a portion of the amounts on deposit in the Rate Stabilization Fund as Other Available Funds. 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 City 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 City

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. “Other Available Funds” has been defined under the Indenture to mean, for any year, the amount set forth in a written certificate of the City submitted to the Trustee, available throughout the applicable year for transfer from the Rate Stabilization Fund to the Revenue Fund.

The Settlement Obligation

As previously stated, the City entered into the Settlement Agreement in connection with the acquisition of certain water facilities and to settle certain claims that were made by the Plaintiffs at the time that the City established the System. In consideration for the transfer of the water facilities, the City agreed to pay the Water Company the amount of \$21,000,000, previously referred to herein as the Settlement Obligation. The Settlement Obligation is payable from the Previously Allocated Revenues, which are two-thirds of the revenues generated from the collection of each culinary impact fee. The lien of the Settlement Obligation on the Previously Allocated Revenues is senior to the lien of the Bonds on the Previously Allocated Revenues. However, the Settlement Obligation is not payable from or secured by any other Revenues of the System. The Settlement Obligation does not bear any interest and is payable monthly from Previously Allocated Revenues collected in the prior month until the Settlement Obligation is paid in full. If the City has not paid the Settlement Obligation in full by February 2, 2025, it must pay the amount remaining on the Settlement Obligation in full on that date (the “Balloon Payment”). The Settlement Agreement does not contain any provision regarding the source of payment for the Balloon Payment. See “INVESTMENT CONSIDERATIONS—The Settlement Obligation.”

[No Debt Service Reserve Fund]

No debt service reserve will be funded under the Indenture with respect to the Series 2016 Bonds.

Additional Bonds

No additional indebtedness, bonds or notes of the City secured by a pledge of the Revenues senior to the pledge of Net Revenues for the payment of the Bonds shall be created or incurred without the prior written consent of the owners of 100% of the Outstanding Bonds. In addition, no Additional Bonds or other indebtedness, bonds or notes of the City payable on a parity with the Series 2016 Bonds 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 under the Indenture on the date of authentication of any Additional Bonds; provided that this provision shall not preclude the issuance of Additional Bonds if (i) the issuance of such Additional Bonds otherwise complies with the provisions of the Indenture and (ii) such Event of Default will cease to continue upon the issuance of Additional Bonds and the application of the proceeds thereof;

(b) The Net Revenues plus Other Available Funds, less Direct Payments, if any, 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 total Debt Service (including any Repayment Obligations) less any Escrowed Operation and Maintenance Expenses, for any one Bond Fund Year (or other specific period) on all Series of Bonds Outstanding or any specified portion thereof for said 12-month period (the “Aggregate Annual Debt Service Requirement”); provided, however, that such Revenue coverage test described above shall not apply to the issuance of any Additional Bonds to the extent (i) they are issued for the purpose of refunding Bonds issued under the Indenture, (ii) the Average Aggregate Annual Debt Service for such Additional Bonds does not exceed the then remaining Average Aggregate Annual Debt Service for the Bonds being refunded therewith and (iii) the maximum Aggregate Annual Debt Service Requirement for such Additional Bonds is less than or equal to the maximum Aggregate Annual Debt Service Requirement for the Bonds being refunded therewith; and

(c) In the case of Additional Bonds issued to finance a Project, the City shall have delivered to the Trustee a certificate from an Authorized Representative:

(1) setting forth the Estimated Net Revenues as described in the Indenture (assuming, if applicable, the completion of the Project financed with proceeds of the Additional Bonds) either:

(i) 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

(ii) if (i) 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

(2) verifying that the Estimated Net Revenues as shown in (1) above for each of such Bond Fund Years 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 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 subsection (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 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 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 the Qualified Engineer for the applicable Bond Fund Years as determined in (c)(1)(i) or (ii) 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 the Indenture to be made into the Bond Fund must have been made in full, and there must be on deposit in each account of the Debt Service Reserve Fund the full amount required by the Indenture to be accumulated therein at such time.

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

The City currently plans to issue approximately \$4.125 million in Additional Bonds in 2016 for other System improvements. The City reserves the right to issue additional series of Additional Bonds as its capital needs require.

THE SYSTEM

[This section to be updated in its entirety by the City]

General Description of Culinary Water and Secondary Water Facilities

The City currently owns and operates culinary water facilities to provide culinary water services to the residents of the City (the “Culinary Water Facilities”) and secondary water facilities to provide secondary water services to the residents of the City (the “Secondary Water Facilities”). The Culinary Water Facilities and the Secondary Water Facilities comprise the System.

The Culinary Water Facilities are comprised of five equipped and active wells, two unequipped, future wells, seven storage tanks, four booster stations, and approximately 104 miles of water distribution lines. The Culinary Water Facilities provide service to all 11,050 acres within the boundaries of the City, except for some homes in undeveloped rural areas that are or may be served directly by their private wells. The City has partnered with the Central Utah Conservancy District (“CUWCD”) to meet its long-term culinary water supply needs. CUWCD is currently constructing the well fields, aqueducts, and reservoirs needed to supply this water and the delivery of contracted water into the City’s Culinary Water Facilities is expected to occur by 2019.

The Secondary Water Facilities include five equipped and active wells, five storage reservoirs, two booster stations, two canal staging ponds, four filter stations and approximately 82 miles of pipeline. There are 22 cross-connection locations within the System where culinary water can be injected into the secondary system to supplement secondary sources during peak irrigation demands. The Secondary Water Facilities also provide service to all areas within the 11,050-acre City boundary except for those undeveloped, rural areas that are or may be irrigated by private wells or canal water. The Secondary Water Facilities use lower-grade water sources to meet the outdoor watering needs of the residents, thereby decreasing demand upon the City’s Culinary Water Facilities. The operation of the Secondary Water Facilities enables the City to administer a more orderly transfer of agricultural land and water to urban uses.

The City uses a SCADA (Supervisory Control and Data Acquisition) radio based system to control and gather operations data for both its Culinary and Secondary Water Facilities. The SCADA system provides real time data to the operators who can then make supervisory decisions to adjust or override normal controls as necessary to maintain an acceptable level of service to the residents.

Sources and Supplies of Water

Culinary Water Facilities: Currently 100% of the City’s culinary water is generated from the five City-owned deep wells that are equipped with pumps. The City’s culinary wells are located on the east side of the Jordan River and are typically drilled to a depth of approximately 525 feet with water being generated from water bearing strata between 100 to 450 feet deep. Some well pumps are lined-shaft driven while others are submersible. Water generated from those wells meets or exceeds all local, State, and federal quality drinking water standards. The City has equipped many of its wells with transfer switches so that in the event of a power outage, power can be supplied by portable emergency diesel backup power generation systems. The City’s culinary water department maintains testing and maintenance programs for each of its wells to ensure their longevity for future demand.

The City currently has secured more than 6,400 acre-feet (“af”) of culinary water for its wells which the City believes is sufficient to meet the current and future demands of development. The City plans to continue to acquire additional water rights as needed. All new development is required to either deliver to the City the required water rights or to purchase from the City the necessary water rights for each project. Water right funds collected are used to purchase new rights so that there is always a pool of available rights to support growth. In the future, up to 10,000 acre-feet of culinary water will also be supplied by the CUWCD pursuant to the hereinafter described Water Supply Agreement.

The City has seven City-owned above ground storage reservoirs with a storage capacity of approximately 11 million gallons. The reservoirs are reinforced concrete and are strategically located to maintain adequate pressure throughout the System. There are four booster pump stations used to pump water into all zones of the

Culinary Water Facilities. The CUWCD is planning 10 million gallons of culinary water storage to meet the peak flow needs of the City in the future.

The City tests the quality of water routinely to insure the health and safety of the public. The City currently has an “approved” System status by the Utah State Division of Drinking Water.

The City entered into a Water Supply Agreement dated as of September 28, 2009 (the “Water Supply Agreement”) with the CUWCD pursuant to which the City agreed to purchase annually 10,000 af of water from the CUWCD beginning in fiscal year 2019-2020. In consideration for the delivery of the 10,000 af, the City agreed to pay a one-time development fee of \$6,200 per af (or \$62,000,000) (the “Development Fee”) to cover its share of construction and acquisition costs of the infrastructure required to deliver water to the City under the Water Supply Agreement. Furthermore, the City agreed to pay approximately \$314 per af (\$3,140,000) annually thereafter (the “Water Fee”). The Development Fee is a one-time charge that is due the year prior to the time the City is scheduled to begin taking water. The Water Fee commences to be payable the month after the Development Fee is paid and is payable monthly thereafter. Both the Development Fee and the Water Fee are payable by the City regardless of whether the City calls for or uses any of the water in any given year. The Water Supply Agreement is perpetual in nature. However it may be terminated upon mutual agreement of the parties or if the City defaults in its performance thereunder and the CUWCD determines in its sole discretion to terminate the Water Supply Agreement. The termination of the Water Supply Agreement does not relieve the City of any then past due obligations but it is relieved of any future payment obligations after termination. Water supplied to the City from the CUWCD will be delivered at four connection points strategically located throughout the City. Those connections will range in size from 12” to 24” and the water will be metered at these points. The CUWCD has constructed its system to match the City’s Zone 1 pressures so that no pumping is needed to convey water from those connection points to the Zone 1 culinary storage facilities.

At the same time that the City executed the Water Supply Agreement, it entered into a Water Credit Agreement dated as of November 25, 2009 (the “Water Credit Agreement”) with Property Reserve, Inc. (“PRI”) and The Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints (“CPB”). Pursuant to the Water Credit Agreement, PRI agreed to pay all fees due to the CUWCD under the Water Supply Agreement in exchange for water rights “credits” to be used by PRI for new development within the City. Pursuant to the Water Credit Agreement, PRI agreed to fund an account for the payment of the Development Fee 12 months prior to the payment date of such fee. In an effort to provide additional security and another source of payment for the obligations owing under the Water Credit Agreement, the City, PRI, CPB, and Zions First National Bank, as escrow agent (the “Escrow Agent”) have executed an Escrow Agreement dated as of May 19, 2014 (the “Escrow Agreement”). Pursuant to the Escrow Agreement, PRI has agreed to deposit into an escrow account (the “Escrow Account”) certain U.S. securities, U.S. Government Agency Securities or cash (the “Securities”). Amounts on deposit in the Escrow Account can be used solely to pay obligations owing under the Escrow Agreement. The Escrow Account consists of a “Development Charge Subaccount” and an “Annual Water Fee Subaccount.” The par amount of the securities on deposit in the Development Charge Subaccount will at all times equal or exceed the cost of the one-time Development Fee to CUWCD in the amount of \$62,000,000, times a fraction, the denominator of which is 10,000 and the numerator of which is 10,000 minus the number of “Water Credits” that have, as of the date of calculation, been dedicated to the City (the “PRI Development Charge Obligation”). A “Water Credit” represents the equivalent of water received by the City under the CWP Contract and is deemed dedicated to a water connection when an impact fee is paid to the City for the property to be served by such connection. Upon execution of the Escrow Agreement, the Development Charge Subaccount was initially funded with securities with a par amount equal to the PRI Development Charge Obligation. The Escrow Agreement also requires PRI to fund the Annual Water Fee Subaccount in an amount equal to (i) the per acre-foot Annual Water Fee imposed by CUWCD, times (ii) 10,000 acre feet, times (iii) a fraction, the denominator of which is 10,000, and the numerator of which is 10,000 minus the number of Water Credits dedicated to the City (the “PRI Annual Payment Fee Obligation”). The current PRI Annual Payment Fee Obligation is approximately \$3,580,000. It is anticipated that the initial deposit into the Annual Water Fee Subaccount will be made on July 1, 2017, with monthly payments to the City from that Subaccount commencing in August 2019. Each year the City will calculate the PRI Payment Fee Obligation and PRI will adjust the Securities on deposit to satisfy that obligation. Once the initial deposit is made, and monthly payments commence, the City anticipates that at least two years of payments to CUWCD will be on deposit in the Annual Water Fee Subaccount at all times. In the event amounts in either of the Subaccounts are less than the amount to be on deposit therein, PRI shall replenish the Securities in such amount to restore the value of the

Securities to at least the proper amount. The Escrow Agreement shall remain in effect for the duration that PRI has a payment obligation under the Water Credit Agreement and may be terminated by written agreement of all the parties thereto. See “CERTAIN INVESTMENT CONSIDERATIONS—The Water Supply Agreement.”

Secondary Water Facilities: The Secondary Water Facilities utilize water from four irrigation grade wells, the Utah Lake Distributing Canal (the “ULDC”), and the Spring Creek Canal. The City currently has secured more than 2,600 af of secondary water for the deep wells, approximately 600 af in the Utah Lake Distributing Canal, and 105 af in the Spring Creek Canal. The pipes, reservoirs, pump stations, valves, controls and other improvements making up the Secondary Water Facilities are constructed upon land owned by the City or on public rights-of-way. Secondary wells are located on the west side of the Jordan River and are typically drilled to a depth of approximately 1,000 feet with water being generated from water-bearing strata between 400 to 1,000 feet deep. Some well pumps are lined-shaft driven while others are submersible. The City has equipped its wells with transfer switches so that in the event of a power outage, power can be supplied by portable emergency diesel backup power generation systems. Water generated from those wells meets or exceeds all local, State, and federal quality standards for secondary water.

The City currently has secured more than 2,600 acre-feet of secondary water for the deep wells in its Secondary Water Facilities, 105 af in the Spring Creek Canal, and almost 600 af in the ULDC which the City believes is sufficient to meet the current and future demands of development and will continue to acquire additional water rights as needed. All new development is required to either deliver to the City the required water rights or to purchase from the City the necessary water rights for each project. Water right funds collected are used to purchase new rights so that there is always a pool of available rights to support growth.

The City has five City-owned above ground storage reservoirs with a storage capacity of approximately 44.5 acre-feet. The reservoirs are either lined with reinforced concrete or high density polyethylene (HDPE) and are strategically located to maintain adequate pressure throughout the System. There are two booster pump stations used to pump water into all zones of the Secondary Water Facilities. The existing Secondary Water Facilities are sufficient to meet the current needs and development demands within the City and will continue to be expanded to accommodate growth.

In July of 2013, the City experienced a shortage of Secondary Water in its storage tanks due to excessive usage during an unusually hot, dry period. The City shut off the supply of water to those users and was able to replenish its water tanks within a couple of days. The City monitors usage of water and reacts proactively to ensure that supplies meet needs of the System, including shutting off water to users who excessively use water during daytime hours.

Water Usage

The following table sets forth the culinary water sales of the City for the years shown. Secondary water is not currently metered and therefore numerical information regarding its usage is not available. Instead, the City charges for secondary water on a per acre basis. The City's Secondary Water Capital Facilities plan outlines a plan for the implementation of secondary meters in the future to facilitate conservation and to ensure a consistent revenue source for sustainability.

| <u>Calendar Year</u> | <u>Water from City wells in Acre-Feet</u> |
|----------------------|---|
| 2013 | 1,190.56 |
| 2012 | 1,068.74 |
| 2011 | 1,015.48 |
| 2010 | 926.82 |
| 2009 | 906.5 |
| 2008 | 914.69 |
| 2007 | 769.42 |

(Source: The City.)

The City's average usage is 50.5 gallons per capita per day ("gas/cap/day") for indoor use and 188.8 gas/cap/day for outdoor use for a total of 239.3 gas/cap/day. The monthly distribution of water usage follows a bell curve distribution with the peak summer monthly usage being approximately twice the average monthly usage. The majority of the water consumption (including both secondary water and culinary water usage) is by outdoor usage, accounting for 79% of the water used.

Major Water Users

The major users of the System for the fiscal year 2013 (based upon revenues for usage of each type of water facility) are set forth on the following tables:

CULINARY WATER

| <u>Major Users</u> | <u>Type of Business</u> | <u>Dollar Amount of Culinary Water Used</u> | <u>% of total Culinary Water Sales⁽¹⁾</u> |
|--------------------------|---------------------------|---|--|
| Hillcrest Condos | Residential/ Multi Family | \$43,910.92 | 2.79% |
| Aldara Apartments | Residential/ Multi Family | 41,191.45 | 2.62 |
| The Gables | Residential/ Multi Family | 24,719.64 | 1.57 |
| The Cove at Jordan River | Residential/ Multi Family | 22,973.24 | 1.46 |
| Sergeant Court | Residential/ Commercial | 12,124.79 | 0.77 |
| Wal Mart | Commercial | 9,442.98 | 0.60 |
| Riverbend | Residential/ Multi Family | 6,168.53 | 0.39 |
| West Lake High School | Educational | 4,938.03 | 0.31 |
| McLaughlin Farms | Commercial Retail | 4,536.46 | 0.29 |
| Saratoga Auto Spa | Car Wash | 3,443.71 | 0.22 |
| Total | | <u>173,449.75</u> | <u>11.02%</u> |

⁽¹⁾ Total culinary water sales for fiscal year 2013 were \$1,572,009.91.

SECONDARY WATER

| <u>Major Users</u> | <u>Type of Business</u> | <u>Dollar Amount of Secondary Water Used</u> | <u>% of total Secondary Water Sales⁽¹⁾</u> |
|----------------------------|---------------------------|--|---|
| Saratoga Springs HOA | Residential | \$36,447.24 | 3.62 |
| Harvest Hills HOA | Residential | 17,061.60 | 1.69 |
| Villages HOA | Residential | 10,656.48 | 1.06 |
| Stillwater HOA | Residential | 9,506.64 | 0.94 |
| Riverview Elementary | Educational | 6,040.80 | 0.60 |
| Saratoga Shores Elementary | Educational | 5,676.36 | 0.56 |
| Sargeant Court HOA | Residential | 5,185.68 | 0.51 |
| Harvest Elementary | Educational | 4,931.40 | 0.49 |
| The Gables | Residential/ Multi Family | 4,210.80 | 0.42 |
| Daybreak at Harvest Hills | Residential/ Multi Family | <u>3,813.96</u> | <u>0.38</u> |
| Total | | <u>\$103,530.96</u> | <u>10.27</u> |

⁽¹⁾ Total secondary water sales for fiscal year 2013 were \$1,008,147.79.

Water Connections

In 2013, the System had 5,738 culinary water connections and 4,899 secondary water connections. Approximately 95% of all connections are residential connections and the remainder are commercial, schools, churches, and City and other government facilities. Culinary water connections and secondary water connections are expected to continue to closely approximate each other. The following table shows the total culinary water connections for the last ten years.

| <u>Calendar Years</u> | <u>Total Connections</u> | <u>Percent Change</u> |
|-----------------------|--------------------------|-----------------------|
| 2013 | 5,738 | 8% |
| 2012 | 5,322 | 21 |
| 2011 | 4,416 | 8 |
| 2010 | 4,089 | 4 |
| 2009 | 3,913 | 5 |
| 2008 | 3,714 | 4 |
| 2007 | 3,582 | 18 |
| 2006 | 3,032 | 23 |
| 2005 | 2,475 | 21 |
| 2004 | 2,048 | n/a |

System Rates

The City has full and independent power, as granted by State law, to establish revenue levels and rate design for water service provided by the City. The City is not subject to rate regulation by any State or federal regulatory body, and is empowered to set rates effective at any time.

The City adopted a new water rate structure in February 2014 which became effective March 1, 2014. The City's prior rate structure for residential culinary water use was a monthly base fee plus an additional fee per 1,000 gallons used. The new residential rate structure is comprised of a base rate plus a fee per 1,000 gallons used (after 3,000 gallon allotment) based on three tiers of water usage. The new rate structure also creates a separate schedule for commercial and industrial users of culinary water with a graduated base fee based on meter size plus a fee for all water use. The new rate structure is shown in the table below.

The City also significantly increased rates for secondary water use in the new rates. While the new secondary water rate continues to be based on lot size, the City plans to install secondary water meters in calendar year 2014 and establish a new rate structure based on water use after appropriate rate and use studies.

Culinary Water: The City bases its culinary water rates on a base fee plus the amount of water used by the customer. The table below shows the rates effective March 1, 2014 for residential and non-residential culinary water users.

RESIDENTIAL

| Monthly Water Use (in Gallons) | Monthly Base Rate | Additional Usage Fee (per 1,000 Gallons) |
|-----------------------------------|----------------------|---|
| 0 – 3,000 | \$17.75 | \$ – |
| 3,001 – 7,000 | 17.75 | 2.40 |
| 7,001 – 12,000 | 17.75 | 3.25 |
| 12,001+ | 17.75 | 4.00 |

The City estimates that the average culinary water bill for City residents in calendar year 2014 based on the new rates and an average monthly consumption of 6,000 gallons will be approximately \$25.

NON-RESIDENTIAL

| Meter Size | Monthly Base Rate | Usage Fee (per 1,000 Gallons) ⁽¹⁾ |
|---------------|----------------------|---|
| 3/4" | \$17.75 | \$1.65 |
| 1" | 23.08 | 1.65 |
| 1.5" | 28.40 | 1.65 |
| 2" | 46.15 | 1.65 |
| 3" | 177.50 | 1.65 |
| 4" | 225.43 | 1.65 |
| 6" | 339.03 | 1.65 |
| 8" | 468.60 | 1.65 |

⁽¹⁾ Usage fee after 3,000 gallon monthly allotment.

The City serves more than 70 commercial culinary connections covering about 84 acres, a golf course on 179 acres, a medical clinic on 6.5 acres, 12 church sites covering 50 acres, 44 acres of open space for public and private parks, 2 private schools covering 8 acres, and 7 public schools covering 148 acres.

The following table shows the culinary water rates for the fiscal years indicated.

| <u>Year</u> | <u>Base Rate</u> | <u>Usage Rate (per 1,000 Gallons)</u> |
|--------------------------|------------------------|---|
| 2013-2014 ⁽¹⁾ | \$17.75 ⁽¹⁾ | \$2.40 – \$4.00 ⁽¹⁾ |
| 2012-2013 | 15.08 | 1.55 |
| 2011-2012 | 15.08 | 1.55 |
| 2010-2011 | 15.08 | 1.40 |
| 2009-2010 | 13.00 | 1.40 |
| 2008-2009 | 10.93 | 1.18 |

⁽¹⁾ As discussed above, the City restructured its water rates as of March 1, 2014. The information shown above for fiscal year 2013-2014 reflects the new structure for residential culinary water rates only. Prior to the restructure residential and non-residential culinary water rates were the same.

The City also charges impact and connection fees for connecting to the Culinary Water Facilities. These impact fees can only be used to pay for capital improvements which are growth related and itemized on the City’s plan for the Culinary Water Facilities. The impact fee cannot be higher than the fee justified by an impact fee analysis. The City recently completed an updated impact fee analysis and adopted a new culinary water impact fee schedule which became effective July 28, 2014. The City estimates that the average impact fee for a new single-family dwelling is \$3,825. As previously stated, two-thirds of the connection fee for culinary water is allocated to the payment of the Settlement Obligation. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—The Settlement Obligation.”

Secondary Water: The service charges for the use of the Secondary Water Facilities are currently based on a fixed rate based on lot size. The City plans to install secondary water meters in calendar year 2014. Effective March 1, 2014, the secondary water fixed rate is \$104.72 per acre of lot size. The following table depicts the secondary water rates for the current fiscal year and preceding five years.

| <u>Year</u> | <u>Per Acre</u> |
|--------------------------|-------------------------|
| 2013-2014 ⁽¹⁾ | \$104.72 ⁽¹⁾ |
| 2012-2013 | 67.48 |
| 2011-2012 | 61.48 |
| 2010-2011 | 57.89 |
| 2009-2010 | 57.89 |
| 2008-2009 | 47.74 |

⁽¹⁾ The information shown above for fiscal year 2013-2014 reflects the rate increase that became effective March 1, 2014. Prior to the rate increase the rate was the same as for fiscal year 2012-2013.

Concurrently with the City’s new culinary water impact fee schedule, the City also adopted a new secondary water impact fee schedule, also effective July 28, 2014. Under the new schedule the secondary water impact fee is calculated as the sum of four components: source (\$2,017 per equivalent residential connection (“ERC”), storage (\$1,278 per ERC), water rights (\$2,263 per ERC), and a planning fee (\$24 per ERC). An ERC for secondary water is .16 irrigated acre. The City calculates the number of ERCs required for each new development activity based on the irrigated acreage associated with the proposed activity. As an alternative to a monetary amount, the City also accepts payment for the water rights component of the secondary water impact fee by

surrender of an equivalent pre-paid water right credit or dedication of an equivalent. The City estimates that a typical single family residential connection requiring 0.16 irrigated acres would have an impact fee of \$5,782.

These impact fees can only be used to pay for capital improvements which are growth related and itemized on the City's Secondary Water Master Plan.

Connection, Billing, and Collection Process

The City's regulations include a mandatory connection policy to the System. The mandatory connection policy requires the owner of any property used for human occupancy, employment, recreation or other purposes, which are situated within the City to connect to the System. Residential developers are required to construct the appropriate water facilities to connect their development to the System. The City has also adopted a disconnection policy for nonpayment of bills for water and utility services.

Pursuant to the City's mandatory connection policy, connection to the System is required within thirty days after the property receives a notice to connect. In the event connection is not made within thirty days, the connection fee is due and payable as if the connection had been made.

All of the City's culinary water customers are metered. Meters are read monthly by the City. Utility bills for use of the System are generated monthly and are due at the end of each month. Unpaid bills are assessed a 1/2% late fee on balances greater than \$1.00. If payment is not made after sixty days, service may be discontinued and a fee of \$15 is charged for reconnection the first time, \$25 for reconnection the second time, \$50 for reconnection the third time and \$100 for each time thereafter.

Historical and Pro Forma Net Income and Debt Service Coverage

The following table sets for certain historical financial information with regard to the System:

HISTORICAL NET INCOME AND DEBT SERVICE COVERAGE⁽¹⁾

| | <u>Fiscal Year Ended June 30,</u> | | | | |
|---------------------------------------|-----------------------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
| Operating Revenues | \$1,430,353 | \$1,944,116 | \$2,222,973 | \$2,354,465 | \$2,649,441 |
| Operating Expenses | <u>1,006,496</u> | <u>1,304,738</u> | <u>1,602,972</u> | <u>2,096,852</u> | <u>2,565,236</u> |
| Operating Income | 423,857 | 639,378 | 620,001 | 257,613 | 84,205 |
| Non-Operating Revenues ⁽²⁾ | <u>401,147</u> | <u>394,640</u> | <u>446,128</u> | <u>764,289</u> | <u>1,558,272</u> |
| Income Available for Debt Service | <u>\$825,004</u> | <u>\$1,034,017</u> | <u>\$1,066,130</u> | <u>\$1,021,902</u> | <u>\$1,642,477</u> |
| Debt Service | | | | | |
| Series 2005 Bonds | 147,576 | 147,696 | 147,701 | 147,590 | 147,365 |
| Series 2006 Bonds | 232,075 | 221,883 | 232,883 | 233,403 | 232,763 |
| Series 2009 Bonds | — | <u>78,022</u> | <u>78,070</u> | <u>78,240</u> | <u>78,326</u> |
| Total Debt Service | <u>\$379,651</u> | <u>\$447,601</u> | <u>\$458,654</u> | <u>\$459,233</u> | <u>\$458,454</u> |
| Debt Service Coverage | 2.17x | 2.31x | 2.32x | 2.23x | 3.58x |

⁽¹⁾ Previously Allocated Revenues are excluded from Operating and Non-Operating Revenues. Depreciation is excluded from Operating Expenses. Such modifications mean the numbers in this table will not match numbers in the City's audited financial statements.

⁽²⁾ Non-operating revenues and resulting debt service coverage differ from audited financial statements due to the exclusion of special assessments collected from a special assessment area and accounted for in the Water Fund. Those special assessment revenues are not part of Revenues. Corresponding professional service expenses associated with the

special assessment area have been excluded from the operating expenses above, including annual special assessment area administration charges of approximately \$33,000 and trustee fees of about \$1,500.

(Source: The Municipal Advisor; based on information from the City’s audited financial statements for the years shown.)

The following table summarizes the projected operations of the System and the projected debt service coverage for the Series 2016 Bonds.

PRO FORMA NET INCOME AND DEBT SERVICE COVERAGE⁽¹⁾

| | <u>Fiscal Year Ending June 30,</u> | | | | |
|--|------------------------------------|--------------------|--------------------|--------------------|--------------------|
| | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> |
| Operating Revenues ⁽²⁾ | \$3,216,624 | \$3,621,479 | \$3,865,770 | \$4,212,747 | \$4,617,448 |
| Operating Expenses | <u>2,473,604</u> | <u>2,556,730</u> | <u>2,689,041</u> | <u>2,886,820</u> | <u>3,116,900</u> |
| Operating Income | 743,020 | 1,064,748 | 1,176,729 | 1,325,927 | 1,500,548 |
| Non-Operating Revenues ⁽³⁾ | <u>555,000</u> | <u>556,100</u> | <u>557,222</u> | <u>558,366</u> | <u>559,534</u> |
| Income Available for Debt Service | <u>\$1,298,020</u> | <u>\$1,620,848</u> | <u>\$1,733,951</u> | <u>\$1,884,294</u> | <u>\$2,060,082</u> |
| Debt Service ⁽⁴⁾ | | | | | |
| Series 2005 | 147,024 | – | – | – | – |
| Series 2006 | 232,995 | – | – | – | – |
| Series 2009 | 78,330 | – | – | – | – |
| Series 2016 | – | 158,291 | 692,425 | 693,925 | 690,275 |
| Series 2016 | – | – | – | <u>331,118</u> | <u>331,118</u> |
| Total Debt Service | \$458,349 | \$158,291 | \$692,425 | \$1,025,043 | \$1,021,393 |
| Rate Stabilization Fund (“RSF”) | 400,000 | 400,000 | 400,000 | 400,000 | 400,000 |
| Debt Service Coverage (Overall) | 3.70x | 12.77x | 3.08x | 2.23x | 2.41x |
| Debt Service Coverage without impact fees, with RSF | 2.49x | 9.25x | 2.28x | 1.68x | 1.86x |
| Debt Service Coverage without impact fees or RSF | 1.62x | 6.73x | 1.70x | 1.29x | 1.47x |

(1) This table does not include amounts owing or received under the Water Supply Agreement or Water Credit Agreement, respectively, as such amounts, including the funds in the Escrow Agreement, are expected to net each other out and have no effect on the net income of the System.

(2) Previously Allocated Revenues are excluded from Operating and Non-Operating Revenues. Depreciation is excluded from Operating Expenses.

(3) Non-operating revenues and resulting debt service coverage exclude special assessments collected from a special assessment area and accounted for in the Water Fund. Those special assessment revenues are not part of Revenues. Corresponding professional service expenses associated with the special assessment area have been excluded from the operating expenses above, including annual special assessment area administration charges of approximately \$33,000 and trustee fees of about \$1,500.

(4) Assumes the issuance of the Series 2016 Bonds and the refunding of the Refunded Bonds and projected issuance of Additional Bonds in approximately \$4.125 million principal amount in 2016 with an average interest rate of 5.00% per annum on such Series of Additional Bonds.

(5) Amounts on deposit in the Rate Stabilization Fund may be used at any time by the District for any lawful purpose. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Rate Stabilization Fund and Other Available Funds,” herein.

(Source: The Municipal Advisor and the City.)

Five-Year Financial Summaries

The summaries contained herein were extracted from the City's general purpose financial statements for the years ended June 30, 2011 through June 30, 2015. These summaries have not been audited. See "APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2015" herein.

(The remainder of this page left intentionally blank.)

CITY OF SARATOGA SPRINGS
Statement of Net Position—Proprietary Funds—Water Utility
(This summary has not been audited.)

| | <u>Fiscal Year Ended June 30,</u> | | |
|---|-----------------------------------|----------------------------|----------------------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> |
| Assets | | | |
| Current Assets: | | | |
| Cash and Cash Equivalents | \$3,877,666 | \$3,271,955 | \$2,464,048 |
| Cash with fiscal agent | — | 645,786 | — |
| Cash - restricted | 675,132 | — | — |
| Customer deposits -restricted | — | 160,255 | — |
| Receivables | 226,035 | 206,757 | 237,963 |
| Inventories and Deposits | 73,906 | 92,382 | 92,382 |
| Due from Other Funds | — | — | — |
| Total Current Assets | <u>4,852,739</u> | <u>4,377,135</u> | <u>2,794,393</u> |
| Noncurrent Assets: | | | |
| Restricted Cash and Investments | — | 19,595 | 731,363 |
| Bond Issuance Costs, Net | — | 148,141 | 230,121 |
| Capital Assets: | | | |
| Water Rights | 14,998,026 | 14,792,562 | 14,659,649 |
| Construction in Progress | 102,868 | 131,372 | 26,643 |
| Water Capacities | 49,908,425 | 10,950,988 | 10,950,988 |
| Culinary Water System | 17,241,199 | 54,753,018 | 56,435,835 |
| Secondary Irrigation Water System | 7,681,621 | 7,161,335 | 5,634,300 |
| Equipment | 407,687 | 347,032 | 347,032 |
| Accumulated Depreciation | (17,214,156) | (14,113,305) | (12,828,301) |
| Net Capital Assets | <u>73,125,670</u> | <u>74,023,022</u> | <u>75,226,146</u> |
| Total Noncurrent Assets | <u>73,125,670</u> | <u>74,190,758</u> | <u>76,187,630</u> |
| Total Assets | <u>\$77,978,409</u> | <u>\$78,567,893</u> | <u>\$78,982,023</u> |
| Liabilities | | | |
| Current Liabilities: | | | |
| Accounts Payable and Accrued Expenses | 127,241 | 89,279 | 207,751 |
| Due to other funds | 296,275 | 366,700 | — |
| Compensated Absences | 11,817 | 12,148 | 36,303 |
| Customer Deposits payable | 187,541 | 160,255 | 155,677 |
| Accrued interest payable | 90,301 | 95,225 | 136,854 |
| Bonds and Contracts payable - current | 1,403,000 | 1,409,374 | 436,000 |
| Culinary Water System Settlement | — | — | 1,050,000 |
| Capital leases payable – current | 1,641 | 2,653 | 8,199 |
| Deferred Revenue | — | — | — |
| Total current liabilities | <u>2,117,816</u> | <u>2,135,634</u> | <u>2,030,784</u> |
| Noncurrent Liabilities: | | | |
| Compensated Absences | 15,009 | 11,655 | 8,596 |
| Bonds and Contracts payable | 20,130,460 | 7,591,000 | 9,358,000 |
| Culinary Water System Settlement | — | 14,035,460 | 14,921,500 |
| Capital Leases payable | 6,325 | 7,988 | 10,969 |
| Total Noncurrent Liabilities | <u>20,151,794</u> | <u>21,646,103</u> | <u>24,299,065</u> |
| Total Liabilities | <u>22,269,610</u> | <u>23,781,737</u> | <u>26,329,849</u> |
| Net Position | | | |
| Net Investment in Capital Assets | 51,584,244 | 52,912,547 | 49,671,599 |
| Restricted for Debt Service | — | 310,945 | 731,363 |
| Restricted for Improvements | — | 3,111,060 | 1,751,011 |
| Unrestricted | 4,124,555 | -1,548,396 | 498,201 |
| Net Position | <u>55,708,799</u> | <u>54,786,156</u> | <u>52,652,174</u> |
| Total Liabilities and Net Position | <u>\$77,978,409</u> | <u>\$78,567,893</u> | <u>\$78,982,023</u> |

(Source: Information extracted from the City's 2009 through 2013 audited basic financial statements. This summary has not been audited.)

CITY OF SARATOGA SPRINGS
Statement of Revenues, Expenditures and Changes in Fund Balances—Proprietary Funds—Water Utility

(This summary has not been audited.)

| | <u>Fiscal Year Ended June 30,</u> | | |
|--|-----------------------------------|---------------------|---------------------|
| | <u>2013</u> | <u>2012</u> | <u>2011</u> |
| Operating Revenues: | | | |
| Charges for Services | \$2,539,626 | \$3,985,975 | \$2,042,538 |
| Connection and Other Fees | 1,654,381 | 181,345 | 117,200 |
| Other | <u>91,425</u> | <u>6,569</u> | <u>63,235</u> |
| Total Operating Revenues | 4,285,432 | 4,173,889 | 2,222,973 |
| Operating Expenses: | | | |
| Personnel | 434,498 | 374,881 | 798,679 |
| Supplies and Maintenance | 742,312 | 334,702 | 399,951 |
| Professional Services | 33,933 | 219,226 | 66,756 |
| Administrative | 759,076 | 749,658 | 81,708 |
| Power and Pumping | 319,516 | 401,080 | 289,299 |
| Treatment and sanitation | 301,414 | 4,800 | - |
| Depreciation | 2,242,027 | 2,144,295 | 2,138,400 |
| Other | <u>8,420</u> | <u>12,505</u> | <u>6,852</u> |
| Total Operating Expenses | <u>4,841,196</u> | <u>4,241,147</u> | <u>3,781,645</u> |
| Operating Income (Loss) | (55,764) | (67,258) | (1,558,672) |
| Nonoperating Revenues (Expenses): | | | |
| Investment Earnings | 18,390 | 31,749 | 23,922 |
| Impact Fees | - | - | 1,762,380 |
| Interest Expense and Fiscal Charges | (261,352) | (408,538) | (504,436) |
| Amortization of Bond Issuance Bonds | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Nonoperating Revenues (Expenses) | <u>(242,962)</u> | <u>(376,789)</u> | <u>1,281,866</u> |
| Net Income (Loss) Before Transfers | (798,726) | (444,047) | (276,806) |
| Capital Contributions | - | 738,210 | - |
| Impact Fees | 1,869,510 | 2,219,819 | - |
| Transfers | <u>-</u> | <u>-</u> | <u>380,000</u> |
| Net Income Before Contributions | <u>-</u> | <u>-</u> | 103,194 |
| Developer Contributions | <u>-</u> | <u>-</u> | <u>61,269</u> |
| Changes in Net Assets | 1,070,784 | 2,513,982 | 164,463 |
| Total Net Assets - Beginning | <u>54,638,015</u> | <u>52,272,174</u> | <u>52,487,711</u> |
| Total Net Assets - Ending | <u>\$55,708,799</u> | <u>\$54,786,156</u> | <u>\$52,652,174</u> |

(Source: Information extracted from the City's 2009 through 2013 audited basic financial statements. This summary has not been audited.)

THE CITY

General Information

The City was incorporated in 1997 and is located near Utah Lake in the northwestern portion of Utah County. The City is approximately 30 miles south of Salt Lake City and approximately 22 miles northwest of Provo. The City had _____ residents according to the 2015 estimate of the U.S. Census Bureau, which ranks the City at approximately the 42nd most populous city (out of approximately 243 municipal entities in the State) and the fastest growing City in the State according to the 2010 Census.

Form of Government

State statutes detail the functions to be performed by State municipalities. Title 10 of Utah Code, generally sets out laws to provide for the incorporation, organization, and classification of cities and towns based upon

population. Cities of the fourth class, such as the City, are those with fewer than 30,000 and greater than 10,000 inhabitants. The City is organized under general law and governed by a six-member council consisting of the Mayor (the “Mayor”) and five council members who are each elected to serve four-year terms (collectively, the “City Council”). The Mayor presides over all City Council meetings but may not vote, except in case of a tie vote by the council members and certain other circumstances specified under State law. The City Council has appointed a city manager to perform and execute administrative duties and functions delegated by the City Council to the city manager.

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

Current members serving as Mayor, City Council and City administration and their respective years in office are as follows:

| <u>Office</u> | <u>Person</u> | <u>Years In Service</u> | <u>Expiration Of Term</u> |
|-----------------------------------|----------------------|-------------------------|---------------------------|
| Mayor | Jim Miller | 2 | January, 2018 |
| Councilmember | Chris Porter | 1 | January, 2020 |
| Councilmember | Michael D.S. McOmber | 6 | January, 2018 |
| Councilmember | Steven Willden | 2 | January, 2018 |
| Councilmember | Bud Poduska | 9 | January, 2020 |
| Councilmember | Shellie Baertsch | 5 | January, 2020 |
| City Manager | Mark Christensen | 6 | Appointed |
| Assistant City Manager | Spencer Kyle | 13 | Appointed |
| Finance Director | Chelese Rawlings | 4 | Appointed |
| City Recorder | Cindy LoPiccolo | 1 | Appointed |
| City Treasurer | Debbie Elms | 10 | Appointed |
| City Attorney | Kevin Thurman | 6 | Appointed |
| Assistant Public Works Supervisor | George Leatham | 13 | Appointed |
| City Engineer | Jeremy Lapin | 6 ⁽²⁾ | Appointed |

(1) Mr. Miller and Mr. Willden were elected to their current positions in the City’s November 2013 election and began serving their terms effective January 1, 2014. Prior to being elected Mayor, Mr. Miller served for four years as a councilmember.

(2) Mr. Lapin worked as an engineering consultant for the City for 4 years prior to becoming an employee.

Fund Structure; Accounting Basis

The accounts of the City are organized on the basis of funds or groups of accounts, each of which is considered to be a separate accounting entity. The operations of each fund or account group are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, fund balance, revenues and expenditures or expenses. The various funds are grouped by type in the combined financial statements.

Revenues and expenditures are recognized using the modified accrual basis of accounting in all governmental funds. Revenues are recognized in the accounting period in which they become both measurable and available. “Measurable” means that amounts can be reasonably determined within the current period. “Available”

means that amounts are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues on cost-reimbursement grants are accrued when the related expenditures are incurred.

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

Budget and Appropriation Process

The budget and appropriation process of the City is governed by the Uniform Fiscal Procedures Act for Utah Cities (the “Fiscal Procedures Act”). Pursuant to the Fiscal Procedures Act, the budget officer of the City is required to prepare budgets for the general fund, special revenue funds, debt service funds and capital improvement funds. These budgets are to provide a complete financial plan for the budget (ensuing fiscal) year. Each budget is required to specify, in tabular form, estimates of anticipated revenues and appropriations for expenditures. Under the Fiscal Procedures Act, the total of anticipated revenues must equal the total of appropriated expenditures.

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

Prior to June 22 in each year, the final budgets for all funds are adopted by the City Council. The Fiscal Procedures Act prohibits the City Council from making any appropriation in the final budget of any fund in excess of the estimated expendable revenue of such fund. The adopted final budget is subject to amendment by the City Council during the fiscal year. However, in order to increase the budget total of any fund, public notice and hearing must be provided. Intra- and inter- department transfers of appropriation balances are permitted upon compliance with the Fiscal Procedures Act.

The amount set forth in the final budget as the total amount of estimated revenue from property taxes constitutes the basis for determining the property tax levy to be set by the City Council for the succeeding tax year.

Employee Work Force and Retirement System

The City currently employs approximately [70] full-time employees, [114] part-time employees, and [12] seasonal employees for a total employment of approximately 196 employees. [*City to update*]

The City is a member of the Utah State Retirement Systems (“URS”). The URS are multiple-employer, cost-sharing defined benefit pension plans. The URS cover substantially all eligible public employees of the State and education employees as well as participating local government entities. The City is required to contribute a portion of URS plan members’ salary. The City’s employer contributions for the fiscal years 2013, 2012, and 2011, including contributions to URS firefighters and public safety programs, were \$686,805, \$553,346, and \$498,740, respectively.

The City also participates in three defined compensation plans for qualifying employees. For further information on the City’s retirement plans, see “APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR’S REPORT FOR THE YEAR ENDED JUNE 30, 2015—Notes To Basic Financial Statements—Note 6. —Retirement Plans” herein.

Beginning with the fiscal year beginning July 1, 2014, the City is required to record a liability and expense equal to its proportionate share of the collective net pension liability and expense of the URS due to the

implementation of GASB 68. The URS in its 2013 Comprehensive Annual Financial Report (available at www.urs.org) estimated that the City's proportionate share of the net pension liability of URS funds with a net pension liability at December 31, 2013 was \$2,195,960 (assuming a 7.5% discount rate) and that its proportionate share of plan pension expense at December 31, 2013 was \$434,566 (unaudited). The City has not determined at this time what its actual net pension liability will be for fiscal year 2015.

Other Post-Employment Benefits

The City reports that it has no other post-employment benefit liabilities other than those mentioned above.

Risk Management

The City provides for its general liability, property, and other risk insurance through various commercial insurance policies. The City believes its risk management policies and coverages are normal and within acceptable coverage limits for the type of services the City provides. Losses have not exceeded coverage during the last three years. See "APPENDIX A—AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2015—Notes To Basic Financial Statements—Note 11. Risk Management" herein.

Investment of Funds

Investment of Operating Funds; The Utah Money Management Act. The Money Management Act governs the investment of all public funds held by public treasurers in the state. It establishes criteria for investment of public funds with an emphasis on safety, liquidity, yield, matching strategy to fund objectives, and matching the term of investments to the availability of funds. The Money Management Act provides a limited list of approved investments, including investments of qualified in-state and permitted out-of-state financial institutions, approved government agency securities and investments in corporate securities carrying "top credit ratings." The Money Management Act also provides for pre-qualification of broker dealers requiring that broker dealers must agree in writing to comply with the Money Management Act and certify that they have read and understand the Money Management Act. The Money Management Act establishes the Money Management Council (the "Money Management Council") to exercise oversight of public deposits and investments. The law requires all securities to be delivered via payment to the public treasurer or to the treasurer's safekeeping bank. It requires diversification of investments, especially in securities of corporate issuers. Not more than 5% of the portfolio may be invested with any one issuer. Investments in mortgage pools and mortgage derivatives or any security making unscheduled periodic principal payments are prohibited. The Money Management Act also defines the State's prudent investor rules. The Money Management Council is comprised of five members appointed by the Governor of the State for terms of four years, after consultation with the State Treasurer and with the advice and consent of the State Senate.

The City is currently complying with all of the provisions of the Money Management Act for all City operating funds. A significant portion of the City funds are invested in the Utah Public Treasurers Investment Fund ("Treasurer's Fund"), as discussed below in this section.

The Utah Public Treasurer's Investment Fund. The Treasurer's Fund is a public treasurer's investment fund, established in 1981, and managed by the State Treasurer. The Treasurer's Fund invests to ensure safety of principal, liquidity and a competitive rate of return on short-term investments. All moneys transferred to the Treasurer's Fund are promptly invested in securities authorized by the Money Management Act. Safe-keeping and audit controls for all investments owned by the Treasurer's Fund must comply with the Money Management Act.

All investments in the Treasurer's Fund must comply with the Money Management Act and rules of the Money Management Council. The Treasurer's Fund invests primarily in money market securities including time certificates of deposit, top rated commercial paper, treasuries and certain agencies of the U.S. Government. The maximum weighted average adjusted life of the portfolio, by policy, is not to exceed 90 days.

By law, investment transactions are conducted only through certified dealers, qualified depositories or directly with issuers of the securities. Securities owned by the Treasurer's Fund are completely segregated from securities owned by the State. The State has no claim on assets owned by the Treasurer's Fund except for any

investment of State moneys in the Treasurer’s Fund. Deposits are not insured or otherwise guaranteed by the State. However, it is the stated intent of the State Treasurer to manage a stable net asset value pool and maintain a net asset value that does not deviate by more than \$0.005.

Securities in the Treasurer’s Fund include certificates of deposit, commercial paper, short-term corporate notes, obligations of the U.S. Treasury and securities of certain agencies of the U.S. Government. These short-term securities must be rated “first tier” (“A1,” “P1,” for short-term investments and “A” or better for long-term investments) by two nationally recognized statistical rating organizations, one of which must be Moody’s or S&P. These securities represent limited risks to governmental institutions investing with the Treasurer’s Fund. Variable rate securities in the Treasurer’s Fund must have an index or rate formula that has a correlation of at least 94% of the effective Federal Funds rate. The Treasurer’s Fund itself is not rated.

Investment activity of the State Treasurer in the management of the Treasurer’s Fund is reviewed monthly by the Money Management Council and is audited by the State Auditor.

Financial Records and Statements

The City presently maintains its financial records on a July 1 to June 30 fiscal year basis. See APPENDIX A to this Official Statement for a copy of the City’s audited financial statements for the fiscal year ended June 30, 2015.

DEBT STRUCTURE OF THE CITY

Outstanding Municipal Indebtedness of the City

The tables below set forth the outstanding municipal indebtedness of the City as of September 1, 2016.

WATER REVENUE BONDS

| <u>Series</u> | <u>Purpose</u> | <u>Original Amount</u> | <u>Final Maturity Date</u> | <u>Principal Amount Currently Outstanding</u> |
|---------------------|------------------------|------------------------|----------------------------|---|
| 2014 ⁽¹⁾ | Improvements/Refunding | \$9,995,000 | December 1, 2033 | \$9,575,000 |
| 2016 ⁽¹⁾ | Improvements | _____ | December 1, 20__ | _____ |

⁽¹⁾ For purposes of the Official Statement the Series 2016 Bonds are considered issued and outstanding and the Refunded Bonds to have been refunded.

SALES TAX REVENUE BONDS

| <u>Series</u> | <u>Purpose</u> | <u>Original Amount</u> | <u>Final Maturity Date</u> | <u>Principal Amount Outstanding</u> |
|---------------|------------------|------------------------|----------------------------|-------------------------------------|
| 2011 | Various Purposes | \$4,000,000 | July 1, 2031 | |

SPECIAL ASSESSMENT BONDS

| <u>Series</u> | <u>Purpose</u> | <u>Original Amount</u> | <u>Final Maturity Date</u> | <u>Principal Amount Outstanding</u> |
|---------------|----------------|------------------------|----------------------------|-------------------------------------|
| 2012 | Refunding | \$3,114,374 | April 1, 2029 | |

NO DEFAULTED OBLIGATIONS

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

CERTAIN INVESTMENT CONSIDERATIONS

The purchase of the Series 2016 Bonds involves certain investment risks that are discussed throughout this Official Statement. No prospective purchaser of the Series 2016 Bonds should make a decision to purchase any of the Series 2016 Bonds without first reading and considering the entire Official Statement, including all Appendices, and making an independent evaluation of all such information. Certain of those investment risks are described below. The list of risks described below is not intended to be definitive or exhaustive and the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

General

The Series 2016 Bonds are payable from and secured by a pledge and assignment of Net Revenues from the System and moneys on deposit in the funds and accounts held by the Trustee under the Indenture. Future economic conditions, weather conditions, the demand for water services within the City and the surrounding areas, economic and employment trends and events, demographic changes, changes in federal and state policies and regulations, including environmental policies and regulations, and other factors may adversely affect the future financial condition of the System, and, consequently, the availability of Net Revenues. No assurance can be made that the Net Revenues of the System will be realized by the City in amounts sufficient to pay debt service on the Series 2016 Bonds when due.

Settlement Obligation

As previously stated, the City must pay the Settlement Obligation from Previously Allocated Revenues. Pursuant to the terms of the Settlement Agreement, if the Settlement Obligation paid is not paid in full prior to February 2, 2025, the entire balance of the Settlement Obligation must be paid in full. The Settlement Agreement does not contain any provision regarding how that amount is to be paid. In the event that the Settlement Obligation is not paid by that time, the City will need to provide moneys to pay the Balloon Payment. The City may be able to pay from Revenues or the City may need to use other legally available moneys or the City may need to issue bonds to pay the Balloon Payment. At this time, the City cannot predict the amount, if any, of the Balloon Payment nor how it will be paid.

The Water Supply Agreement

As stated above, the City entered into the Water Supply Agreement to secure 10,000 af of water from the CUWCD. Pursuant to the Water Supply Agreement, the City agreed to pay a one-time Development Fee of approximately \$62,000,000 and Water Fees in the approximate amount of \$3,140,000 annually. The City undertook the obligations under the Water Supply Agreement to assist PRI with the development of certain land within and around the City. In order to induce the City to enter into the Water Supply Agreement, PRI and CPB executed the Water Credit Agreement to provide security to the City for its obligations under the Water Supply Agreement. Under the Water Credit Agreement, PRI agrees to set aside funds in the Escrow Account and pay moneys to the City in amounts that permit the City to satisfy its obligations under the Water Supply Agreement. In the event that PRI does not make payments pursuant to the Water Credit Agreement, the City is entitled to draw upon the Escrow Account to satisfy PRI's payment obligations under the Water Credit Agreement. Although PRI has agreed to maintain the value of the Escrow Account in amounts sufficient to pay the Development Fee and the Water Fees, no assurance can be given that the value of the securities in the Escrow Account will be sufficient to pay such amount since the market value and the liquidity for securities fluctuates over time. Furthermore, no representation is made regarding the current or future ability of PRI or EPA to maintain the Escrow Account at the Required Balance. No financial information regarding PRI or EPA or their ability to perform is being included in this Official Statement.

The Water Supply Agreement also provides that amounts due thereunder are payable by the City regardless of whether the City uses any of the water to be provided pursuant to such Water Supply Agreement. The Water Supply Agreement does not specify a source of payment for the amounts payable thereunder nor does it specify a

priority of payment for any such amounts. If a court decides or the parties agree that such amounts are Operation and Maintenance Expenses of the System, such amounts would be payable on a basis that is prior to that of the Bonds. The City makes no representation regarding any source of payment for such amounts nor any lien priority between such amounts and the Bonds.

Operation of the System

In order for the City to make timely payment of the principal and interest requirements of the Series 2016 Bonds and to meet its other obligations under the Indenture, it will be necessary for the City to manage, operate and maintain the System in an efficient and economical manner that is consistent with prudent utility practice. The City is exempt from regulation by the Utah Public Service Commission but the operation of the System is subject to the requirements of various governmental rules and regulations and the System must be operated in compliance with those requirements. In the event that the System is not operated or is not capable of operation as required by the provisions of such governmental rules and regulations, the City may be subject to certain penalties.

To the extent the System develops operational problems, Operation and Maintenance Expenses may need to be reduced or rates for the System may need to be increased to produce sufficient Revenues unless other sources of funds are obtained. In the event that Revenues need to be increased for the continued operation of the System (and to pay debt service on the Series 2016 Bonds), it may be necessary to increase rates for the System. The City has covenanted in the Indenture that it will ensure that the rates for all services supplied by the System to all customers within or without the boundaries of the City when combined with other Revenues, shall be sufficient to pay the Operation and Maintenance Expenses for the System, and to provide Net Revenues for each Bond Fund Year of not less than 125% of the Aggregate Annual Debt Service Requirement for such Bond Fund Year plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture; provided, however, that pursuant to State law such rates must be reasonable rates for the type, kind and character of the service rendered. Furthermore, the City may decide not make any rate increases due to political, feasibility or other concerns.

Destruction of the System

The Indenture requires that the City, in its operation of the System, maintain insurance in such amounts and to such extent as is normally carried by other entities operating public utilities of the same size and type. In the event of any loss or damage, the Indenture requires that the proceeds of any insurance shall be used first for the purpose of restoring or replacing the property lost or damaged. Any remainder is to be paid into the Bond Fund. However, there can be no assurance that the proceeds of such insurance will be sufficient to restore or replace the lost or damaged property.

Damage to or destruction of the System may prevent the City from providing water service to some or all of its customers. In such event, the Net Revenues may decrease.

INDEPENDENT ACCOUNTANTS

The financial statements of the City as of June 30, 2015 and for the year then ended, included in this Official Statement, have been audited by Litz & Company, PC, Roy, Utah (“Litz & Company”), as stated in their report in APPENDIX A to this Official Statement. Litz & Company has not been asked to consent to the use of its name and audited financial report of the City for fiscal year ended June 30, 2015 in this Official Statement.

Copies of the City’s comprehensive annual financial report may be obtained upon request from the City, 1307 North Commerce Drive, Suite 200, Saratoga Springs, Utah 84045.

MUNICIPAL ADVISOR

The City has entered into an agreement with Zions Bank Public Finance (the “Municipal Advisor”), whereunder the Municipal Advisor provides financial recommendations and guidance to the City with respect to preparation for sale of the Series 2016 Bonds, timing of sale, tax-exempt bond market conditions, costs of issuance and other factors related to the sale of the Series 2016 Bonds. The Municipal Advisor has not audited, authenticated

or otherwise verified the information set forth in this Official Statement, or any other related information available to the City, with respect to accuracy and completeness of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of this Official Statement or any other matter related to this Official Statement.

SALE OF SERIES 2016 BONDS

The Series 2016 Bonds are being sold to the successful bidder at an aggregate purchase price of \$_____ (being the par amount of the Series 2016 Bonds plus a [net] original issue premium of \$_____, and less a purchaser's discount of \$_____). The Series 2016 Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2016 Bonds into investment trusts) at prices lower than the initial public offering prices set forth on the inside front cover pages of this Official Statement and such public offering prices may be changed from time to time.

CONTINUING DISCLOSURE

The City has undertaken for the benefit of the Bondholders and the beneficial owners of the Series 2016 Bonds to provide certain annual financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") and to provide notice of certain material events to the MSRB all in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission. See APPENDIX D attached hereto and incorporated herein by reference for a form of the Continuing Disclosure Undertaking that will be executed and delivered by the City.

The City entered into a continuing disclosure undertaking pursuant to the Rule in connection with the issuance of its sales tax revenue bonds. The City failed to timely file its audited financial statements for fiscal years 2012 and 2013 but subsequently filed those financial statements with the MSRB on September 9, 2014. A failure by the City to comply with the Continuing Disclosure Undertaking will not constitute a default under the Indenture and beneficial owners of the Series 2016 Bonds are limited to the remedies described in the Continuing Disclosure Undertaking. See "APPENDIX D—FORM OF CONTINUING DISCLOSURE UNDERTAKING—Default." A failure by the City to comply with the Continuing Disclosure Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2016 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2016 Bonds and their market price.

LITIGATION

A non-litigation certificate issued by Kevin Thurman, City Attorney, dated the date of closing, will be provided stating, among other things, that to the best of his knowledge, after due inquiry, no action, suit, proceeding, inquiry, or any other litigation or investigation at law or in equity, before or by any court, public board or body, has been served on the City or is threatened, challenging the creation, organization, or existence of the City or the titles of its officers to their respective offices or seeking to restrain or enjoin the issuance, sale, or delivery of the Series 2016 Bonds or for the purpose of restraining or enjoining the levy and collection of taxes or assessments by the City, or directly or indirectly contesting or affecting the proceedings or the authority by which the Series 2016 Bonds are issued or the validity of the Series 2016 Bonds or the issuance thereof.

LEGAL MATTERS

The authorization and issuance of the Series 2016 Bonds is subject to the approval of legality by Ballard Spahr LLP, Bond Counsel to the City. Certain matters relating to disclosure will be passed upon for the City by Ballard Spahr LLP, Disclosure Counsel to the City. Certain legal matters will be passed upon for the City by Kevin Thurman, City Attorney. The approving opinion of Bond Counsel will be delivered with the Series 2016 Bonds. A copy of the form of the opinion of Bond Counsel is set forth in APPENDIX E of this Official Statement.

TAX MATTERS

Federal Income Tax

Excludability of Interest. In the opinion of Ballard Spahr LLP, Bond Counsel to the City, interest on the Series 2016 Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Series 2016 Bonds, assuming the accuracy of the certifications of the City and continuing compliance by the City with the requirements of the Internal Revenue Code of 1986. Interest on the Series 2016 Bonds is not an item of tax preference for purposes of either individual or corporate federal alternative minimum tax; however, interest on Series 2016 Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal alternative minimum tax because of its inclusion in the adjusted current earnings of a corporate holder.

Original Issue Premium. The Series 2016 Bonds may be offered at a premium (“original issue premium”) over their principal amount. For federal income tax purposes, original issue premium is amortizable periodically over the term of a Series 2016 Bond through reductions in the holder’s tax basis for the Series 2016 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Amortization of premium does not create a deductible expense or loss. Series 2016 Bondholders should consult their tax advisers for an explanation of the amortization rules.

Original Issue Discount. Certain of the Series 2016 Bonds may be offered at a discount (“original issue discount”) equal generally to the difference between public offering price and principal amount. Original issue discount on a Series 2016 Bond accrues as tax-exempt interest periodically over the term of the Series 2016 Bond. The accrual of original issue discount increases the holder’s tax basis in the Series 2016 Bond for determining taxable gain or loss from sale or from redemption prior to maturity. Series 2016 Bondholders should consult their tax advisers for an explanation of the accrual rules.

State of Utah Income Tax

Bond Counsel is also of the opinion that interest on the Series 2016 Bonds is exempt from State of Utah individual income taxes under currently existing law.

No Further Opinion.

Bond Counsel expresses no opinion regarding any other tax consequences relating to ownership or disposition of, or the accrual or receipt of interest on, the Series 2016 Bonds.

Changes in Federal and State Tax Laws

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2016 Bonds or otherwise prevent holders of the Series 2016 Bonds from realizing the full benefit of the tax exemption of interest on the Series 2016 Bonds. Further, such proposals may impact the marketability or market value of the Series 2016 Bonds simply by being proposed. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Series 2016 Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Series 2016 Bonds should consult their tax advisers regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2016 Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

BOND RATINGS

_____ is expected to assign to the Series 2016 Bonds its municipal bond rating of “_____.” An explanation of such rating may be obtained from the agency furnishing such rating.

There is no assurance that any rating assigned to the Series 2016 Bonds will be maintained for any period of time or that such rating may not be lowered or withdrawn entirely by the rating agency if, in its judgment, circumstances so warrant. Any such downward change or withdrawal of such rating may have an adverse effect on the market price of the Series 2016 Bonds.

The City has covenanted in a continuing disclosure undertaking to file on the Electronic Municipal Market Access (“EMMA”) service of the MSRB notices of any ratings changes on the Series 2016 Bonds. See the caption “CONTINUING DISCLOSURE UNDERTAKING” above and APPENDIX D—“PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING.” Notwithstanding such covenant, information relating to ratings changes on the Series 2016 Bonds will generally be publicly available from the rating agencies furnishing the same prior to or simultaneously with such information being provided to the City. Purchasers of the Series 2016 Bonds are therefore directed to the ratings agencies and their respective websites and official media outlets for the most current information regarding any ratings changes with respect to the Series 2016 Bonds after the initial issuance of the Series 2016 Bonds and prior to the date the City is obligated to file notice of any rating change on EMMA.

MISCELLANEOUS

Additional Information

The City has furnished all information in this Official Statement relating to the City. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates herein will be realized.

All quotations contained herein from and summaries and explanations of the Utah Constitution, statutes, programs, laws of the State, court decisions, and the Indenture do not purport to be complete, and reference is made to said Constitution, statutes, programs, laws, court decisions, and the Indenture for full and complete statements of their respective provisions.

The obligations of the City are subject to the reasonable exercise in the future by the State of Utah and its governmental bodies of the police power and power of taxation inherent in the sovereignty of the State of Utah, and to the exercise by the United States of the powers delegated to it by the Federal Constitution.

The appendices attached hereto are an integral part of this Official Statement, and should be read in conjunction with the foregoing material.

This Preliminary Official Statement is in a form “deemed final” by the City for purposes for Rule 15c2-12 of the Securities and Exchange Commission.

This Official Statement has been duly approved, executed and delivered by the City.

SARATOGA SPRINGS CITY, UTAH

By: _____
Mayor

APPENDIX A

**AUDITED BASIC FINANCIAL STATEMENTS WITH INDEPENDENT
AUDITOR'S REPORT FOR THE YEAR ENDED JUNE 30, 2015**

APPENDIX B

EXTRACTS FROM THE GENERAL INDENTURE OF TRUST

The following excerpts briefly outline certain provisions contained in the General Indenture and are not to be considered as a full statement thereof. Reference is made to the General Indenture and the Second Supplemental Indenture, for full details of all of the terms of the Series 2016 Bonds, the security provisions appertaining thereof, and the application of the Revenues derived from the System, and the definition of any terms used but not defined in this OFFICIAL STATEMENT.

Definitions

As used in the 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 City of Saratoga Springs, Utah, Water Revenue Acquisition/Construction Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Act” means the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and the Utah Refunding Bond Act, Title 11, Chapter 27, Utah Code Annotated 1953, as amended, each to the extent applicable.

“Additional Bonds” means all Bonds issued under the 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) less any Escrowed Operation and Maintenance Expenses, 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 or any other officer of the Issuer so designated in writing by 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 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.

“Bond Fund” means the City of Saratoga Springs, Utah Water Revenue Bond Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“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 authorized in the Indenture 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 the Indenture, including the Initial Bonds and any Additional Bonds.

“Build America 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.

“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 Principal Corporate Trust Office or, with respect to a related Series of Bonds, in the city in which any Security Instrument Issuer has its principal office for purposes of such Security Instrument and (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 the Indenture and are outstanding up to an Authorized Amount.

“Construction Fund” means the City of Saratoga Springs, Utah Revenue Construction Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“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 the Indenture;

(l) costs of the capitalization with proceeds of a Series of Bonds issued under the Indenture 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 provided in the Indenture, 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 the issuance of Additional Bonds under the Indenture,

(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 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); and

(5) When calculating interest payable on Bonds that are Paired Obligations, the interest rate on such Bonds shall be the resulting linked rate or effective fixed interest rate to be paid by the Issuer with respect to such Paired Obligations;

and further provided, that there shall be excluded from Debt Service (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, (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 City of Saratoga Springs, Utah Revenue Debt Service Reserve Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

"Debt Service Reserve Requirement" means with respect to each Series of Bonds issued pursuant to the 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 its 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 (the "Prior Bonds"), then the portion of such Series of Prior 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 Prior Bonds may be combined and treated as a single Series for purpose of determining the Debt Service Reserve Requirement relating to such combined Series and the resulting requirement shall be allocated among the two Series pro rata based upon the total principal amount remaining Outstanding for each Series. The Debt Service Reserve Requirement may be funded by proceeds from the sale of such Series of Bonds, by a Reserve Instrument as provided in the Indenture, or if 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 similar programs with respect to Bonds issued under the Indenture.

"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.

"Escrowed Operation and Maintenance Expenses" means those certain Operation and Maintenance Expenses where the Issuer has set aside an escrowed amount of funds to the payment of certain Operation and Maintenance Expenses and said escrow arrangement is irrevocably held at the option of the Issuer and continually invested in Qualified Investments.

"Event of Default" means with respect to any default or event of default under the Indenture any occurrence or event specified in and defined by the Indenture.

"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”).

“Impact Fees” means all impact fees received by the Issuer included in Revenues.

“Indenture” means the General Indenture of Trust as from time to time amended or supplemented by Supplemental Indentures in accordance with the terms of the Indenture.

“Initial Bonds” means the first Series of Bonds issued under the 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 the City of Saratoga Springs, 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, necessary to keep the System in efficient operating condition, including cost of audits required by the Indenture, payment of promotional and marketing expenses and real estate brokerage fees, payment of premiums for the insurance required the Indenture, 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 and interest expense for interfund loans from Issuer funds, 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 the Indenture; and

(b) Any Bond in lieu of or in substitution for which a new Bond shall have been authenticated and delivered under the Indenture, unless proof satisfactory to the Trustee is presented that such Bond is held by a bona fide holder in due course.

“Paired Obligations” means any Series (or portion thereof) of Bonds designated as Paired Obligations in the Supplemental Indenture authorizing the issuance or incurrence thereof, which are simultaneously issued or

incurred (i) the Principal of which is of equal amount maturing and to be redeemed (or cancelled after acquisition thereof) on the same dates and in the same amounts, and (ii) the interest rates of which, when taken together, result in an irrevocably fixed interest rate obligation of the Issuer for the terms of such Bonds.

“Paying Agent” means the Trustee, appointed as the initial paying agent for the Bonds pursuant to the Indenture, and any additional or successor paying agent appointed pursuant to the Indenture.

“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 Corporate Trust Office” means, with respect to the Trustee, the office of the Trustee at 170 South Main Street, Suite 200, Salt Lake City, Utah, 84101 Attention: Corporate Trust Department, or such other or additional offices as may be specified by the Trustee.

“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, appointed and paid by the Issuer, who shall not have any substantial interest, direct or indirect (other than employment), with the Issuer, but who may be regularly retained to make annual or other periodic reports of the Issuer. “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 Financing Bank; the Farmer’s Home Administration; the Federal Housing Administration; the Maritime Administration; General Services Administration, Small Business Administration; or the Department of Housing and Urban Development (PHA’s);

(c) Money market funds rated “AAAm” or “AAAm-G” or better by S & P 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 the Indenture.

“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 under the Indenture at the request of the Issuer. If either such Rating Agency ceases to act as a securities rating agency, the Issuer may designate any nationally recognized securities rating agency as a replacement.

“Rating Category” or “Rating Categories” mean one or more of the generic rating categories of a Rating Agency, without regard to any refinement or gradation of such rating category or categories by a numerical modifier or otherwise.

“Rebatable Arbitrage” means with respect to any Series of Bonds where (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 the interest thereon is intended to be excludable from gross income for federal income tax purposes, the Interest Payment Date next preceding the fifth anniversary of the issue date of such Series of Bonds, each fifth anniversary of the initial Rebate Calculation Date for such Series of Bonds, and the date of retirement of the last Bond for such Series.

“Rebate Fund” means the City of Saratoga Springs, Utah Water Revenue Rebate Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“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 the Indenture, and any additional or successor registrar appointed pursuant to the Indenture.

“Regular Record Date” means unless otherwise provided by Supplemental Indenture for a Series of Bonds, the fifteenth day immediately preceding each Interest Payment Date.

“Regulations,” and all references thereto 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 City of Saratoga Springs, Utah Water Revenue Repair and Replacement Fund created in the Indenture to be held by the Issuer and administered pursuant to the Indenture.

“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 to the Indenture under all Reserve Instruments.

“Reserve Instrument Fund” means the City of Saratoga Springs, Utah Water Revenue Reserve Instrument Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“Reserve Instrument Limit” means, as of any date of calculation and with respect to any Reserve Instrument, the maximum aggregate amount available to be paid under such Reserve Instrument into the Debt Service Reserve Fund assuming for purposes of such calculation that the amount initially available under each Reserve Instrument has not been reduced or that the amount initially available under each Reserve Instrument has only been reduced as a result of the payment of principal of the applicable Series of Bonds.

“Reserve Instrument Provider” means any bank, savings and loan association, savings bank, thrift institution, credit union, insurance company, surety company or other institution issuing a Reserve Instrument.

“Reserve Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Reserve Instrument Agreement, those outstanding amounts payable by the Issuer under such Reserve Instrument Agreement to repay the Reserve Instrument Provider for payments previously made by it pursuant to a Reserve Instrument. There shall not be included in the calculation of Reserve Instrument Repayment Obligations any Reserve Instrument Costs.

“Revenue Fund” means the City of Saratoga Springs, Utah Water Revenue Fund created in the Indenture to be held by the Issuer and administered pursuant to the Indenture.

“Revenues” means all revenues, fees (including impact fees and connection fees to the extent such fees can legally be used for the purposes financed under the Indenture), Direct Payments, income, rents and receipts received or earned by the Issuer from or attributable to the ownership and operation of the System (including proceeds of business interruption insurance), including (without limitation) all fees and service charges received by the Issuer from service contracts for the disposal or treatment of sewage with other governmental entities or businesses, together with all interest earned by and profits derived from the sale of investments in the funds of the Issuer. A portion of the System impact fees have been previously pledged under the Settlement Agreement such that the pledge of impact fees under this Indenture will be subordinate to the pledge in the Settlement Agreement while the Settlement Agreement is outstanding.

“S & P” means Standard & Poor’s Rating Services.

“Security Instrument” means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term “Security Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other security instruments and credit enhancement or liquidity devices (but does not include a Reserve Instrument); provided, however, that no such device or instrument shall be a “Security Instrument” for purposes of this Indenture unless specifically so designated in a Supplemental Indenture authorizing the use of such device or instrument.

“Security Instrument Agreement” means any agreement entered into by the Issuer and a Security Instrument Issuer pursuant to a Supplemental Indenture (including the applicable portions of a Supplemental Indenture) providing for the issuance by such Security Instrument Issuer of a Security Instrument.

“Security Instrument Costs” means, with respect to any Security Instrument, all fees, premiums, expenses and similar costs, other than Security Instrument Repayment Obligations, required to be paid to a Security Instrument Issuer pursuant to a Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument. Such Security Instrument Agreement or Supplemental Indenture shall specify any fees, premiums, expenses and costs constituting Security Instrument Costs.

“Security Instrument Issuer” means any bank or other financial institution, insurance company, surety company or other institution issuing a Security Instrument.

“Security Instrument Repayment Obligations” means, as of any date of calculation and with respect to any Security Instrument Agreement, any outstanding amounts payable by the Issuer under the Security Instrument Agreement or the Supplemental Indenture authorizing the use of such Security Instrument to repay the Security Instrument Issuer for payments previously or concurrently made by the Security Instrument Issuer pursuant to a Security Instrument. There shall not be included in the calculation of the amount of Security Instrument Repayment Obligations any Security Instrument Costs.

“Series” means all of the Bonds authenticated and delivered on original issuance and identified pursuant to the Supplemental Indenture authorizing such Bonds as a separate Series of Bonds, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor.

“Settlement Agreement” means that certain Settlement and Culinary Water Asset Purchase and Sale Agreement dated February 2, 2005, wherein the Issuer has acquired certain portions of its System from Lake Mountain Mutual Water Company, Saratoga Springs Development, LLC and Scott McLachan and Lynn Wardley.

“Sinking Fund Account” means the City of Saratoga Springs, Utah Water Revenue Sinking Fund Account of the Bond Fund created in the Indenture to be held by the Trustee and administered pursuant to the Indenture.

“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 the 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 the Indenture.

“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 the Issuer’s culinary water system, 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 and rights of way of the Issuer and all other works, 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.

“Trustee” means U.S. Bank National Association, 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 the Indenture.

“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.

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 under the Indenture 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 to the Indenture, the 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 the Indenture and the covenants and agreements in the Indenture 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 the 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.

Special Funds and Accounts

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 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 Paragraph (c) above shall state that there is a claim or claims in controversy which create or might ripen into a lien, an Authorized Representative of the Issuer shall file a similar certificate with the Trustee when and as such claim or claims shall have been fully paid or otherwise discharged.

(e) The Trustee and the Issuer shall keep and maintain adequate records pertaining to each account within the 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 the Indenture, 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.

(g) The Trustee shall, to the extent there are no other available funds held under the Indenture, use the remaining funds in the Acquisition/Construction Fund to pay principal and interest on the Bonds at any time in the event of a payment default under the Indenture.

Use of Revenue Fund.

(a) Unless otherwise provided in the Indenture, 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, as a second charge and lien on the Revenues after payment of Operation and Maintenance Expenses, i.e., from the Net Revenues, the Issuer shall, at least fifteen (15) days before each Interest Payment Date, transfer from the Revenue Fund to the Trustee for and deposit into the Bond Fund an amount equal to:

(i) the interest falling due on the Bonds on the next succeeding Interest Payment Date established for the Bonds (provided, however, that so long as there are moneys representing capitalized interest on deposit with the Trustee to pay interest on the Bonds next coming due, the Issuer need not allocate to the Revenue Fund to pay interest on the Bonds); plus

(ii) the principal and premium, if any, falling due on the next succeeding principal payment date established for the Bonds; plus

(iii) the Sinking Fund Installments, if any, falling due on the next succeeding Sinking Fund Installment 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 Interest Payment 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.

(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 by the Indenture 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 in the Indenture 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 the Indenture) 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 the Indenture 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 by the Indenture 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 paragraphs (b), (c) and (d) above 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 the following paragraph, 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.

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 “Use of Revenues” above;
- (iii) any amount in the Construction Fund to the extent required by or directed pursuant to the Indenture 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 the Indenture; and
- (v) all other moneys received by the Trustee under the Indenture when accompanied by directions from the person depositing such moneys that such moneys are to be paid into the Bond Fund, shall be deposited into the Bond Fund.

(b) Except as provided in the Indenture 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 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 under the Indenture (or after provision has been made for the payment thereof as provided in the Indenture so that such Bonds are no longer Outstanding); (2) all agreements relating to all Security Instrument Repayment Obligations and outstanding 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 under the Indenture 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.

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 to the Indenture, 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.

Use of Debt Service Reserve Fund. Except as otherwise provided in this Section 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, (i) deposited from available Net Revenues over the period of time specified therein, or (ii) 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, the Issuer is required, pursuant to the Indenture and the provisions of any Supplemental Indenture, make payments totaling the amount of any such deficiency directly to the Trustee for deposit into the Debt Service Reserve Fund.

In the event funds on deposit in an account of the Debt Service Reserve Fund are needed to make up any deficiencies in the Bond Fund as aforementioned, and there is insufficient cash available in such account of the Debt Service Reserve Fund to make up such deficiency and Reserve Instruments applicable to such Series are in effect, the Trustee shall immediately make a demand for payment on such Reserve Instruments, to the maximum extent authorized by such Reserve Instruments, in the amount necessary to make up such deficiency, and immediately deposit such payment upon receipt thereof into the Bond Fund. Thereafter, the Issuer shall be obligated to reinstate the Reserve Instrument as provided in the Indenture.

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.

Use of Reserve Instrument Fund. There shall be paid into the Reserve Instrument Fund the amounts required 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.

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 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 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.

Use of Rebate Fund. The Trustee shall establish and thereafter maintain, so long as the Bonds are Outstanding, a Rebate Fund, which shall be held separate and apart from all other funds and accounts established

under the Indenture and from all other moneys of the Trustee. The Rebate Fund is created solely for purposes of compliance by the Issuer with the requirements of Section 148 of the Code or any successor.

Investment of Funds. All moneys in the Bond Fund, the Construction/Acquisition Fund, the Reserve Instrument Fund, the Rebate Fund, or the Debt Service Reserve Fund shall, at the discretion and 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 of one year or less. If no written authorization is given to the Trustee, moneys shall be held uninvested. Such investments shall be held by the Trustee, and when the Trustee determines it necessary to use the moneys in the Funds for the purposes for which the Funds were created, it shall liquidate at prevailing market prices as much of the investments as may be necessary and apply the proceeds to such purposes. All income derived from the investment of the Construction/Acquisition 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 provided in the Indenture. All income derived from the investment of the Debt Service Reserve Fund shall be disbursed in accordance with the Indenture. All moneys in the Revenue Fund may, at the discretion of the Issuer, be invested by the Issuer in Qualified Investments.

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

Trust Funds. All moneys and securities received by the Trustee under the provisions of the Indenture shall be trust funds under the terms of the Indenture 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 of the Indenture. Except as provided otherwise in the Indenture, unless and until disbursed pursuant to the terms of the Indenture, 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 under the Indenture.

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.

Use of Rate Stabilization Fund. The Issuer has created and shall maintain at all times hereafter 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 the Indenture. 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.

Covenants

General Covenants. The Issuer covenants and agrees with each and every Registered Owner of the Bonds issued under the Indenture 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 customers 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 125% of the Aggregate Annual Debt Service Requirement for such year, plus an amount sufficient to fund the Debt Service Reserve Fund in the time, rate and manner specified in the Indenture; provided, however, that such rates must be reasonable rates for the type, kind and character of the service rendered. There shall be no free water 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 the Indenture disclose that during the period covered by such financial statement the Net Revenues 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 Costs so as to produce the necessary Net Revenues and Other Available Funds as required in the Indenture.

(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 of the Indenture 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 in the Indenture, 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

All expenses incurred in compiling the information required above shall be regarded and paid as an Operation and Maintenance Expense.

First Lien Bonds; Equality of Liens. The Bonds and any Security Instrument Repayment Obligation 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 first 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 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, including investments, if any, thereof, is and shall be subordinate to the assignment and pledge effected to the Registered Owners of the Bonds and to the Security Instrument Issuers.

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 under the Indenture, any Security Instrument Repayment Obligations and any Reserve Instrument Repayment Obligations, in strict conformity with the terms of the Bonds, the Indenture, any Security Instrument Agreement and any Reserve Instrument Agreement, according to the true intent and meaning of the Indenture 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 under the Indenture or the income from the temporary investment thereof), which Net Revenues are specifically pledged and assigned to the payment thereof in the manner and to the extent specified in the Indenture, and nothing in the Bonds, the 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.

Performance of Covenants; Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, 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 by the Indenture and to execute the Indenture, that all actions on its part for the issuance of the Bonds and the execution and delivery of the 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.

List of Bondholders. The Trustee will keep on file at its Principal Corporate Trust Office a list of the names and addresses of the Registered Owners of all Bonds which are from time to time registered on the registration books in the hands of the Trustee as Registrar for the Bonds. At reasonable times and under reasonable regulations established by the Trustee, said list may be inspected and copied by the Issuer or by the Registered Owners (or a designated representative thereof) of 10% or more in Principal amount of Bonds then Outstanding, such ownership and the authority of any such designated representative to be evidenced to the reasonable satisfaction of the Trustee.

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.

Use of Legally Available Moneys. Notwithstanding any other provisions of the Indenture, nothing in the Indenture 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 of the Indenture 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.

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 under the Indenture and securing the Bonds, will be created or permitted to be created ranking equally with or prior to the Bonds (except for the parity lien thereon of Additional Bonds issued from time to time under the Indenture and under Supplemental Indentures), 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 the Indenture 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.

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.

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 Reserve Instrument 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 5% 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.

Default Provisions

Events of Default. Each of the following events is 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 under the Indenture 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 under the Indenture, for any reason be rendered incapable of fulfilling its obligations under the Indenture; 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;

(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 in the Indenture or any Supplemental Indenture on the part of the Issuer to be performed, other than as set forth in the Indenture, 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 under the Indenture; or

(j) any event specified in a Supplemental Indenture as constituting an Event of Default.

Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Trustee, upon being indemnified pursuant to the Indenture, 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 under the Indenture.

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 indemnified as provided in the Indenture, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 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 conferred by the terms of the Indenture 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 under the Indenture, 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.

Right of Registered Owners to Direct Proceedings. Anything in the Indenture 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 of the Indenture, or for the appointment of a receiver or any other proceedings under the Indenture; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of the Indenture.

Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of the Indenture shall, after payment of Trustee's fees and expenses including the fees and expenses of its counsel for the proceedings resulting in the collection of such moneys and of the expenses and liabilities and advances incurred or made by the Trustee, be deposited in the Bond Fund and all moneys so deposited in the Bond Fund shall be applied in the following order:

(a) To the payment of the principal of, premium, if any, and interest then due and payable on the Bonds and the Security Instrument Repayment Obligations as follows:

(i) Unless the Principal of all the Bonds shall have become due and payable, all such moneys shall be applied:

FIRST—To the payment to the persons entitled thereto of all installments of interest then due on the Bonds and the interest component of any Security Instrument Repayment Obligations then due, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid Principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of the Indenture), 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, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amounts of such moneys available for such application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date

unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Remedies Vested in Trustee. All rights of action (including the right to file proof of claims) under the Indenture 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.

Rights and Remedies of Registered Owners. Except as provided in the Indenture, 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 of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless an Event of Default has occurred of which the Trustee has been notified as provided in the Indenture, or of which 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 granted by the Indenture 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 the Indenture nor unless the Trustee shall thereafter fail or refuse to exercise the powers granted in the Indenture, or to institute such action, suit or proceeding in its own name or names. Such notification, request and offer of indemnity are declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trust of the Indenture, and to any action or cause of action for the enforcement of the Indenture, or for the appointment of a receiver or for any other remedy under the Indenture; 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 of the Indenture by its action or to enforce any right under the Indenture except in the manner provided in the Indenture, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner provided in the Indenture and for the equal benefit of the Registered Owners of all Bonds then Outstanding and all Security Instrument Issuers at the time of providing Security Instruments. Nothing contained in the Indenture 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 under the Indenture 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.

Termination of Proceedings. In case the Trustee, any Registered Owner or any Security Instrument Issuer shall have proceeded to enforce any right under the Indenture 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 any Security Instrument Issuer then and in every such case the Issuer and the Trustee shall be restored to their former positions and rights under the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

Waivers of Events of Default. Subject to certain provisions of the Indenture, the Trustee may in its discretion, and with the prior written consent of all Security Instrument Issuers at the time providing Security Instruments, waive any Event of Default under the Indenture 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 under the Indenture, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereon.

Cooperation of Issuer. In the case of any Event of Default under the Indenture, the Issuer shall cooperate with the Trustee and use its best efforts to protect the Registered Owners, Reserve Instrument Providers and Security Instrument Issuers.

Trustee Provisions

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 under the Indenture 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 provided in the Indenture. 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 provision will not terminate upon its resignation or removal or upon payment of the Bonds and discharge of the Indenture.

Trustee's Right to Own and Deal in Bonds. The bank or trust company acting as Trustee under the Indenture, and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in any of the Bonds issued under the Indenture and secured by the 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 the Indenture.

Supplemental Indentures

Supplemental Indentures Not Requiring Consent of Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers. The Issuer and the Trustee may, without the consent of, or notice to, any of the Registered Owners, Security Instrument Issuers, or Reserve Instrument Providers, enter into an indenture or indentures supplemental, as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

- (a) To provide for the issuance of Additional Bonds in accordance with the provisions of the Indenture;
- (b) To cure any ambiguity or formal defect or omission in the Indenture;
- (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 the 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 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 in the Indenture to provisions of the Act, the Code or other applicable provisions of law that have been amended so that the references in the Indenture are correct.

Supplemental Indentures Requiring Consent of Registered Owners and Reserve Instrument Providers; Waivers and Consents by Registered Owners. Exclusive of Supplemental Indentures covered by the preceding subsection and subject to the terms and provisions contained in the Indenture, 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 in the Indenture 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 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 in the Indenture 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 of the Indenture or of any indenture supplemental; provided, however, that nothing in the Indenture 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 under the Indenture 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 shall modify the rights, duties or immunities of the Trustee, without the written consent of the Trustee. If a Security Instrument or 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 the preceding Section, neither the 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.

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 of the Indenture, 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 granted by the Indenture shall cease, terminate and be void, whereupon the Trustee shall cancel and discharge the lien of the Indenture, 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 of the Indenture, 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 the Indenture 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 in the Indenture, 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 under the Indenture, as aforesaid, it shall no longer be secured by or entitled to the benefits of the Indenture, except for the purposes of any such payment from such moneys or Direct Obligations.

Notwithstanding the foregoing, in the case of Bonds, which by their terms may be redeemed prior to their stated maturity, no deposit under the immediately preceding paragraph shall be deemed a payment of such Bonds as aforesaid until the Issuer shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions:

(a) stating the date when the principal of each such Bond is to be paid, whether at maturity or on a redemption date (which shall be any redemption date permitted);

(b) directing the Trustee to call for redemption pursuant to the Indenture any Bonds to be redeemed prior to maturity pursuant to the 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 the Indenture, a notice to the Registered Owners of such Bonds and to each related Security Instrument Issuer that the deposit required by the Indenture has been made with the Trustee and that such Bonds are deemed to have been paid in accordance with the Indenture 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 the Indenture may at the direction of the Issuer also be invested and reinvested in Direct Obligations, maturing in the amounts and times as set forth in the Indenture, and all income from all Direct Obligations in the hands of the Trustee pursuant to the Indenture which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the

Bond Fund, the Trustee shall first obtain a written verification from a certified public accountant that the moneys remaining on deposit with the Trustee and invested in Direct Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay principal and interest on the Bonds when due and payable.

No such deposit under the Indenture shall be made or accepted under the Indenture and no use made of any such deposit unless the Trustee shall have received an opinion of nationally recognized municipal bond counsel to the effect that such deposit and use would not cause any tax-exempt Bonds to be treated as arbitrage bonds within the meaning of Sections 148 of the Code.

Notwithstanding any provision of the Indenture, all moneys or Direct Obligations set aside and held in trust pursuant to the provisions of the Indenture 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 the Indenture to the contrary notwithstanding, if moneys or Direct Obligations have been deposited or set aside with the Trustee pursuant to the Indenture for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of the Indenture shall be made without the consent of the Registered Owner of each Bond affected thereby.

APPENDIX C

**ECONOMIC AND DEMOGRAPHIC
INFORMATION REGARDING THE CITY AND UTAH COUNTY**

THE CITY

Demographic Statistics

| <u>Year</u> | <u>Population</u> | <u>Percent Change</u> |
|--------------------|-------------------|-----------------------|
| 2013 Estimate | 22,437 | 6.10% |
| 2012 Estimate | 21,147 | 10.97 |
| 2011 Estimate | 19,056 | 7.17 |
| 2010 Census | 17,781 | 10.27 |

Note: The 2010 Census is as of April 1, 2010; the annual population estimates are as of July 1 of the year given. (Source: U.S. Census Bureau.)

UTAH COUNTY

General

Utah County (the “County”) is situated in the north central portion of the State. Incorporated in 1850, the County is bordered on the north by Salt Lake County and encompasses approximately 2,000 square miles of land.

Population

| <u>Year</u> | <u>County</u> | <u>% Change</u> | <u>State of Utah</u> | <u>% Change</u> |
|-------------|---------------|-----------------|----------------------|-----------------|
| 2013 | 551,891 | 2.2% | 2,900,872 | 1.6% |
| 2012 | 539,888 | 1.8 | 2,854,871 | 1.4 |
| 2011 | 530,126 | 2.0 | 2,814,784 | 1.5 |
| 2010 | 519,605 | (4.6) | 2,774,424 | (0.2) |
| 2009 | 544,538 | 2.9 | 2,780,871 | 2.1 |
| 2008 | 529,344 | 3.2 | 2,724,685 | 2.3 |
| 2007 | 513,006 | 6.4 | 2,662,908 | 3.1 |
| 2006 | 481,994 | 6.0 | 2,582,234 | 3.3 |
| 2005 | 454,913 | 4.8 | 2,498,863 | 2.5 |
| 2004 | 434,114 | 6.4 | 2,438,195 | 2.5 |
| 2003 | 408,185 | 2.7 | 2,378,255 | 1.9 |
| 2002 | 397,345 | 2.5 | 2,334,425 | 1.9 |
| 2001 | 387,589 | 4.3 | 2,290,966 | 2.1 |
| 2000 | 371,606 | n/a | 2,244,207 | n/a |

(Source: U.S. Census Bureau estimates as of July 1 of the years indicated.)

Rate of Unemployment—Annual Average

| <u>Year</u> | <u>County</u> | <u>State of Utah</u> | <u>United States</u> |
|-------------|---------------|----------------------|----------------------|
| 2013 | 4.3% | 4.4% | 7.4% |
| 2012 | 5.2 | 5.4 | 8.1 |
| 2011 | 6.6 | 6.8 | 8.9 |
| 2010 | 8.0 | 8.1 | 9.6 |
| 2009 | 7.4 | 7.8 | 9.3 |
| 2008 | 3.3 | 3.3 | 5.8 |
| 2007 | 2.5 | 2.6 | 4.6 |
| 2006 | 2.8 | 2.9 | 4.6 |
| 2005 | 4.0 | 4.1 | 5.1 |
| 2004 | 4.8 | 5.1 | 5.5 |

(Source: Utah Department of Workforce Services, and U.S. Bureau of Labor Statistics.)

Economic Indicators of the County

Major Employers

The following is a list of the largest employers in the County based on 2015 annual averages.

| <u>Company</u> | <u>Industry</u> | <u>Employment Range</u> |
|----------------|-----------------|-------------------------|
|----------------|-----------------|-------------------------|

(Source: Utah Department of Workforce Services; based on 2015 average annual employment; last updated July 2014.)

APPENDIX D

FORM OF CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Disclosure Undertaking”) is executed and delivered by the City of Saratoga Springs, Utah (the “City”), in connection with the issuance by the City of its \$_____ Water Revenue Bonds, Series 2016 (the “Series 2016 Bonds”). The Series 2016 Bonds are being issued pursuant to resolutions of the City adopted on August 16, 2016 and September ____, 2016, and pursuant to a General Indenture of Trust dated November 1, 2014 (the “General Indenture”), as previously supplemented and amended, and as further supplemented and amended by a Second Supplemental Indenture of Trust dated as of _____ 1, 2016 (the “Second Supplemental Indenture” and together with the General Indenture, the “Indenture”), each between the City and U.S. Bank National Association, as trustee.

The Series 2016 Bonds are being issued for the purpose of (i) financing the acquisition and construction of improvements to the Issuer’s water utility system, and (ii) paying costs of issuance of the Series 2016 Bonds.

In connection with the aforementioned transactions, the City hereby covenants and agrees as follows:

The City hereby acknowledges that it is an “obligated person” within the meaning of the hereinafter defined rule and the only “obligated person” with respect to the Series 2016 Bonds.

Section 1. Purpose of the Disclosure Undertaking. This Disclosure Undertaking is being executed and delivered by the City for the benefit of the Bondholders and Beneficial Owners of the Series 2016 Bonds and in order to assist the Participating Underwriter in complying with the Rule (each as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Indenture or parenthetically defined herein, which apply to any capitalized term used in this Disclosure Undertaking unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report of the City” means any Annual Report of the City provided by the City pursuant to, and as described in Sections 3 and 4 of this Disclosure Undertaking.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Series 2016 Bonds (including persons holding Series 2016 Bonds through nominees, depositories or other intermediaries).

“Business Day” means any day, other than a day on which bank located in New York, New York, or the City in which the principal office of the Trustee is located are required or authorized by law or executive order to close, or on which the New York Stock Exchange is closed.

“Dissemination Agent” shall mean initially, the City, acting in its capacity as Dissemination Agent hereunder, or any of its successors or assigns.

“Listed Events” shall mean any of the events listed in Section 5 of this Disclosure Undertaking.

“MSRB” shall mean the Municipal Securities Rulemaking Board, the address of which is 1300 I Street, NW, Suite 1000, Washington DC 20005-3314; Telephone (202) 838-1500; Fax (202) 898-1500, and the website address of which is www.msrb.org and www.emma.org (for municipal disclosures and market data).

“Official Statement” shall mean the Official Statement of the City dated _____, 2016, relating to the Series 2016 Bonds.

“Participating Underwriter” shall mean any of the original underwriters of the Series 2016 Bonds required to comply with the Rule in connection with the offering of the Bonds.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall prepare an Annual Report of the City and shall, or shall cause the Dissemination Agent to, not later than two hundred fifteen (215) days after the end of each fiscal year the City, commencing with the fiscal year ending June 30, 2016, provide to the MSRB in an electronic format, the Annual Report of the City which is consistent with the requirements of Section 4 of this Disclosure Undertaking. Not later than fifteen (15) Business Days prior to said date, the City shall provide the Annual Report of the City to the Dissemination Agent (if the City is not the Dissemination Agent). In each case, the Annual Report of the City may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Undertaking; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for Listed Event under Section 5(e).

(b) If by fifteen (15) Business Days prior to the date specified in Section 3(a) for providing the Annual Report of the City to the MSRB, the Dissemination Agent has not received a copy of the Annual Report of the City, the Dissemination Agent shall contact the City to determine if the City is in compliance with Section 3(a)

(c) *If the Dissemination Agent is unable to verify that the Annual Report of the City has been provided to the MSRB by the dates required in Section 3(a), the Dissemination Agent shall, in a timely manner, send a notice of a failure to file the Annual Report to the MSRB in an electronic format.*

(d) The Dissemination Agent shall:

(i) determine each year prior to the dates for providing the Annual Report of the City, the website address to which the MSRB directs the Annual Report to be submitted; and

(ii) if the Dissemination Agent is other than an officer of the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Undertaking, stating the date it was provided and listing the website address to which it was provided.

Section 4. Content of Annual Reports. The Annual Report of the City shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles and audited by a certified public accountant or a firm of certified public accounts. If the City’s audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report of the City and audited financial statements will be provided within 30 days after availability to the City.

(b) An update of the financial information of the type contained in the tables in the Official Statement under the following headings:

- (i) “THE SYSTEM—Water Usage,”
- (ii) “—Major Water Users,”
- (iii) “—Water Connections,”
- (iv) “—System Rates,”
- (v) “—Historical and Pro Forma Net Income Debt Service Coverage”
(historical information only); and
- (vi) “—Five-Year Financial Summaries.”

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City, as appropriate or related public entities, which have been submitted to the MSRB or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB. The City, as appropriate, shall clearly identify each such other document so incorporated by the reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2016 Bonds in a timely manner but not more than ten (10) Business Days after the event:

- (i) Principal and interest payment delinquencies;
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (iv) Substitution of credit or liquidity providers, or their failure to perform;
- (v) Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2016 Bonds;
- (vi) Defeasances;
- (vii) Tender offers;
- (viii) Bankruptcy, insolvency, receivership or similar proceedings; or
- (ix) Rating changes.

(b) Pursuant to the provisions of this Section 5(b), the City shall give or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Series 2016 Bonds in a timely manner not more than ten (10) Business Days after the Listed Event, if material:

- (i) Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the obligated persons or their termination;
- (ii) Appointment of a successor or additional trustee or the change of the name of a trustee;
- (iii) Non-payment related defaults;
- (iv) Modifications to the rights of the owners of the Series 2016 Bonds;
- (v) Series 2016 Bond calls; or
- (vi) Release, substitution or sale of property securing repayment of the Series 2016 Bonds.

(c) Whenever the City obtains knowledge of the occurrence of a Listed Event under Section 5(b), whether because of a notice from the Trustee or otherwise, the City shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the City has determined that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall promptly notify the Dissemination Agent in writing. Such notice shall instruct the Dissemination Agent to report the occurrence pursuant to subsection (f).

(e) If the City determines that the Listed Event under Section 5(b) would not be material under applicable federal securities laws, the City shall so notify the Dissemination Agent in writing and instruct the Dissemination Agent not to report the occurrence pursuant to subsection (f).

(f) If the Dissemination Agent has been instructed by the City to report the occurrence of a Listed Event, the Dissemination Agent shall file a notice of such occurrence with the MSRB in an electronic format in a timely manner not more than ten (10) Business Days after the Listed Event.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Undertaking shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2016 Bonds. If such termination occurs prior to the final maturity of the Series 2016 Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(f).

Section 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If at any time there is not any other designated Dissemination Agent, the City shall be the Dissemination Agent. The initial Dissemination Agent shall be the Trustee.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Undertaking, the City may amend this Disclosure Undertaking and any provision of this Disclosure Undertaking may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an "obligated person" (as defined in the Rule) with respect to the Series 2016 Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Series 2016 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Holders of the Series 2016 Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Series 2016 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Undertaking, the City shall describe such amendment in the next Annual Report of the City, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City, as applicable. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(f), and (ii) the Annual Disclosure Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Undertaking shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Undertaking or any other means of communication, or including any other information in any Annual

Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Undertaking. If the City chooses to include any information in any Annual Disclosure Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Undertaking, the City shall have no obligation under this Disclosure Undertaking to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Undertaking, any Bondholder or Beneficial Owner of the Series 2016 Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Undertaking. A default under this Disclosure Undertaking shall not be deemed an “event of default” under the Indenture, and the sole remedy under this Disclosure Undertaking in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Undertaking shall be an action to compel performance.

Section 11. Duties Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Undertaking, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney’s fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent’s gross negligence or willful misconduct. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Series 2016 Bonds.

Section 12. Beneficiaries. This Disclosure Undertaking shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and the Holders and Beneficial Owners from time to time of the Series 2016 Bonds, and shall create no rights in any other person or entity.

Dated: _____.

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

APPENDIX E

FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2016 Bonds, Ballard Spahr LLP, Bond Counsel, proposes to issue its approving opinion in substantially the following form:

We have acted as bond counsel for Saratoga Springs City, Utah (the “Issuer”) in connection with the issuance by the Issuer of its \$ _____ Water Revenue Bonds, Series 2016 (the “Series 2016 Bonds”). The Series 2016 Bonds are being issued pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”); (ii) a General Indenture of Trust dated November 1, 2014 (the “General Indenture”), as previously supplemented and amended, and as further supplemented and amended by a Second Supplemental Indenture of Trust dated as of _____ 1, 2016 (the “Second Supplemental Indenture” and together with the General Indenture, the “Indenture”), each between the Issuer and U.S. Bank National Association, as trustee (iii) resolutions of the City adopted on August 16, 2016 and September _____, 2016, which provide for the issuance of the Series 2016 Bonds; and (iv) other applicable provisions of law.

The Series 2016 Bonds are being issued for the purpose of (i) financing the acquisition and construction of improvements to the Issuer’s water utility system and (ii) paying costs of issuance of the Series 2016 Bonds.

Our services as bond counsel have been limited to the preparation of the legal proceedings and supporting certificates authorizing the issuance of the Series 2016 Bonds under the applicable laws of the State of Utah and to a review of the transcript of such proceedings and certificates. As to questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation. Our examination has been limited to the foregoing as they exist or are in effect as of the date hereof. Our opinion is limited to the matters expressly set forth herein, and we express no opinion concerning any other matters.

Based on our examination and the foregoing, we are of the opinion as of the date hereof and under existing law, as follows:

1. The Issuer is a political subdivision and body politic of the State of Utah created and validly existing under the laws of the State of Utah.
2. The Indenture has been authorized, executed and delivered by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Indenture creates a valid lien on the Net Revenues (as defined in the Indenture) and other amounts pledged for the security of the Series 2016 Bonds.
4. The Series 2016 Bonds are valid and binding special obligations of the Issuer payable solely from the Net Revenues and other amounts pledged therefor in the Indenture, and the Series 2016 Bonds do not constitute a general obligation indebtedness of the Issuer within the meaning of any state constitutional provision or statutory limitation, nor a charge against the general credit or taxing power of the Issuer.
5. Interest on the Series 2016 Bonds is excludable from gross income for purposes of federal income tax under existing laws as enacted and construed on the date of initial delivery of the Series 2016 Bonds, assuming the accuracy of the certifications of the Issuer and continuing compliance by the Issuer with the requirements of the Internal Revenue Code of 1986, as amended. Interest on the Series 2016 Bonds is not an item of tax preference for purposes of either individual or corporate federal alternative minimum tax (“AMT”); however, interest on Series 2016 Bonds held by a corporation (other than an S corporation, regulated investment company, or real estate investment trust) may be indirectly subject to federal AMT because of its inclusion in the adjusted current earnings of a corporate holder.

6. Interest on the Series 2016 Bonds is exempt from State of Utah individual income taxes under currently existing law.

In rendering our opinion, we wish to advise you that:

(a) The rights of the holders of the Series 2016 Bonds and the enforceability thereof and of the documents identified in this opinion may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium, and other laws relating to or affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the application of equitable principles and the exercise of judicial discretion in appropriate cases;

(b) We express no opinion herein as to the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Series 2016 Bonds; and

(c) Except as set forth above, we express no opinion regarding any other tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2016 Bonds.

Respectfully submitted,

APPENDIX F

PROVISIONS REGARDING BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Series 2016 Bonds. The Series 2016 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2016 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC or its agent.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2016 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2016 Bonds, except in the event that use of the book-entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2016 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2016 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2016 Bonds may wish to

ascertain that the nominee holding the Series 2016 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners.

Redemption notices shall be sent to DTC. If less than all of the Series 2016 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2016 Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2016 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2016 Bonds at any time by giving reasonable notice to the Issuer or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

BOND PURCHASE CONTRACT

\$ _____
City of Saratoga Springs, Utah
Water Revenue Bonds,
Series 2016

_____, 2016

City of Saratoga Springs
1307 North Commerce Drive
Saratoga Springs, Utah 84045

The undersigned, _____, as the underwriter of the hereinafter defined Series 2016 Bonds (the "Underwriter"), acting on behalf of the Underwriter and not as fiduciary or agent for you, offer to enter into this Bond Purchase Contract (the "Purchase Contract") with the City of Saratoga Springs, Utah (the "Issuer") which, upon the acceptance by the Issuer of this offer, shall be in full force and effect in accordance with its terms and shall be binding upon you and the Underwriter.

This offer is made subject to your acceptance and approval on or before 11:59 p.m. Utah Time, on the date hereof. Terms not otherwise defined herein shall have the same meanings as are set forth in the hereinafter referred to Official Statement.

ARTICLE I

SALE, PURCHASE AND DELIVERY

Section 1.1. (a) On the basis of the representations, warranties and agreements contained herein and upon the terms and conditions herein set forth, the Underwriter hereby agrees to purchase, and the Issuer hereby agrees to sell to the Underwriter, all, but not less than all, of the Issuer's \$ _____ aggregate principal amount of Water Revenue Bonds, Series 2016 (the "Series 2016 Bonds"), at a purchase price of \$ _____ (representing the principal amount of the Series 2016 Bonds, [plus/less] a [net] reoffering [premium/discount] of \$ _____ and less an Underwriter's discount of \$ _____) plus accrued interest, if any, from their dated date to the Closing Date (as hereinafter defined). The Series 2016 Bonds will mature on the dates and in the amounts and bear interest at the rates per annum as set forth in Schedule A hereto.

(b) The Series 2016 Bonds shall be as described in the Official Statement dated _____, 2016, of the Issuer relating to the Series 2016 Bonds (together with all appendices thereto, the "Official Statement"), shall be issued and secured under and pursuant to (i) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the "Act") and (ii) the General Indenture of Trust dated as of _____ as heretofore amended and supplemented (the "General Indenture"), and as further supplemented by a Second

Supplemental Indenture of Trust dated as of _____, 2016 (the “Fourth Supplemental Indenture,” and together with the General Indenture, the “Indenture”), all between the Issuer and U.S. Bank National Association, as trustee (the “Trustee”), and all as authorized pursuant to resolutions adopted by the City Council of the Issuer on August 16, 2016 and September 15, 2016 (collectively, the “Resolution”). The Series 2016 Bonds are payable from water revenues (other than the Rebate Fund) established by the Indenture. The Series 2016 Bonds are being issued pursuant to the Resolution, the Indenture, and the Act.

(c) The Series 2016 Bonds are being issued for the purpose of (i) construction of improvements to both the secondary and culinary water facilities of the water system, (ii) [acquiring a debt service reserve instrument (the “Reserve Instrument”) to be provided by _____ (the “Reserve Instrument Provider”) for deposit to a debt service reserve fund], and (iii) paying costs of issuance with respect to the Series 2016 Bonds.

(d) The Indenture, the Series 2016 Bonds, the Resolution, and the Continuing Disclosure Undertaking (defined below), and this Purchase Contract are sometimes referred to collectively herein as the “Transaction Documents.”

(e) The Underwriter agrees to make an initial public offering of the Series 2016 Bonds at the offering prices or yields set forth on the inside front cover page of the Official Statement. The Underwriter may, however, change such initial offering prices or yields as it may deem necessary in connection with the marketing of the Series 2016 Bonds and offer and sell the Series 2016 Bonds to certain dealers (including dealers depositing the Series 2016 Bonds into investment trusts) and others at prices lower than the initial offering prices or yields set forth in the Official Statement. The s also reserve the right (i) to engage in transactions that stabilize, maintain or otherwise affect the market prices of the Series 2016 Bonds and (ii) to discontinue such transactions, if commenced, at any time without prior notice.

Section 1.2. (a) By acceptance and approval of this Purchase Contract, the Issuer hereby authorizes the use of copies of the Official Statement. The Issuer hereby agrees to provide to the Underwriter within seven (7) business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), and with the requirements of Rule G-32 of the Municipal Securities Rulemaking Board. The Issuer has heretofore “deemed final” the Preliminary Official Statement dated _____, 2016, and relating to the Series 2016 Bonds (the “Preliminary Official Statement”) for purposes of paragraph (b)(1) of Rule 15c2-12 and the Issuer acknowledges and ratifies the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Series 2016 Bonds.

(b) In order to assist the Underwriter in complying with paragraph (b)(5) of Rule 15c2-12, the Issuer will undertake, pursuant to a Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”), to be dated as

of the Closing Date to provide annual reports and notices of certain events. A form of the Continuing Disclosure Undertaking is set forth as Appendix D to the Preliminary Official Statement and will also be set forth as Appendix D to the Official Statement.

Section 1.3. At approximately 9:00 a.m., Utah time, on _____, 2016, or on such later date as shall be agreed upon in writing by the Issuer and the Underwriter (the “Closing Date”), the Issuer will cause the Series 2016 Bonds to be delivered to or for the account of the Underwriter in definitive form, duly executed and authenticated, at such place designated by the Underwriter and will deliver to the Underwriter the other documents herein mentioned at the offices of Ballard Spahr LLP, 201 South Main Street, Suite 800, Salt Lake City, Utah, or such other location as may be mutually agreed upon by the Issuer and the Underwriter. The Underwriter will accept such delivery and pay the purchase price of the Series 2016 Bonds as set forth in paragraph 1.1(a) hereof by wire transfer, payable in federal funds or other immediately available funds to the order of the Trustee (such delivery and payment are herein called the “Closing”). The Series 2016 Bonds shall be initially issued in the form of one fully registered Bond for each maturity of the Series 2016 Bonds, shall be registered in the name of Cede & Co., as nominee for The Depository Trust Company (“DTC”), and shall be made available to DTC or its agent for the account of the Underwriter in New York, New York (or such other place designated by the Underwriter).

ARTICLE II

REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF ISSUER

By its acceptance hereof, the Issuer represents and warrants to and covenants with the Underwriter that:

Section 2.1. The Issuer is a political subdivision and body politic duly organized and existing under the laws of the State of Utah with full power and authority to consummate the transactions contemplated by the Transaction Documents, including the execution, delivery and/or approval of all documents and agreements referred to herein or therein.

Section 2.2. The City Council of the Issuer has duly adopted the Resolution, has duly authorized and approved the execution and distribution of the Preliminary Official Statement and the Official Statement, and has duly authorized and approved the execution and delivery of, and the performance by the Issuer of the obligations on its part contained in the Transaction Documents and, as of the Closing Date, each will be in full force and effect and, as of the Closing Date, neither the Resolution nor any of the Transaction Documents will have been amended, supplemented, rescinded, repealed or otherwise modified except with the approval of the Underwriter.

Section 2.3. The adoption of the Resolution, the execution and delivery of the Transaction Documents, the compliance by the Issuer with the provisions of any or all of

the foregoing documents, and the application of the proceeds of the Series 2016 Bonds for the purposes described in the Official Statement do not and will not conflict with or result in the material breach of any of the terms, conditions or provisions of, or constitute a default under, any existing law, court or administrative regulation, decree or order, agreement, indenture, mortgage, lease or instrument to which the Issuer is a party or by which the Issuer or any of its property is or may be bound.

Section 2.4. The Issuer has duly authorized all necessary action to be taken by it for the adoption of the Resolution; the issuance and sale of the Series 2016 Bonds by the Issuer upon the terms and conditions set forth herein, in the Official Statement, and the Transaction Documents; and the execution, delivery and receipt of the Transaction Documents, and any and all such agreements, certificates and documents as may be required to be executed, delivered and received by the Issuer in order to carry out, effectuate and consummate the transactions contemplated hereby and by the Official Statement, including but not limited to such certifications as may be necessary to establish and preserve the excludability from gross income for federal income tax purposes of interest on the Series 2016 Bonds.

Section 2.5. Except as described in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or threatened against the Issuer or others (a) affecting the existence of the Issuer or the titles of its officers to their respective offices; (b) seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Series 2016 Bonds or the revenues or assets of the Issuer mortgaged, appropriated, encumbered or pledged pursuant to the Indenture; (c) in any way contesting or affecting the validity or enforceability of the Series 2016 Bonds or any of the Transaction Documents or the transactions contemplated thereby; (d) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement; or (e) contesting the powers of the Issuer or any authority for the issuance of the Series 2016 Bonds or the execution and delivery of any of the Transaction Documents.

Section 2.6. When delivered to and paid by the Underwriter at the Closing in accordance with the provisions of this Purchase Contract, the Series 2016 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and binding special limited obligations of the Issuer in conformity with, and entitled to the benefit and security of the Indenture on a parity with the Outstanding Parity Obligations.

Section 2.7. The Issuer is not in breach of or in default under any material existing law, court or administrative regulation, decree or order, ordinance, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the Issuer is a party or by which the Issuer or its property is bound; and the execution and delivery of the Series 2016 Bonds, the Transaction Documents, and this Purchase Contract, and compliance with the provisions thereof, will not conflict with or constitute a material breach or a default under any law, administrative regulation, judgment, decree, loan agreement, mortgage, indenture, deed of trust, note, resolution, agreement or other instrument to which the Issuer or its property is or may be bound.

Section 2.8. No event has occurred or is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under the Transaction Documents, or which could have a material adverse effect on the financial condition of the Issuer, receipt by the Issuer of the Revenues, or the transactions contemplated by the Transaction Documents, or have a material adverse effect on the validity or enforceability in accordance with their respective terms of the Transaction Documents or this Purchase Contract or in any way adversely affect the existence or any powers of the Issuer or the titles of its officers to their respective positions or the excludability from gross income for federal income tax purposes of interest on the Series 2016 Bonds.

Section 2.9. The information contained in the Preliminary Official Statement was, as of its date, and will be, as of the Closing Date, true and correct in all material respects. The Preliminary Official Statement does not contain, and the Official Statement, as of its date and as of the Closing Date, will not contain any untrue statement of a material fact, and the Preliminary Official Statement does not omit and the Official Statement, as of its date and as of the Closing Date, will not omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not be deemed to cover or apply to (x) information provided to the Issuer in writing by the Underwriter and included on the inside front cover page of the Preliminary Official Statement or the Official Statement regarding the principal amount, interest rates, maturities and initial public offering prices of the Series 2016 Bonds or (y) statements in the Preliminary Official Statement or the Official Statement under the captions [“THE SERIES 2016 BONDS—Book-Entry Only System,” “UNDERWRITING,” “APPENDIX ___” or “APPENDIX ___.”]

Section 2.10. The Issuer will not take or omit to take any action which will in any way cause the proceeds from the sale of the Series 2016 Bonds to be applied or result in such proceeds being applied in a manner inconsistent with the Transaction Documents.

Section 2.11. The Issuer hereby authorizes the use of the Official Statement, including all amendments and supplements thereto, by the Underwriter in connection with the public offering and sale of the Series 2016 Bonds and consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Series 2016 Bonds.

Section 2.12. The Issuer agrees to reasonably cooperate with the Underwriter in any endeavor to qualify the Series 2016 Bonds for offering and sale under the securities or “Blue Sky” laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that the Issuer shall not be required with respect to the offer or sale of the Series 2016 Bonds to file written consent to suit or to file written consent to service of process in any jurisdiction. The Issuer hereby consents to the use of the Official Statement by the Underwriter in obtaining such qualification.

Section 2.13. If between the date of this Purchase Contract and 25 days following the “end of the underwriting period” (which the Issuer can assume is the Closing Date

unless otherwise notified in writing by the Underwriter) any event shall occur which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstance under which they were made, not misleading, the Issuer shall notify the Underwriter and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the Issuer will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter. If the Official Statement is amended or supplemented subsequent to the date hereof and prior to the Closing, the Underwriter may terminate this Purchase Contract by notification to the Issuer and the City at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Series 2016 Bonds.

Section 2.14. When executed by the respective parties thereto, this Purchase Contract and the Transaction Documents will constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms except that the rights and obligations under the Transaction Documents, and this 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 of Utah.

Section 2.15. The Issuer has complied, and will at the Closing be in compliance in all respects, with the obligations on its part contained in the Transaction Documents and this Purchase Contract and any and all other agreements relating thereto.

Section 2.16. Each representation, warranty or agreement stated in any certificate signed by any officer of the Issuer and delivered to the Underwriter at or before the Closing shall constitute a representation, warranty, or agreement by the Issuer upon which the Underwriter shall be entitled to rely.

Section 2.17. With the exception of the Refunded Bonds and the Outstanding Parity Obligations, the Issuer has not otherwise pledged or assigned the Revenues other than to secure and pay the Series 2016 Bonds and the Series 2016 Bonds enjoy a first lien and pledge on the Revenues on a parity with the Outstanding Parity Obligations.

Section 2.18. The Issuer has never failed to pay principal and interest when due on any of its bonded indebtedness or other obligations nor has the City ever failed to appropriate sufficient amounts to timely pay any of its lease obligations;

Section 2.19. The Issuer's audited financial statements as of, and for the year ended, June 30, 2015, copies of which have heretofore been delivered to the Underwriter, present fairly the financial position of the Issuer at June 30, 2015, and the results of its operations and changes in financial position for the years then ended; any other statements and data submitted in writing by the Issuer to the Underwriter in connection with this Purchase Contract are true and correct in all material respects as of their respective dates;

except as described in the Official Statement and except as otherwise disclosed by the Issuer to the Underwriter, since June 30, 2015, there has been no material adverse change in the condition, financial or otherwise, of the Issuer from that set forth in the audited financial statements as of and for the year ended that date, and the Issuer has not since June 30, 2015, incurred any material liabilities, directly or indirectly, whether or not arising in the ordinary course of its operations;

Section 2.20. Any instances of non-compliance by the City within the last five years with each undertaking it has entered into pursuant to Rule 15c2-12, have been properly disclosed by the City in the Preliminary Official Statement and the Official Statement.

Section 2.21. The Issuer will not take or omit to take any action that will in any way cause the proceeds from the sale of the Series 2016 Bonds to be applied or result in such proceeds being applied in a manner inconsistent the Indenture;

ARTICLE III

UNDERWRITER'S CONDITIONS

Section 3.1. The Underwriter has entered into this Purchase Contract in reliance upon the performance by the Issuer of its obligations hereunder. The Underwriter's obligations under this Purchase Contract are and shall be subject to the following further conditions:

(a) At the time of Closing for the Series 2016 Bonds, (1) the Transaction Documents shall be in full force and effect and shall not have been revoked, rescinded, repealed, amended, modified or supplemented, except as therein permitted or as may have been agreed to in writing by the Underwriter, and (2) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions and ordinances as, in the opinion of Ballard Spahr, LLP, bond counsel to the Issuer ("Bond Counsel"), shall be necessary in connection with the transactions contemplated hereby.

(b) The Underwriter may terminate its obligations hereunder by written notice to the Issuer if, at any time subsequent to the date hereof and on or prior to the Closing Date:

(i) (A) Legislation shall have been enacted by the Congress, introduced in the Congress, or recommended to the Congress for passage by the President of the United States or the United States Department of the Treasury or the Internal Revenue Service or any member of the United States Congress, or favorably reported for passage to either House of Congress by any Committee of such House to which such legislation has been referred for consideration, or (B) a decision shall have been rendered by a court established under Article III of the Constitution of the United States, or the United States Tax Court, or (C) an order, ruling, regulation,

or communication (including a press release) shall have been issued by the Treasury Department of the United States or the Internal Revenue Service or (D) any action shall be taken or statement made by or on behalf of the President of the United States or the Department of Treasury or the Internal Revenue Service or any member of the United States Congress which indicates or implies that legislation will be introduced in the current or next scheduled session of the United States Congress, with the purpose or effect, directly or indirectly, of requiring the inclusion in gross income for federal income tax purposes of interest to be received by any owners of the Series 2016 Bonds; or

(ii) Legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of the Underwriter, has the effect of requiring the offer or sale of the Series 2016 Bonds to be registered under the Securities Act or any other “security,” as defined in the Securities Act, issued in connection with or as part of the issuance of the Series 2016 Bonds to be so registered or the Indenture to be qualified as an indenture under the Trust Indenture Act of 1939, as amended; or any event shall have occurred or shall exist which, in the reasonable judgment of the Underwriter, makes or has made untrue or incorrect in any respect any statement or information contained in the Official Statement or is not or was not reflected in the Official Statement but should be or should have been reflected therein in order to make the statements or information contained therein not misleading in any material respect; or

(iii) In the reasonable judgment of the Underwriter, it is impractical or inadvisable for the Underwriter to market or sell or enforce agreements to sell Series 2016 Bonds because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or a general banking moratorium shall have been established by federal or the State of Utah authorities or a material disruption in commercial banking or securities settlement or clearance services shall have occurred, or (B) the State of Utah shall have taken any action, whether administrative, legislative, judicial or otherwise, which would have a material adverse effect on the marketing or sale of the Series 2016 Bonds, including any action relating to the tax status of the Series 2016 Bonds under federal or Utah law as set forth in the opinion of Bond Counsel attached as Appendix [E] to the Official Statement, or (C) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise; or (D) a war involving the United States of America shall have been declared or any other conflict involving the armed forces of the United States of America has escalated, in either case to such a magnitude as to materially adversely affect the Underwriter’ ability to market the Series 2016 Bonds; (E) there shall have occurred the declaration

of a general banking moratorium by any authority of the United States or the States of New York or Utah or if any material disruption in commercial banking or securities settlement or clearance services shall have occurred; or

(iv) Any financial rating assigned to the Series 2016 Bonds or any other obligations of the Issuer by Standard & Poor's Ratings Services ("S&P"), Fitch Ratings ("Fitch"), or Moody's Investors Service, Inc. ("Moody's"), as the case may be, shall have been downgraded, withdrawn, or any other action taken, and such action, in the opinion of the Underwriter, has a material adverse effect on the marketability of the Series 2016 Bonds; or

(v) Any litigation shall be instituted, pending or threatened (A) to restrain or enjoin the issuance, sale or delivery of the Series 2016 Bonds, (B) in any way contesting or affecting any authority for or the validity of the Series 2016 Bonds, any of the proceedings of the Issuer or the Trustee taken with respect to the issuance or sale thereof, the pledge, appropriation or application of any moneys or securities provided for the payment of the Series 2016 Bonds, or (C) in any way contesting or affecting the existence or powers of the Issuer or the Trustee or the titles of their officers to their respective offices; or

(vi) Any other event or circumstances shall have occurred which shall be beyond the reasonable control of the Underwriter and, in the opinion of the Underwriter, might in any way have a material adverse effect on the marketability of the Series 2016 Bonds.

(c) At or prior to the Closing, the Underwriter shall receive the following:

(i) The approving opinion of Ballard Spahr LLP, Bond Counsel, dated the Closing Date, in substantially the form attached as Appendix E to the Official Statement;

(ii) The supplemental opinion of Ballard Spahr LLP, dated the Closing Date and addressed to the Underwriter, in standard form for similar transactions;

(iii) The opinion of the office of the City Attorney, as counsel for the Issuer, in standard form for similar transactions and satisfactory to Bond Counsel and the Underwriter;

(iv) The Issuer's certificate, dated the Closing Date, signed by the Mayor of the Issuer and the City Recorder of the Issuer and in form and substance satisfactory to the Underwriter and Bond Counsel, to the effect that (A) the representations of the Issuer herein are true and correct in all material respects as of the Closing Date as if made on the Closing Date; (B)

except as disclosed in the Official Statement, no litigation is pending or, to the best of their knowledge, threatened against the Issuer (i) to restrain or enjoin the issuance or delivery of any of the Series 2016 Bonds, financing of the Project, or the collection of Revenues pledged under the Indenture, (ii) in any way contesting or affecting the authority for the issuance of the Series 2016 Bonds or the adoption of the Resolution or the execution and delivery of the Transaction Documents, the validity or enforceability of the Series 2016 Bonds and the Transaction Documents, or the excludability from gross income for federal income tax purposes of interest on the Series 2016 Bonds, (iii) questioning or challenging any power of the Issuer, including its ability to levy taxes, or (iv) in any way contesting the organization, existence or powers of the Issuer or the titles of its officers to their respective offices, or (v) contesting or attempting to restrain or enjoining the application of the proceeds thereof or the payment, collection or application of the Revenues or the pledge of the Revenues, or of other moneys, rights and interests pledged pursuant to the Indenture or the adoption of the Resolution; (C) the descriptions and information contained in the Official Statement relating to the Issuer, its organization and financial and other affairs, and the application of the proceeds of sale of the Series 2016 Bonds are correct in all material respects, as of the date of the Official Statement and as of the Closing Date; (D) such descriptions and information, as of the date of the Official Statement did not, and as of said Closing Date do not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; (E) no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or that is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; (F) the Transaction Documents have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, the Transaction Documents constitute legal, valid and binding agreements of the Issuer enforceable in accordance with their respective terms except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights and by the availability of equitable remedies; (G) the Resolution authorizing the execution and delivery of the Transaction Documents has been duly adopted and have not been modified, amended or repealed; and (H) the execution and delivery of the Transaction Documents and this Purchase Contract and compliance with the provisions thereof, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Issuer is a party or any law, public

administrative rule or regulation, court order or consent decree to which the Issuer is subject;

(v) Copies of each of the Resolution and the Transaction Documents, duly executed by each of the parties thereto;

(vi) Copies of the Tax Certificate of the Issuer, relating to matters affecting the excludability from gross income for federal income tax purposes of interest on the Series 2016 Bonds, including the use of proceeds of sale of the Series 2016 Bonds and matters relating to arbitrage rebate pursuant to Section 148 of the Code and the applicable regulations thereunder, in form and substance satisfactory to Bond Counsel;

(vii) Copies of the Preliminary Official Statement and copies of the Official Statement executed on behalf of the Issuer by the Mayor of the Issuer;

(viii) Evidence satisfactory to the Underwriter that the Series 2016 Bonds have received ratings of “_____” and “_____,” by [Standard & Poor’s Ratings Services and Fitch Ratings], respectively;

(ix) Specimen copies of the Reserve Instrument;

(x) Such opinions and certificates of the Reserve Instrument Provider as are customary for similar transactions; and

(xi) All documents, certificates and opinions required by the Indenture; and

(xii) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or Bond Counsel may reasonably request.

All the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter, and the Underwriter shall have the right to waive any condition set forth in this Section.

ARTICLE IV

EXPENSES

All expenses and costs in connection with the authorization, issuance and sale of the Series 2016 Bonds to the Underwriter, including rating agency fees, the costs of printing the Official Statement and the Preliminary Official Statement, advertising costs, the initial fees of the Trustee in connection with the issuance of the Series 2016 Bonds, the fees and expenses of Bond Counsel, the fees and expenses of counsel to the Issuer, the

Issuer's municipal advisor, the premiums relating to the Reserve Instrument, and travel and other expenses shall be costs and expenses of the Issuer and shall be paid by the Issuer.

ARTICLE V

GENERAL

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, _____, Attention: _____. Any notice or other communication to be given to the Issuer under this Purchase Contract may be given by delivering the same in writing to the City of Saratoga Springs, Utah, 1307 North Commerce Drive, Suite 200 Saratoga Springs, Utah 84045, Attention: Mayor, with a copy thereof to Issuer's counsel, Kevin Thurman, Esq., 1307 North Commerce Drive, Suite 200, Saratoga Springs, Utah 84045. The approval or other action or exercise of judgment by the Underwriter shall be evidenced by a writing signed on behalf of the Underwriter and delivered to the Issuer.

This Purchase Contract is made solely for the benefit of the Issuer and the Underwriter (including its successors or assigns) and no other person shall acquire or have any right hereunder or by virtue hereof. All the representations, warranties, covenants and agreements contained herein shall remain operative and in full force and effect and shall survive delivery of and payment of the Series 2016 Bonds hereunder and regardless of any investigation made by the Underwriter or on their behalf.

This Purchase Contract shall be governed by the laws of the State of Utah.

This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

The Issuer acknowledges and agrees that (i) the purchase and sale of the Series 2016 Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the Issuer and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, each Underwriter is and has been acting solely as a principal and is not acting as the agent, advisor or fiduciary of the Issuer, (iii) the Underwriter have not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter have provided other services or is currently providing other services to the Issuer on other matters) and the Underwriter have no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Purchase Contract, (iv) the Underwriter are not acting as municipal advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended), and (v) the Issuer consulted its own legal, financial and other advisors to the extent it deemed appropriate in connection with the offering of the Series 2016 Bonds.

This Purchase Contract contains the entire agreement between the parties relating to the subject matter hereof, and all previous representations, endorsements, promises, agreements or understandings, oral, written or inferred, between the parties relating to the subject matter hereof are superseded hereby.

This Purchase Contract may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

This Purchase Contract shall become effective upon the execution by _____ and the acceptance hereof by the Issuer.

Very truly yours,

By: _____

Its: _____

CITY OF SARATOGA SPRINGS, UTAH

By: _____
Jim Miller, Mayor

ATTEST:

By: _____
Cindy LoPiccolo, City Recorder

(SEAL)

SCHEDULE A

\$ _____
City of Saratoga Springs, Utah
Water Revenue Bonds,
Series 2016

Maturity Date
(_____)

Principal
Amount

Interest
Rate

SECOND SUPPLEMENTAL INDENTURE OF TRUST

Dated as of _____

by and between

CITY OF SARATOGA SPRINGS, UTAH

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Supplementing the
General Indenture of Trust
Dated as of _____

Table of Contents

| | Page |
|---|------|
| ARTICLE I SUPPLEMENTAL INDENTURE; DEFINITIONS | |
| Section 1.1. <u>Supplemental Indenture</u> | 3 |
| Section 1.2. <u>Definitions</u> | 3 |
| ARTICLE II ISSUANCE OF THE SERIES 2016 BONDS | |
| Section 2.1. <u>Principal Amount, Designation and Series</u> | 4 |
| Section 2.2. <u>Date, Maturities and Interest</u> | 4 |
| Section 2.3. <u>Optional Redemption</u> | 5 |
| Section 2.4. <u>Execution of Bonds</u> | 5 |
| Section 2.5. <u>Delivery of Bonds</u> | 5 |
| Section 2.6. <u>Designation of Registrar</u> | 5 |
| Section 2.7. <u>Designation of Paying Agent</u> | 5 |
| Section 2.8. <u>Limited Obligation</u> | 5 |
| Section 2.9. <u>Bank Designation of Series 2016 Bonds</u> | 5 |
| Section 2.10. <u>Perfection of Security Interest</u> | 6 |
| Section 2.11. <u>Book-Entry System</u> | 6 |
| Section 2.12. <u>Series 2016 Bonds as Initial Bonds</u> | 8 |
| ARTICLE III APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS | |
| Section 3.1. <u>Application of Proceeds of the Series 2016 Bonds</u> | 9 |
| Section 3.2. <u>Creation of Accounts</u> | 9 |
| Section 3.3. <u>Disbursements from Series 2016 Cost of Issuance Account</u> | 9 |
| Section 3.4. <u>No Debt Service Reserve Requirement for Series 2016 Bonds</u> | 9 |
| Section 3.5. <u>No Repair and Replacement Fund</u> | 9 |
| ARTICLE IV CONFIRMATION OF GENERAL INDENTURE | |
| ARTICLE V MISCELLANEOUS | |
| Section 5.1. <u>Confirmation of Sale of Series 2016 Bonds</u> | 2 |
| Section 5.2. <u>Severability</u> | 2 |
| Section 5.3. <u>Counterparts</u> | 2 |
| Section 5.4. <u>Applicable Law</u> | 2 |
| Section 5.5. <u>Effective Date</u> | 2 |
| <u>EXHIBIT A(FORM OF SERIES 2016 BOND)</u> | 1 |
| <u>EXHIBIT BCOST OF ISSUANCE DISBURSEMENT REQUEST</u> | 7 |

SECOND SUPPLEMENTAL INDENTURE OF TRUST

This Second Supplemental Indenture of Trust, dated as of _____, by and between the CITY OF SARATOGA SPRINGS, UTAH, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the “Issuer”) and U.S. BANK NATIONAL ASSOCIATION, 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”),

WITNESSETH:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of _____ (the “General Indenture”) with the Trustee; and

WHEREAS, the Issuer desires to issue a series of bonds to finance certain improvements to the Issuer’s water system as hereinafter set forth; and

WHEREAS, in order to (i) finance the acquisition and construction of improvements to the System and related water improvements (collectively, the “Project”); (ii) finance the costs of issuance of the Bonds herein authorized, the Issuer has determined to issue its Water Revenue Bonds, Series 2016 in the aggregate principal amount of \$ _____ (the “Series 2016 Bonds”); and

WHEREAS, the Series 2016 Bonds will be authorized, issued and secured under the General Indenture, as amended and supplemented by this Second Supplemental Indenture (the “Second Supplemental Indenture,” and collectively with the General Indenture, and any amendments or supplements thereto or hereto, the “Indenture”); and

WHEREAS, the execution and delivery of the Series 2016 Bonds and of this Second Supplemental Indenture have in all respects been duly authorized and all things necessary to make the Series 2016 Bonds, when executed by the Issuer and authenticated by the Trustee, the valid and binding legal obligations of the Issuer and to make this Second Supplemental Indenture a valid and binding agreement have been done;

NOW, THEREFORE, THIS SECOND SUPPLEMENTAL INDENTURE OF TRUST WITNESSETH, that to secure the Series 2016 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 Security Instrument by the Security Instrument Issuer, 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 Second 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 U.S. Bank National Association, 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 Second 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 2016 Bonds.

“Debt Service Reserve Requirement” means, with respect to the Series 2016 Bonds, the amount of [\$0].

“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 2016 Bonds, each _____ and _____, commencing _____, 2015.

“Purchaser” means _____.

“Series 2016 Acquisition/Construction Account” means the account established within the Acquisition/Construction Fund under the General Indenture held in trust by the Trustee.

“Series 2016 Bonds” means the Water Revenues, Series 2016, herein authorized.

“Series 2016 Cost of Issuance Account” means the account established in Section 3.2 herein.

“Series 2016 Project” means the acquisition and construction of improvements to the Issuer’s System and related improvements, to be financed with the proceeds of the Series 2016 Bonds.

ARTICLE II

ISSUANCE OF THE SERIES 2016 BONDS

Section 2.1. Principal Amount, Designation and Series. The Series 2016 Bonds are hereby authorized for issuance under the Indenture for the purpose of providing funds to (i) finance the acquisition and construction of the Series 2016 Project; and (iii) pay costs incurred in connection with the issuance of the Series 2016 Bonds. The Series 2016 Bonds shall be limited to \$_____ 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 2016 Bonds shall be designated as, and shall be distinguished from the Bonds of all other series by the title, "Water Revenue Bonds, Series 2016."

Section 2.2. Date, Maturities and Interest. The Series 2016 Bonds shall be dated as of the Dated Date, shall mature on _____ in the years and in the amounts set forth below 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 Series 2016 Bonds shall bear interest from such date, or unless such Series 2016 Bonds are authenticated prior to the first Interest Payment Date, in which event such Series 2016 Bonds shall bear interest from their Dated Date or unless, as shown by the records of the Trustee, interest on the Series 2016 Bonds shall be in default, in which event such Series 2016 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 Series 2016 Bonds, in which event such Series 2016 Bonds shall bear interest from their Dated Date, payable on each Interest Payment Date, at the rates per annum as set forth below:

| Maturity (_____) | <u>Principal Amount</u> | <u>Interest Rates</u> |
|---------------------|-------------------------|-----------------------|
|---------------------|-------------------------|-----------------------|

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 2016 Bonds maturing on or prior to _____, 20__, are not subject to redemption prior to maturity. The Series 2016 Bonds maturing on or after _____, 20__, are subject to redemption at the option of the Issuer on _____, 20__, and on any date thereafter prior to maturity, in whole or in part, from such maturities or parts thereof as may be selected by the Issuer, at a redemption price equal to 100% of the principal amount of the Series 2016 Bonds to be redeemed plus accrued interest thereon to the date fixed for redemption.]

Section 2.4. Execution of Bonds. The Mayor is hereby authorized to execute by facsimile or manual signature the Series 2016 Bonds and the City Recorder to countersign and attest by facsimile or manual signature the Series 2016 Bonds and to have imprinted, engraved, lithographed, stamped or otherwise placed on the Series 2016 Bonds a facsimile of the official seal of the Issuer, and the Trustee shall manually authenticate the Series 2016 Bonds.

Section 2.5. Delivery of Bonds. It is hereby determined that the Series 2016 Bonds shall be authenticated and delivered to the 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 2016 Bonds, acceptance of which appointment shall be evidenced by execution of this Second Supplemental Indenture by the Registrar.

Section 2.7. Designation of Paying Agent. The Trustee is hereby designated as Paying Agent for the Series 2016 Bonds, acceptance of which appointment shall be evidenced by execution of this Second Supplemental Indenture by the Paying Agent.

Section 2.8. Limited Obligation. The Series 2016 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 2016 Bond proceeds or other funds created hereunder or under the Indenture (excluding the Rebate Fund) or the income from the temporary investment thereof).

Section 2.9. Bank Designation of Series 2016 Bonds. [For purposes of and in accordance with Section 265 of the Code, the Issuer has designated the Series 2016 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 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 2016 will not exceed \$10,000,000. For purposes of this Section 2.9, "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 2016 does not exceed \$10,000,000.]

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 2016 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. Book-Entry System.

(a) [Except as provided in paragraphs (b) and (c) of this Section 2.11 the Registered Owner of all Series 2016 Bonds shall be, and the Series 2016 Bonds shall be registered in the name of Cede, as nominee of The Depository Trust Company, New York, New York (together with any substitute securities depository appointed pursuant to paragraph (c)(ii) of this Section 2.11). Payment of the interest on any Series 2016 Bond shall be made in accordance with the provisions of this Second Supplemental Indenture to the account of Cede on the Interest Payment Dates for the Bonds at the address indicated for Cede in the registration books of the Bond Registrar.

(b) The Series 2016 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 2016 Bonds. Upon initial issuance, the ownership of each such Series 2016 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 2016 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 2016 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 2016 Bonds, (ii) the delivery to any DTC participant, beneficial owner or other person, other than DTC, of any notice with respect to the Series 2016 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

2016 Bonds. The Issuer, the Bond Registrar and any Paying Agent may treat DTC as, and deem DTC to be, absolute owner of each Series 2016 Bond for all purposes whatsoever, including (but not limited to) (1) payment of the principal or redemption price of, and interest on, each Series 2016 Bond, (2) giving notices of redemption and other matters with respect to such Series 2016 Bonds and (3) registering transfers with respect to such Bonds. So long as the Series 2016 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 2016 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 2.11, 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 Second 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 Second Supplemental Indenture, the word "Cede" in this Second Supplemental Indenture shall refer to such new nominee of DTC.

Except as provided in paragraph (c)(iii) of this Section 2.11, and notwithstanding any other provisions of this Second Supplemental Indenture, the Series 2016 Bonds may be transferred, in whole but not in part, only to a nominee of DTC, or by a nominee of DTC to DTC or a nominee of DTC, or by DTC or a nominee of DTC to any successor securities depository or any nominee thereof.

(c) (i) DTC may determine to discontinue providing its services with respect to the Series 2016 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 2016 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 2016 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 2016 Bonds or the Issuer; and the Issuer shall, by notice to the Registrar, terminate the services of DTC with respect to the Series 2016 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 2016 Bonds to the effect that: (1) DTC is unable to discharge its responsibilities with respect to the Series 2016 Bonds; or (2) a continuation of the requirement that all of the outstanding Series 2016 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 2016 Bonds.

(iii) Upon the termination of the services of DTC with respect to the Series 2016 Bonds pursuant to subsection (c)(ii)(2) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 2016 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 2016 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 2016 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 2016 Bonds.

(iv) Notwithstanding any other provision of this Second Supplemental Indenture to the contrary, so long as any Series 2016 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 2016 Bond and all notices with respect to such Series 2016 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 2016 Bonds registered in the name of Cede pursuant to this Second 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 2.12. Series 2016 Bonds as Initial Bonds. The Series 2016 Bonds are issued as the Initial Bonds under the General Indenture.

ARTICLE III

APPLICATION OF PROCEEDS AND FUNDS AND ACCOUNTS

Section 3.1. Application of Proceeds of the Series 2016 Bonds. The Issuer shall deposit with the Trustee the proceeds from the sale of the Series 2016 Bonds in the amount of \$_____, being the par amount of the Series 2016 Bonds, plus a net reoffering premium of \$_____, less an [Purchaser's discount of \$_____, by the Purchaser on behalf of the Issuer, and the Trustee shall transfer and deposit such proceeds as follows:

(a) In the Series 2016 Acquisition/Construction Account, the amount of \$_____ from proceeds of the Series 2016 Bonds, together with \$_____ of legally available funds of the Issuer deposited with the Trustee; and

(b) The remaining amount into the Series 2016 Cost of Issuance Account held by the Trustee to be used to pay costs of issuance.

Section 3.2. Creation of Accounts. There is hereby established with the Trustee a Series 2016 Cost of Issuance Account and a Series 2016 Acquisition/Construction Account within the Acquisition/Construction Fund.

Section 3.3. Disbursements from Series 2016 Cost of Issuance Account. Costs of issuance shall be paid by the Trustee from the Series 2016 Cost of Issuance Account upon receipt from the Issuer of an executed Cost of Issuance Disbursement Request in substantially the form of Exhibit B attached hereto. Any unexpended balance remaining in the Series 2016 Cost of Issuance Account 60 days after delivery of the Series 2016 Bonds shall be paid to the Issuer.

Section 3.4. No Debt Service Reserve Requirement for Series 2016 Bonds. [For purposes of the Series 2016 Bonds, there is no Debt Service Reserve Requirement.]

Section 3.5. No Repair and Replacement Fund. For purposes of the Series 2016 Bonds, there is no Repair and Replacement Reserve Requirement.

ARTICLE IV

CONFIRMATION OF GENERAL INDENTURE

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

ARTICLE V

MISCELLANEOUS

Section 5.1. Confirmation of Sale of Series 2016 Bonds. The sale of the Series 2016 Bonds to the Purchaser at a price of \$_____, is hereby ratified, confirmed and approved.

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

Section 5.3. Counterparts. This Second 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. Applicable Law. THIS SECOND SUPPLEMENTAL INDENTURE SHALL BE GOVERNED EXCLUSIVELY BY THE APPLICABLE LAWS OF THE STATE OF UTAH.

Section 5.5. Effective Date. This Second Supplemental Indenture shall become effective immediately upon execution.

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

CITY OF SARATOGA SPRINGS, UTAH

(SEAL)

By: _____
Mayor

COUNTERSIGN:

City Recorder

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

By: _____

Title: _____

EXHIBIT A

(FORM OF SERIES 2016 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.]

**UNITED STATES OF AMERICA
STATE OF UTAH
CITY OF SARATOGA SPRINGS, UTAH
WATER REVENUE BONDS
SERIES 2016**

Number R - 1 \$ _____

| <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Dated Date</u> | <u>CUSIP</u> |
|----------------------|----------------------|-------------------|--------------|
| ____% | _____, 20__ | _____, 2016 | |

Registered Owner: _____

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

City of Saratoga Springs, 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 _____ and _____ of each year, commencing _____, 2015 (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 U.S. Bank National Association (“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 2016” (the “Series 2016 Bonds”) in the aggregate principal amount of \$_____ of like tenor and effect, except as to date of maturity and interest rate, numbered R-1 and upwards, issued by the Issuer pursuant to a General Indenture of Trust dated as of November 1, 2014, as amended and supplemented by a Second Supplemental Indenture of Trust dated as of _____ (collectively the “Indenture”) approved by a resolution adopted on August 16, 2016 (the “Bond Resolution”), for the purpose of (i) financing the acquisition and construction of improvements to the System and related improvements (collectively, the “Project”); 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 “City of Saratoga Springs, 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 water system all as more fully described and provided in the Indenture.

As more fully provided in the Indenture, the Series 2016 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 2016 Bonds and the Outstanding Parity 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 2016 Bonds, the terms upon which the Series 2016 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 2016 Bonds authenticated prior to the first Interest Payment Date shall accrue from the Dated Date specified above. Interest on the Series 2016 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 2016

Bonds shall be in default, interest on the Series 2016 Bonds issued in exchange for Series 2016 Bonds surrendered for transfer or exchange shall be payable from the date to which interest has been paid in full on the Series 2016 Bonds surrendered.

The Series 2016 Bonds are subject to 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 U.S. Bank National Association (the "Registrar"), but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

The Issuer and the Paying Agent may deem and treat the Registered Holder hereof as the absolute owner hereof (whether or not this 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 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.

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.

CITY OF SARATOGA SPRINGS, 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 2016 of the City of Saratoga Springs, Utah.

U.S. Bank National Association, as Trustee

By: _____
(Manual Signature)
Authorized Officer

Date of Authentication: _____

ASSIGNMENT

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

(Social Security or Other Identifying Number of Assignee)

(Please Print or Typewrite Name and Address of Assignee)

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

DATED: _____

Signature: _____

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

Signature Guaranteed:

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

EXHIBIT B

COST OF ISSUANCE DISBURSEMENT REQUEST

U.S. Bank National Association
170 South Main Street, Suite 200
Salt Lake City, Utah 84101

Pursuant to Section 3.3 of the Second Supplemental Indenture of Trust dated as of _____, you are hereby authorized to pay to the following costs of issuance from the Series 2016 Cost of Issuance Account:

(See Attached Schedule)

AUTHORIZED REPRESENTATIVE,
CITY OF SARATOGA SPRINGS, UTAH

Costs of Issuance

| <u>Payee</u> | <u>Purpose</u> | <u>Amount</u> |
|--------------|----------------|---------------|
|--------------|----------------|---------------|



City Council Staff Report

Rezone

Saratoga Springs Commercial Tuesday, September 20, 2016 Public Hearing

| | |
|--------------------------|--|
| Report Date: | Tuesday, September 13, 2016 |
| Applicant: | WPI Enterprises (Daniel Schmidt) |
| Owner: | Utah Valley Turf Farm |
| Location: | ~1347 North Exchange Drive |
| Major Street Access: | Crossroads Boulevard |
| Parcel Number(s) & Size: | 66:513:0001, 0.99 acres; Part of 58:032:0166, 0.63 acres Rezone total: 0.63 acres |
| Parcel Zoning: | RC, A |
| Adjacent Zoning: | RC, A |
| Current Use of Parcel: | Vacant, undeveloped |
| Adjacent Uses: | Commercial, agriculture |
| Previous Meetings: | General Plan, Rezone, and Concept (PC 2/25/2015; CC 3/17/2015) Preliminary Plat (PC 10/22/2015; CC 11/10/2015) Rezone and Plat Amendment (PC 9/8/2016) |
| Previous Approvals: | General Plan amendment and Rezone (CC 3/17/2015) Preliminary Plat (CC 11/10/2015) Final Plat (PD 12/22/2015) Plat Amendment (PC 9/8/2016) |
| Type of Action: | Legislative |
| Land Use Authority: | City Council |
| Future Routing: | None |
| Author: | Kara Knighton, Planner I |

A. Executive Summary:

The applicant, on behalf of the property owner, is requesting a Rezone from Agriculture to Regional Commercial for ~0.63 acres located at approximately 1347 North Exchange Drive. In conjunction with this request, a Plat Amendment was reviewed and approved by the Planning Commission.

Recommendation:

Staff recommends that the City Council conduct a public hearing on the Rezone, take public comment, review and discuss the proposal, and vote to forward a positive recommendation to the City Council as outlined in Section “H” of this report. Alternatives include denial, or continuing the item.

B. Background:

The proposed Rezone is an expansion to the recently approved Saratoga Springs Commercial Development.

The Rezone and General Plan Amendment applications were reviewed by the Planning Commission on February 26, 2015 and approved by the City Council on March 17, 2015. The City Council also approved the requested General Plan Amendment from Medium Density Residential to the Regional Commercial designation for 0.4 acres and approved the requested Rezone from Agriculture to Regional Commercial for 3.45 acres of property. The remainder of the property was already designated Regional Commercial on the zoning and land use maps.

On November 10, 2015 the City Council approved the Saratoga Springs Commercial Development Preliminary Plat “A” in conjunction with the Tractor Supply site plan. Final plat approval was granted by the Planning Director on December 22, 2015. The plat was recorded with the county on February 1, 2016.

The proposed Papa’s Express carwash site plan is to be located on Lot 1 of the Saratoga Springs Commercial plat; however, the site plan is 1.39 acres while lot 1 is 0.99 acres. To expand the parcel, the west property line is proposed to be extended approximate 67’ to the west into property currently zoned Agriculture, thus both a rezone and plat amendment are required to accompany the site plan.

The rezone request was received by the City on June 28, 2016 and the plat amendment request was received on July 29, 2016.

Planning Commission Hearing

The Planning Commission held a public hearing for the Rezone on September 8, 2016, and voted to forward a positive recommendation with conditions. During that meeting the Planning Commission approved the proposed Plat Amendment. Draft minutes from that meeting are attached, and the recommended conditions of approval for the Council reflect their recommendation.

C. Specific Request:

The request is for a Rezone from Agriculture to Regional Commercial for ~0.63 acres located at approximately 1347 North Exchange Drive for a 4,646 sq. ft. carwash. In conjunction with this request, the applicant requested approval of a Plat Amendment to expand the lot to match the boundaries of the rezone which was reviewed and approved by the Planning Commission on September 8, 2016.

D. Process:

Section 19.17.03 of the City Code outlines the requirements for a rezone requiring all rezoning applications to be reviewed by the City Council after receiving a formal recommendation from the Planning Commission. The City Council is the Land Use Authority for rezones and may- after holding a public hearing- approve, deny, or continue the rezone decision. Rezones are subject to the provisions of Chapter 19.13, Development Review Processes.

E. Community Review:

The Rezone was noticed as a public hearing in the *Daily Herald*, and mailed notices sent to all property owners within 300 feet of the subject property prior to the September 8, 2016 Planning Commission meeting. No public input was received prior to or during the meeting.

F. General Plan:

The parcel is designated as Regional Commercial on the Land Use Map. The General Plan states the following concerning the RC Land Use designation:

- g. **Regional Commercial.** Regional Commercial areas shall be characterized by a variety of retail users including big box retail configured in developments that provide excellent vehicular access to and from major transportation facilities. Developments located in Regional Commercial areas shall be designed so as to create efficient, functional conglomerations of commercial activities.

As Regional Commercial areas are to be located in close proximity to substantial roadways, careful consideration shall be given to the arrangement of structures and other improvements along those corridors. Consideration shall also be given to the existing or potential availability of mass transit facilities as sites in this designation are designed.

Among the many tenants anticipated in these areas are large destination oriented businesses. With that in mind, individual sites shall be designed so as to make automobile access a priority. Even so, specific areas for pedestrian activity shall be designated and appropriately improved. Plazas and other features shall be provided as gathering places which should be incorporated so as to make each site an inviting place to visit.

Developments in these areas shall contain landscaping and recreational features as per the City's Parks, Recreation, Trails, and Open Space Element of the General Plan. In this land use designation, it is estimated that a typical acre of land may contain 5 equivalent residential units (ERU's).

Staff conclusion: *Consistent. The proposed rezone and plat amendment would allow for the development of a land use that is conditional in the Regional Commercial zoning district. The proposed development is a destination oriented business that allows for automobile access to be a priority while also allowing pedestrian activity through various sidewalks.*

G. Code Criteria:

Rezones are a legislative decision; therefore, the Council has significant discretion when making a decision on such requests. Because of this legislative discretion, the Code criteria below are guidelines and are not binding.

Rezone and General Plan Amendments

Section 19.17.04 outlines the requirements for a rezone, and states:

The Planning Commission and City Council shall consider, but not be bound by, the following criteria when deciding whether to recommend or grant a general plan, ordinance, or zoning map amendment:

1. the proposed change will conform to the Land use Element and other provision of the General Plan;
Consistent: The application is generally consistent with the goals of the future land use map in the General Plan as outlined in Section F of this report.
2. the proposed change will not decrease nor otherwise adversely affect the health, safety, convenience, morals, or general welfare of the public;
Consistent: Applications (e.g. Site Plan and Conditional Use Permit) with appropriate conditions and management will work together to mitigate and potential negative impacts.
3. the proposed change will more fully carry out the general purposes and intent of this Title and any other ordinance of the City; and
Consistent: The application does not negatively impact development of the site; the proposed Regional Commercial is consistent with the intended use of this area.
4. in balancing the interest of the petitioner with the interest of the public, community interests will be better served by making the proposed change.
Consistent: The rezone proposal would allow a commercial use that is currently sparse in the City and thus provides benefit to the interests of the public.

H. Recommendation and Alternatives

Staff recommends that the City Council conduct a public hearing, take public input, discuss the application, and choose from the following options.

Recommended Motion- Approval with Conditions

"I move to **approve** the Rezone of approximately 0.63 acres of parcel 58:032:0166 from Agriculture to Regional Commercial, as identified in Exhibit 3, with the Findings and Conditions in the staff report dated September 13, 2016, below:"

Findings

1. The Rezone is consistent with the General Plan, as articulated in Section F of the staff report, which section is incorporated by reference herein.
2. The Rezone complies with the criteria in section 19.17.04 of the Development Code, as articulated in Section G of the staff report, which section is incorporated by reference herein.

Conditions:

1. All conditions of the City Engineer shall be met, including but not limited to those in the Staff report in Exhibit 1.

- 2. The rezone is a positive recommendation as shown in the attachment to the Staff report in Exhibit 2.
- 3. Any other conditions or changes as articulated by the Planning Commission:

_____.

Alternative 1 - Continuance

The City Council may also choose to continue the item. “I move to **continue** the rezone to another meeting on [DATE], with direction to the applicant and Staff on information and / or changes needed to render a decision, as follows:

- 1. _____
- 2. _____

Alternative 2 – Denial

The City Council may also choose to deny the Rezone. “I move to **deny** the Rezone of approximately 0.63 acres of parcel 58:032:0166 from Agriculture to Regional Commercial with the Findings below:

- 1. The Rezone is not consistent with the General Plan, as articulated by the Planning Commission: _____, and/or,
- 2. The Rezone is not consistent with Section 19.17.04 of the Code, as articulated by the Planning Commission: _____.

I. Exhibits:

- 1. City Engineer’s Report (page 6)
- 2. Location & Zone Map (page 7)
- 3. Rezone boundary description (page 8)
- 4. Ordinance (page 9-10)
- 5. Plat Amendment (page 11)
- 6. Draft minutes (PC 9/8/2016) (page 12-16)

City Council Staff Report

Author: Gordon Miner, City Engineer

Subject: Saratoga Springs Commercial Plat "B"

Date: September 12, 2016

Type of Item: Amended Plat Approval



Description:

A. Topic: The Applicant has submitted an Amended Plat application. Staff has reviewed the submittal and provides the following recommendations.

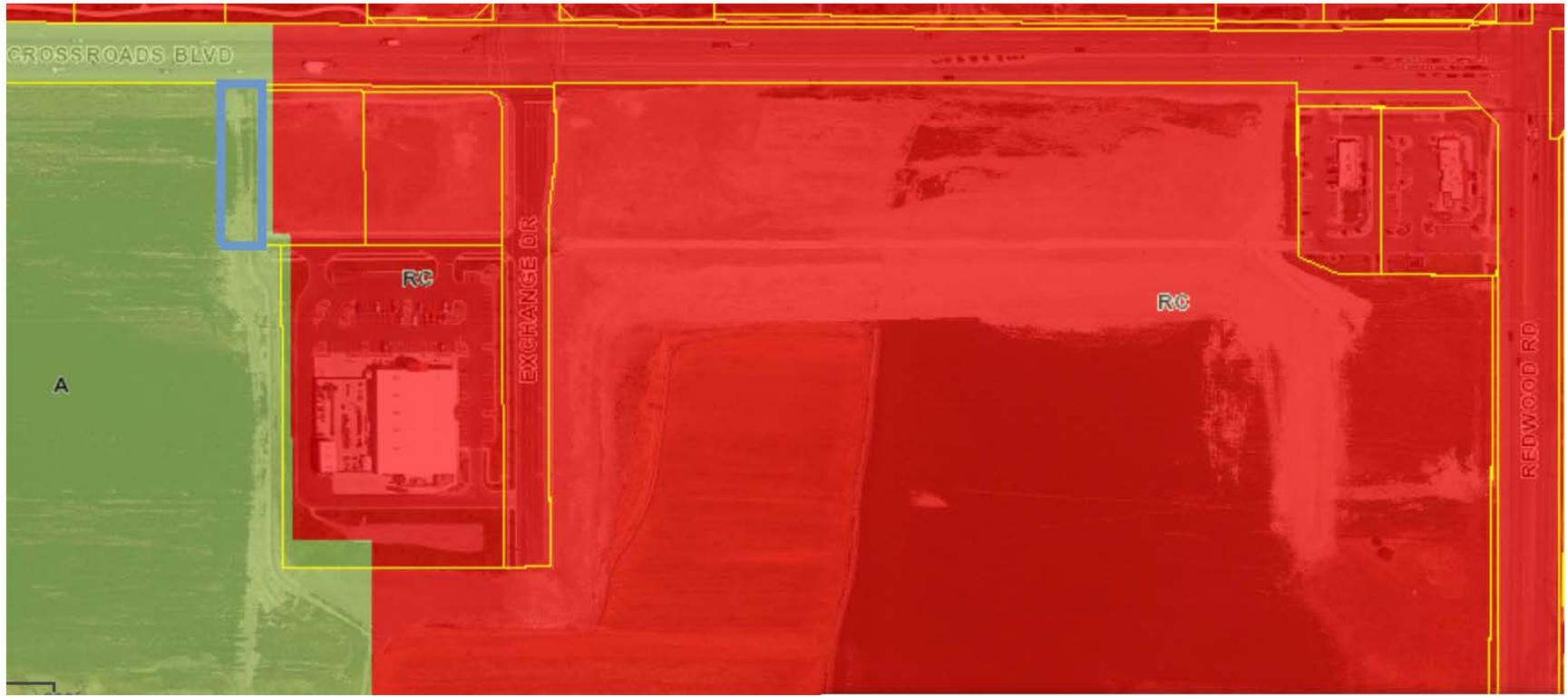
B. Background:

Applicant: Daniel Schmidt, WPI Enterprise
Request: Amended Plat Approval
Location: 1347 NW Commerce Dr.
Acreage: 2.73 Acres

C. Recommendation: Staff recommends the approval of Site Plan subject to the following conditions:

D. Conditions:

- A. Meet all engineering conditions and requirements in the construction of the project. Review and inspection fees must be paid and a bond posted as per the City's Development Code prior to any construction being performed on the project. Impact and water fees are due when pulling the building permit.
- B. All review comments and redlines provided by the City Engineer are to be complied with and implemented with the approved construction drawings.
- C. Developer must secure water rights as required by the City Engineer, City Attorney, and development code.
- D. Submit easements for all public utilities not located in the public right-of-way.
- E. Project bonding must be completed as approved by the City Engineer prior to recordation of plats.
- F. All work is to conform to the City of Saratoga Springs Standard Technical Specifications, most recent edition.





ENGINEERS
SURVEYORS
PLANNERS

LEGAL DESCRIPTIONS

PREPARED FOR

WPI

Saratoga Springs, Utah

Job No. 14-1089

(June 21, 2015)

ZONE CHANGE LEGAL DESCRIPTION

A portion of the Northwest Quarter of Section 14, Township 5 South, Range 1 West, Salt Lake Base & Meridian, located in Saratoga Springs, Utah, more particularly described as follows:

Beginning at a point located N0°22'47"E along the Section Line 991.23 feet and East 496.26 feet from the West 1/4 Corner of Section 14, Township 5 South, Range 1 West, Salt Lake Base & Meridian; thence North 364.03 feet to the south line of the existing Regional Commercial (RC) Zone; thence along said zone line the following two (2) courses: S89°05'50"E 77.25 feet; thence S0°21'41"W 362.82 feet; thence West 74.95 feet to the point of beginning.

Contains: ±0.63 Acres

- Civil Engineering
- Structural Engineering
- Surveying
- Land Planning
- Landscape Architecture

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF SARATOGA SPRINGS, UTAH, ADOPTING AMENDMENTS TO THE CITY OF SARATOGA SPRINGS' OFFICIAL ZONING MAP FOR CERTAIN REAL PROPERTY TOTALING 0.63 ACRES LOCATED AT APPROXIMATELY 1347 N EXCHANGE DRIVE; INSTRUCTING THE CITY STAFF TO AMEND THE CITY ZONING MAP; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Utah Code Chapter 10-9a allows municipalities to amend the General Plan and the number, shape, boundaries, or area of any zoning district; and

WHEREAS, before the City Council approves any such amendments, the amendments must first be reviewed by the planning commission for its recommendation; and

WHEREAS, on September 8, 2016, the Planning Commission held a public hearing after proper notice and publication to consider proposed amendments to the City-wide zoning map and forwarded a positive recommendation with conditions; and

WHEREAS, on September 20, 2016, the City Council held a public hearing after proper notice and publication to consider the proposed amendments; and

WHEREAS, the City Council voted on the application at the September 20, 2016 meeting; and

WHEREAS, after due consideration, and after proper publication and notice, and after conducting the requisite public hearing, the City Council has determined that it is in the best interests of the residents of the City of Saratoga Springs that amendments to the City-wide zoning map be made.

NOW THEREFORE, the City Council hereby ordains as follows:

SECTION I – ENACTMENT

The property described in Exhibit A is hereby changed from Agricultural to Regional Commercial on the City's Zoning Map. City Staff is hereby instructed to amend the official City Zoning Map accordingly.

SECTION II – AMENDMENT OF CONFLICTING ORDINANCES

If any ordinances, resolutions, policies, or maps of the City of Saratoga Springs heretofore adopted are inconsistent herewith they are hereby amended to comply with the provisions hereof. If they cannot be amended to comply with the provisions hereof, they are hereby repealed.

SECTION III – EFFECTIVE DATE

This ordinance shall take effect upon its passage by a majority vote of the Saratoga Springs City Council and following notice and publication as required by the Utah Code.

SECTION IV – SEVERABILITY

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION V – PUBLIC NOTICE

The Saratoga Springs Recorder is hereby ordered, in accordance with the requirements of Utah Code § 10-3-710—711, to do as follows:

- a. deposit a copy of this ordinance in the office of the City Recorder; and
- b. publish notice as follows:
 - i. publish a short summary of this ordinance for at least one publication in a newspaper of general circulation in the City; or
 - ii. post a complete copy of this ordinance in three public places within the City.

ADOPTED AND PASSED by the City Council of the City of Saratoga Springs, Utah, this 20 day of September 2016.

Signed: _____
Jim Miller, Mayor

Attest: _____
City Recorder

Date

VOTE

| | |
|------------------|-------|
| Shellie Baertsch | _____ |
| Michael McOmber | _____ |
| Bud Poduska | _____ |
| Stephen Willden | _____ |
| Chris Porter | _____ |

City of Saratoga Springs Planning Commission Meeting
September 8, 2016

Regular Session held at the City of Saratoga Springs City Offices
 1307 North Commerce Drive, Suite 200, Saratoga Springs, Utah 84045

Minutes

Present:

Commission Members: Kirk Wilkins, Sandra Steele, Hayden Williamson, David Funk, Troy Cunningham
 Staff: Kimber Gabryszak, Planning Director; Mark Christensen, City Manager; Sarah Carroll, Senior Planner; Kevin Thurman, City Attorney; Gordon Miner, City Engineer; Nicolette Fike, Deputy Recorder
 Others: Derek Christensen, Mark Philipp, Dan Schmidt, Luke Mendenhall, Dave Badham, Gary Peterson, Leeann Miller

Excused: Commissioner MacKay, Commissioner Kilgore

Call to Order - 6:30 p.m. by Chairman Kirk Wilkins

1. **Pledge of Allegiance** - led by Kimber Gabryszak

2. **Roll Call** – A quorum was present

3. **Public Input**

Public Input Open by Chairman Kirk Wilkins

No input.

Public Input Closed by Chairman Kirk Wilkins

4. **Public Hearing: Rezone and Plat Amendment for Saratoga Springs Commercial, located generally at 1347 N Exchange Dr. Utah Valley Turf Farm, applicant.**

City Planner Kara Knighton presented the plans. The proposed Rezone and Plat Amendment is an expansion to the recently approved Saratoga Springs Commercial Development. The proposed Papa's Express carwash site plan is to be located on Lot 1 of the Saratoga Springs Commercial plat; however, the site plan is 1.39 acres while lot 1 is 0.99 acres. To expand the parcel, the west property line is proposed to be extended approximate 67' to the west into property currently zoned Agriculture, thus both a rezone and plat amendment are required to accompany the site plan.

Daniel Schmidt representing the applicant with WPI was present to answer any questions.

Public Hearing Open by Chairman Kirk Wilkins

No public comments were made.

Public Hearing Closed by Chairman Kirk Wilkins

Commissioner Steele asked what was meant by generally consistent in the findings. Staff clarified that it should have been just consistent.

Commissioner Wilkins asked if they had to purchase additional land. Daniel Schmidt replied that it was already owned by the same landowner.

Motion made by Commissioner Williamson to forward a positive recommendation for the Rezone of approximately 0.63 acres of parcel 58:032:0166 from Agriculture to Regional Commercial, as identified in Exhibit 3, with the Findings and Conditions in the staff report dated September 9,

2016, with the change to the findings that “generally” be stricken from the general plan finding. Second Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

Motion made by Commissioner Williamson that based upon the findings and conditions presented today I move that the Planning Commission approve the Saratoga Springs Commercial Plat “B” amending lots 1 and 2 of Plat “B” as identified in Exhibit 4, with the Findings and Conditions in the Staff Report. Seconded by Commissioner Funk.

Commissioner Steele advised that the motion was correct as written that plat B is amending plat A
Commissioner Williamson corrected the motion

Motion made by Commissioner Williamson to approve the Saratoga Springs Commercial Plat “B” amending lots 1 and 2 of Plat “A” as identified in Exhibit 4, with the Findings and Conditions in the Staff Report. Seconded by Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

5. Public Hearing: Code Amendments, Directional Signage, clear site, fencing and screening, and buffering and screening. Staff initiated.

Planning Director Gabryszak presented the Code Amendments. This current Code amendment package contains primarily smaller updates to clarify and resolve missing provision and contradictions identified through a recent Site Plan application review (Papa’s Carwash), regarding commercial fencing and screening, and directional signage. The proposed changes are in 19.06 - Fencing and screening: not require along non-residential development and open space/trails. Clear sight triangle: correct language in recent code amendment for tree canopies. In 19.14.03 site plans – replace the word “and” with “or” as it is not necessary to have a wall, fence, and vegetation for screening purposes. In 19.18 signs: create allowance for directional signage in parking lots and drive-thrus.

Changes from the packet - Fencing: saying residential “development” instead of “zone,” and Screening fence, solid wall and landscaping or landscaping

Public Hearing Open by Chairman Kirk Wilkins

No public comments were made.

Public Hearing Closed by Chairman Kirk Wilkins

Commissioner Cunningham is curious when exempting commercial areas, if it would exempt a sign on a pond for safety. Planning Director Gabryszak replied it would not and for safety the city would fence that area.

Commissioner Funk correctly assumed everything already existing would be grandfathered. In Section 19.18.10 with grand opening signs, he wondered if they could call them that. Planning Director Gabryszak commented that grand opening meant it was within the first year of a business opening, it was not referring to the content.

Commissioner Steele asked what the definition of directional sign was. Planning Director Gabryszak replied they did not have one because of it being based on content. They are creating the category and putting standards for where the signs can be located. Commissioner Steele was concerned that it was pedestaled. She didn’t see anywhere where it said monument. Planning Director Gabryszak showed the proposed definition on screen, where it has to go and what the intent is.

City Attorney Thurman commented that he looked at this with the issue of wall fencing and landscaping, the word combination was not working. It differs in other sections. We may want to reference the other sections because it addresses buffering and screening in those and we don’t want to trump the public school bus zone. The way it’s worded now would conflict with other sections and zones. Planning Director

Kimber Gabryszak noted this applies to commercial lots and we don't treat schools as commercial. We are re-writing 19.04 and trying to get everything in one location instead of having them all over. City Attorney Kevin Thurman said this would apply to any site plan. Planning Director Gabryszak said this particular one only applies to commercial. We don't want to contradict 19.04 and we are working to consolidate the other sections. The changes were amended to say commercial "use" on 2. And strike "a combination of."

Commissioner Steele asked what was meant by acceptable landscaping. Planning Director Gabryszak advised that it needed to be effectively screened so if they planted a 6 foot tall shrub that could work. It is just screening the building. Commissioner Steele noted it is also for sound, dust, odor and for residential it needs to be wall and landscaping. Planning Director Kimber Gabryszak noted that in case of the project coming up that is an example of where you wouldn't want a wall and landscaping. Right now it's next to agriculture and it will appropriately screen it now and down the road it may be more appropriate to have landscaping between improved lots instead of it walled off. Commissioner Steele said we are giving an exception here and we need to write that it's an exception. She understands in this situation it works but if you were against a preschool it would need to be different. They added the phrase that "any commercial use which abuts a residential use shall be screened per the standards of 19.06."

It was discussed that they make a condition for staff to clean up the code with regard to adjacent uses. To amend those zones that have screening and conflict.

Motion made by Commissioner Williamson to forward a positive recommendation to the City Council for the proposed amendments to Sections 19.06, 19.14, and 19.18, with the Findings and Conditions in the Staff Report. In addition to the changes made to the staff report per our discussion today; Additionally we recommend that staff clean up the code with regards to screening in adjacent uses where screening is a conflict in 19.04. Seconded by Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

6. Public Hearing: Site Plan and Conditional Use Permit for Papa's Express Tunnel Car Wash, located approximately 1347 N Exchange Dr. Mark Philipp Applicant.

City Planner Kara Knighton presented the Site Plan. The Site Plan and Conditional Use Permit proposal is for a 4,646 sq. ft. full service tunnel carwash in the RC zone on a 1.39 acre parcel. She noted materials proposed and other architectural design committee recommendations. She noted on the landscaping plans that an additional planter bed was needed and another tree and also the east side needed to be bermed to block light.

Mark Philipp, applicant, was present to answer questions. He noted the staff had been great to work with. He would qualify their full service car as an express service, so no detailing would be done. He noted others present that worked on the project and could help answer questions. Derek Christensen, with the applicant, asked if the comments for windows on the south side were gone. Mark Philipp said along the south side they had an equipment room where they didn't want windows but they provided some break ups there.

Public Hearing Open by Chairman Kirk Wilkins

No public comments were made.

Public Hearing Closed by Chairman Kirk Wilkins

Commissioner Cunningham asked about pg. 29 under additional requirements it said along Redwood Road. City Planner Kara Knighton replied that it should read Crossroads.

Commissioner Funk complimented them on the landscaping; they have gone over and above. He asked about the west side, Crossroads turns, would they have any light problems with the curve in the road. City Planner Kara Knighton noted it was quite a ways away, and the area is bermed and landscaped.

In response to Commissioner Steele's questions, Mr. Philipp replied that they would not have any gas pumps and you would stay in your car through the process. Also, that in the front door are opportunities to purchase passes and gift cards and restrooms but it shouldn't be heavily utilized. There should be only about 5 employees at any time and only 2-3 on site. Commissioner Steele asked staff if we have a parking overage. Planning Director Gabryszak noted some of the parking is vacuum stalls, which is a feature of the carwash as opposed to excess parking. There are 21 vacuum stalls; one of them will need to be removed. The tunnel can hold 6 cars at a time. Commissioner Steele was concerned that there needed to be an ADA accessible path to the main street. The architect Leann Miller commented on possible solutions.

Commissioner Williamson asked if there is anything that notes the vacuum stall cannot be a parking stall. Planning Director Gabryszak advised that we have a prohibition on over-parking. If we count vacuums as parking they are over-parked so we are counting them as part of the business, this way is to the applicants benefit.

Motion made by Commissioner Williamson to forward a positive recommendation to the City Council for the Papa's Express carwash site plan and Conditional Use Permit, located on parcels 66:513:0001 and 58:032:0166 and as shown in the exhibits, with the Findings and Conditions in the Staff Report including correction from Redwood Road to Crossroad and adding an ADA access as discussed. Second by Commissioner Cunningham.

City Planner Kara Knighton asked that they add the condition that **the monument sign base shall run the full horizontal length of the sign.**

Commissioner Williamson added the amendment. It was accepted by Commissioner Cunningham. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

Item 13 was moved forward - Motion to enter into closed session

A Motion was made by Commissioner Williamson to enter into closed session for the purchase, exchange, or lease of property, pending or reasonably imminent litigation, the character, professional competence, the deployment of security personnel, devices or systems or the physical or mental health of an individual. Second by Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

Closed Session began at 7:33 p.m.

Present: Commissioner Wilkins, Commissioner Funk, Commissioner Steele, Commissioner Williamson, Commissioner Cunningham, City Manager Christensen, City Attorney Thurman, Planning Director Gabryszak, City Engineer Gordon Miner, Nicolette Fike Deputy Recorder.

Session was closed without objection at 7:45 p.m.

Regular Meeting resumed at 7:45 p.m.

7. Public Hearing: Master Development Agreement and Rezone from Agriculture to Industrial for HADCO, Parcels 58:022:0121 & 58:022:0114, JD IV applicant. – Item to be continued to the September 22nd 2016 Meeting.

The item will need to be continued to include a third parcel that was missed during the noticing process. It has been re-noticed.

No public was present.

8. Work Session: Discussion of Code and Vision.

Planning Director Gabryszak apprised the commissioners of upcoming code revisions.

9. Approval of Minutes:**a. May 12, 2016**

Commissioner Steele made a correction that she was opposed to the sign on top of the tower and advised on a couple of typo corrections.

Motion made Commissioner Williamson by to approve the minutes of August 25, 2016 with corrections made by Commissioner Steele. Seconded by Commissioner Funk. Aye: Sandra Steele, David Funk, Hayden Williamson, Troy Cunningham. Motion passed 4 - 0. Abstain: Commissioner Wilkins.

10. Reports of Action. – none.**11. Commission Comments. –**

Commissioner Steele noted a van on private property, south east corner of Redwood Road and the Crossing with signs on it. She also commented on the signs being cleaned up on Redwood Road. Commissioner Cunningham thanked the city for mowing the train berm at Shay Park.

12. Director's Report:

- a. **Council Actions** – approved Mt Saratoga and code changes except the signs. Also improved Interlocal agreement with HUD. Madison meadows plat and pump station.
- b. **Applications and Approval**
- c. **Upcoming Agendas** - Wildflower, Marina pump, Saratoga Springs 4 Church and HADCO.
- d. **Other**

13. Item #13 was moved forward in the agenda.**14. Meeting Adjourned at 7:55 p.m. by Chairman Kirk Wilkins**

Date of Approval

Planning Commission Chair
Kirk Wilkins

City Recorder



**City Council
Staff Report**

Code Amendments

Title 19 Multiple Sections

Tuesday, September 20, 2016

Public Hearing

| | |
|---------------------|-------------------------------------|
| Report Date: | Monday, September 12, 2016 |
| Applicant: | City Initiated |
| Previous Meetings: | None |
| Land Use Authority: | City Council |
| Future Routing: | None |
| Type of Action: | Legislative |
| Author: | Kimber Gabryszak, Planning Director |

A. Executive Summary:

This current Code amendment package contains primarily smaller updates to clarify and resolve missing provision and contradictions identified through a recent Site Plan application review, regarding commercial fencing and screening, and directional signage.

Recommendation:

Staff recommends that the City Council conduct a public hearing, take public comment, discuss the proposed amendments, and vote to approve all or some of the amendments with or without modifications, as outlined in Section H of this report. Alternatives include continuance to a future meeting or a denial of all or some of the amendments.

B. Background:

During the review of a current development application, Staff identified several areas of the Code that need amendment. The attached package of amendments removes a contradiction regarding fencing and screening, clarifies the standard for commercial fencing, enables trees in all privately maintained intersections and not just park strips, and creates a provision for directional signage internal to developments.

The Planning Commission held a public hearing on September 8, 2016, and forwarded a positive recommendation with several minor changes. The Commission recommended changes are highlighted in yellow; one additional staff recommended change is highlighted in blue, and was added as a result of the related Commission change. Draft minutes from that meeting are attached.

C. Specific Request: The proposed amendment is summarized below, with specific details in Exhibit 1.

- 19.06, Landscaping and Fencing
 - Fencing and Screening: Fencing is required along all property lines abutting trail and easement corridors, however over the years has only been applied consistently to

residential. The language implies that it is for residential, and one of the main purposes is to clearly delineate ownership and prevent encroachment into the open spaces by residential lot owners. A Code amendment is proposed by staff to no longer technically require this of commercial development.

- Clear sight triangle: A recent code amendment for the clear sight triangle allows tree canopies in the clear sight triangle of privately maintained park strips, however in some cases it is necessary for parking lot islands and not only park strips.
 - With the proposed 8' clearance for sight, staff supports adding the exemption for any privately maintained intersections and not just "park strips".
- 19.14.03 Site Plans – clarify that it is not necessary to have a wall, fence, AND vegetation for screening purposes, but still require vegetation when a wall is used to help soften the wall effect.
 - 19.18, Signs: create allowance for directional signage in parking lots and drive-thrus.
 - The code does not currently include an allowance for directional signage, unless a developer chooses to utilize their monument or building signage allotment for directional signage.
 - Staff proposes allowing small pedestal signs (meaning a sign with 2 vertical supports) or small monument signs (meaning a sign with a solid base) at intersections within developments.
 - The proposal is to limit these signs to 3 feet in height, and 3 square feet in area, and require them to be within 10 feet of an intersection interior to a site.
 - While the City will not regulate content, these size and locational requirements will help ensure the signs are not utilized as snipe signs or for other purposes.

D. Process: Section 19.17.03 of the Code outlines the process and criteria for an amendment:

1. The Planning Commission shall review the petition and make its recommendation to the City Council within thirty days of the receipt of the petition.
Complies. There is no application as this is City initiated, and has been presented to the Commission for a recommendation.
2. The Planning Commission shall recommend adoption of proposed amendments only where it finds the proposed amendment furthers the purpose of the Saratoga Springs Land Use Element of the General Plan and that changed conditions make the proposed amendment necessary to fulfill the purposes of this Title.
Complies. Please see Sections F and G of this report.
3. The Planning Commission and City Council shall provide the notice and hold a public hearing as required by the Utah Code. For an application which concerns a specific parcel of property, the City shall provide the notice required by Chapter 19.13 for a public hearing.
Complies. Please see Section E of this report.
4. For an application which does not concern a specific parcel of property, the City shall provide the notice required for a public hearing except that notice is not required to be sent to property owners directly affected by the application or to property owners within 300 feet of the property included in the application.
Complies. Please see Section E of this report.

E. Community Review: Per Section 19.17.03 of the City Code, this item has been noticed as a public hearing in the *Daily Herald*; as these amendments affect the entire City, no mailed notice was required.

F. General Plan:

Land Use Element – General Goals

The General Plan has stated goals of responsible growth management, the provision of orderly and efficient development that is compatible with both the natural and built environment, establish a strong community identity in the City of Saratoga Springs, and implement ordinances and guidelines to assure quality of development.

Staff and Commission conclusion: consistent. The proposed changes will still ensure quality of development, maintain community identity, ensure quality development through the maintenance of high standards, and require mitigation of impacts to existing development (the built environment). The changes enable better safety and flow of traffic within developments through the provision of directional signage, protect safety by maintaining clear sight while allowing for an attractive community by placing trees along roadways, and remove unintended contradictions in the Code.

G. Code Criteria:

Code amendments are a legislative decision; therefore the City Council has significant discretion when considering changes to the Code.

The criteria for an ordinance (Code) change are outlined below, and act as guidance to the Council, and to the Commission in making a recommendation. Note that the criteria are not binding.

19.17.04 Consideration of General Plan, Ordinance, or Zoning Map Amendment

The Planning Commission and City Council shall consider, but not be bound by, the following criteria when deciding whether to recommend or grant a general plan, ordinance, or zoning map amendment:

1. The proposed change will conform to the Land Use Element and other provisions of the General Plan;
Staff and Planning Commission (PC) analysis: consistent. See Section F of this report.
2. the proposed change will not decrease nor otherwise adversely affect the health, safety, convenience, morals, or general welfare of the public;
Staff and PC analysis: consistent. The amendments will ensure clear and consistent standards for fencing, protect safety with clear sight requirements, and allow for signage to ensure safety and efficient traffic with directional signage.
3. the proposed change will more fully carry out the general purposes and intent of this Title and any other ordinance of the City; and
Staff and PC analysis: consistent. The stated purposes of the Code are found in section 19.01.04:
 1. The purpose of this Title, and for which reason it is deemed necessary, and for

which it is designed and enacted, is to preserve and promote the health, safety, morals, convenience, order, fiscal welfare, and the general welfare of the City, its present and future inhabitants, and the public generally, and in particular to:

- a. encourage and facilitate the orderly growth and expansion of the City;
- b. secure economy in governmental expenditures;
- c. provide adequate light, air, and privacy to meet the ordinary or common requirements of happy, convenient, and comfortable living of the municipality's inhabitants, and to foster a wholesome social environment;
- d. enhance the economic well-being of the municipality and its inhabitants;
- e. facilitate adequate provisions for transportation, water, sewer, schools, parks, recreation, storm drains, and other public requirements;
- f. prevent the overcrowding of land, the undue concentration of population, and promote environmentally friendly open space;
- g. stabilize and conserve property values;
- h. encourage the development of an attractive and beautiful community; and
- i. promote the development of the City of Saratoga Springs in accordance with the Land Use Element of the General Plan.

The proposed amendments will provide clarity in development standards to ensure orderly growth, will maintain high standards to ensure a wholesome environment, and will both allow flexibility for property owners while helping ensure an attractive and beautiful community.

4. in balancing the interest of the petitioner with the interest of the public, community interests will be better served by making the proposed change.

***Staff and PC analysis: consistent.** The amendments will provide additional flexibility in signage traffic direction, and remove contradictions from the code. Community interests will also be protected by requiring minimum standards clear sight and fencing. .*

H. Recommendation / Options:

Staff Recommended Motion – Approval

The City Council may choose to **approve** all or some of the amendments to the Code Sections listed in the motion, as proposed or with modifications:

Motion: “Based upon the evidence and explanations received today, I move to **approve** the proposed amendments to Sections 19.06, 19.14, and 19.18, with the Findings and Conditions below:

Findings:

1. The amendments are consistent with Section 19.17.04.1, General Plan, as outlined in Sections F and G of this report and incorporated herein by reference.
2. The amendments are consistent with Section 19.17.04.2 as outlined in Section G of this report and incorporated herein by reference.
3. The amendments are consistent with Section 19.17.04.3 as outlined in Section G of this report and incorporated herein by reference.

4. The amendments are consistent with Section 19.17.04.4 as outlined in Section G of this report, and incorporated herein by reference.

Conditions:

1. Related cleanup changes to 19.04 shall be made to remove fencing and buffering language that contradicts the new amendments.
2. The amendments shall be edited as directed by the City Council: _____
 - a. _____
 - b. _____
 - c. _____

Alternative A – Continuance

Vote to **continue** all or some of the Code amendments to the next meeting, with specific feedback and direction to Staff on changes needed to render a decision.

Motion: “I move to continue the amendments to Section(s) [19.06, 19.14, 19.18] of the Code to the [October 4, 2016] meeting, with the following direction on additional information needed and/or changes to the draft:

Alternative B – Denial

Vote to **deny** all or some of the proposed Code amendments.

Motion: “Based upon the evidence and explanations received today, I move to **deny** the proposed amendments to Section(s) [19.06, 19.14, 19.18] of the Code with the Findings below:

Findings

1. The amendments do not comply with Section 19.17.04(1), General Plan, as articulated by the Council: _____
2. The amendments do not comply with Section 19.17.04, sub paragraphs 2, 3, and/or 4 as articulated by the Council: _____
3. _____
4. _____
5. _____

I. Exhibits:

1. Draft Amendments (pages 6-11)
 - a. 19.06. Landscaping and Fencing (page 8)
 - b. 19.14. Site Plans (page 9)
 - c. 19.18. Signs (pages 10-16)
2. Draft Minutes Planning Commission – 9/8/2016 (pages 17-18)

Exhibit 1 – Ordinance and Code Amendments

ORDINANCE NO. 16- (insert date)

**AN ORDINANCE OF THE CITY OF SARATOGA SPRINGS, UTAH,
ADOPTING AMENDMENTS TO THE SARATOGA SPRINGS LAND
DEVELOPMENT CODE AND ESTABLISHING AN EFFECTIVE DATE**

WHEREAS, Title 19 of the City of Saratoga Springs Code, entitled “Land Development Code” was enacted on November 9, 1999 and has been amended from time to time; and

WHEREAS, the City Council and Planning Commission have reviewed the Land Development Code and find that further amendments to the Code are necessary to better meet the intent and direction of the General Plan; and

WHEREAS, the Saratoga Springs Planning Commission has held a public hearing to receive comment on the proposed modifications and amendments as required by Chapter 9a, Title 10, Utah Code Annotated 1953, as amended; and

WHEREAS, the Planning Commission, after the full and careful consideration of all public comment, has forwarded a recommendation to the Saratoga Springs City Council regarding the modifications and amendments; and

WHEREAS, the City Council has conducted a public hearing to receive comment on the Planning Commission recommendation pursuant to Chapter 9a, Title 10, Utah Code Annotated 1953, as amended; and

WHEREAS, following the public hearing, and after receipt of all comment and input, and after careful consideration, the Saratoga Springs City Council has determined that it is in the best interest of the public health, safety, and welfare of Saratoga Springs citizens that the following modifications and amendments to Title 19 be adopted.

NOW THEREFORE, the City Council of the City of Saratoga Springs, Utah hereby ordains as follows:

SECTION I – ENACTMENT

The amendments attached hereto as Exhibit A, incorporated herein by this reference, are hereby enacted. Such amendments are shown as underlines and strikethroughs. The remainder of Title 19 shall remain the same.

SECTION II – AMENDMENT OF CONFLICTING ORDINANCES

If any ordinances, resolutions, policies, or zoning maps of the City of Saratoga Springs heretofore adopted are inconsistent herewith they are hereby amended to comply with the

provisions hereof. If they cannot be amended to comply with the provisions hereof, they are hereby repealed.

SECTION III – EFFECTIVE DATE

This ordinance shall take effect upon its passage by a majority vote of the Saratoga Springs City Council and following notice and publication as required by the Utah Code.

SECTION IV – SEVERABILITY

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION V – PUBLIC NOTICE

The Saratoga Springs Recorder is hereby ordered, in accordance with the requirements of Utah Code §§ 10-3-710—711, to do as follows:

- a. deposit a copy of this ordinance in the office of the City Recorder; and
- b. publish notice as follows:
 - i. publish a short summary of this ordinance for at least one publication in a newspaper of general circulation in the City; or
 - ii. post a complete copy of this ordinance in three public places within the City.

ADOPTED AND PASSED by the City Council of the City of Saratoga Springs, Utah, this ___ day of _____, 2016.

Signed: _____
Jim Miller, Mayor

Attest: _____
Cindy LoPiccolo, City Recorder

Date

VOTE

| | |
|------------------|-------|
| Shellie Baertsch | _____ |
| Michael McOmber | _____ |
| Stephen Willden | _____ |
| Bud Poduska | _____ |
| Chris Porter | _____ |

19.06.09. Screening and Fencing Requirements and Restrictions.

This Section outlines provisions that govern the heights of screening and fencing.

7. **Required residential fencing:** fencing in residential development zones shall be placed along property lines abutting open space, parks, trails, and easement corridors. In addition, fencing may also be required adjacent to undeveloped properties.
 - a. In an effort to promote safety for citizens and security for homeowners, fences along open space, parks, trails, and easement corridors shall be semi-private. Exception: privacy fencing is permitted for property lines abutting trail corridors that are not City maintained and are both parallel-adjacent to and visible from an arterial.
 - b. Fencing along arterial roads shall be of a consistent material and color within each development.
 - c. Fencing along open space, parks, trails, and easement corridors may be less than six feet in height but shall not be less than three feet in height, at the discretion of the property owner or HOA as applicable.

19.06.11. Clear Sight Triangle.

- A. To allow for clear sight as shown in the graphic below, at all intersections of streets, driveways, or sidewalks, for a distance of twenty feet back from the point of curvature of curved ROWs and property lines or thirty feet back from the intersection of straight ROWs and property lines, whichever is greater, and fifteen feet back from edge of driveways:
 - a. all landscaping, and fencing shall be limited to a height of not more than three feet, and
 - b. the grade at such intersections shall not be bermed or raised.
- B. Exceptions:
 - a. Deciduous tree canopies may be located in the clear sight triangle of privately maintained park-strips intersections only if at maturity, as defined in Section 19.06.06, the distance between the ground and base of the canopy is maintained at no less than eight feet and the tree caliper at maturity is no greater than twelve inches, and
 - b. any other exception outlined in the Code.

19.14.03. Site Plan Development Standards.

The following are standards required for all Site Plans in any zone:

1. **Site Plan Standards.** The entire parcel area shall be built upon, landscaped, or paved in accordance with the zone's open space and parking requirements.
2. **Buffering and Screening Requirements.** Any commercial ~~lot use~~ which abuts an ~~residential or~~ agricultural use shall be effectively screened by ~~a combination of~~ a wall ~~and~~ landscaping, fencing, ~~and or~~ landscaping of acceptable design; ~~any commercial use which abuts a residential use shall be screened per the standards of 19.06.~~ No chain link or wood fences are permitted as buffering or screening between commercial and ~~residential agricultural uses~~. Masonry and solid white vinyl are suggested types of fences, and as circumstances require, one or the other may be required. Unless otherwise required by this Title, walls or fences used as a buffer or screen shall not be less than six feet in height. Landscaped berms with sufficient trees may be reduced to 4-5 feet depending on specific adjacent uses. Such wall, fence and landscaping shall be maintained in good condition with no advertising thereon. All developments shall have a minimum number of both deciduous and evergreen trees to provide for shade and visual relief.

* * * * *

19.18.03. Definitions.

x. "Interior Directional Signage" means signage that is placed entirely within the boundaries of a development lot or site and situated adjacent to an internal intersection, drive-thru, or other similar feature that warrants vehicular or pedestrian directional clarification.

19.18.09. Institutional/ Civic Zone Standards.

- c. ~~Pedestal and~~ Pole signs.
 - i. Not permitted.
- d. Window and Door signs.
 - i. Window and door signs shall not exceed twenty percent of the window or door on which the sign is located.
- e. Banner Signs.
 - i. Banner signs shall only be permitted on a temporary basis.
 - ii. Banner signs shall not exceed four feet in height and thirty-two square feet in size.
 - iii. Banner signs shall be placed in a landscaped area or on a structure, and shall not be located within the clear sight triangle identified in Chapter 19.06.
 - iv. Banner signs shall be limited to a cumulative total of thirty days in a calendar year.
- f. Internal Directional Signs
 - i. Type: small pedestal and monument signs are the only freestanding directional signs permitted.
 - ii. Location:
 - i. all signs shall be located interior to the development and shall not be oriented to draw traffic from the exterior of the development.
 - ii. all signs shall be located adjacent to and within ten feet of an internal intersection, or drive-thru, or similar feature needing directional clarification as identified on an approved site plan.
 - iii. Height: a small pedestal or monument sign shall not exceed a height of three feet.

iv. Size: a small pedestal or monument sign shall not exceed three square feet in size.

iv.v. Number: no more than one pedestal or monument sign per internal intersection, drive-thru, or similar feature.

* * * * *

19.18.10. Commercial Zone Sign Standards.

1. Banner Signs in all commercial zones.
 - a. Banner signs shall only be permitted on a temporary basis.
 - b. Banner signs shall not exceed four feet in height and thirty-two square feet in size.
 - c. Banner signs shall be placed in a landscaped area or on a structure, and shall not be located within the clear sight triangle identified in Chapter 19.06.
 - d. Banner signs shall be limited to a cumulative total of thirty days in a calendar year.

2. Grand Opening Signs in all commercial zones
 - a. Within the first year of ~~of~~ obtaining a first business license at a particular location for the business, a business may erect, in addition to permitted permanent signs, otherwise prohibited temporary signage at that location for a single period of time not to exceed forty-five calendar days. All temporary signage must be removed at the end of the forty-five day period. Such temporary signage includes:
 - i. banners exceeding the maximum size otherwise defined in this chapter,
 - ii. streamers,
 - iii. pennants,
 - iv. balloon signs, and
 - v. wind signs.

3. Tenant Listing Signs in all commercial zones.
 - a. Number. Each building that contains multiple tenants or uses shall be limited to one sign in addition to other allowed wall signage per zone per primary entrance to the building, and each tenant shall be limited to one panel.
 - b. Size. Each panel shall be limited to a maximum of one square foot.
 - c. Design. All panels on a tenant listing sign shall be constructed of the same material and be of a consistent shape and size.
 - d. Location. Each tenant listing sign shall be located on the same façade as the primary entrance, in a location easily visible to persons using the primary entrance.
 - e. Height. Each tenant listing sign shall be mounted at or below the top of the first floor of the building, at a height no less than eight feet and no more than fifteen feet, as measured from the elevation at the entrance of the building to the top of the sign.

4. Internal Directional Signs in all commercial zones
 - a. Type: small pedestal and monument signs are the only freestanding directional signs permitted.

- b. Location: all signs shall be located adjacent to and within ten feet of an internal intersection, drive-thru, or similar feature needing directional clarification as identified on an approved site plan.
- c. Height: a small pedestal or monument sign shall not exceed a height of three feet.
- d. Size: a small pedestal or monument sign shall not exceed three square feet in size.
- e. Number: no more than one pedestal or monument sign per internal intersection, drive-thru, or similar feature.

4.5. Signage in the Neighborhood Commercial Zone.

- a. Building signs.
 - i. See Regional Commercial requirements.
- b. Monument signs.
 - i. Number.
 - 1. Single building or use: one monument sign shall be allowed for each frontage in excess of one hundred feet a building or use has on a public street.
 - 2. Multiple buildings or uses: One shared monument sign shall be allowed for each frontage in excess of 200 feet a site has on a public street.
 - ii. Size. A monument sign for a single building or use shall not exceed forty-five square feet in size. A monument sign for multiple buildings or uses shall not exceed sixty-four square feet in size.
 - iii. Height. A monument sign for a single building or use shall not exceed 7.5 feet in height. A monument sign for multiple buildings or uses shall not exceed ten feet in height.
- c. Pedestal signs.
 - i. ~~Not~~ Only internal directional signage permitted.
- d. Awning and Canopy Signs.
 - i. Number. One awning or canopy may be used as signage for a tenant, in lieu of a secondary building sign.
 - ii. Location and Design. Awning and Canopy signs shall be located on the first floor only, and only awnings or canopies approved as part of the site plan and located above doors or windows may be used for signage. Sign copy is only permitted on the vertical portion of the canopy; no sign copy shall be placed on the roof portion.
 - iii. Size. Sign content shall not exceed twenty percent of the awning or canopy on which the sign is located, or fifteen square feet, whichever is less.
 - iv. Height. A minimum of eight feet of clearance must be maintained between the top of the nearest sidewalk or curb and the bottom of the awning or canopy.
- e. Projecting and Suspended Signs.
 - i. Number. Each street-level tenant is permitted one projecting or suspended sign.
 - ii. Location and Design. Signs shall be located above the entrance to the use, shall not extend more than five feet from the wall to which they are attached,

shall maintain clearance of six inches between the sign and the wall, and shall be a minimum of thirty feet from the nearest projecting or suspended sign.

- iii. Size. Signs shall not exceed twelve square feet in size.
 - iv. Height. A minimum of eight feet of clearance must be maintained between the top of the nearest sidewalk or curb and the bottom of the sign.
- f. Window and Door signs.
- i. Window and door signs shall not exceed twenty percent of the window or door on which the sign is located.

5.6. Signage in the Regional Commercial zone.

- a. Building signs.
 - i. Number. Each tenant in a building is permitted one primary building sign, and two secondary signs; buildings or uses that are larger than 50,000 square feet and have more than one primary entrance may have a second primary sign.
 - ii. Size, primary signage. The primary building signage shall not exceed a cumulative total size equal to eight percent of the façade on which the sign or signs are mounted, or 30 square feet, whichever is larger.
 - iii. Secondary signage. Secondary signage shall not be mounted on the same façade as primary signage, and each secondary sign shall not exceed fifty percent of the size of the tenant's primary sign.
- b. Monument signs.
 - i. Number, in addition to interior directional signage.
 - a. Single building or use: one monument sign shall be allowed for each frontage in excess of one hundred feet a building or use has on a public street.
 - b. Multiple buildings or uses: One shared monument sign shall be allowed for each frontage in excess of 200 feet a site has on a public street.
 - ii. Size. A monument sign for a single building or use shall not exceed forty-five square feet in size. A monument sign for multiple buildings or uses shall not exceed sixty-four square feet in size.
 - iii. Height. A monument sign for a single building or use shall not exceed 7.5 feet in height. A monument sign for multiple buildings or uses shall not exceed ten feet in height.
- c. Pedestal signs.
 - i. Number. In addition to interior directional signage, Developments developments consisting of more than seven acres shall be permitted one pedestal sign for each major entrance into the development.
 - ii. Spacing. Pedestal signs must be separated by a minimum distance of 300 feet as measured diagonally across the property, and shall be a minimum of 200 feet from any other ground sign on the same frontage.
 - iii. Size. The area of the sign face shall not exceed 120 square feet.
 - iv. Height. The sign shall not exceed twenty feet in height.
- d. Awning and Canopy Signs.
 - i. Number.

- a. One awning or canopy attached to a building may be used as signage for a tenant, in lieu of a secondary building sign.
 - b. Up to two freestanding awnings or canopies may be used for signage.
 - ii. Location and Design.
 - a. Building Awning and Canopy signs shall be located on the first floor only, and only awnings or canopies approved as part of the site plan and located above doors or windows may be used for signage.
 - b. Signage shall only be permitted on freestanding awnings and canopies when such structures and signage are approved as part of a site plan.
 - c. Sign copy is only permitted on the vertical portion of the canopy; no sign copy shall be placed on the roof portion.
 - iii. Size.
 - a. Building Awning and Canopy Signs: sign content shall not exceed twenty percent of the awning or canopy on which the sign is located, or fifteen square feet, whichever is less.
 - b. Freestanding awnings or canopies: sign content shall not exceed ten percent of the freestanding awning or canopy on which the sign is located, or fifteen square feet, whichever is less.
 - iv. Height. A minimum of eight feet of clearance must be maintained between the top of the nearest sidewalk or curb and the bottom of the awning or canopy.
- e. Projecting and Suspended Signs.
 - i. Number. Each street-level tenant is permitted one projecting or suspended sign.
 - ii. Location and Design. Signs shall be located above the entrance to the business, shall not extend more than five feet from the wall to which they are attached, shall maintain clearance of six inches between the sign and the wall, and shall be a minimum of thirty feet from the nearest projecting or suspended sign.
 - iii. Size. Signs shall not exceed twelve square feet in size.
 - iv. Height. A minimum of eight feet of clearance must be maintained between the top of the nearest sidewalk or curb and the bottom of the sign.
- f. Window and Door signs.
 - i. Sign content shall not exceed twenty percent of the window or door on which the sign is located.

~~6.7.~~ Signage in the Office Warehouse and Business Park Zones.

- a. Primary Building signs.
 - i. Number. Each building is permitted one primary building sign.
 - ii. Size. The primary building sign shall not exceed eight percent of the façade on which the sign or signs are mounted, or thirty square feet, whichever is larger.
 - iii. Height. Each primary building sign for single story buildings shall maintain a minimum of eight feet of clearance between the top of the nearest

sidewalk or curb and the bottom of the sign; each primary building sign for multiple story buildings shall be mounted no lower than the bottom of the top floor of the building.

- b. Ancillary Building signs.
 - i. Number. Ancillary uses within a building are permitted one building sign each, with a cumulative maximum of two such signs per any one elevation.
 - ii. Size. The area of the sign shall not exceed twenty-four square feet.
 - iii. Location. The sign shall be mounted by the nearest entrance leading to the ancillary use.
 - iv. Height. The sign shall be mounted at or below the top of the first floor of the building, at a height no less than eight feet and no more than fifteen feet, as measured to the top of the sign.
- c. Monument signs.
 - i. Number, in addition to interior directional signage.
 - i. Single building or use: one monument sign shall be allowed for each frontage in excess of one hundred feet a building or use has on a public street.
 - ii. Multiple buildings or uses: One shared monument sign shall be allowed for each frontage in excess of 200 feet a site has on a public street.
 - ii. Size. A monument sign for a single building or use shall not exceed forty-five square feet in size. A monument sign for multiple buildings or uses shall not exceed sixty-four square feet in size.
 - iii. Height. A monument sign for a single building or use shall not exceed 7.5 feet in height. A monument sign for multiple buildings or uses shall not exceed ten feet in height.
- d. Pedestal signs.
 - i. Number. In addition to interior directional signage, Developments developments consisting of more than seven acres shall be permitted one pedestal sign for each major entrance into the development.
 - ii. Spacing. Pedestal signs must be separated by a minimum distance of 300 feet, as measured diagonally across the property.
 - iii. Size. The area of the sign face shall not exceed 120 square feet.
 - iv. Height. A pedestal sign shall not exceed twenty feet in height.
- e. Window and Door signs.
 - i. Window and door signs shall not exceed twenty percent of the window or door on which the sign is located.

(Ord. 16-04)

19.18.11. Industrial Zone Signage.

- 1. Primary Building signs.
 - a. Number. Each building is permitted one primary building sign.
 - b. Size. The primary building sign shall not exceed eight percent of the façade on which the sign or signs are mounted, or thirty square feet, whichever is larger.

- c. Height. Each primary building sign for single story buildings shall maintain a minimum of eight feet of clearance between the top of the nearest sidewalk or curb and the bottom of the sign; each primary building sign for multiple story buildings shall be mounted no lower than the bottom of the top floor of the building.
2. Tenant Listing Sign.
 - a. Number. Each building that contains multiple tenants or uses shall be limited to one sign per primary entrance to the building, and each tenant or use shall be limited to one panel.
 - b. Design. All panels on a tenant listing sign shall be constructed of the same material and be of a consistent shape and size.
 - c. Size. Each panel shall be limited to a maximum of one square foot.
 - d. Location. Each tenant listing sign shall be located on the same façade as the primary entrance, in a location easily visible to persons using the primary entrance.
 - e. Height. Each tenant listing sign shall be mounted at or below the top of the first floor of the building, at a height no less than eight feet and no more than fifteen feet, as measured from the elevation at the entrance of the building to the top of the sign.
 3. Monument signs.
 - a. Number, in addition to internal directional signs.
 - i. Single building or use: one monument sign shall be allowed for each frontage in excess of one hundred feet a building or use has on a public street.
 - ii. Multiple buildings or uses: One shared monument sign shall be allowed for each frontage in excess of 200 feet a site has on a public street.
 - b. Size. A monument sign for a single building or use shall not exceed forty-five square feet in size. A monument sign for multiple buildings or uses shall not exceed sixty-four square feet in size.
 - c. Height. A monument sign for a single building or use shall not exceed 7.5 feet in height. A monument sign for multiple buildings or uses shall not exceed ten feet in height.
 4. Pedestal signs.
 - a. ~~Not~~ Only internal directional signs permitted.
 5. Window and Door signs.
 - a. Window and door signs shall not exceed twenty percent of the window or door on which the sign is located.
 6. Internal Directional Signs
 - a. Type: small pedestal and monument signs are the only freestanding directional signs permitted.
 - b. Location: all signs shall be located adjacent to and within ten feet of an internal intersection, drive-thru, or similar feature needing directional clarification as identified on an approved site plan.
 - c. Height: a small pedestal or monument sign shall not exceed a height of three feet.
 - d. Size: a small pedestal or monument sign shall not exceed three square feet in size.
 - ~~a-e.~~ Number: no more than one pedestal or monument sign per internal intersection, drive-thru, or similar feature.

(Ord. 16-04)

2016, with the change to the findings that “generally” be stricken from the general plan finding. Second Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

Motion made by Commissioner Williamson that based upon the findings and conditions presented today I move that the Planning Commission approve the Saratoga Springs Commercial Plat “B” amending lots 1 and 2 of Plat “B” as identified in Exhibit 4, with the Findings and Conditions in the Staff Report. Seconded by Commissioner Funk.

Commissioner Steele advised that the motion was correct as written that plat B is amending plat A
Commissioner Williamson corrected the motion

Motion made by Commissioner Williamson to approve the Saratoga Springs Commercial Plat “B” amending lots 1 and 2 of Plat “A” as identified in Exhibit 4, with the Findings and Conditions in the Staff Report. Seconded by Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

5. Public Hearing: Code Amendments, Directional Signage, clear site, fencing and screening, and buffering and screening. Staff initiated.

Planning Director Gabryszak presented the Code Amendments. This current Code amendment package contains primarily smaller updates to clarify and resolve missing provision and contradictions identified through a recent Site Plan application review (Papa’s Carwash), regarding commercial fencing and screening, and directional signage. The proposed changes are in 19.06 - Fencing and screening: not require along non-residential development and open space/trails. Clear sight triangle: correct language in recent code amendment for tree canopies. In 19.14.03 site plans – replace the word “and” with “or” as it is not necessary to have a wall, fence, and vegetation for screening purposes. In 19.18 signs: create allowance for directional signage in parking lots and drive-thrus.

Changes from the packet - Fencing: saying residential “development” instead of “zone,” and Screening fence, solid wall and landscaping or landscaping

Public Hearing Open by Chairman Kirk Wilkins

No public comments were made.

Public Hearing Closed by Chairman Kirk Wilkins

Commissioner Cunningham is curious when exempting commercial areas, if it would exempt a sign on a pond for safety. Planning Director Gabryszak replied it would not and for safety the city would fence that area.

Commissioner Funk correctly assumed everything already existing would be grandfathered. In Section 19.18.10 with grand opening signs, he wondered if they could call them that. Planning Director Gabryszak commented that grand opening meant it was within the first year of a business opening, it was not referring to the content.

Commissioner Steele asked what the definition of directional sign was. Planning Director Gabryszak replied they did not have one because of it being based on content. They are creating the category and putting standards for where the signs can be located. Commissioner Steele was concerned that it was pedestaled. She didn’t see anywhere where it said monument. Planning Director Gabryszak showed the proposed definition on screen, where it has to go and what the intent is.

City Attorney Thurman commented that he looked at this with the issue of wall fencing and landscaping, the word combination was not working. It differs in other sections. We may want to reference the other sections because it addresses buffering and screening in those and we don’t want to trump the public school bus zone. The way it’s worded now would conflict with other sections and zones. Planning Director

Kimber Gabryszak noted this applies to commercial lots and we don't treat schools as commercial. We are re-writing 19.04 and trying to get everything in one location instead of having them all over. City Attorney Kevin Thurman said this would apply to any site plan. Planning Director Gabryszak said this particular one only applies to commercial. We don't want to contradict 19.04 and we are working to consolidate the other sections. The changes were amended to say commercial "use" on 2. And strike "a combination of."

Commissioner Steele asked what was meant by acceptable landscaping. Planning Director Gabryszak advised that it needed to be effectively screened so if they planted a 6 foot tall shrub that could work. It is just screening the building. Commissioner Steele noted it is also for sound, dust, odor and for residential it needs to be wall and landscaping. Planning Director Kimber Gabryszak noted that in case of the project coming up that is an example of where you wouldn't want a wall and landscaping. Right now it's next to agriculture and it will appropriately screen it now and down the road it may be more appropriate to have landscaping between improved lots instead of it walled off. Commissioner Steele said we are giving an exception here and we need to write that it's an exception. She understands in this situation it works but if you were against a preschool it would need to be different. They added the phrase that "any commercial use which abuts a residential use shall be screened per the standards of 19.06."

It was discussed that they make a condition for staff to clean up the code with regard to adjacent uses. To amend those zones that have screening and conflict.

Motion made by Commissioner Williamson to forward a positive recommendation to the City Council for the proposed amendments to Sections 19.06, 19.14, and 19.18, with the Findings and Conditions in the Staff Report. In addition to the changes made to the staff report per our discussion today; Additionally we recommend that staff clean up the code with regards to screening in adjacent uses where screening is a conflict in 19.04. Seconded by Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

6. Public Hearing: Site Plan and Conditional Use Permit for Papa's Express Tunnel Car Wash, located approximately 1347 N Exchange Dr. Mark Philipp Applicant.

City Planner Kara Knighton presented the Site Plan. The Site Plan and Conditional Use Permit proposal is for a 4,646 sq. ft. full service tunnel carwash in the RC zone on a 1.39 acre parcel. She noted materials proposed and other architectural design committee recommendations. She noted on the landscaping plans that an additional planter bed was needed and another tree and also the east side needed to be bermed to block light.

Mark Philipp, applicant, was present to answer questions. He noted the staff had been great to work with. He would qualify their full service car as an express service, so no detailing would be done. He noted others present that worked on the project and could help answer questions. Derek Christensen, with the applicant, asked if the comments for windows on the south side were gone. Mark Philipp said along the south side they had an equipment room where they didn't want windows but they provided some break ups there.

Public Hearing Open by Chairman Kirk Wilkins

No public comments were made.

Public Hearing Closed by Chairman Kirk Wilkins

Commissioner Cunningham asked about pg. 29 under additional requirements it said along Redwood Road. City Planner Kara Knighton replied that it should read Crossroads.

Commissioner Funk complimented them on the landscaping; they have gone over and above. He asked about the west side, Crossroads turns, would they have any light problems with the curve in the road. City Planner Kara Knighton noted it was quite a ways away, and the area is bermed and landscaped.



City Council Staff Report

Site Plan and CUP

Papa's Express Carwash

Tuesday, September 20, 2016

Public Meeting

| | |
|--------------------------|--|
| Report Date: | Monday, September 12, 2016 |
| Applicant: | Mark Phillipp |
| Owner: | Utah Valley Turf Farm |
| Location: | 1347 N. Exchange Drive |
| Major Street Access: | Crossroads Blvd. |
| Parcel Number(s) & Size: | 66:513:0001, 0.99 acres; part of 58:032:0166, 0.4 acres Total: 1.39 acres |
| Parcel Zoning: | RC, and A |
| Adjacent Zoning: | RC, and A |
| Current Use of Parcel: | Vacant, undeveloped |
| Adjacent Uses: | Commercial, agriculture |
| Previous Meetings: | PC PH (9/8/2016) |
| Previous Approvals: | None |
| Type of Action: | Administrative |
| Land Use Authority: | City Council |
| Future Routing: | City Council |
| Author: | Kara Knighton, Planner I |

A. Executive Summary:

The applicant, on behalf of the owner, is requesting approval of a Site Plan and Conditional Use Permit for a 4,646 sq. ft. full service carwash on a 1.39 acre parcel at 1347 North Exchange Drive, in the Saratoga Springs Commercial subdivision plat (north of Tractor Supply). A Concept Plan for the proposed use was reviewed by Staff on July 5, 2016.

Recommendation:

Staff recommends that the City Council conduct a public meeting on the Papa's Express carwash site plan and Conditional Use Permit, review and discuss the proposal, and vote to approve the site plan and conditional use permit as outlined in Section "H". Alternatives include continuation of the item, or denial.

B. Background:

The proposed site plan is part of the Saratoga Springs Commercial Development.

Rezone and General Plan Amendment applications were reviewed by the Planning Commission on February 26, 2015 and approved by the City Council on March 17, 2015. The City Council approved the requested General Plan Amendment from Medium Density Residential to the Regional Commercial designation for 0.4 acres and approved the requested Rezone from Agriculture to Regional Commercial for 3.45 acres of property. The remainder of the property was already designated Regional Commercial on the zoning and land use maps.

On November 10, 2015 the City Council approved the Saratoga Springs Commercial Development Preliminary Plat "A" in conjunction with the Tractor Supply site plan. Final plat approval was granted by the Planning Director on December 22, 2015. The plat was recorded with Utah County on February 1, 2016.

The proposed Papa's Express carwash site plan is 1.39 acres, however the Saratoga Springs Commercial lot is 0.99 acres. To enlarge the parcel to the necessary square footage the west property line is proposed to be extended approximate 67' to the west. This 67' area is currently zoned Agriculture and is outside of the current lot, thus a rezone and plat amendment are required to accompany the site plan.

The Papa's Express carwash concept plan was received by the City on June 22, 2016 followed by a rezone and plat amendment request. The concept plan was reviewed by staff on July 5, 2016. The site plan application was received on July 15, 2016.

Architectural Design Standards

The DRC (Development Review Committee) reviewed the site plan and elevations on July 15, 2016. Their comments are summarized below:

1. The building being up next to Crossroads Boulevard complies with the architectural design standards.
2. Please provide the color "Olympic blue" for the color and materials board.
3. Please provide a cross connection with the lot to the east and potential lot to the west.
4. Recommendation: It is recommended that more windows be placed on the southern elevation.

A resubmittal was received on August 11, 2016 addressing the DRC's list of requirements. The applicant provided the "Olympic blue" material and added the required cross connections with the lot to the east and potential future lot to the west.

Planning Commission Hearing

The Planning Commission held a public hearing on September 8, 2016, and voted to forward a positive recommendation with conditions. Draft minutes from that meeting are attached, and the recommended conditions of approval for the Council reflect their recommendation.

C. Specific Request:

The Site Plan and Conditional Use Permit proposal is for a 4,646 sq. ft. full service tunnel carwash in the RC zone on a 1.39 acre parcel, as shown in Exhibit 3. The proposal consists of 29 parking/vacuum stalls including 2 accessible stalls, and 12,070 sq. ft. of landscaping.

D. Process:

Site Plan

Section 19.13 summarizes the processes for site plans, and 19.14 outlines the requirements for site plans. The development review process for site plan approval involves a formal review of the request by the Planning Commission in a public hearing, with a recommendation forwarded to the City Council. The City Council is then the deciding body and formally approves or denies the site plan request in a public meeting.

Conditional Use Permit

Section 19.15 summarizes the process for conditional use permits. The review process involves a formal review by the Planning Commission in a public hearing, with a recommendation forwarded to the City Council. The City Council is the approval authority and may approve, approve with conditions, deny the request, or defer action if the applicant fails to appear at the public meeting.

E. Community Review:

The site plan and conditional use permit were noticed as a public hearing in the *Daily Herald*; and mailed notice sent to all property owners within 300 feet of the subject property prior to the September 8, 2016 Planning Commission meeting. As of the date of this report, no public input has been received.

F. General Plan:

The site is designated as Regional Commercial on the Future Land Use Map. The goal and intent of this designation is below:

- g. **Regional Commercial.** Regional Commercial areas shall be characterized by a variety of retail users including big box retail configured in developments that provide excellent vehicular access to and from major transportation facilities. Developments located in Regional Commercial areas shall be designed so as to create efficient, functional conglomerations of commercial activities.

As Regional Commercial areas are to be located in close proximity to substantial roadways, careful consideration shall be given to the arrangement of structures and other improvements along those corridors. Consideration shall also be given to the existing or potential availability of mass transit facilities as sites in this designation are designed.

Among the many tenants anticipated in these areas are large destination oriented businesses. With that in mind, individual sites shall be designed so as to make automobile access a priority. Even so, specific areas for pedestrian activity shall be designated and appropriately improved. Plazas and other features shall be provided as gathering places which should be incorporated so as to make each site an inviting place to visit.

Developments in these areas shall contain landscaping and recreational features as per the City's Parks, Recreation, Trails, and Open Space Element of the General Plan. In this land use designation, it is estimated that a typical acre of land may contain 5 equivalent residential units (ERU's).

Staff conclusion: *Consistent. The proposed full service carwash is considered a destination oriented business and as such the automobile is not only a priority, but the purpose of the service; the main connection is with a private road leading to Exchange Drive, and out to Crossroads Blvd. Sidewalks and pathways are provided for pedestrian access.*

G. Code Criteria: For full analysis please see the attached Planning Review Checklist, Exhibit "8".

- 19.04, Land Use Zones: **Can comply.**
 - A Conditional Use Permit is required for the proposed carwash.
 - The City Council must deem the vacuums to be customarily and appropriately conducted outside.
- 19.05, Supplemental Regulations: **Complies.**
- 19.06, Landscaping and Fencing: **Can comply.**
 - Softening of walls: Plants shall be placed intermittently against long expanses of building walls. An additional planter bed shall be placed on the southern part of the building.
 - Fencing and Screening: Fencing shall be placed along property lines abutting trail and easement corridors. For consistency with previous commercial development approvals, a Code amendment is proposed by staff to not require this of commercial development.
 - Clear sight: A code amendment is proposed by staff to broaden a previous code amendment for the clear sight triangle, which allows tree canopies in the clear sight triangle of privately maintained park strips and parking islands.
- 19.09, Off Street Parking: **Can comply.**
 - Each island on doubled parking rows shall include a minimum of two trees per planter. A tree is required next to the dumpster.
 - Nine parking stalls are required and eight are provided. One vacuum shall be removed to provide the required nine parking stalls.
- 19.11, Lighting: **Can comply.**
 - All freestanding light fixtures shall be black. The pole color shall be identified on the detail.
- 19.13, Process: **Complies.**
- 19.14, Site Plans: **Can comply.**
 - All mechanical equipment shall be screened.
 - The trash enclosure shall be a comparable material to the main building.
 - The City Council must deem the vacuums to be customarily and appropriately conducted in the open.
- 19.15, Conditional Use permits: **Complies.**
- 19.18, Signs: **Can comply.**
 - The address on the monument sign shall read 1347 N. Exchange Drive.
 - A Code amendment is proposed by staff to allow directional pedestal signage for these types of developments.

The proposed Code amendments above are scheduled for a public hearing at the same City Council meeting as this application. The conditions of approval require compliance with these sections, whether amended or not. E.g. if the amendments are not approved, Staff will ensure that the plans are modified to comply with the existing Code prior to building permit issuance.

H. Recommendation and Alternatives:

Staff recommends that the City Council discuss the application, and choose from the following options.

Recommended Motion- Approval

"I move to **approve** the Papa's Express carwash site plan and Conditional Use Permit, located on parcels 66:513:0001 and 58:032:0166 and as shown in the exhibits, with the Findings and Conditions in the Staff Report dated September 13, 2016:"

Findings

1. The application is consistent with the General Plan, as articulated in Section "F" of the staff report, which section is incorporated by reference herein.
2. With modifications as conditions of approval, the application complies with the criteria in section 19.04 of the Development Code, as articulated in Section "G" of the staff report, which section is incorporated by reference herein.
3. The application complies with the criteria in section 19.05 of the Development Code, as articulated in Section "G" of the staff report, which section is incorporated by reference herein.
4. With modifications as conditions of approval, the application complies with the criteria in section 19.06 of the Development Code, as articulated in Section "G" of the staff report, which section is incorporated by reference herein.
5. With modifications as conditions of approval, the application complies with the criteria in section 19.09 of the Development Code, as articulated in Section "G" of the staff report, which section is incorporated by reference herein.
6. With modifications as conditions of approval, the application complies with the criteria in section 19.11 of the Development Code, as articulated in Section "G" of the staff report, which section is incorporated by reference herein.
7. The application complies with the criteria in section 19.13 of the Development Code, as articulated in Section "G" of the staff report, which section is incorporated by reference herein.
8. With modifications as conditions of approval, the application complies with the criteria in section 19.14 of the Development Code, as articulated in Section "G" of the staff report, which section is incorporated by reference herein.
9. The application complies with the criteria in section 19.15 of the Development Code, as articulated in Section "G" of the staff report, which section is incorporated by reference herein.
10. With modifications as conditions of approval, the application complies with the criteria in section 19.18 of the Development Code, as articulated in Section "G" of the staff report, which section is incorporated by reference herein.

Conditions:

1. All conditions of the City Engineer shall be met, including but not limited to those in the Staff report in Exhibit 1.
2. All requirements of the Fire Chief shall be met.
3. The Papa’s Express carwash site plan and Conditional Use Permit is recommended as shown in the attachment to the Staff report in Exhibit 3.
4. The City Council shall deem the vacuums to be appropriately conducted outside.
5. An additional planter bed shall be placed on the southern end of the building to create a softening affect.
6. Tree canopies within the clear sight triangle shall be maintained at a height of 8’and comply with Section 19.06.11.
7. Fencing and screening shall comply with Section 19.06.09.
8. Each island on doubled parking rows shall include a minimum of two trees per planter. An additional tree shall be added to the double parking row island next to the dumpster.
9. The plat amendment shall be approved as proposed.
10. The plat amendment shall be recorded prior to building permit issuance.
11. The parking lot pole color shall be called out on plans and comply with Section 19.11.
12. Mechanical equipment shall be screened.
13. The parking shall comply with Section 19.09.
14. The trash enclosure shall match the building.
15. All signage shall comply with Section 19.18.
16. All other Code requirements shall be met.
17. Conditions or changes as recommended by the Planning Commission:
 - a. The monument sign base shall run the full horizontal length of the sign.
 - b. An ADA accessible path shall be provided.
18. Any other conditions or changes as articulated by the City Council:

_____.

Alternative 1 - Continuance

The City Council may also choose to continue the item. “I move to **continue** the Papa’s Express carwash site plan and Conditional Use Permit to another meeting on October 4, 2016 with direction to the applicant and Staff on information and / or changes needed to render a decision, as follows:

1. _____
2. _____

Alternative 2 – Negative Recommendation

The City Council may also choose to deny the Papa’s Express carwash site plan and conditional use permit. “I move to **deny** the Papa’s Express carwash site plan and conditional use permit with the Findings below:

1. The Papa’s Express carwash site plan and conditional use permit is not consistent with the General Plan, as articulated by the City Council:

_____, and/or,

2. The Papa's Express carwash site plan and conditional use permit is not consistent with Section [19.04, 19.05, 19.06, 19.09, 19.11, 19.13, 19.14, 19.15, 19.18] of the Code, as articulated by the City Council:
-

I. Attachments:

1. City Engineer's Report (page 8-9)
2. Location & Zone Map (page 10-11)
3. Site Plan (page 12)
4. Landscape Plan (page 13)
5. Elevations (page 14-16)
6. Signs (page 17-23)
7. Lighting Plans (page 24-25)
8. Planning Review Checklist (page 26-35)
9. Draft minutes (PC 9/8/2016) (page 36-40)

City Council Staff Report

Author: Gordon Miner, City Engineer
Subject: Papa's Car Wash
Date: September 12, 2016
Type of Item: Site Plan Approval



Description:

A. Topic: The Applicant has submitted a Site Plan application. Staff has reviewed the submittal and provides the following recommendations.

B. Background:

Applicant: Mark Phillip
Request: Site Plan Approval
Location: 1347 NW Commerce Dr. Lot 1 Plat A
Acreage: 1.39 Acres

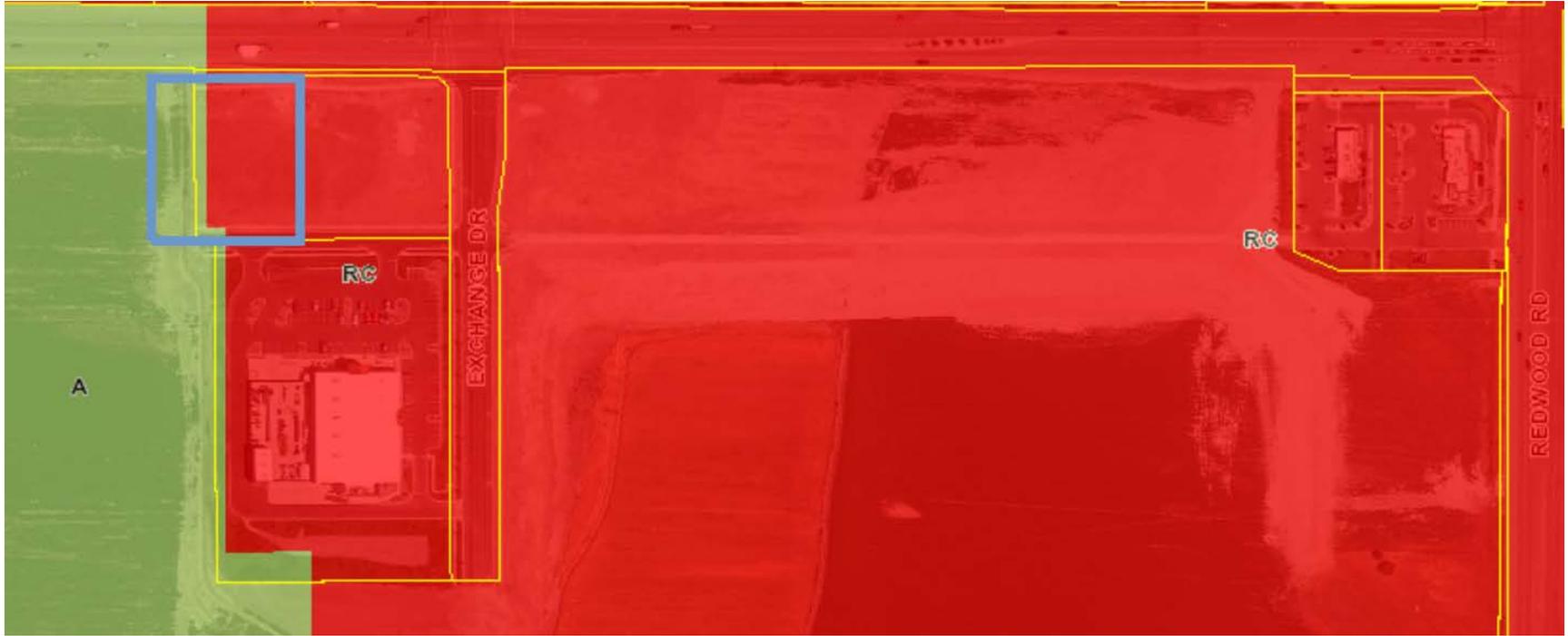
C. Recommendation: Staff recommends the approval of Site Plan subject to the following conditions:

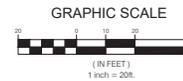
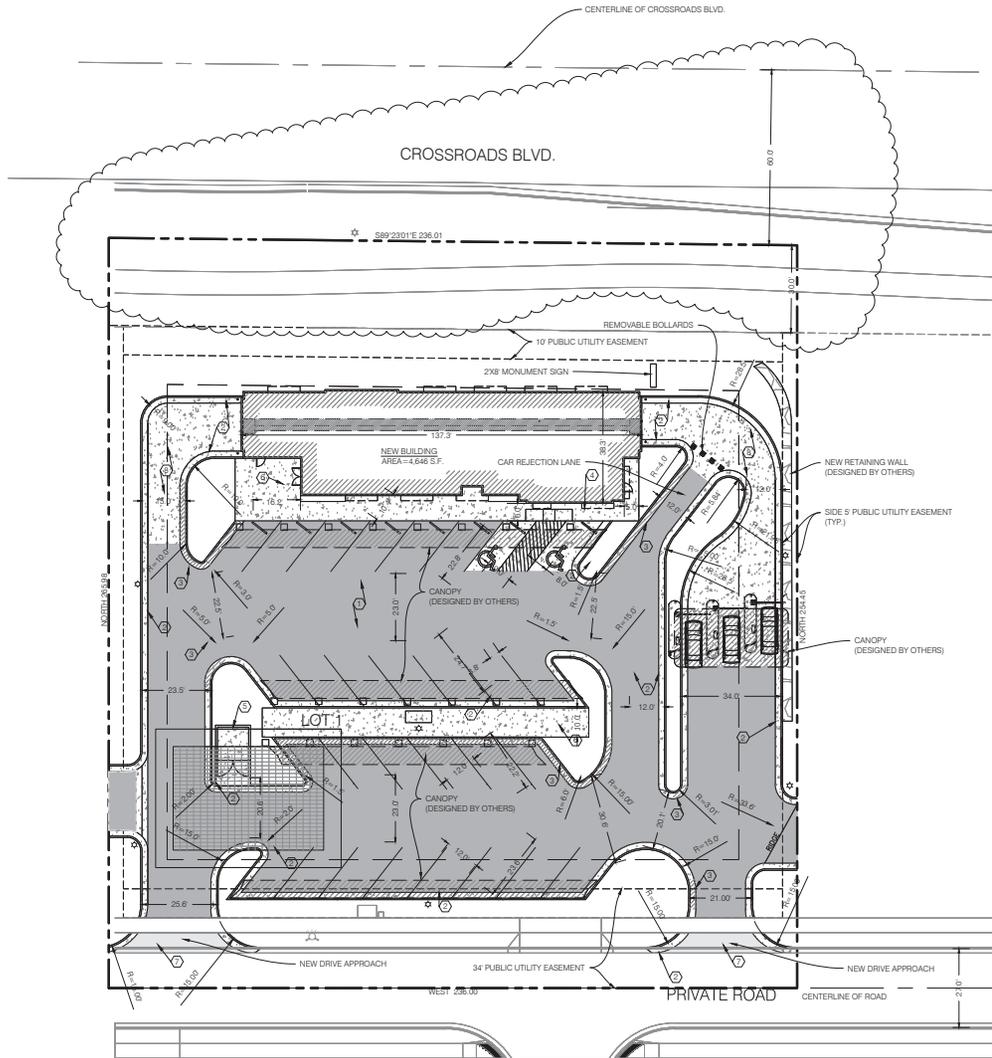
D. Conditions:

- A. Meet all engineering conditions and requirements in the construction of the project. Review and inspection fees must be paid and a bond posted as per the City's Development Code prior to any construction being performed on the project. Impact and water fees are due when pulling the building permit.
- B. All review comments and redlines provided by the City Engineer are to be complied with and implemented with the approved construction drawings.
- C. Developer must secure water rights as required by the City Engineer, City Attorney, and development code.
- D. Submit easements for all public utilities not located in the public right-of-way.
- E. Developer is required to ensure that there are no adverse effects to adjacent properties due to the grading practices employed during construction of these plats.
- F. Project must meet the City Ordinance for Storm Water release (0.2 cfs/acre for all developed property) and all UPDES and NPDES project construction requirements.

- G. Final plans shall include an Erosion Control Plan that complies with all City, UPDES and NPDES storm water pollution prevention requirements.
- H. All work to conform to the City of Saratoga Springs Standard Technical Specifications, most recent edition.
- I. Developer may be required by the Saratoga Springs Fire Chief to perform fire flow tests prior to final plat approval and prior to the commencement of the warranty period.
- J. Submittal of a Mylar and electronic version of the as-built drawings in AutoCAD format to the City Engineer is required prior acceptance of site improvements and the commencement of the warranty period.







CONSTRUCTION KEY NOTES REFERENCE

| NO. | DESCRIPTION | DETAIL |
|-----|---|----------|
| ① | ASPHALT PAVEMENT WITH GRANULAR BASE | 1/CDT.01 |
| ② | CONCRETE CURB AND GUTTER PER SARATOGA SPRINGS STDS. | 6/CDT.01 |
| ③ | 24" FALL-OUT CURB & GUTTER PER SARATOGA SPRINGS STDS. | 6/CDT.01 |
| ④ | ADA RAMP & SIGN DETAIL PER SARATOGA SPRINGS STDS. | |
| ⑤ | DUMPSITE ENCLOSURE (SEE ARCH. PLANS) | |
| ⑥ | SIDEWALK PER SARATOGA SPRINGS STDS. | |
| ⑦ | FLARE DRIVE APPROACH PER SARATOGA SPRINGS STDS. | 3/CDT.02 |
| ⑧ | CONCRETE PAVEMENT WITH GRANULAR BASE | 1/CDT.01 |

AREA TABLE

| PARTICULARS | S.F. | % |
|--------------------|--------|------|
| BUILDING | 4,648 | 7.7 |
| HARDSCAPE | 21,637 | 52.4 |
| LANDSCAPE | 21,189 | 35.1 |
| IMPERVIOUS AREA | 39,212 | 65.0 |
| ROAD | 2,879 | 4.8 |
| TOTAL* | 60,350 | 100 |
| BUILDABLE AREA | 31,695 | 52.5 |
| DEDICATION FOR ROW | 0 | 0.0 |
| SENSITIVE LANDS | 0 | 0.0 |

NOTE: AREA OF PRIVATE ROAD, PARKSTRIP AND SIDEWALK HAS BEEN SUBTRACTED FROM TOTAL AREA FOR HARDSCAPE AND LANDSCAPE IN THE DRAINAGE CALCULATIONS.

PARKING COUNT

| REGULAR SURFACE PARKING STALLS PROVIDED | ADA SURFACE PARKING STALLS PROVIDED | TOTAL SURFACE PARKING PROVIDED |
|---|-------------------------------------|--------------------------------|
| 27 | 2 | 29 |

NOTE:
SOME PARKING MAY BE USED FOR BOTH PARKING AND VACUUMING PURPOSES.

USAGE TABLE

| LOTS | DWELLINGS | BUILDINGS | DWELLINGS PER ACRE |
|------|-----------|-----------|--------------------|
| 1 | 0 | 1 | 0 |

LINETYPES:

| NEW | EXISTING | SECTION LINE |
|-----|----------|---------------------------|
| --- | --- | SECTION LINE |
| --- | --- | PROPERTY LINE |
| --- | --- | ADJACENT PL. or LOT LINES |
| --- | --- | RIGHT-OF-WAY LINE |
| --- | --- | CENTERLINE of ROAD |
| --- | --- | EASEMENT LINE |
| --- | --- | CURB & GUTTER |
| --- | --- | EDGE OF ASPHALT |
| --- | --- | PROPOSED ASPHALT |
| --- | --- | PROPOSED CONCRETE |



PRELIMINARY-NOT FOR CONSTRUCTION

| NO. | DATE | DESCRIPTION |
|-----|------------|--------------------|
| 1 | 04/26/2016 | ISSUED FOR PERMITS |
| 2 | 04/26/2016 | ISSUED FOR PERMITS |
| 3 | 04/26/2016 | ISSUED FOR PERMITS |
| 4 | 04/26/2016 | ISSUED FOR PERMITS |
| 5 | 04/26/2016 | ISSUED FOR PERMITS |
| 6 | 04/26/2016 | ISSUED FOR PERMITS |
| 7 | 04/26/2016 | ISSUED FOR PERMITS |
| 8 | 04/26/2016 | ISSUED FOR PERMITS |
| 9 | 04/26/2016 | ISSUED FOR PERMITS |
| 10 | 04/26/2016 | ISSUED FOR PERMITS |



BENCHMARK ENGINEERING & LAND SURVEYING
1129 SOUTH STATE STREET SUITE #100
SANDY, UTAH 84070 (801) 542-7102
www.benchmarkutah.com

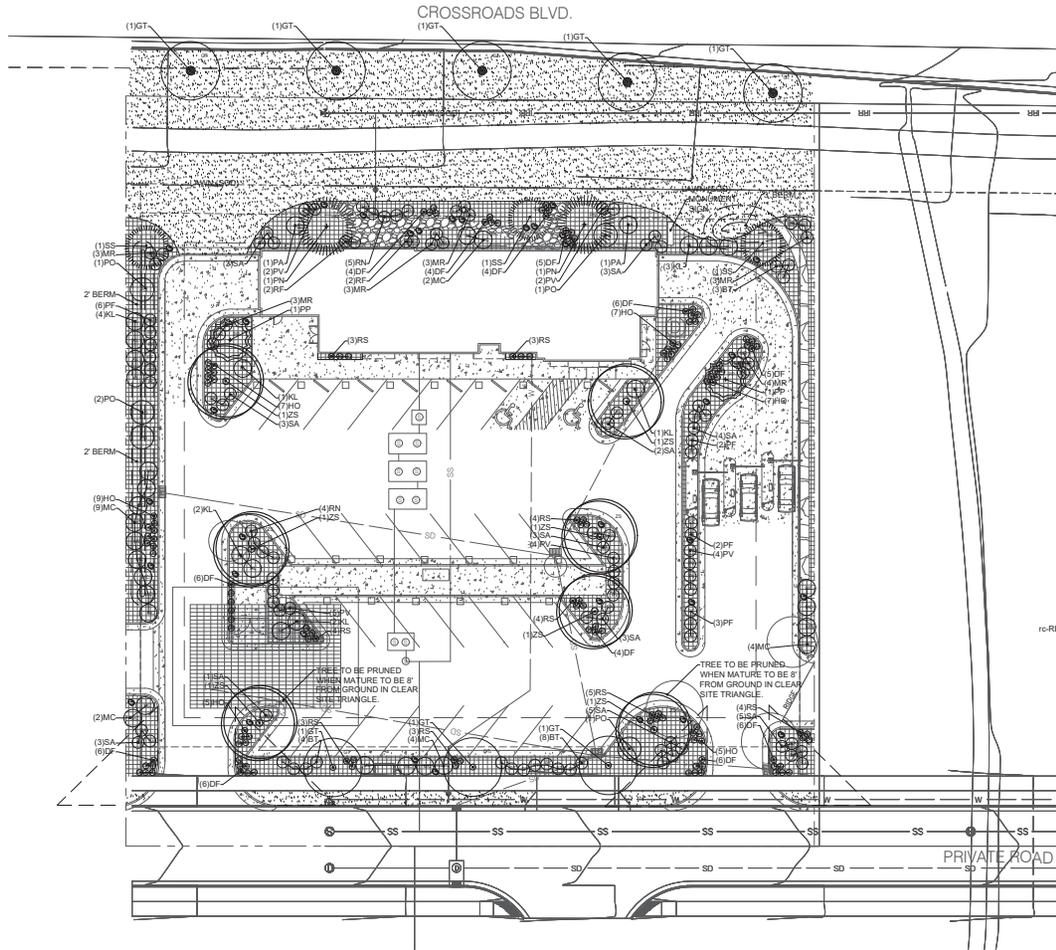


PAPA'S EXPRESS CAR WASH
1347 NW COMMERCE DRIVE
SARATOGA SPRINGS, UTAH

PROJECT NO: 1603044

SITE PLAN

CSP.01
3 OF 11



| TREE LEGEND | | | | | |
|-------------|------------------------------------|----------------------|------|---------|-------------------|
| SYMBOL | BOTANICAL NAME | COMMON NAME | QTY. | SIZE | DROUGHT TOLERANCE |
| ZS | ZELKOVA SERRATA | JAPANESE ZELKOVA | 7 | 2" CAL. | HIGH |
| GT | GLEDITSIA TRIACANTHOS RESINACEA | SKYLINE HONEYLOCUST | 8 | 2" CAL. | HIGH |
| PP | PICEA PUNGENS 'GLAUCA' | COLORADO BLUE SPRUCE | 2 | 6-7" | HIGH |
| PN | PINUS NIGRA | AUSTRIAN PINE | 2 | 6-7" | HIGH |
| SS | PICEA OMORIKA | SERBIAN SPRUCE | 3 | 2" CAL. | HIGH |

| SHRUB LEGEND | | | | | |
|--------------|-------------------------------------|--------------------------------------|------|--------|-------------------|
| SYMBOL | BOTANICAL NAME | COMMON NAME | QTY. | SIZE | DROUGHT TOLERANCE |
| PA | PICEA ABIES 'NIDIFORMIS' | NIDIFORMIS NEST SPRUCE | 2 | 5 GAL. | MODERATE |
| RN | ROSA X 'NEARLY WILD' | 'NEARLY WILD' ROSE | 9 | 5 GAL. | HIGH |
| SA | SPIRAEA X BUNBOLDIA 'GOLDFINGER' | GOLDFINGER SPIREA | 34 | 1 GAL. | HIGH |
| PF | POTENTILLA FRUTICOSA 'GOLDFINGER' | GOLDFINGER POTENTILLA | 13 | 1 GAL. | HIGH |
| KL | KALMIA LATIFOLIA 'FRECKLES' | FRECKLES MOUNTAIN LAUREL | 13 | 5 GAL. | MODERATE |
| RF | RHAMNUS FRANGULA 'ROY WILLIAMS' | FINE LINE BUCKTHORN | 4 | 5 GAL. | MODERATE |
| BT | BERBERIS THUNBERGII 'CRIMSON PYGMY' | CRIMSON PYGMY DWARF JAPANESE BARBERY | 15 | 1 GAL. | HIGH |
| MR | MAHONIA REPENS | CREEPPING MAHONIA | 19 | 1 GAL. | HIGH |
| PO | PHYSCOCARPUS OPIULUS | SUMMER WINE NINE BARK | 5 | 5 GAL. | MODERATE |

| PERENNIAL LEGEND | | | | | |
|------------------|---|-----------------------|------|--------|-------------------|
| SYMBOL | BOTANICAL NAME | COMMON NAME | QTY. | SIZE | DROUGHT TOLERANCE |
| HO | HEMEROCALLIS SP. 'STELLA DE ORO' | STELLA DE ORO DAYLILY | 40 | 1 GAL. | HIGH |
| RS | RUDEBECKIA FULGIDATA SULLIVANTII 'GOLDFINGER' | BLACK EYED SUSAN | 33 | 1 GAL. | HIGH |

| ORNAMENTAL GRASS LEGEND | | | | | |
|-------------------------|---------------------------------|----------------------------|------|--------|-------------------|
| SYMBOL | BOTANICAL NAME | COMMON NAME | QTY. | SIZE | DROUGHT TOLERANCE |
| DF | RENNISSETUM APOLUCOIDES 'RAMEL' | HAMEL DWARF FOUNTAIN GRASS | 62 | 1 GAL. | HIGH |
| PV | PANICUM VIRGATUM 'SHENANDOAH' | SHENANDOAH SWITCH GRASS | 17 | 1 GAL. | MODERATE |
| MC | MISCANTHUS SINENSIS 'YAKUJIMA' | DWARF MAIDEN GRASS | 21 | 1 GAL. | HIGH |

| SITE MATERIALS | | | |
|----------------|--------------------------------|--------------------------------------|--------------------------------------|
| SYMBOL | SITE MATERIAL | QUANTITY | SPECIAL NOTES |
| SD | TURF GRASS (SOD) | 11,701 SQ. FT. | DROUGHT TOLERANT VARIETY |
| CO | 1 1/2" OOURRH COBBLE | 8,950 SQ.FT. 100CY | LOCATED IN ALL PLANTER BED AREAS |
| CO | DWIM 5 OZ. WEED BARRIER FABRIC | TO BE INSTALLED IN ALL PLANTER AREAS | |
| CO | 2 1/2" ROYAL COBBLE | 62.5 SQ.FT. | LOCATED IN ALL PLANTER BED AREAS |
| CO | DWIM 5 OZ. WEED BARRIER FABRIC | TO BE INSTALLED IN ALL PLANTER AREAS | |
| BO | 2-4" SANDSTONE BOULDERS | 14 | |
| CO | CHOCOLATE BROWN BARK | 62.5 SQ.FT. 0.8CY | LOCATED UNDER ALL TREES IN LAWN AREA |
| CO | DWIM 5 OZ. WEED BARRIER FABRIC | TO BE INSTALLED IN ALL PLANTER AREAS | |

- ### LANDSCAPE NOTES
- LANDSCAPE CONTRACTOR IS RESPONSIBLE FOR VERIFYING QUANTITIES OF ALL MATERIALS FOR BIDDING AND INSTALLATION PURPOSES. IF DISCREPANCIES EXIST, THE PLAN SHALL DICTATE QUANTITIES TO BE USED.
 - PLANT MATERIAL TO BE INSTALLED PER PLANT LEGEND. IF SUBSTITUTIONS ARE WANTED, PROPOSED LANDSCAPE CHANGES MUST BE SUBMITTED TO THE LANDSCAPE ARCHITECT FOR APPROVAL PRIOR TO PLANTING.
 - NEW LAWN AREAS TO BE SOODED WITH DROUGHT TOLERANT VARIETY, FINE LEVEL ALL AREAS PRIOR TO LAYING SO.
 - SANDY LOAM TOPSOIL TO BE IMPLEMENTED AT THE FOLLOWING DEPTHS: 6" TOPSOIL (WITH 2" HUMUS MIXED INTO TOPSOIL PRIOR TO SPREADING) IN ALL NEW PLANTER AREAS AND 4" IN ALL NEW LAWN AREAS. PLANTER BEDS TO BE EXCAVATED AS NECESSARY IN ORDER TO ACCOMMODATE NEW TOPSOIL AND/OR PLANTER BED MULCH TO REACH FINISHED GRADE.
 - 4"x6" EXTRUDED CONCRETE MOW CURB TO BE INSTALLED UNDER ALL LAWN AND PLANTER AREAS PER PLAN. ALL TREES MUST HAVE A 3" CONCRETE TREE RING AROUND THE TRUNK TO KEEP ROCK MULCH AWAY FROM THE TRUNK. PLACE BARK MULCH IN 3" RINGS AT A DEPTH OF 3".
 - DWIM 5 OZ. WEED BARRIER FABRIC TO BE INSTALLED IN ALL PLANTER AREAS EXCEPT UNDER ANNUAL PLANTING AREAS AS SHOWN ON PLAN.
 - ROCK MULCH TO BE IMPLEMENTED AT THE FOLLOWING DEPTHS: 4" IN ALL TREE, SHRUB, AND PERENNIAL PLANTER AREAS; ANNUAL PLANTING AREAS AS SHOWN ON PLAN TO RECEIVE 4" OF SOIL AND MATERIAL. PULL BARK MULCH MIN. 3" AWAY FROM BASE OF ALL PERENNIALS AND SHRUBS AND MIN. 3" AWAY FROM ALL TREES TRUNKS. SEE NOTE 5.
 - CONTRACTOR TO PROVIDE NEW AUTOMATIC UNDERGROUND IRRIGATION SYSTEM TO BE INSTALLED IN ALL LANDSCAPE AREAS. ALL LAWN AREA TO RECEIVE 100% HEAD TO HEAD COVERAGE WITH SPRAY AND ROTARY SPRINKLER HEADS. ALL PLANTER AREAS NEED TO RECEIVE A FULL DRIP SYSTEM TO EACH TREE AND SHRUB ON PROJECT. SEE IRRIGATION PLAN.

| SITE REQUIREMENT CALCULATIONS | | |
|--|-------|-----------|
| | REQD. | PROVIDED. |
| STREET TREES: CROSSROADS BLVD. (1 TREE PER 50 FT): 235 LINEAR FT. | 5 | 5 |
| TOTAL LANDSCAPED AREA: 21,189 SQ FT | | |
| DECIDUOUS TREES (1 PER 15,000 SQ.FT. + 1 ADDITIONAL FOR EACH 3,000 SQ.FT.) | 9 | 9 |
| EVERGREEN TREES (5 PER 15,000 SQ.FT. + 1 ADDITIONAL FOR EACH 3,000 SQ.FT.) | 7 | 7 |
| SHRUBS (25 PER 15,000 SQ.FT. + 1 ADDITIONAL FOR EACH 3,000 SQ.FT.) | 27 | 287 |
| MINIMUM TURF | 25% | 40% |
| MAXIMUM AMOUNT OF SHRUB BEDS | 75% | 60% |

| ISSUE DATE 08-11-2016 | PROJECT NUMBER UT16034 | PLAN INFORMATION 811 BLUE STAKES OF UTAH UTILITY NOTIFICATION CENTER, INC. 1-800-662-4111 www.bluestakes.org | | | | | | | | | | | | | | | | | | | | | | | | |
|---|---------------------------|--|----------|------|---|------|----------|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|---|--|--|--|
| <table border="1"> <thead> <tr> <th>NO.</th> <th>REVISION</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>XXXX</td> <td>XX-XX-XX</td> </tr> <tr> <td>2</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td></td> <td></td> </tr> <tr> <td>4</td> <td></td> <td></td> </tr> <tr> <td>5</td> <td></td> <td></td> </tr> <tr> <td>6</td> <td></td> <td></td> </tr> <tr> <td>7</td> <td></td> <td></td> </tr> </tbody> </table> | | NO. | REVISION | DATE | 1 | XXXX | XX-XX-XX | 2 | | | 3 | | | 4 | | | 5 | | | 6 | | | 7 | | | |
| NO. | REVISION | DATE | | | | | | | | | | | | | | | | | | | | | | | | |
| 1 | XXXX | XX-XX-XX | | | | | | | | | | | | | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | | | | | | | | | | | | | | | |

PAPA'S EXPRESS CAR WASH

1347 NW COMMERCE DRIVE
SARATOGA SPRINGS, UT

DEVELOPER / PROPERTY OWNER / CLIENT
Developer / Property Owner

MARK PHILIPP
MARK@PAPASWASH.COM

Client / Engineer
 BENCHMARK CIVIL

BENCHMARK ENGINEERING & LAND SURVEYING
9130 SOUTH STATE STREET SUITE #100
SANDY, UTAH 84070 (801) 542-7192
WWW.BENCHMARKCIVIL.COM

LANDSCAPE ARCHITECT / PLANNER
PKJ DESIGN GROUP L.L.C.

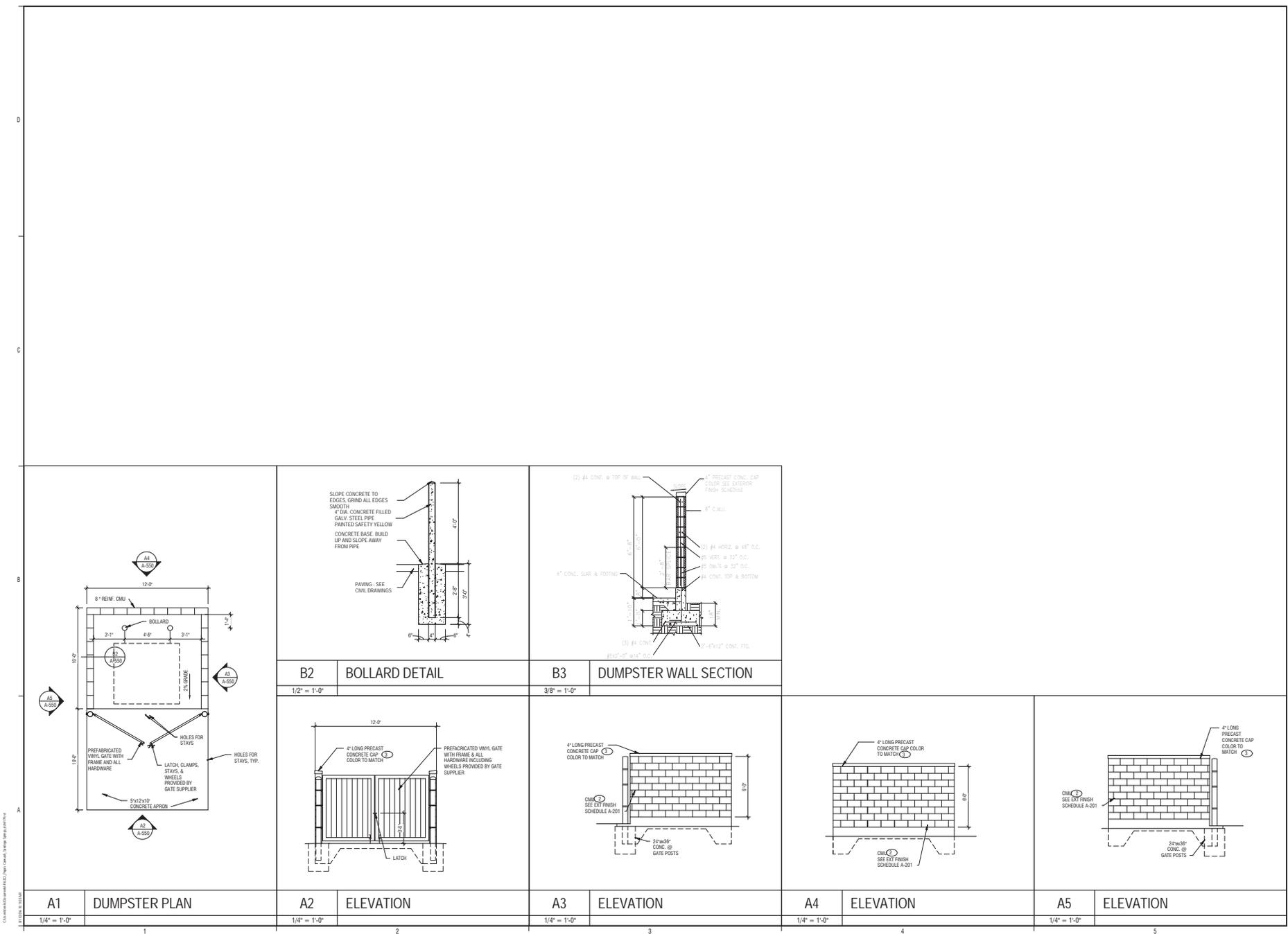
3450 N. TRIUMPH BLVD. SUITE 102
LEHI, UTAH 84043 (801) 960-2698
www.pkjdesigngroup.com

LICENSE STAMP
Professional Seal for Landscape Architect
Name: JTA
Seal No: KBA
Checked: TM
Plot Date: 8/11/2016

LANDSCAPE PLAN
PRELIMINARY PLANS NOT FOR CONSTRUCTION
LP-1.0

PAPA'S CAR WASH

MARK PHILLIP



| NO. | DATE | DESCRIPTION |
|-----|------|-------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

PROJECT #: 416223
 DRAWN BY: Author
 CHECKED BY: Checker
 ISSUED: 07.06.2015

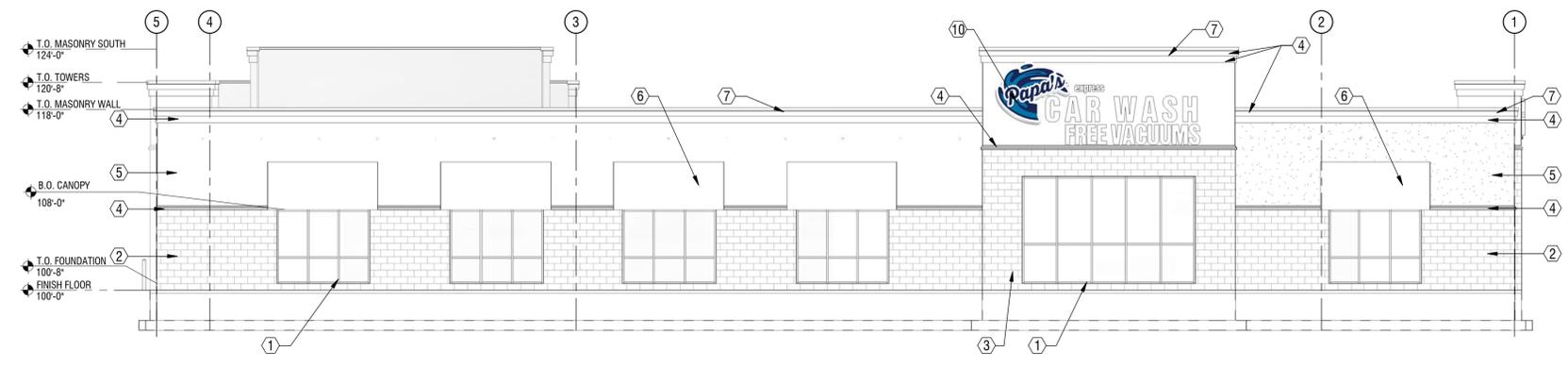
DETAILS
 A-550
© COPYRIGHT 2009 WEST ARCHITECTS P.C.

| MARK | DATE | DESCRIPTION |
|------|------|-------------|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

PROJECT #: 416223
 DRAWN BY: PALMER
 CHECKED BY: GOLIGHTLY
 ISSUED: 07.06.2015

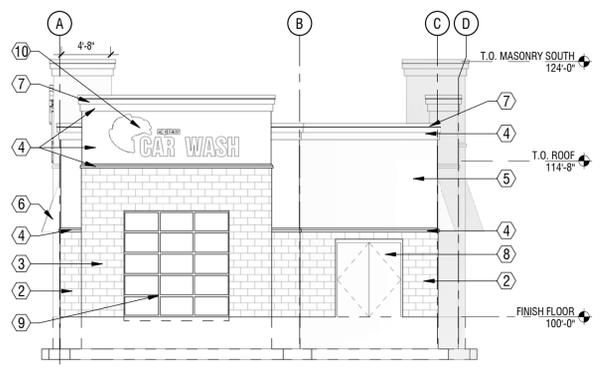
| BUILDING ELEVATION KEYNOTE | | | |
|----------------------------|---|--|--|
| 1 | STOREFRONT - DARK BRONZE ANODIZED ALUMINUM | | |
| 2 | CONCRETE MASONRY UNIT - AMCOR CHESTER | | |
| 3 | CONCRETE MASONRY UNIT - AMCOR HONEY | | |
| 4 | EIFS - SANDALWOOD BEIGE | | |
| 5 | EIFS - SUEDE | | |
| 6 | CANOPY - OLYMPIC BLUE | | |
| 7 | PRE-FINISHED MTL. CAP - MCCI BR. STONE | | |
| 8 | PAINT DOOR, COLOR TO MATCH (2) | | |
| 9 | SECTIONAL DOOR, DARK BRONZE ANODIZED ALUMINUM | | |
| 10 | SIGNS (BY OTHERS) | | |
| 11 | CONCRETE BOLLARD, PAINTED | | |

| PERCENTAGE BREAKDOWN OF MATERIALS | | | |
|-----------------------------------|--------------------------------|---------|--------|
| ELEVATION | MATERIAL | SF | RATIO% |
| NORTH | ALL VISIBLE | 2551.25 | 100% |
| | SPLIT FACE CMU - AMCOR CHESTER | 885.5 | 35% |
| | SPLIT FACE CMU - AMCOR HONEY | 354.75 | 14% |
| | EIFS ACCENT - SANDALWOOD BEIGE | 393.25 | 15% |
| | EIFS ACCENT - SUEDE | 917.75 | 36% |
| WEST | ALL VISIBLE | 697 | 100% |
| | SPLIT FACE CMU - AMCOR CHESTER | 141.5 | 20% |
| | SPLIT FACE CMU - AMCOR HONEY | 252 | 36% |
| | EIFS ACCENT - SANDALWOOD BEIGE | 157.25 | 23% |
| | EIFS ACCENT - SUEDE | 146.25 | 21% |
| SOUTH | ALL VISIBLE | 2424.75 | 100% |
| | SPLIT FACE CMU - AMCOR CHESTER | 889 | 34% |
| | SPLIT FACE CMU - AMCOR HONEY | 480 | 18% |
| | EIFS ACCENT - SANDALWOOD BEIGE | 420.5 | 16% |
| | EIFS ACCENT - SUEDE | 635.25 | 32% |
| EAST | ALL VISIBLE | 774.75 | 100% |
| | SPLIT FACE CMU - AMCOR CHESTER | 247.5 | 32% |
| | SPLIT FACE CMU - AMCOR HONEY | 252 | 33% |
| | EIFS ACCENT - SANDALWOOD BEIGE | 158.25 | 20% |
| | EIFS ACCENT - SUEDE | 117 | 15% |



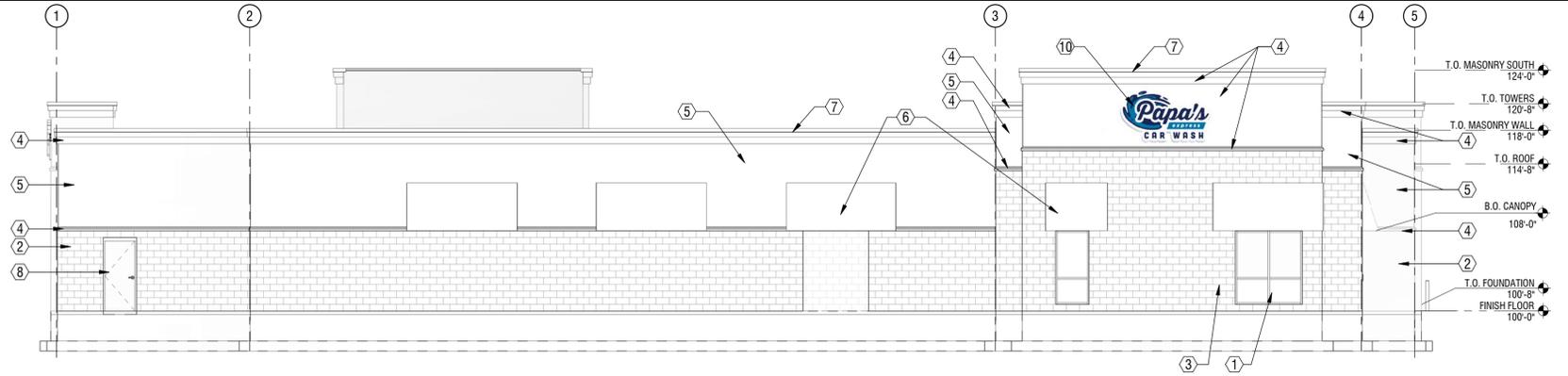
D1 NORTH ELEVATION

1/8" = 1'-0"



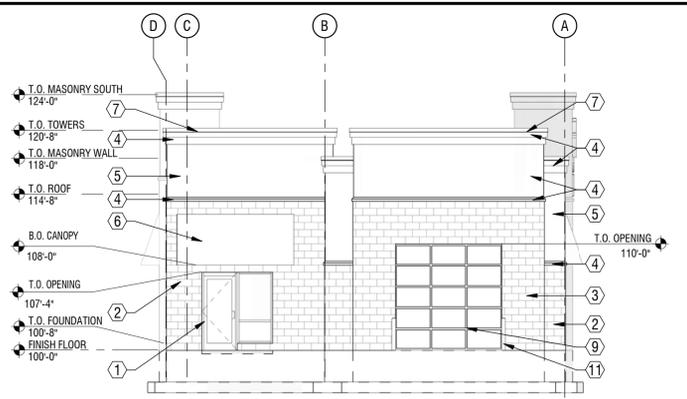
C1 WEST ELEVATION

1/8" = 1'-0"



B1 SOUTH ELEVATION

1/8" = 1'-0"

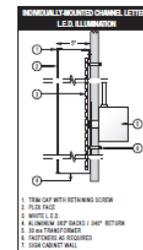
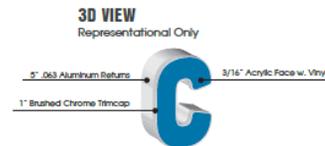


A1 EAST ELEVATION

1/8" = 1'-0"

FRONT ILLUMINATED CHANNEL LETTERS

Qty 1 Set Front Illuminated Channel Letters
 Faces: 3/16" Acrylite White Acrylic Faces
 Vinyls: Gerber High Performance Translucent Dark Blue & Olympic Blue Vinyl
 Trimcap: 1" Jewelite Brushed Chrome Trimcap
 Returns: .040 Aluminum Returns in Alliance Metals Bright Brush Clear Anodized
 Lighting: White LED Illumination
 *Survey of Finished Building Required for Sizing Verification



1 FRONT ILLUMINATED CHANNEL LETTERS
 Scale: 1/2" = 1'-0" (11"x 17" Page Size)

FILE PATH: JOBSD / PAPA'S EXPRESS CAR WASH / DESIGN / PECW SS E 004-16

IG GROUP SIGN & CONSTRUCTION IS A CONTRACTOR WITH THE STATE OF UTAH • CONTRACTOR LICENSE 7922686-5501 B100 AND S440 • WORKS COMPENSATION #2619676 • \$2,000,000 LIABILITY INSURANCE • DRAWING IS REPRESENTATIONAL ONLY; SCALE, SIZING AND COLOR MAY VARY, REFER TO PROPOSAL FOR EXACT SPECS.

IG
 880 N. 100 E.
 Lehi, UT 84043
 801.766.0207
 fax: 801.407.1622
IG Sign & Construction

INSTALL ADDRESS:
 Papa's Express Car Wash
 1347 W. Commerce Dr.
 Saratoga Springs, UT 84045
 Martz Philipp 801.492.6239
 martz@papaswash.com

DESIGN #:
 PECW SS E 004-16
DATE: 08/08/16
DESIGNER: JOCELYN
SALES PERSON:
 Zane Latimer 801.755.2953

Customer Approval:

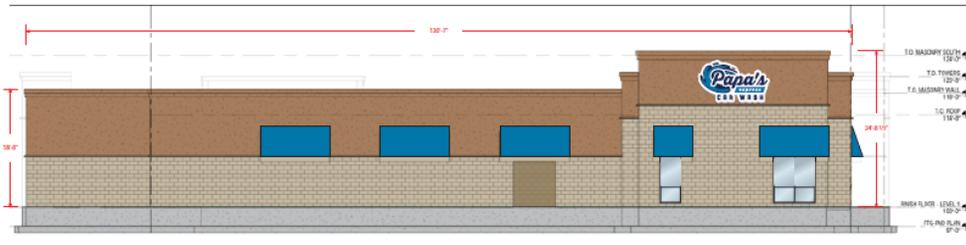
 X
SALESPERSON SIGNATURE **DATE**
 REQUIRED FOR PRODUCTION

© THIS DRAWING WAS CREATED TO ASSIST YOU IN VISUALIZING OUR PROPOSAL AND CANNOT BE COPIED OR REVISED IN ANY FORM. THE ORIGINAL IDEAS HEREIN ARE THE EXCLUSIVE PROPERTY OF IG GROUP.



FRONT ILLUMINATED CHANNEL SHAPE

Qty 1 Front Illuminated Channel Shape
 Faces: 3/16" Acrylite White Acrylic Face
 Vinyls: Gerber High Performance Translucent Dark Blue & Olympic Blue Vinyl
 Trimcap: 1" Jewellite Brushed Chrome Trimcap
 Returns: .040 Aluminum Returns in Alliance Metals Bright Brush Clear Anodized
 Lighting: White LED Illumination
 *Survey of Finished Building Required for Sizing Verification



SOUTH ELEVATION

Scale: 1/16" = 1'-0"

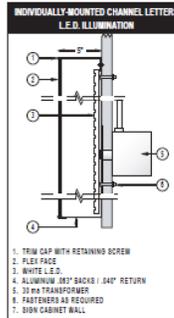
3D VIEW

Representational Only



FRONT ILLUMINATED CHANNEL SHAPE

Scale: 1/2" = 1'-0" (11"x 17" Page Size)



1. TRIM CAP WITH RETAINING SCREW
2. PLEXI FACE
3. WHITE L.E.D.
4. ALUMINUM .063" BACKS / .040" RETURN
5. 33 ma TRANSFORMER
6. PARTS/TOOLS AS REQUIRED
7. SIGN CABINET WALL



NIGHT VIEW
Representational Only

FILE PATH: JOBSD / PAPA'S EXPRESS CAR WASH / DESIGN / PECW SS E 004-16

IG GROUP SIGN & CONSTRUCTION IS A CONTRACTOR WITH THE STATE OF UTAH • CONTRACTOR LICENSE 7922686-5501 B100 AND 5440 • WORKS COMPENSATION #2618676 • \$2,000,000 LIABILITY INSURANCE • DRAWING IS REPRESENTATIONAL ONLY; SCALE, SIZING AND COLOR MAY VARY, REFER TO PROPOSAL FOR EXACT SPECS.

880 N. 100 E.
 Lehi, UT 84043
 801.766.0207
 fax: 801.407.1622
IG Sign & Construction

INSTALL ADDRESS:

Papa's Express Car Wash
 1347 W. Commerce Dr.
 Saratoga Springs, UT 84045
 Martz Philipp 801.492.6239
 martz@papaswash.com

DESIGN #:

PECW SS E 004-16

DATE:

08/08/16

DESIGNER:

JOCELYN

SALES PERSON:

Zane Latimer 801.755.2953

Customer Approval:

X

SALESPERSON SIGNATURE DATE
 REQUIRED FOR PRODUCTION

© THIS DRAWING WAS CREATED TO ASSIST YOU IN VISUALIZING OUR PROPOSAL AND CANNOT BE COPIED OR REVISED IN ANY FORM. THE ORIGINAL IDEAS HEREIN ARE THE EXCLUSIVE PROPERTY OF IG GROUP.

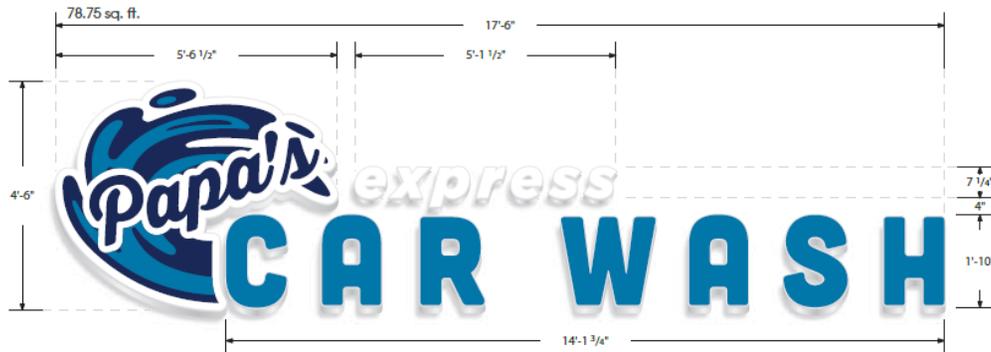
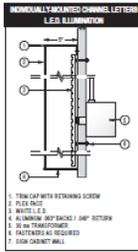
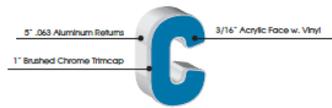


FRONT ILLUMINATED CHANNEL LETTERS

Qty 1 Set Front Illuminated Channel Letters
 Faces: 3/16" Acrylite White Acrylic Faces
 Vinyls: Gerber High Performance Translucent Dark Blue & Olympic Blue Vinyl
 Trimcap: 1" Jewelite Brushed Chrome Trimcap
 Returns: .040 Aluminum Returns in Alliance Metals Bright Brush Clear Anodized
 Lighting: White LED Illumination
 *Survey of Finished Building Required for Sizing Verification



3D VIEW
 Representational Only



3 FRONT ILLUMINATED CHANNEL LETTERS
 Scale: 1/2" = 1'-0" (11"x 17" Page Size)

FILE PATH: JOBSD / PAPA'S EXPRESS CAR WASH / DESIGN / PECW SS E 004-16

IG GROUP SIGN & CONSTRUCTION IS A CONTRACTOR WITH THE STATE OF UTAH • CONTRACTOR LICENSE 7922686-5501 B100 AND 6440 • WORKS COMPENSATION #2618676 • \$2,000,000 LIABILITY INSURANCE • DRAWING IS REPRESENTATIONAL ONLY; SCALE, SIZING AND COLOR MAY VARY, REFER TO PROPOSAL FOR EXACT SPECS.

880 N. 100 E.
 Lehi, UT 84043
 801.766.0207
 fax: 801.407.1622
IG Sign & Construction

INSTALL ADDRESS:
 Papa's Express Car Wash
 1347 W. Commerce Dr.
 Saratoga Springs, UT 84045
 Martz Philipp 801.492.6239
 martz@papaswash.com

DESIGN #:
 PECW SS E 004-16
DATE: 08/08/16
DESIGNER: JOCELYN
SALES PERSON:
 Zane Latimer 801.755.2953

Customer Approval:

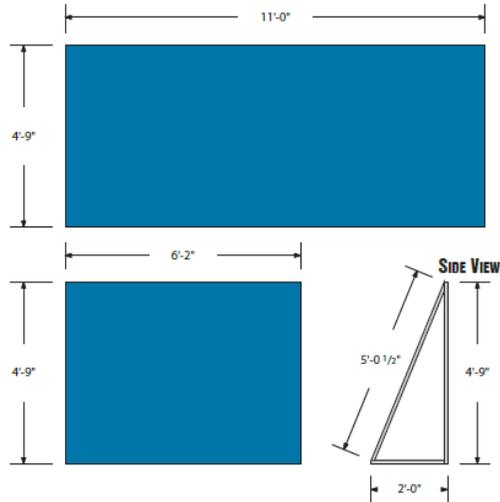
 X _____
 SALESPERSON SIGNATURE DATE
 REQUIRED FOR PRODUCTION

© THIS DRAWING WAS CREATED TO ASSIST YOU IN VISUALIZING OUR PROPOSAL AND CANNOT BE COPIED OR REVISED IN ANY FORM. THE ORIGINAL IDEAS HEREIN ARE THE EXCLUSIVE PROPERTY OF IG GROUP.



NON ILLUMINATED ALUMINUM AWNINGS

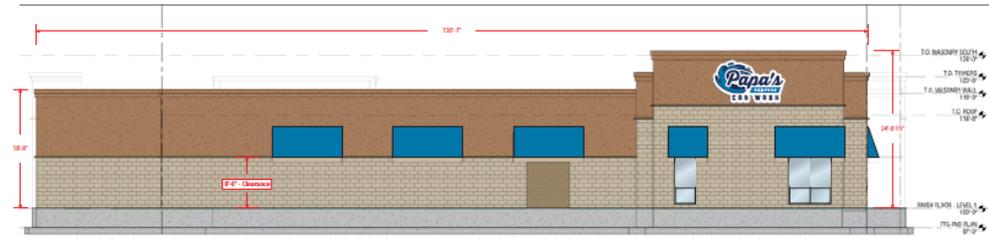
IG Sign to Fabricate & Install New Aluminum Awnings as Shown
 Qty 11 Non Illuminated Aluminum Awnings
 1x1 Square Tube Framing w. Aluminum Skin
 .063 Aluminum Skin Painted Napa Auto Paint 42107
 Installed on Building Over Windows as Shown
****Awnings to be Installed w. an 8'-0" Clearance to Ground****
 *Exact Fabrication Details to be Determined
 *Survey of Finished Building Required for Sizing Verification



4

NON ILLUMINATED ALUMINUM AWNINGS

Scale: 3/8" = 1'-0" (11" x 17" Page Size)



SOUTH ELEVATION

Scale: 1/16" = 1'-0"



EAST ELEVATION

Scale: 1/16" = 1'-0"



NORTH ELEVATION

Scale: 1/16" = 1'-0"

FILE PATH: JOBSD / PAPA'S EXPRESS CAR WASH / DESIGN / PECW SS E 004-16

IG GROUP SIGN & CONSTRUCTION IS A CONTRACTOR WITH THE STATE OF UTAH • CONTRACTOR LICENSE 7922686-5501 B100 AND S440 • WORKS COMPENSATION #2618676 • \$2,000,000 LIABILITY INSURANCE • DRAWING IS REPRESENTATIONAL ONLY. SCALE, SIZING AND COLOR MAY VARY, REFER TO PROPOSAL FOR EXACT SPECS.

880 N. 100 E.
 Lehi, UT 84043
 801.766.0207
 fax: 801.407.1622
IG Sign & Construction

INSTALL ADDRESS:
 Papa's Express Car Wash
 1347 W. Commerce Dr.
 Saratoga Springs, UT 84045
 Martz Philipp 801.492.6239
 martz@papaswash.com

DESIGN #:
 PECW SS E 004-16
DATE: 08/08/16
DESIGNER: JOCELYN
SALES PERSON:
 Zane Latimer 801.755.2953

Customer Approval:

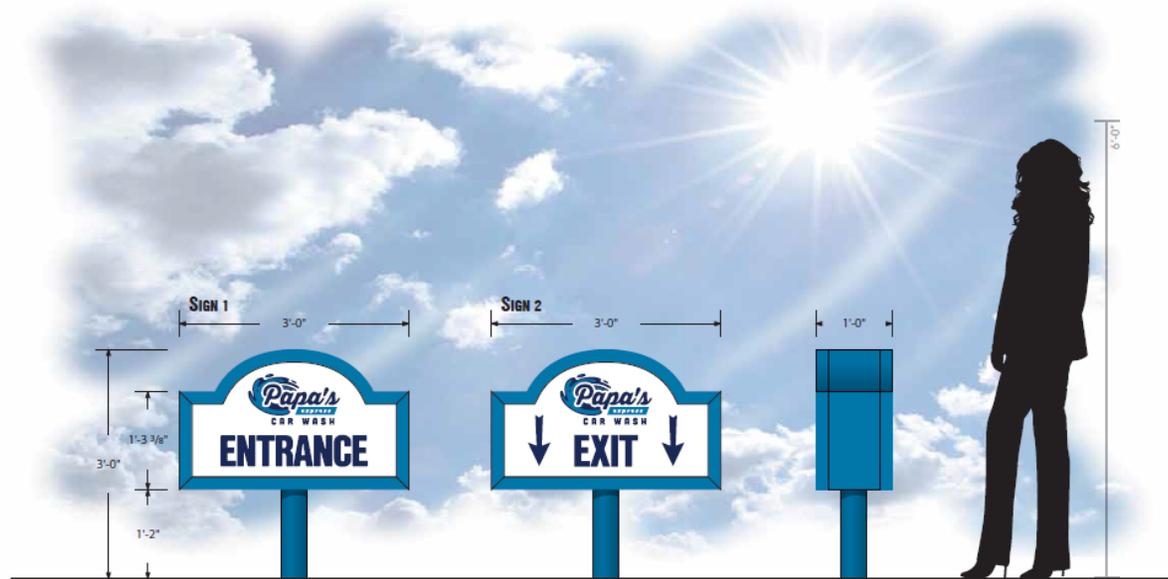
 X
 SALESPERSON SIGNATURE
 REQUIRED FOR PRODUCTION

© THIS DRAWING WAS CREATED TO ASSIST YOU IN VISUALIZING OUR PROPOSAL AND CANNOT BE COPIED OR REVISED IN ANY FORM. THE ORIGINAL IDEAS HEREIN ARE THE EXCLUSIVE PROPERTY OF IG GROUP.



INTERNALLY ILLUMINATED D/S DIRECTIONAL SIGNS

Qty 2 (one of each) Internally Illuminated Double Sided Directional Signs
 Faces: 3/16" Acrylite White Acrylic Faces
 Vynils: Gerber High Performance Translucent Dark Blue & Olympic Blue Vinyl
 Retainers: 2" .063 Aluminum Retainers Painted Napa Auto Paint 42107
 Returns: .040 Aluminum Returns Painted Napa Auto Paint 42107
 Lighting: White LED Illumination
 Poles Painted Napa Auto Paint 42107



INTERNALLY ILLUMINATED D/S DIRECTIONAL SIGNS

Scale: 3/4" = 1'-0" (11"x 17" Page Size)

FILE PATH: JOBS0 / PAPA'S EXPRESS CAR WASH / DESIGN / PECW SS E 004-16

IG GROUP SIGN & CONSTRUCTION IS A CONTRACTOR WITH THE STATE OF UTAH • CONTRACTOR LICENSE 7922686-5501 B100 AND S440 • WORKS COMPENSATION #2618676 • \$2,000,000 LIABILITY INSURANCE • DRAWING IS REPRESENTATIONAL ONLY; SCALE, SIZING AND COLOR MAY VARY, REFER TO PROPOSAL FOR EXACT SPECS.

880 N. 100 E.
 Lehi, UT 84043
 801.766.0207
 fax: 801.407.1622
IG Sign & Construction

INSTALL ADDRESS:
 Papa's Express Car Wash
 1347 W. Commerce Dr.
 Saratoga Springs, UT 84045
 Martz Philipp 801.492.6239
 martz@papaswash.com

DESIGN #:
 PECW SS E 004-16
DATE: 08/08/16 **DESIGNER:** JOCELYN
SALES PERSON:
 Zane Latimer 801.755.2953

Customer Approval:

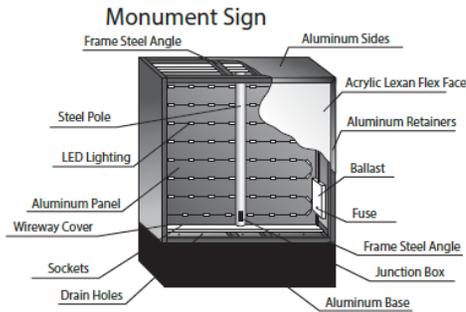
 X **SALESPERSON SIGNATURE** **DATE**
 REQUIRED FOR PRODUCTION

© THIS DRAWING WAS CREATED TO ASSIST YOU IN VISUALIZING OUR PROPOSAL AND CANNOT BE COPIED OR REVISED IN ANY FORM. THE ORIGINAL IDEAS HEREIN ARE THE EXCLUSIVE PROPERTY OF IG GROUP.



INTERNALLY ILLUMINATED D/S MONUMENT SIGN

Qty 1 Internally Illuminated Double Sided Monument Sign
 Faces: 3/16" Acrylite White Acrylic Faces
 Vinyls: Gerber High Performance Translucent Dark Blue & Olympic Blue Vinyl
 Retainers: 2" .063 Aluminum Retainers Painted Napa Auto Paint 42107
 Returns: .040 Aluminum Returns Painted Napa Auto Paint 42107
 Lighting: White LED Illumination
 .090 Routed Aluminum Letters Painted Black for Address
 - Mounted to Base on 1/2" Standoffs
 Cinderblock Base to Match Building *Exact to be Determined



6

INTERNALLY ILLUMINATED D/S MONUMENT SIGN

Scale: 1/2" = 1'-0" (11"x 17" Page Size)

FILE PATH: JOBSD / PAPA'S EXPRESS CAR WASH / DESIGN / PECW SS E 004-16

IG GROUP SIGN & CONSTRUCTION IS A CONTRACTOR WITH THE STATE OF UTAH • CONTRACTOR LICENSE 7922696-5501 B100 AND S440 • WORKS COMPENSATION #2918676 • \$2,000,000 LIABILITY INSURANCE • DRAWING IS REPRESENTATIONAL ONLY: SCALE, SIZING AND COLOR MAY VARY, REFER TO PROPOSAL FOR EXACT SPECS.

880 N. 100 E.
 Lehi, UT 84043
 801.766.0207
 fax: 801.407.1622
IG Sign & Construction

INSTALL ADDRESS:
 Papa's Express Car Wash
 1347 W. Commerce Dr.
 Saratoga Springs, UT 84045
 Martz Philipp 801.492.6239
 martz@papaswash.com

DESIGN #:
 PECW SS E 004-16
DATE: 08/08/16 **DESIGNER:** JOCELYN
SALES PERSON:
 Zane Latimer 801.755.2953

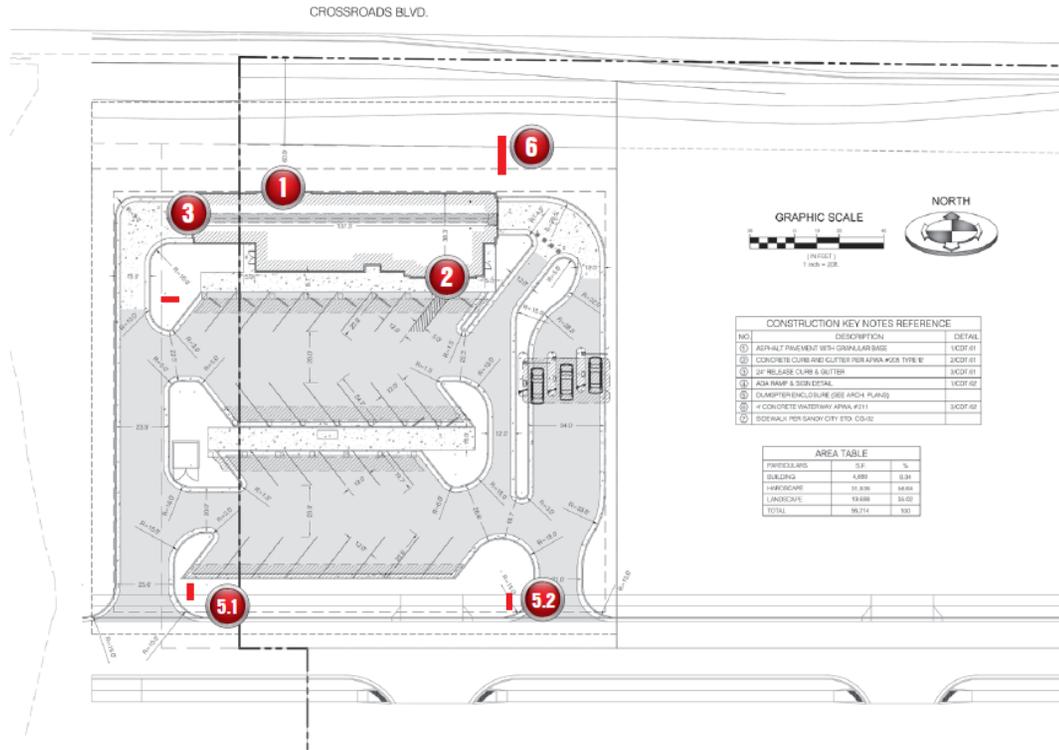
Customer Approval:

 X
 SALESPERSON SIGNATURE DATE
 REQUIRED FOR PRODUCTION

© THIS DRAWING WAS CREATED TO ASSIST YOU IN VISUALIZING OUR PROPOSAL AND CANNOT BE COPIED OR REVISED IN ANY FORM. THE ORIGINAL IDEAS HEREIN ARE THE EXCLUSIVE PROPERTY OF IG GROUP.



SITE PLAN



FILE PATH: JOBSD / PAPA'S EXPRESS CAR WASH / DESIGN / PECW SS E 004-16

IG GROUP SIGN & CONSTRUCTION IS A CONTRACTOR WITH THE STATE OF UTAH • CONTRACTOR LICENSE 7922886-5501 B100 AND 9440 • WORKS COMPENSATION #2618676 • \$2,000,000 LIABILITY INSURANCE • DRAWING IS REPRESENTATIONAL ONLY: SCALE, SIZING AND COLOR MAY VARY, REFER TO PROPOSAL FOR EXACT SPECS.

880 N. 100 E.
Lehi, UT 84043
801.766.0207
fax: 801.407.1622
IG Sign & Construction

INSTALL ADDRESS:
Papa's Express Car Wash
1347 W. Commerce Dr.
Saratoga Springs, UT 84045
Martz Philipp 801.492.6239
martz@papaswash.com

DESIGN #:
PECW SS E 004-16
DATE: 08/08/16
DESIGNER: JOCELYN
SALES PERSON:
Zane Latimer 801.755.2953

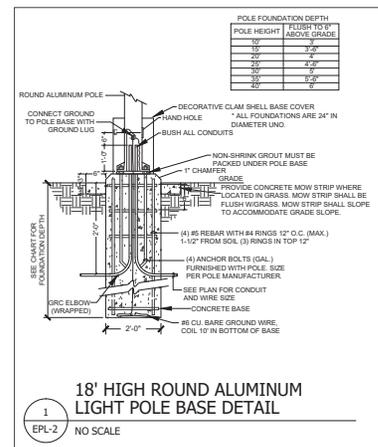
Customer Approval:

SALES PERSON SIGNATURE
REQUIRED FOR PRODUCTION

DATE

© THIS DRAWING WAS CREATED TO ASSIST YOU IN VISUALIZING OUR PROPOSAL AND CANNOT BE COPIED OR REVISED IN ANY FORM. THE ORIGINAL IDEAS HEREIN ARE THE EXCLUSIVE PROPERTY OF IG GROUP.

UTAH SIGN ASSOCIATION
INTERNATIONAL SIGN ASSOCIATION
UFIA URMA



Specifications CCS6502

Project: _____
 Customer No: _____
 Pole Size: _____
 Quantity: _____

CCS6502 Curved CCS6502 Clam Shell Cover
 Accommodates fixed and smooth shafts.
 (See shaft size on back from the manufacturer.) Weight: 14 lbs.

| FITS POLE DIAMETERS | |
|---------------------|----|
| 3" | 4" |

| FINISHES | |
|----------|--------------------------|
| Qty | Name |
| 45 | NA Raw Unfinished |
| 53 | 110 Copper Clay |
| 56 | 109 Silver |
| 61 | 106 Black Verde |
| 62 | 108 Painted Chrome |
| 64 | 107 White |
| 65 | 116 Painted Copper |
| 66 | 112 Bright Blue |
| 67 | 108 Textured Black |
| 68 | 102 Ivory White |
| 69 | 109 White Black |
| 70 | 107 Textured Bronze |
| 71 | 105 Textured Silver |
| 72 | 104 Architectural Bronze |
| 73 | 103 Aquas Green |
| 74 | 101 Navy |
| 75 | 100 Pulley |

POLE OPTIONS

- See steel plate for catalog numbers.
- Aluminum Bell Down Smooth
- Aluminum Direct Bell Smooth
- Aluminum Direct Bell Smooth
- Round Bell Plates
- Tapered Bell Down Smooth (consult factory for tapered)

Consult factory for additional part charges and availability.

© 2016 ANP Lighting. All rights reserved. These specifications are intended for general purposes only. ANP reserves the right to change material or design, without prior notice, in a continuing effort to improve its products. 1-800-548-3327 ANPLighting.com

Specifications PA332

Project: P1
 Customer No: _____
 Pole Size: _____
 Quantity: _____

STYLE PA332
 Pole arm for post and pendant luminaire fixtures.
 Weight: 8.9 lbs.
 EPA: _____

PA332 - 3 - 4 - A - 72

| FINISHES | |
|----------|--------------------------|
| * Std. | Marine |
| 45 | NA Raw Unfinished |
| 53 | 110 Copper Clay |
| 56 | 109 Silver |
| 61 | 106 Black Verde |
| 62 | 108 Painted Chrome |
| 64 | 107 White |
| 65 | 116 Painted Copper |
| 66 | 112 Bright Blue |
| 67 | 108 Textured Black |
| 68 | 102 Ivory White |
| 69 | 109 White Black |
| 70 | 107 Textured Bronze |
| 71 | 105 Textured Silver |
| 72 | 104 Architectural Bronze |
| 73 | 103 Aquas Green |
| 74 | 101 Navy |
| 75 | 100 Pulley |

NUMBER OF ARMS

1. Post Arm Accommodates 1 Luminaire
2. Post Arm Accommodates 2 luminaires (Choose 2 arms to luminaire on the same side)
3. Post Arm Accommodates 3 luminaires (Choose 2 arms to luminaire on the same side)
4. Post Arm Accommodates 4 luminaires

CENTER MOUNT OPTIONS

Consult factory for additional part charges and availability.

© 2016 ANP Lighting. All rights reserved. These specifications are intended for general purposes only. ANP reserves the right to change material or design, without prior notice, in a continuing effort to improve its products. 1-800-548-3327 ANPLighting.com

Specifications PA332

Project: P2
 Customer No: _____
 Pole Size: _____
 Quantity: _____

STYLE PA332
 Pole arm for post and pendant luminaire fixtures.
 Weight: 8.9 lbs.
 EPA: _____

PA332 - 3 - 4 - A - 72

| FINISHES | |
|----------|--------------------------|
| * Std. | Marine |
| 45 | NA Raw Unfinished |
| 53 | 110 Copper Clay |
| 56 | 109 Silver |
| 61 | 106 Black Verde |
| 62 | 108 Painted Chrome |
| 64 | 107 White |
| 65 | 116 Painted Copper |
| 66 | 112 Bright Blue |
| 67 | 108 Textured Black |
| 68 | 102 Ivory White |
| 69 | 109 White Black |
| 70 | 107 Textured Bronze |
| 71 | 105 Textured Silver |
| 72 | 104 Architectural Bronze |
| 73 | 103 Aquas Green |
| 74 | 101 Navy |
| 75 | 100 Pulley |

NUMBER OF ARMS

1. Post Arm Accommodates 1 Luminaire
2. Post Arm Accommodates 2 luminaires (Choose 2 arms to luminaire on the same side)
3. Post Arm Accommodates 3 luminaires (Choose 2 arms to luminaire on the same side)
4. Post Arm Accommodates 4 luminaires

CENTER MOUNT OPTIONS

Consult factory for additional part charges and availability.

© 2016 ANP Lighting. All rights reserved. These specifications are intended for general purposes only. ANP reserves the right to change material or design, without prior notice, in a continuing effort to improve its products. 1-800-548-3327 ANPLighting.com

6/10/16 2:20:03 PM - Papa's Car Wash_Sanctuary_V1_DWG_1690_EPL1 - Production.dwg

APPLICATION REVIEW CHECKLIST

(8/20/2014 Format)

Application Information

| | |
|-----------------------------------|--|
| Date Received: | 7/15/2016, 8/11/2016 |
| Date of Review: | 7/26/2016, 8/1/2016, 8/2/2016, 8/16/2016 |
| Project Name: | Papa's Express Car Wash |
| Project Request / Type: | Site Plan |
| Meeting Type: | Public Hearing |
| Applicant: | Mark Philipp |
| Owner (if different): | Utah Valley Turf Farm |
| Location: | 1347 N Exchange Dr. |
| Major Street Access: | Crossroads Blvd. |
| Parcel Number(s) and size: | 66:513:0001 |
| General Plan Designation: | Regional Commercial (RC) |
| Zone: | RC |
| Adjacent Zoning: | RC, A |
| Current Use: | Vacant, undeveloped |
| Adjacent Uses: | Commercial, undeveloped |
| Previous Meetings: | N/A |
| Land Use Authority: | City Council |
| Type of Action: | Administrative |
| Future Routing: | City Council |
| Planner: | Kara Knighton, Planner I |

Section 19.13 – Application Submittal

- Application Complete: yes
- Rezone Required: yes
 - Zone: Regional Commercial
- General Plan Amendment required: no
- Additional Related Application(s) required: Conditional Use Permit, plat amendment, and rezone

Section 19.13.04 – Process

- DRC: 8/1/2016
- UDC: 8/1/2016
- Neighborhood Meeting: N/A
- PC: 9/8/2016
- CC: 9/20/2016

General Review

Building Department

- Setback detail
- Lot numbering – per phase (i.e. Phase 1: 100, 101, 102. Phase 2: 200, 201, 202, etc.)
- True buildable space on lots (provide footprint layout for odd shaped lots)
- Lot slope and need for cuts and fills

Fire Department

- Width adequate for engine, minimum of 26 feet
- Fire hydrant locations, maximum separation of 300 feet for commercial development
- Third party review required for sprinkler systems
- Dimension street widths on plat

Urban Design Review (DRC) – 19.14.04

- The building being up next to Crossroads Boulevard complies with the architectural design standards.
- Please provide the color “Olympic blue” for the color and materials board.
- Please provide a cross connection with the lot to the east and potential lot to the west.
- Recommendation: It is recommended that more windows be placed on the southern elevation.

Code Review

- 19.04, Land Use Zones: **Can comply (Reviewed as Regional Commercial)**
 - Zone: Regional Commercial (RC)
 - Use: **Conditional**. Conditional Use Permit required for a full service carwash. Provided.
 - Minimum lot size: **Complies**. Minimum is 20,000 sq. ft. The proposed lot is 60,350 sq. ft.
 - Setbacks: **Complies**
 - Front: Complies. 20’ minimum. 50’ proposed.
 - Sides: Complies. 20’ minimum, 30’ next to residential or agricultural. 50’ to the east and 45’ to the west.
 - Rear: Complies. 20’ minimum. 160’ proposed.
 - Exception: No exceptions requested.
 - No building shall be closer than 5’ from any private road, driveway, or parking space. Complies. There is 5’ from the building to the nearest parking space.
 - Lot coverage: **Complies**. 50% max; 8% proposed. The building is 4,646 sq. ft. and the overall square footage is 60,964 sq. ft.
 - Building size: **Complies**. 1,000 sq. ft. minimum; the proposed building is 4,646 sq. ft.
 - Height: **Complies**. 50’ max; 24’ proposed.
 - Development Standards: **Complies**.
 - Architectural review: The Planning Commission has reviewed the Site Plan and building elevations.
 - Landscaping: Complies.

- Required front yard area, and other yard areas facing a public street shall have a landscaped area of not less than 20'. **Complies.** There is 20' of landscaping between the front yard area and the public street.
 - 10' of landscaping between parking areas and side or rear property lines adjacent to agricultural and residential uses. **Complies.** Agricultural property lies to the west of the property line. There is 10' of landscaping between the parking area and the west property line.
 - Uses within buildings: **Can comply.** The City Council must deem the vacuums to be customarily and appropriately conducted outside.
 - Trash storage: **Complies.** Trash storage complies with Section 19.14.04.
 - Buffering/ screening requirements: **Complies.**
 - A wall, fencing, or landscaping of acceptable design shall effectively screen the borders of any commercial or industrial lot which abuts an existing platted agricultural or residential use. **Complies.** The applicant is proposing a 2' berm and landscaping on top of the berm to provide buffering and screening to the agricultural property to the west.
 - All developments shall have a minimum number of both deciduous and evergreen trees. **Complies.** The project proposes the minimum number of both deciduous and evergreen trees.
 - Landscaping requirements: 20% landscaping required. 35% proposed.
 - Sensitive lands: **Complies.** There are no sensitive lands.
- 19.05, Supplemental Regulations: **Complies.**
 - Flood Plain: **Complies.** The project is not proposed within the floodplain.
 - Water & sewage: **Complies.** Will connect to City water and sewer.
 - Transportation Master Plan: **Complies.** The building is not proposed within the proposed location of any streets, roads, highway, or rights-of-way.
 - Property access: **Complies.** The proposed project has access onto a private roadway.
- 19.06, Landscaping and Fencing: **Can comply.**
 - General Provisions: **Complies**
 - Automatic irrigation required. **Complies.** The project proposes rain sensors, and pressure regulating heads.
 - All refuse areas (including dumpsters) must be screened.
 - Tree replacement required if mature trees are removed.
 - Landscaping Plan: **Complies.** A landscaping plan was submitted.
 - Completion – Assurances: Bond required for public improvements prior to recordation.
 - Planting Standards & Design: **Can comply.**
 - Required Trees: **Complies.**
 - Deciduous: **Complies.** 2" caliper. 2" proposed.
 - Evergreen: **Complies.** 6' height minimum. 6-7' proposed.
 - Tree Base Clearance: **Complies.** 3' clearance free of rock and turf required. Landscape note #5 fulfills/ addresses this requirement.
 - Shrubs: **Complies.** 25% shall be 5 gallon and the rest shall be 1 gallon; 30% of the proposed shrubs are 5 gallon.

- Turf: **Complies.** 70% max. The project is providing 21,189 sq. ft. of landscape area and 11,701 sq. ft. of turf for a total of 55% turf.
 - Drought Tolerant Plants: **Complies.** 50% of all trees and shrubs shall be drought tolerant. Half of all trees and shrubs have a high drought tolerance.
 - Rock: **Complies.** Two different colors and sizes are required. The project proposes two different sizes and two different colors.
 - Planting and Shrub beds: **Complies.** Edging, drip lines, weed barrier, and some type of mulch required. Rock mulch, weed barrier, drip lines, and edging is provided.
 - Artificial Turf: **Complies.** No artificial turf is proposed.
 - Evergreens: **Complies.** Evergreens are incorporated.
 - Softening of walls and fences: **Can comply.** More shrubs could be used on the south side of the building.
 - Energy conservation: **Complies.** Deciduous trees are proposed in the south part of the project and Evergreens are proposed in the northern part of the project.
 - Preservation of Existing vegetation:
 - Tree Preservation: No mature trees are present on the site.
 - Placement: **Can comply.** More shrubs could be used on the south side of the building.
- Amount: **Complies.** 20% of 60,350 sq. ft. is 12,070 sq. ft. of required landscaping.
 - Deciduous Trees
 - 6 Deciduous trees required
 - 15 provided
 - Evergreen Trees
 - 4 Evergreen trees required
 - 7 provided
 - Shrubs
 - 22 shrubs required
 - 114 provided
 - Turf
 - 35% required
 - 55% provided- The overall landscaping provided is 21,189 sq. ft. and the proposed turf area is 11,701 sq. ft. which is 55%.
 - Planting and Shrub Beds
 - Not more than 65%
 - 45% provided
- Additional Requirements: **Complies.** Lawn is proposed in the park strips as well as street trees placed 50' on center along Crossroads Boulevard. (Street trees 50' on center are required per Engineering)
- Fencing & Screening: **Can comply.** Fencing shall be placed along property lines abutting trail and easement corridors. For consistency with previous commercial development approvals, a Code amendment is proposed by staff to not require this of commercial development.
 - Retaining walls: **complies.** Over 4' requires a building permit. There is a retaining wall, but it is 3' at its height point.
- Clear Sight Triangle: **Can comply.** A code amendment is proposed by staff to broaden a previous code amendment for the clear sight triangle, which allows tree canopies in the clear sight triangle of privately maintained park strips and parking islands.

- 19.09, Off Street Parking: **Can comply**.
 - General Provisions: **Complies**. The parking lot is proposed as asphalt.
 - Parking Requirements / Design: **Complies**. No tandem parking spaces are proposed.
 - Dimensions: **Complies**. 9x18 required. The proposed stalls are 12 x 19, except for one of the accessible stalls that is 9' wide with an 8' aisle. The other ADA stall is 12' wide with the 8' aisle.
 - Accessible: **Complies**. Two ADA stalls are required and provided and one of them is van-accessible.
 - Landscaping: **Can comply**.
 - Parking areas adjacent to public streets: **Complies**. 10' landscaped area containing a berm or screen wall 3' in height between parking area and public streets to minimize light intrusion. Both deciduous and evergreen trees shall be placed in the strip with spaces of 30'. The parking lot is not adjacent to a public street. Staff asked the applicant to berm up a shrub area to block light intrusion from the pay station onto Crossroads Blvd. The applicant bermed up this area.
 - Curbs: **Complies**. Curbs are proposed between parking areas and landscaping.
 - Clear sight: See analysis above.
 - Components: **Complies**. The landscaped parking area consists of trees, shrubs, and groundcover. An irrigation plan has been provided.
 - Parking islands: **Can comply**.
 - Double rows: can comply. One 36x9 landscaped island on each end of the parking rows, plus one every 20 stalls. Each landscaped island shall contain 2 trees. The landscape islands are slightly hard to measure due to the angled parking, but they are 45' long with an average of 9' in width. The landscaped islands exceed the area of a 396'x9' landscaped island. A tree is required next to the dumpster.
 - Single rows: complies. On single rows of parking or where parking abuts a sidewalk, there shall be one 18-foot by 9-foot landscaped island a minimum of every ten stall. All single rows islands are 18 x 9 and have one tree.
 - Ends: complies. The ends are shaped to help direct traffic.
 - Completion: See analysis above.
 - Pedestrian Walkways & Accesses: **Complies**. The parking lot is smaller than 75,000 sq. ft.
 - Shared Parking: **Complies**. No shared parking is proposed.
 - Minimum Requirements: **Can comply**. 3 stacking stalls per bay including stall inside bay, plus 1 parking stall per bay, plus 1 stall per employee on highest shift. 6 vehicles can fit in the tunnel at any given time and the highest employee shift is 3.
 - Stacking stalls: **Complies**
 - 6 bays x 3 = 18 stacking stalls required
 - 21 stacking stalls provided (15 stacking stalls provided before and after pay station, plus the 6 inside the tunnel)
 - Parking spaces: **Can comply**
 - 6 bays + 3 employees = 9 parking stalls required
 - 8 parking stalls provided
- 19.11, Lighting: **Can comply**.
 - General Standards: **Complies**.

- Material: Complies. All lighting fixtures and assemblies shall be metal. The proposed fixtures and assemblies are aluminum.
 - Base: Complies. Decorative base at least 16” in height required. A 24” decorative base is proposed.
 - Type: Complies. Full cutoff. The bell shade is dark sky compliant.
 - Angle: Complies. The fixture is directed downward.
 - Lamp: Complies. 4000K max; 4000K proposed.
 - Drawings: Complies. The pole design and locations are indicated on the plans and in detail 1 on sheet EPL-2.
 - Flags: Complies. No flags are proposed.
- Non-residential lighting: **Can comply.**
- Wall mounted: Complies. The wall mounted fixtures are proposed at 10’.
 - Intermittent lighting: Complies. No intermittent lighting is proposed.
 - Trespass lighting: Complies. No trespass lighting is proposed.
 - Service station canopies: Complies. The project does not propose a service station canopy.
 - All freestanding fixtures and assemblies shall be black: Complies. The bell shade is textured black, but the color of the pole is not called out.
 - Pole design: Complies. Pole design shall include an arm and bell shade. An arm and bell shade are proposed.
 - Height limitations: Complies. 20’ maximum; 18’ proposed.
 - Full cutoff: Complies. The bell shades are Dark Sky Compliant.
 - Hours: Will comply. The applicant is aware of the following regulations and has agreed to them.
 - i. One hour after closing or by 11:00pm, whichever is earlier, businesses must turn off at least fifty percent (50%) of building lighting and lighting fixtures in surface parking lots and on top decks of parking structures; however, those lighting fixtures turned off may be set to function utilizing a motion detector system. Lights may be turned back on one half hour prior to the first employee shift.
 - ii. Business open for 24 hours must turn off 50% of their outdoor and parking lot lighting by 11:00pm and must keep them off until one half hour before sunrise, however, those lighting fixtures turned off may be set to function utilizing a motion detector system.
- Outdoor Sign lighting: **Complies.**
- Illuminated signs within half mile of Camp Williams. Complies. The site is not within a half mile of Camp Williams.
 - On-premise signs may remain illuminated during regular business hours, but may not be illuminated later than one-half hour after the business is no longer open to the public, nor prior to the daily opening of the business to the public.
 - Monument signs may have upward illumination provided the light source is not visible, and the fixtures shall be installed and aimed in such a manner that light is not projects past the sign surface being illuminated, into the windows of neighboring residences, onto adjacent uses, onto public roadways, or skyward. Complies. The proposed monument sign is internally illuminated.
 - Internally illuminated signs shall be designed so that the light source is not visible. Complies. The sign has been designed so that the light source is not visible.
 - All digital signs shall be illuminated at a level no greater than 0.3 footcandles over ambient light levels for the location and time and shall employ light cutoff devices, such as louvers, to minimize light escaping above the horizontal plane.

- Walkway lighting: **Complies.**
 - Lighting of all pedestrian pathways is recommended.
 - All pathway, walkway, and sidewalk lighting fixtures shall be mounted at a height of not to exceed than 10 feet.
 - Bollard lighting shall be limited to height of 4 feet.
 - Street lighting: **Can comply.** ????? What is required.
 - Lighting Plan: A lighting plan has been submitted.
- 19.12, Subdivisions: **Can comply.** A plat amendment is required. A plat amendment has been submitted with the rezone.
- Section 19.13, Process: **Complies.**
 - General Plan: Complies. The proposed use is a Regional Commercial (RC) use and the General Plan already displays the area as RC.
 - Notice / Land Use Authority: The City Council is the land use authority. Prior to City Council, the Planning Commission shall hold a public hearing and forward a recommendation onto the City Council.
- 19.14, Site Plans: **Can comply.**
 - Commercial
 - Development Standards: **Complies.**
 - Buffering and Screening: Complies. Six foot screen required between the commercial and agricultural properties. The applicant is proposing a 2' berm with landscaping along the berm. Between the berm and the landscaping the height of the screen would be 6'.
 - Access: complies. Access spacing and circulation has been reviewed by the City Engineer. Interconnection to adjacent sites is provided.
 - Utilities: See Engineer's report.
 - Grading and Drainage: See Engineer's report.
 - Secondary Water: See Engineer's report.
 - Irrigation ditches: See Engineer's report.
 - Architectural and Urban Design Requirements: **Can comply.**
 - Process: Complies. The DRC reviewed the elevations and site plan prior to the Planning Commission public hearing.
 - Mechanical Equipment: Can comply. Mechanical equipment shall be screened.
 - Windows: Complies. Nonrectangular windows may be used as accents and trim. Untreated aluminum or metal window frames are prohibited. The proposed windows are rectangular and the window frames are anodized aluminum.
 - Building lighting: Complies. Shall be shielded and directed downward. The proposed building lighting is shielded and directed downward.
 - Trash enclosure: Can comply.
 - Shall be comparable to the proposed building and surrounding structure. Can comply. The detail does not specify that the dumpster is to match the building.
 - Solid fences and gates are required. Complies. The gate proposed is a solid vinyl gate.

- 3' landscape buffer required between dumpster and parking stall. Complies. There is a landscape island measuring more than 3' between the dumpster and the parking stall.
 - Exterior materials: Complies. A materials board was provided and the DRC reviewed the materials and elevations on August 1, 2016.
 - Landscape Requirements: See analysis above.
 - Parking lot, building, and street lighting: See analysis above.
 - Special Provisions: **Can comply**.
 - Uses within buildings: Can comply. The City Council will need to deem the vacuums to be customarily and appropriately conducted in the open.
 - Nuisances: Complies. The proposed use is a car wash that typically can be noisy and would be considered exempt.
 - Maps and Drawings Required: Complies. Provided.
 - Bond: A bond will be required.
- 19.15, Conditional Use Permit: **Can comply**.
 - Required accompanying data: **Complies**. Submitted.
 - General standards
 - Siting: How the site accommodates the proposed use and adjoining buildings. The proposed use is in an existing commercial subdivision and is not surrounded by any other adjoining buildings.
 - Traffic: How the site accommodates traffic circulation and parking. The site is located on a private road with access to an arterial and a collector. The site provides adequate parking and directs traffic through the site appropriately.
 - Compatibility with the surrounding environment. The site is located in the Saratoga Springs Commercial Development and is not adjacent to any residential uses. However, it is located next to an agricultural zone. The proposed hours of operation are not currently identified.
 - Standards
 - The use will not, under the circumstances of the particular case, be detrimental to the health, safety, or general welfare of persons residing or working in the vicinity, or injurious to property or improvement in the vicinity. Complies. The proposed use does not pose any threat to the health, safety or general welfare to the persons in the vicinity.
 - The use will be consistent with the intent of the land use ordinance and comply with the regulations and conditions specified in the land use ordinance for such use. Complies. The use is conditional in the RC zone in which it lies.
 - The use will be consistent with the character and purposed stated for the land use zone involved and with the adopted Land Use Element of the General Plan. Complies. The land use section of the General Plan identifies this area as Regional Commercial, which is the current zoning, of which the use is permitted as a conditional use.
 - The use will not result in a situation which is cost ineffective, administratively infeasible, or unduly difficult to provide essential services by the City, including roads and access for emergency vehicles and residents, fire protection, police protection, schools and busing, water, sewer, storm drainage, and garbage

- Changeable copy: Complies. No changeable copy is proposed.
 - Address: Can comply. The address is there, but it is incorrect. Check correct address with Brian.
 - Building signs: **Complies.**
 - Area: Multiple rows shall be spaced no further than 12” apart. The rows are no more than 6” apart.
 - Mounting: Complies. No portion of the sign projects above or below the highest or lowest part of the wall on which the sign is located. The sign shall not project outwards more than 18”. The sign only projects 5”.
 - Tenant listing signs: Complies. No tenant listing signs are proposed.
 - Building signs: **Complies.**
 - Number: One primary building sign and two secondary signs are permitted. Complies. One primary sign and two secondary signs are proposed.
 - Primary sign size: Complies. May not exceed 8% of the façade or 30 sq. ft., whichever is larger. The façade of the primary sign may not exceed 228.48 sq. ft. ($136' \times 21' = 2856 \times .08$). One primary sign is proposed at 196.6 sq. ft.
 - Secondary sign: Complies. Shall not be mounted on the same façade as the primary sign and shall not exceed 50% of the primary sign. There are two secondary signs proposed on different facades than the primary signs. The primary sign is 196.6 sq. ft. which means that the secondary signs may not exceed 98.36 sq. ft. The secondary signs are 78.75 sq. ft. and 73 sq. ft.
 - Monument signs: **Complies.**
 - Number: Complies. One monument sign allowed for each frontage in excess of one hundred feet a building has on a public street. One monument sign is proposed.
 - Size: 45 sq. ft. max. Complies. The proposed monument sign is 44 sq. ft.
 - Height: Complies. 7.5 feet max. The proposed monument sign is 7.5 feet.
 - Pedestal signs: Complies. No pedestal signs are proposed.
 - Awning and canopy signs: Complies. Awnings are proposed, but signage is not proposed on them. The proposed awnings are 8’ feet above the sidewalk. 8’ is required.
 - Projecting and suspended signs: Complies. No projecting or suspended signs are proposed.
 - Window and door signs: Complies. No window or door signs are currently proposed.
 - Pole signs: These are currently not allowed under 19.18, but staff is initiating a code amendment to allow directional signs. There are two directional pole signs proposed.
 - Planning Commission required?
- 19.27, Addressing
 - GIS verified address.
- Fiscal Impact: None
 - Is there any City maintained open space? No

City of Saratoga Springs Planning Commission Meeting
September 8, 2016

Regular Session held at the City of Saratoga Springs City Offices
 1307 North Commerce Drive, Suite 200, Saratoga Springs, Utah 84045

Minutes

Present:

Commission Members: Kirk Wilkins, Sandra Steele, Hayden Williamson, David Funk, Troy Cunningham
 Staff: Kimber Gabryszak, Planning Director; Mark Christensen, City Manager; Sarah Carroll, Senior Planner; Kevin Thurman, City Attorney; Gordon Miner, City Engineer; Nicolette Fike, Deputy Recorder
 Others: Derek Christensen, Mark Philipp, Dan Schmidt, Luke Mendenhall, Dave Badham, Gary Peterson, Leeann Miller

Excused: Commissioner MacKay, Commissioner Kilgore

Call to Order - 6:30 p.m. by Chairman Kirk Wilkins

1. **Pledge of Allegiance** - led by Kimber Gabryszak

2. **Roll Call** – A quorum was present

3. **Public Input**

Public Input Open by Chairman Kirk Wilkins

No input.

Public Input Closed by Chairman Kirk Wilkins

4. **Public Hearing: Rezone and Plat Amendment for Saratoga Springs Commercial, located generally at 1347 N Exchange Dr. Utah Valley Turf Farm, applicant.**

City Planner Kara Knighton presented the plans. The proposed Rezone and Plat Amendment is an expansion to the recently approved Saratoga Springs Commercial Development. The proposed Papa's Express carwash site plan is to be located on Lot 1 of the Saratoga Springs Commercial plat; however, the site plan is 1.39 acres while lot 1 is 0.99 acres. To expand the parcel, the west property line is proposed to be extended approximate 67' to the west into property currently zoned Agriculture, thus both a rezone and plat amendment are required to accompany the site plan.

Daniel Schmidt representing the applicant with WPI was present to answer any questions.

Public Hearing Open by Chairman Kirk Wilkins

No public comments were made.

Public Hearing Closed by Chairman Kirk Wilkins

Commissioner Steele asked what was meant by generally consistent in the findings. Staff clarified that it should have been just consistent.

Commissioner Wilkins asked if they had to purchase additional land. Daniel Schmidt replied that it was already owned by the same landowner.

Motion made by Commissioner Williamson to forward a positive recommendation for the Rezone of approximately 0.63 acres of parcel 58:032:0166 from Agriculture to Regional Commercial, as identified in Exhibit 3, with the Findings and Conditions in the staff report dated September 9,

2016, with the change to the findings that “generally” be stricken from the general plan finding. Second Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

Motion made by Commissioner Williamson that based upon the findings and conditions presented today I move that the Planning Commission approve the Saratoga Springs Commercial Plat “B” amending lots 1 and 2 of Plat “B” as identified in Exhibit 4, with the Findings and Conditions in the Staff Report. Seconded by Commissioner Funk.

Commissioner Steele advised that the motion was correct as written that plat B is amending plat A
Commissioner Williamson corrected the motion

Motion made by Commissioner Williamson to approve the Saratoga Springs Commercial Plat “B” amending lots 1 and 2 of Plat “A” as identified in Exhibit 4, with the Findings and Conditions in the Staff Report. Seconded by Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

5. Public Hearing: Code Amendments, Directional Signage, clear site, fencing and screening, and buffering and screening. Staff initiated.

Planning Director Gabryszak presented the Code Amendments. This current Code amendment package contains primarily smaller updates to clarify and resolve missing provision and contradictions identified through a recent Site Plan application review (Papa’s Carwash), regarding commercial fencing and screening, and directional signage. The proposed changes are in 19.06 - Fencing and screening: not require along non-residential development and open space/trails. Clear sight triangle: correct language in recent code amendment for tree canopies. In 19.14.03 site plans – replace the word “and” with “or” as it is not necessary to have a wall, fence, and vegetation for screening purposes. In 19.18 signs: create allowance for directional signage in parking lots and drive-thrus.

Changes from the packet - Fencing: saying residential “development” instead of “zone,” and Screening fence, solid wall and landscaping or landscaping

Public Hearing Open by Chairman Kirk Wilkins

No public comments were made.

Public Hearing Closed by Chairman Kirk Wilkins

Commissioner Cunningham is curious when exempting commercial areas, if it would exempt a sign on a pond for safety. Planning Director Gabryszak replied it would not and for safety the city would fence that area.

Commissioner Funk correctly assumed everything already existing would be grandfathered. In Section 19.18.10 with grand opening signs, he wondered if they could call them that. Planning Director Gabryszak commented that grand opening meant it was within the first year of a business opening, it was not referring to the content.

Commissioner Steele asked what the definition of directional sign was. Planning Director Gabryszak replied they did not have one because of it being based on content. They are creating the category and putting standards for where the signs can be located. Commissioner Steele was concerned that it was pedestaled. She didn’t see anywhere where it said monument. Planning Director Gabryszak showed the proposed definition on screen, where it has to go and what the intent is.

City Attorney Thurman commented that he looked at this with the issue of wall fencing and landscaping, the word combination was not working. It differs in other sections. We may want to reference the other sections because it addresses buffering and screening in those and we don’t want to trump the public school bus zone. The way it’s worded now would conflict with other sections and zones. Planning Director

Kimber Gabryszak noted this applies to commercial lots and we don't treat schools as commercial. We are re-writing 19.04 and trying to get everything in one location instead of having them all over. City Attorney Kevin Thurman said this would apply to any site plan. Planning Director Gabryszak said this particular one only applies to commercial. We don't want to contradict 19.04 and we are working to consolidate the other sections. The changes were amended to say commercial "use" on 2. And strike "a combination of."

Commissioner Steele asked what was meant by acceptable landscaping. Planning Director Gabryszak advised that it needed to be effectively screened so if they planted a 6 foot tall shrub that could work. It is just screening the building. Commissioner Steele noted it is also for sound, dust, odor and for residential it needs to be wall and landscaping. Planning Director Kimber Gabryszak noted that in case of the project coming up that is an example of where you wouldn't want a wall and landscaping. Right now it's next to agriculture and it will appropriately screen it now and down the road it may be more appropriate to have landscaping between improved lots instead of it walled off. Commissioner Steele said we are giving an exception here and we need to write that it's an exception. She understands in this situation it works but if you were against a preschool it would need to be different. They added the phrase that "any commercial use which abuts a residential use shall be screened per the standards of 19.06."

It was discussed that they make a condition for staff to clean up the code with regard to adjacent uses. To amend those zones that have screening and conflict.

Motion made by Commissioner Williamson to forward a positive recommendation to the City Council for the proposed amendments to Sections 19.06, 19.14, and 19.18, with the Findings and Conditions in the Staff Report. In addition to the changes made to the staff report per our discussion today; Additionally we recommend that staff clean up the code with regards to screening in adjacent uses where screening is a conflict in 19.04. Seconded by Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

6. Public Hearing: Site Plan and Conditional Use Permit for Papa's Express Tunnel Car Wash, located approximately 1347 N Exchange Dr. Mark Philipp Applicant.

City Planner Kara Knighton presented the Site Plan. The Site Plan and Conditional Use Permit proposal is for a 4,646 sq. ft. full service tunnel carwash in the RC zone on a 1.39 acre parcel. She noted materials proposed and other architectural design committee recommendations. She noted on the landscaping plans that an additional planter bed was needed and another tree and also the east side needed to be bermed to block light.

Mark Philipp, applicant, was present to answer questions. He noted the staff had been great to work with. He would qualify their full service car as an express service, so no detailing would be done. He noted others present that worked on the project and could help answer questions. Derek Christensen, with the applicant, asked if the comments for windows on the south side were gone. Mark Philipp said along the south side they had an equipment room where they didn't want windows but they provided some break ups there.

Public Hearing Open by Chairman Kirk Wilkins

No public comments were made.

Public Hearing Closed by Chairman Kirk Wilkins

Commissioner Cunningham asked about pg. 29 under additional requirements it said along Redwood Road. City Planner Kara Knighton replied that it should read Crossroads.

Commissioner Funk complimented them on the landscaping; they have gone over and above. He asked about the west side, Crossroads turns, would they have any light problems with the curve in the road. City Planner Kara Knighton noted it was quite a ways away, and the area is bermed and landscaped.

In response to Commissioner Steele's questions, Mr. Philipp replied that they would not have any gas pumps and you would stay in your car through the process. Also, that in the front door are opportunities to purchase passes and gift cards and restrooms but it shouldn't be heavily utilized. There should be only about 5 employees at any time and only 2-3 on site. Commissioner Steele asked staff if we have a parking overage. Planning Director Gabryszak noted some of the parking is vacuum stalls, which is a feature of the carwash as opposed to excess parking. There are 21 vacuum stalls; one of them will need to be removed. The tunnel can hold 6 cars at a time. Commissioner Steele was concerned that there needed to be an ADA accessible path to the main street. The architect Leann Miller commented on possible solutions.

Commissioner Williamson asked if there is anything that notes the vacuum stall cannot be a parking stall. Planning Director Gabryszak advised that we have a prohibition on over-parking. If we count vacuums as parking they are over-parked so we are counting them as part of the business, this way is to the applicants benefit.

Motion made by Commissioner Williamson to forward a positive recommendation to the City Council for the Papa's Express carwash site plan and Conditional Use Permit, located on parcels 66:513:0001 and 58:032:0166 and as shown in the exhibits, with the Findings and Conditions in the Staff Report including correction from Redwood Road to Crossroad and adding an ADA access as discussed. Second by Commissioner Cunningham.

City Planner Kara Knighton asked that they add the condition that **the monument sign base shall run the full horizontal length of the sign.**

Commissioner Williamson added the amendment. It was accepted by Commissioner Cunningham. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

Item 13 was moved forward - Motion to enter into closed session

A Motion was made by Commissioner Williamson to enter into closed session for the purchase, exchange, or lease of property, pending or reasonably imminent litigation, the character, professional competence, the deployment of security personnel, devices or systems or the physical or mental health of an individual. Second by Commissioner Funk. Aye: Sandra Steele, David Funk, Kirk Wilkins, Hayden Williamson, Troy Cunningham. Motion passed 5 - 0.

Closed Session began at 7:33 p.m.

Present: Commissioner Wilkins, Commissioner Funk, Commissioner Steele, Commissioner Williamson, Commissioner Cunningham, City Manager Christensen, City Attorney Thurman, Planning Director Gabryszak, City Engineer Gordon Miner, Nicolette Fike Deputy Recorder.

Session was closed without objection at 7:45 p.m.

Regular Meeting resumed at 7:45 p.m.

7. Public Hearing: Master Development Agreement and Rezone from Agriculture to Industrial for HADCO, Parcels 58:022:0121 & 58:022:0114, JD IV applicant. – Item to be continued to the September 22nd 2016 Meeting.

The item will need to be continued to include a third parcel that was missed during the noticing process. It has been re-noticed.

No public was present.

8. Work Session: Discussion of Code and Vision.

Planning Director Gabryszak apprised the commissioners of upcoming code revisions.

9. Approval of Minutes:

a. May 12, 2016

Commissioner Steele made a correction that she was opposed to the sign on top of the tower and advised on a couple of typo corrections.

Motion made Commissioner Williamson by to approve the minutes of August 25, 2016 with corrections made by Commissioner Steele. Seconded by Commissioner Funk. Aye: Sandra Steele, David Funk, Hayden Williamson, Troy Cunningham. Motion passed 4 - 0. Abstain: Commissioner Wilkins.

10. Reports of Action. – none.

11. Commission Comments. –

Commissioner Steele noted a van on private property, south east corner of Redwood Road and the Crossing with signs on it. She also commented on the signs being cleaned up on Redwood Road. Commissioner Cunningham thanked the city for mowing the train berm at Shay Park.

12. Director's Report:

- a. **Council Actions** – approved Mt Saratoga and code changes except the signs. Also improved Interlocal agreement with HUD. Madison meadows plat and pump station.
- b. **Applications and Approval**
- c. **Upcoming Agendas** - Wildflower, Marina pump, Saratoga Springs 4 Church and HADCO.
- d. **Other**

13. Item #13 was moved forward in the agenda.

14. Meeting Adjourned at 7:55 p.m. by Chairman Kirk Wilkins

Date of Approval

Planning Commission Chair
Kirk Wilkins

City Recorder

ORDINANCE NO. 16-19 (9-6-16)

AN ORDINANCE OF THE CITY OF SARATOGA SPRINGS, UTAH, ADOPTING AMENDMENTS TO THE CITY OF SARATOGA SPRINGS' OFFICIAL ZONING MAP FOR CERTAIN REAL PROPERTY TOTALING 6.29 ACRES LOCATED AT APPROXIMATELY 700 WEST 400 NORTH; INSTRUCTING THE CITY STAFF TO AMEND THE CITY ZONING MAP; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Utah Code Chapter 10-9a allows municipalities to amend the General Plan and the number, shape, boundaries, or area of any zoning district; and

WHEREAS, before the City Council approves any such amendments, the amendments must first be reviewed by the planning commission for its recommendation; and

WHEREAS, on May 26, 2016, the Planning Commission held a public hearing after proper notice and publication to consider proposed amendments to the City's Land Use Map contained in the General Plan as well as the City-wide zoning map and forwarded a positive recommendation with conditions; and

WHEREAS, on June 21, 2016, the City Council held a public hearing after proper notice and publication to consider the proposed amendments; and

WHEREAS, the City Council voted on the application at the June 21, 2016 meeting; and

WHEREAS, after due consideration, and after proper publication and notice, and after conducting the requisite public hearing, the City Council has determined that it is in the best interests of the residents of the City of Saratoga Springs that amendments to the Land Use Map of the General Plan and City-wide zoning map be made.

NOW THEREFORE, the City Council hereby ordains as follows:

SECTION I – ENACTMENT

The property described in Exhibit A is hereby changed from Agricultural to R-4 on the City's Zoning Map. City Staff is hereby instructed to amend the official City Zoning Map accordingly.

SECTION II – AMENDMENT OF CONFLICTING ORDINANCES

If any ordinances, resolutions, policies, or maps of the City of Saratoga Springs heretofore adopted are inconsistent herewith they are hereby amended to comply with the provisions hereof. If they cannot be amended to comply with the provisions hereof, they are hereby repealed.

SECTION III – EFFECTIVE DATE

This ordinance shall take effect upon its passage by a majority vote of the Saratoga Springs City Council and following notice and publication as required by the Utah Code.

SECTION IV – SEVERABILITY

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION V – PUBLIC NOTICE

The Saratoga Springs Recorder is hereby ordered, in accordance with the requirements of Utah Code § 10-3-710—711, to do as follows:

- a. deposit a copy of this ordinance in the office of the City Recorder; and
- b. publish notice as follows:
 - i. publish a short summary of this ordinance for at least one publication in a newspaper of general circulation in the City; or
 - ii. post a complete copy of this ordinance in three public places within the City.

ADOPTED AND PASSED by the City Council of the City of Saratoga Springs, Utah, this 20th day of September, 2016.

Signed: _____
Jim Miller, Mayor

Attest: _____
Cindy LoPiccolo, City Recorder

VOTE

Shellie Baertsch _____
Chris Porter _____
Michael McOmber _____
Bud Poduska _____
Stephen Willden _____

Exhibit A

Legal Description:

LOT 5B, ALPINE SCHOOL DISTRICT WEST SARATOGA SPRINGS SUB AREA
6.287 AC.

ORDINANCE NO. 16-22 (9-20-16)

AN ORDINANCE OF THE CITY OF SARATOGA SPRINGS, UTAH, ADOPTING AMENDMENTS TO THE CITY OF SARATOGA SPRINGS' OFFICIAL ZONING MAP AND LAND USE MAP OF THE GENERAL PLAN FOR CERTAIN REAL PROPERTY TOTALING 4.865 ACRES LOCATED AT APPROXIMATELY 431 SOUTH REDWOOD ROAD,; INSTRUCTING THE CITY STAFF TO AMEND THE CITY ZONING MAP AND LAND USE MAP OF THE GENERAL PLAN; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, Utah Code Chapter 10-9a allows municipalities to amend the General Plan and the number, shape, boundaries, or area of any zoning district; and

WHEREAS, before the City Council approves any such amendments, the amendments must first be reviewed by the planning commission for its recommendation; and

WHEREAS, on February 25, 2016, the Planning Commission held a public hearing after proper notice and publication to consider proposed amendments to the City's Land Use Map contained in the General Plan as well as the City-wide zoning map and forwarded a positive recommendation with conditions; and

WHEREAS, on March 15, 2016, the City Council held a public hearing after proper notice and publication to consider the proposed amendments; and

WHEREAS, the City Council voted on the application at the March 15, 2016 meeting; and

WHEREAS, after due consideration, and after proper publication and notice, and after conducting the requisite public hearing, the City Council has determined that it is in the best interests of the residents of the City of Saratoga Springs that amendments to the Land Use Map of the General Plan and City-wide zoning map be made.

NOW THEREFORE, the City Council hereby ordains as follows:

SECTION I – ENACTMENT

The property described in Exhibit A is hereby changed from Agricultural to Regional Commercial on the City's Zoning Map and is hereby changed from Planned Community to Regional Commercial on the City's Land Use Map of the General Plan. City Staff is hereby instructed to amend the official City Zoning Map and Land Use Map of the General Plan accordingly.

SECTION II – AMENDMENT OF CONFLICTING ORDINANCES

If any ordinances, resolutions, policies, or maps of the City of Saratoga Springs heretofore adopted are inconsistent herewith they are hereby amended to comply with the provisions hereof. If they cannot be amended to comply with the provisions hereof, they are hereby repealed.

SECTION III – EFFECTIVE DATE

This ordinance shall take effect upon its passage by a majority vote of the Saratoga Springs City Council and following notice and publication as required by the Utah Code.

SECTION IV – SEVERABILITY

If any section, subsection, sentence, clause, phrase, or portion of this ordinance is, for any reason, held invalid or unconstitutional by any court of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent provision, and such holding shall not affect the validity of the remaining portions of this ordinance.

SECTION V – PUBLIC NOTICE

The Saratoga Springs Recorder is hereby ordered, in accordance with the requirements of Utah Code § 10-3-710—711, to do as follows:

- a. deposit a copy of this ordinance in the office of the City Recorder; and
- b. publish notice as follows:
 - i. publish a short summary of this ordinance for at least one publication in a newspaper of general circulation in the City; or
 - ii. post a complete copy of this ordinance in three public places within the City.

ADOPTED AND PASSED by the City Council of the City of Saratoga Springs, Utah, this 20th day of September, 2016.

Signed: _____
Jim Miller, Mayor

Attest: _____
Cindy LoPiccolo, City Recorder

VOTE

| | |
|------------------|-------|
| Shellie Baertsch | _____ |
| Chris Porter | _____ |
| Michael McOmber | _____ |
| Bud Poduska | _____ |
| Stephen Willden | _____ |

RESOLUTION NO. R16-52 (9-20-16)

**ADDENDUM TO RESOLUTION OF THE CITY OF SARATOGA
SPRINGS PERTAINING TO THE CITY STREET LIGHTING
SPECIAL IMPROVEMENT DISTRICT TO INCLUDE
ADDITIONAL SUBDIVISION LOTS.**

**LEGACY FARMS
VILLAGE PLAN 1 PLATS E & F**

WHEREAS, on July 27, 2004, the City Council adopted Ordinance No. 04-12 creating a street lighting special improvement district (the "Lighting SID") consisting of all lots and parcels included within the Subdivisions set out in said Ordinance for the maintenance of street lighting within the Lighting SID.

WHEREAS, *Utah Code Ann.* § 17A-3-307 provides that additional properties may be added to the special improvement district and assessed upon the conditions set out therein.

WHEREAS, the City Council has given final plat approval to Legacy Farms Village Plan 1 Plats E and F (the "Subdivisions") conditioned upon all lots in the Subdivision being included in the Lighting SID.

WHEREAS, the City Council finds that the inclusion of all of the lots covered by the Subdivision in the Lighting SID will benefit the Subdivision by maintaining street lighting improvements, after installation of such by the developer of the Subdivision, which is necessary for public safety, and will not adversely affect the owners of the lots already included within the Lighting SID.

WHEREAS, the owners of the property covered by the Subdivision have given written consent: (i) to have all lots and parcels covered by that Subdivision included within the Lighting SID, (ii) to the improvements to that property (maintenance of the street lighting), (iii) to payment of the assessments for the maintenance of street lighting within the Lighting SID, and (iv) waiving any right to protest the Lighting SID and/or assessments currently being assessed for all lots in the Lighting SID (which consent is or shall be attached as Exhibit 1 to this Resolution).

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF
THE CITY OF SARATOGA SPRINGS THAT:**

1. All lots and parcels in the Subdivision be added to and included in the Lighting SID based upon the above findings and the written consent attached as Exhibit 1 to this Resolution.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49

CITY OF SARATOGA SPRINGS
CITY COUNCIL SPECIAL WORK SESSION MEETING MINUTES
Tuesday, August 30, 2016
City of Saratoga Springs City Offices
1307 North Commerce Drive, Suite 200, Saratoga Springs, Utah 84045

City Council Work Session

Call to Order: 6:36 p.m. by Mayor Pro Tem Stephen Willden
Present Council Members Chris Porter, Shellie Baertsch, Michael McOmber, and Bud Poduska.
Mayor Jim Miller arrived at 6:37 p.m.

Staff City Manager Mark Christensen, City Attorney Kevin Thurman, Assistant City Manager Spencer Kyle, Planning Director Kimber Gabryszak, City Engineer Gordon Miner, Public Relations Economic Development Manager Owen Jackson, Senior Planner Sarah Carroll, City Recorder Cindy LoPiccolo

Mt. Saratoga
Representatives: Steve Maddox, Edge Homes; Curtis Leavitt, Edge Homes; Brandon Watson, Edge Homes; Greg Magelby, LEI Engineering

Mt. Saratoga – Rezone, General Plan Amendment, Community Plan, and Master Development Agreement.

Senior Planner Sarah Carroll opened the work session to further discuss the project details and answer questions for the Mt. Saratoga project.

Steve Maddox, Edge Homes, introduced representatives and presented an overview of the recent project and infrastructure changes made in response to the August 16 public hearing. Mr. Maddox reported three areas were modified and information has been submitted for overall Village concept clarity on pods, density and units. Significant modifications have been made in response to Council and citizen input, the number of condominium units has been reduced particularly in Village 5 where 300 condo units have been eliminated and they will come forth with a plan for 183 single family units on that particular phase, and they are proposing a transition from the Sage Hills development so that the project does not go into pockets of density. In addition condominiums have been eliminated within ridgeline and viewscape areas, are proposed in only two pockets and the rest in flex space that will allow movement. Referred to a map providing identification and tabulation of conceptual concepts and noted location of proposed development and churches.

Planner Carroll clarified Community Commercial zoning which may at some point be applied to this development has not received approval yet; Community Commercial is intended to serve for medium commercial development between Regional Commercial and Neighborhood Commercial types of zoning, they are moving this forward and this zoning will be brought for Council consideration in the near future. City Manager Christensen explained the intent of Community Commercial will have a community feel but allow supporting uses such as gas stations. Director Gabryszak coming by end of the year and if necessary a conditional zone can temporarily be in place.

Work Session discussion continued and is summarized as follows:

Reduction in Number of Units

- 50 • The plan that was reviewed at the work session in January had 2,649 units and about 58% multi-
51 family.
- 52 • The plan that was reviewed at the 8/16/16 CC meeting had 2,553 units and 39% multi-family.
- 53 • After the comments from the Council, Edge will reduce the number of condos by 350 units. The
54 new plan will have 2400 units and 27% multi-family, in line with Proposition 6.

55
56 **Condos**

- 57 • Village 5 Neighborhood 3 will be changed from 350 condo's to 183 single family and the lot
58 sizes will transition from large to small as they move away from the adjacent Rural Residential
59 zone (Sage Hills)
- 60 • This reduces the number of condo's by 30%
- 61 • That leaves a total of 430 condos in two areas - Village 3, Neighborhood 1 and Village 1,
62 Neighborhood 1
- 63 • Discussion for planning location of condos in a separate community

64
65 **Lot Sizes**

- 66 • Edge will identify minimum and average lot size for each neighborhood to ensure variety

67
68 **Density transfers**

- 69 • Transfers were discussed – no changes were suggested

70
71 **Design Guidelines**

- 72 • Edge will distinguish between townhomes and condo's

73
74 **Open Space and Trails**

- 75 • Took position this would be a regional park with trails, connectivity
- 76 • Dirt base trails more conducive for uses and activities such as as opposed to road base material
77 which also eliminates long term maintenance, have a variety of options for trails depending on
78 location and activity, possible change in Master Trails Plan
- 79 • Consolidating pocket parks
- 80 • All public open space is required to be built to City standards
- 81 • Little league is shown next to the school
- 82 • Council would like the City parks to be 5 acres minimum to meet the General Plan
- 83 • Trees in the public parks to be under warranty for 3 years

84
85 **Open Space Ownership and Responsibility**

- 86 • Trails ownership remain with developer or HOA, City maintains trail surfaces through a public
87 access easement, and Master HOA responsible for adjacent landscape improvements
- 88 • Mt Saratoga Blvd. park strips with enhanced landscaping, maintained by a Master HOA
- 89 • City taking ownership of large park areas (+5 acres) for maintenance and function
- 90 • Amendment to Master Parks Plan
- 91 • Taxation, County Assessor's office determination
- 92 • Any open space dedicated to the City be stipulated it must first be to City standards
- 93 • In regard to public access easements there is no liability for an open space recreational amenity
94 that is free and open to the public
- 95 • Make clear demarcation for public understanding of what is un-maintained open space and what
96 is maintained
- 97 • Areas considere to be owned and maintained by the city

- 98 ○ The large area between Mt. Saratoga Blvd and the east boundary line was recommended
- 99 for public ownership and maintenance
- 100 ○ Other areas were discussed

101
102 Mt. Saratoga Blvd.

- 103 • Reviewed the proposed underground passage for safe connection of both sides of the
- 104 development and to the trail system
- 105 • Edge will propose a road phasing plan for Mt Saratoga Blvd.
- 106 • The phasing of Mt Saratoga Blvd was discussed, phasing identified on a map for clarity,
- 107 connecting to the south too early will actually increase traffic on Talus Ridge Blvd.

108
109 Talus Ridge Blvd.

- 110 • Talus Ridge Blvd. is a collector and is designed for 1500 vehicles
- 111 ○ Edge will make specific proposals based on a current traffic study being done
- 112 • Addition of traffic calming measures, to be discussed in detail with the City Engineer

113
114 Master HOA

- 115 • Cross section of Mt. Saratoga Blvd. proposed with significant buffering and maintenance cost of
- 116 that corridor the responsibility of a Master HOA
- 117 • Possible set up with an annual assessment paying once through the Master with separate
- 118 subservient HOA line items

119
120 Buffer adjacent Pony Express Parkway

- 121 • Edge will require 110' lot depth for the lots that back Pony Express Parkway, and request a
- 122 waiver to the 20' buffer in this location

123
124 Landscape

- 125 • Buffering grass areas with flower and shrub beds that are irrigated by drip system noting
- 126 sprinklers from grass into native areas result in sagebrush and weeds.

127
128 Community Commercial zone

- 129 • This zone does not exist yet, Staff expects it to be in place in the next few months
- 130 • Edge is not planning to develop that site right away
- 131 • Discussion on whether or not to designate it for Regional Commercial now, or Community
- 132 Commercial since the CC zone does not yet exist

133
134 Ridgeline

- 135 • Visibility of homes on the ridgeline or ridgeline protected
- 136 • Minor versus major ridgeline
 - 137 ○ Homes will not be visible on the major ridgeline, but will be visible on the minor
 - 138 ridgeline
 - 139 ○ This can be mitigated by requiring a height limit of one story and adding architectural
 - 140 requirements to the rear elevations

141
142 Powerline Corridor Trails, east and west

- 143 • Preference for leaving these native/dirt rather than grading them and adding road base
- 144 • Different trail surface options depending on location and use

145
146 Church Site

- 147 • Edge will identify church sites

- 148 • Inclusion of church site changes for administrative level decision in community plan
149 • Feasibility of a church site on ridge line

150 Accessory Dwelling Units

- 151 • Discussion for planning accessory dwelling units, generational homes, within the Planned
152 Community zone and/or higher density to plan for parking and decreases the appearance of density

153 City Attorney Thurman advised issues concerning the park, water impact fees and Fairfield Road have been
154 resolved within the Master Development Agreement and provided further explanation.

155
156 Assistant City Manager Kyle noted there has been good discussion at this work session for the general
157 proposal and staff will return with all the information for the final decisions.

158
159 **ADJOURNMENT:**

160
161 There being no further business, Mayor Miller adjourned the Work Session at 7:50 p.m.

162
163

164
165

166

Jim Miller, Mayor

167
168 Attest:

169
170

171

Cindy LoPiccolo, City Recorder

172
173
174 Approved: