

Moab, Utah

February 23, 2021

The City Council (the “Council”) of the City of Moab, Utah, (the “Issuer”) met in regular public session by electronic means, on Tuesday, February 23, 2021, at the hour of 7:00 p.m., with the following members of the Council being present:

Emily Niehaus	Mayor
Rani Derasary	Councilmember
Mike Duncan	Councilmember
Karen Guzman-Newton	Councilmember
Kalen Jones	Councilmember
Tawny Knuteson-Boyd	Councilmember

Also present:

Sommar Johnson City Recorder

Absent:

After the meeting had been duly called to order and after other matters not pertinent to this resolution had been discussed, there was presented to the Council a Certificate of Compliance with Open Meeting Law with respect to this February 23, 2021, 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. 03-2021

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MOAB, UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$7,000,000 AGGREGATE PRINCIPAL AMOUNT OF WASTEWATER AND WATER REVENUE BONDS, SERIES 2021 (THE “BONDS”); FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE BONDS MAY BE SOLD; DELEGATING TO CERTAIN OFFICERS OF THE ISSUER THE AUTHORITY TO APPROVE THE FINAL TERMS AND PROVISIONS OF THE BONDS WITHIN THE PARAMETERS SET FORTH HEREIN; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD AND SETTING OF A PUBLIC HEARING DATE; AUTHORIZING AND APPROVING THE EXECUTION OF A MASTER RESOLUTION, A BOND PURCHASE AGREEMENT AND OTHER DOCUMENTS REQUIRED IN CONNECTION THEREWITH; AUTHORIZING THE TAKING OF ALL OTHER ACTIONS NECESSARY TO THE CONSUMMATION OF THE TRANSACTIONS CONTEMPLATED BY THIS RESOLUTION; AND RELATED MATTERS.

WHEREAS, the City Council (the “Council”) of the City of Moab, Utah (the “Issuer”) desires to (a) finance all or a portion of the costs of improvements to its wastewater and water systems (together, the “System”), including but not limited to, the construction of a well and a water storage tank, water line improvements and all related improvements (the “Series 2021 Project”), (b) fund any necessary debt service reserve funds, and (c) pay costs of issuance with respect to the Series 2021 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 Wastewater and Water Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer), pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), (b) this Resolution, and (c) a Master Resolution (the “Master Resolution”), in substantially the form presented to the meeting at which this Resolution was adopted and which is attached hereto as Exhibit B; and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity must (a) give notice of its intent to issue such bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the bonds and (ii) the potential economic

impact that the improvement, facility or property for which the bonds pay all or part of the cost will have on the private sector; and

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Series 2021 Bonds, including a notice of bonds to be issued, in compliance with the Act; and

WHEREAS, the Issuer desires to approve and authorize a Bond Purchase Agreement (the “Bond Purchase Agreement”), in substantially the form attached hereto as Exhibit C, to be entered into between the Issuer and underwriter or purchaser (the “Purchaser”) selected by the Issuer for the Series 2021 Bonds; and

WHEREAS, in order to allow the Issuer flexibility in setting the pricing date of the Series 2021 Bonds to optimize debt service costs to the Issuer, the Council desires to grant to any one of the Mayor or Mayor pro tem (together, the “Mayor”) or the City Manager (collectively, the “Designated Officers”), the authority to (a) approve the principal amounts, interest rates, terms, maturities, redemption features, and purchase price at which the Series 2021 Bonds shall be sold and (b) make any changes with respect thereto from those terms which were before the Council at the time of adoption of this Resolution, provided such terms do not exceed the parameters set forth for such terms in this Resolution (the “Parameters”);

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

Section 1. For the purpose of (a) financing the Series 2021 Project, (b) funding a deposit to a debt service reserve fund, if necessary, and (c) paying costs of issuance of the Series 2021 Bonds, the Issuer hereby authorizes the issuance of the Series 2021 Bonds which shall be designated “City of Moab, Utah Wastewater and Water Revenue Bonds, Series 2021” (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer) in the aggregate principal amount of not to exceed \$7,000,000. The Series 2021 Bonds shall mature in not more than twenty (20) years from their date or dates, shall be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, shall bear interest at a rate or rates of not to exceed three percent (3.0%) per annum, as shall be approved by the Designated Officers, all within the Parameters set forth herein.

Section 2. The Designated Officers are hereby authorized to select the Purchaser and specify and agree as to the method of sale, the final principal amounts, terms, discounts, maturities, interest rates, redemption features, and purchase price with respect to the Series 2021 Bonds for and on behalf of the Issuer, provided that such terms are within the Parameters set by this Resolution. The selection of the method of sale, the selection of the Purchaser, and the determination of the final terms and redemption provisions for the Series 2021 Bonds by the Designated Officers shall be evidenced by the execution of the Bond Purchase Agreement in substantially the form attached hereto as Exhibit C, or a term sheet if the selected Purchaser prefers.

Section 3. The Master Resolution and the Bond Purchase Agreement in substantially the forms presented to this meeting and attached hereto as Exhibit B and Exhibit C, respectively, are hereby authorized, approved, and confirmed. The Mayor and City Recorder are hereby authorized to execute and deliver the Master Resolution 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.

Section 4. The Designated Officers or other appropriate officials of the Issuer are authorized to make any alterations, changes or additions to the Master Resolution, the Bond Purchase Agreement, the Series 2021 Bonds, or any other document herein authorized and approved which may be necessary to conform the same to the final terms of the Series 2021 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. The execution thereof by the Mayor on behalf of the Issuer of the documents approved hereby shall conclusively establish such necessity, appropriateness, and approval with respect to all such additions, modifications, deletions, and changes incorporated therein.

Section 5. The form, terms, and provisions of the Series 2021 Bonds and the provisions for the signatures, authentication, payment, registration, transfer, exchange, redemption, and number shall be as set forth in the Master Resolution. The Mayor and the City Recorder are hereby authorized and directed to execute and seal the Series 2021 Bonds and to deliver or provide for the delivery of said Series 2021 Bonds to the Purchaser. The signatures of the Mayor and the City Recorder may be by facsimile or manual execution.

Section 6. Upon their issuance, the Series 2021 Bonds will constitute special limited obligations of the Issuer payable solely from and to the extent of the sources set forth in the Series 2021 Bonds and the Master Resolution. No provision of this Resolution, the Master Resolution, the Series 2021 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 any political subdivision thereof, or as incurring or creating a charge upon the general credit of the Issuer or its ad valorem taxing powers.

Section 7. The Designated Officers and other appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents and other papers (including, without limitation, any escrow agreement permitted under the Master Resolution and tax compliance procedures) and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Resolution and the documents authorized and approved herein.

Section 8. After the Series 2021 Bonds are delivered to the 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 2021 Bonds are deemed to have been duly discharged in accordance with the terms and provisions of the Master Resolution.

Section 9. The Issuer shall hold a public hearing on March 23, 2021, to receive input from the public with respect to (a) the issuance of the Series 2021 Bonds issued under the Act and (b) the potential economic impact that the improvements to be financed with the proceeds of the Series 2021 Bonds issued under the Act will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is first published and such publication shall be made (i) once a week for two consecutive weeks in the Times Independent, a newspaper of general circulation in the Issuer, (ii) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended, and (iii) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended. The City Recorder shall cause a copy of this Resolution (together with all exhibits hereto) to be kept on file in the Issuer's offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days from and after the last date of the newspaper publication thereof. The Issuer directs its officers and staff to publish a "Notice of Public Hearing and Bonds to be Issued" in substantially the following form:

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), that on February 23, 2021, the City Council (the “Council”) of the City of Moab, Utah (the “Issuer”), adopted a resolution (the “Resolution”) in which it authorized the issuance of the Issuer’s Wastewater and Water Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer), and called a public hearing.

TIME, PLACE, LOCATION AND PURPOSE OF PUBLIC HEARING

The Issuer shall hold a public hearing on March 23, 2021, at the hour of 7:00 p.m. by electronic means. The public may view the Issuer’s electronic public hearing by viewing the Issuer’s YouTube channel: <https://www.youtube.com/MoabCityGovernment>. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of the Series 2021 Bonds and (b) any potential economic impact that the project to be financed with proceeds of the Series 2021 Bonds may have on the private sector. All members of the public are invited to attend electronically and participate. Call-in information to make comments during the public hearing can be found on the agenda at: <https://moabcity.org/AgendaCenter/City-Council-1>.

PURPOSE FOR ISSUING THE SERIES 2021 BONDS

The Series 2021 Bonds will be issued for the purpose of: (a) financing all or a portion of the costs of improvements to the wastewater and water systems (together, the “System”), including but not limited to, the construction of a well and a water storage tank, water line improvements and all related improvements (the “Series 2021 Project”), (b) funding any necessary debt service reserve funds, and (c) paying costs of issuance of the Series 2021 Bonds.

PARAMETERS OF THE SERIES 2021 BONDS

The Issuer intends to issue the Series 2021 Bonds in the aggregate principal amount of not more than Seven Million Dollars (\$7,000,000), to mature in not more than twenty (20) years from their date or dates, to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof and bearing interest at a rate or rates not to exceed three percent (3.0%) per annum. The Series 2021 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a Master Resolution (the “Master Resolution”) which were before the Council in substantially final form at the time of the adoption of the Resolution and said Master Resolution is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2021 Bonds will not exceed the maximums set forth above. The Issuer reserves the right to not issue the Series 2021 Bonds for any reason and at any time up to the issuance of the Series 2021 Bonds.

REVENUES PROPOSED TO BE PLEDGED

The Bonds are special limited obligations of the Issuer payable from the net revenues of the System.

OUTSTANDING BONDS SECURED BY PLEDGED TAXES

The Issuer currently has \$15,136,000 of bonds outstanding secured by the Revenues.

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's financial report (the "Financial Report") at: <https://reporting.auditor.utah.gov/searchreport>. For additional information, including any information more recent than as of the date of the Financial Report, please contact Joel Linares, City Manager at (435) 259-5121.

TOTAL ESTIMATED COST OF BONDS

Based on the Issuer's current plan of finance and a current estimate of interest rates, the total principal and interest cost of the Series 2021 Bonds, if held until maturity, is \$8,120,309.

A copy of the Resolution and form of the Master Resolution are on file in the office of the Moab City Recorder, 217 East Center Street, Moab, Utah, where they may be examined during regular business hours of the City Recorder from 8:00 a.m. to 5:00 p.m. Monday through Friday, for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Master Resolution (as it pertains to the Series 2021 Bonds), or the Series 2021 Bonds, or any provision made for the security and payment of the Series 2021 Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this February 23, 2021.

/s/Sommar Johnson
City Recorder

Section 10. The Issuer hereby reserves the right to opt not to issue the Series 2021 Bonds for any reason, including without limitation, consideration of the opinions expressed at the public hearing.

Section 11. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

Section 12. The Issuer hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Series 2021 Project. The Series 2021 Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Series 2021 Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Series 2021 Bonds which will be issued to finance the reimbursed costs of the Series 2021 Project is not expected to exceed \$7,000,000.

APPROVED AND ADOPTED this February 23, 2021.

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

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

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

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

STATE OF UTAH)
 : ss.
COUNTY OF GRAND)

I, Sommar Johnson, the duly appointed and qualified City Recorder of the City of Moab, 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 February 23, 2021, including a resolution (the “Resolution”) adopted at said meeting as said minutes and Resolution are officially of record in my possession.

I further certify that the Resolution, with all exhibits attached, was deposited in my office on February 23, 2021, and pursuant to the Resolution, there will be published a Notice of Public Hearing and Bonds to be Issued no less than fourteen (14) days before the public hearing date: (a) once a week for two consecutive weeks in the Times Independent, a newspaper having general circulation within the City, the affidavit of which publication will be attached upon availability, (b) on the Utah Public Notice Website created under Section 63F-1-701, Utah Code Annotated 1953, as amended and (c) on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of said City, this February 23, 2021.

(SEAL)

By: _____
City Recorder

EXHIBIT A

CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW

I, Sommar Johnson, the undersigned City Recorder of the City of Moab, 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 February 23, 2021, 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 February ____, 2021, 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 Times Independent on February ____, 2021, 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 addition, the Notice of 2021 Annual Meeting Schedule for the City Council (attached hereto as Schedule 2) was given specifying the date, time, and place of the regular meetings of the City Council to be held during the year, by causing said Notice to be (a) posted on _____, at the principal office of the City Council, (b) provided to at least one newspaper of general circulation within the City on _____, and (c) published on the Utah Public Notice Website (<http://pmn.utah.gov>) during the current calendar year.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this February 23, 2021.

(SEAL)

By: _____
City Recorder

SCHEDULE 1
NOTICE OF MEETING

SCHEDULE 2
ANNUAL MEETING SCHEDULE

(attach Proof of Publication of
Notice of Public Hearing and Bonds to be Issued)

SUPPLEMENTAL MASTER RESOLUTION

OF

CITY OF MOAB, UTAH

AS ISSUER

DATED AS OF

_____, 2021

Table of Contents

ARTICLE I. DEFINITIONS 1

Section 1.01 Definitions..... 1

Section 1.02 Master Resolution to Constitute Contract..... 5

Section 1.03 Construction..... 5

ARTICLE II. ISSUANCE OF SERIES 2021 BONDS 6

Section 2.01 Principal Amount, Designation, Series, and Interest Rate..... 6

Section 2.02 Date and Maturities..... 6

Section 2.03 Optional Redemption and Redemption Prices..... 7

Section 2.04 Execution and Delivery of the Series 2021 Bonds 7

ARTICLE III. SERIES 2021 BOND PROVISIONS 7

Section 3.01 Execution; Limited Obligation. 7

Section 3.02 Authentication and Delivery of Series 2021 Bonds..... 8

Section 3.03 Mutilated, Lost, Stolen or Destroyed Bonds..... 9

Section 3.04 Registration of Bonds; Persons Treated as Owners..... 9

Section 3.05 Notice of Redemption. 10

Section 3.06 Cancellation. 10

Section 3.07 Nonpresentation of Bonds..... 10

Section 3.08 Additional Bonds. 11

Section 3.09 Sale of Bonds; Authorization of Agreements. 12

ARTICLE IV. CREATION OF FUNDS AND ACCOUNTS..... 13

Section 4.01 Creation of Revenue Fund. 13

Section 4.02 Creation of Bond Fund..... 13

ARTICLE V. USE OF FUNDS 13

Section 5.01 Use of Revenue Fund..... 13

Section 5.02 Use of Bond Fund. 14

Section 5.03 Investment of Funds..... 15

ARTICLE VI. APPLICATION OF PROCEEDS..... 15

Section 6.01 Transfer of Fund and Application of Proceeds of the Series 2021 Bonds. 15

Section 6.02 Debt Service Reserve Requirement. 15

ARTICLE VII. GENERAL COVENANTS 15

Section 7.01 General Covenants 15

Section 7.02 First Lien Bonds; Equality of Liens..... 18

Section 7.03 Payment of Principal and Interest. 18

Section 7.04	Performance of Covenants; Issuer.	19
Section 7.05	List of Bondholders.....	19
Section 7.06	Designation of Additional Paying Agents.	19
Section 7.07	Tax Exemption of Series 2021 Bonds.	19
Section 7.08	Instruments of Further Assurance.	20
Section 7.09	Covenant of State of Utah.....	20
ARTICLE VIII. EVENTS OF DEFAULT; REMEDIES.....		21
Section 8.01	Events of Default.	21
Section 8.02	Remedies; Rights of Registered Owners.	22
Section 8.03	Right of Registered Owners to Direct Proceedings.	22
Section 8.04	Application of Moneys.	22
Section 8.05	Rights and Remedies of Registered Owners.....	23
Section 8.06	Termination of Proceedings.....	24
Section 8.07	Waivers of Events of Default.....	24
ARTICLE IX. SUPPLEMENTAL RESOLUTIONS.....		24
Section 9.01	Supplemental Resolutions Not Requiring Consent of Registered Owners. 24	
Section 9.02	Supplemental Resolutions Requiring Consent of Registered Owners; Waivers and Consents by Registered Owners.	25
ARTICLE X. DISCHARGE OF RESOLUTION.....		25
ARTICLE XI. MISCELLANEOUS.....		27
Section 11.01	Consents, Etc., of Registered Owners.....	27
Section 11.02	Limitation of Rights.....	27
Section 11.03	Severability.	27
Section 11.04	Maintenance of Proceedings.	28
Section 11.05	Defeasance of the Series 2021 Bonds.....	28
Section 11.06	Sale of Series 2021 Bonds Approved.	28
Section 11.07	Bondholders not Responsible.	28
Section 11.08	Bonds Registrar and Paying Agent.....	28
Section 11.09	Notice of Series 2021 Bonds to be Issued.	28
Section 11.10	Additional Certificates, Documents, and Other Papers.	29
Section 11.11	Severability.	29
Section 11.12	Resolutions in Conflict.	29
Section 11.13	Effective Date of Resolution.....	29
EXHIBIT A FORM OF BONDS.....		1
EXHIBIT B FORM OF BOND PURCHASE AGREEMENT.....		1

SUPPLEMENTAL MASTER RESOLUTION

WHEREAS, 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 (together, the “Act”), authorizes the issuance of non-voted revenue bonds payable solely from a special revenue source; and

WHEREAS, the City of Moab, Utah (the “Issuer”) has previously issued its Wastewater and Water Revenue Bonds, Series 2018A and its Wastewater and Water Revenue Refunding Bonds, Series 2018B (together, the “Series 2018 Bonds”) pursuant to a Master Resolution dated as of September 1, 2018 (the “2018 Master Resolution”); and

WHEREAS, the Issuer desires to (a) finance the acquisition and construction of improvements to the Issuer’s wastewater and water systems (together, the “System”) including but not limited to, the construction of a well and a water storage tank, water line improvements and all related improvements (collectively, the “Series 2021 Project”) and (b) pay costs of issuance with respect to the Series 2021 Bonds, through the issuance of Wastewater and Water Revenue Bonds, Series 2021 (the “Series 2021 Bonds”) in an aggregate principal amount of \$_____ pursuant to the 2018 Master Resolution and this Supplemental Master Resolution dated as of _____, 2021 (the “Supplemental Master Resolution” and together with the 2018 Master Resolution, the “Master Resolution”); and

WHEREAS, _____ (the “Purchaser”) has offered to purchase the Series 2021 Bonds at par in the total principal amount of \$_____; and

WHEREAS, the Issuer desires to accept the offer of the Purchaser and to confirm the sale of the Series 2021 Bonds to the Purchaser;

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

ARTICLE I. DEFINITIONS

Section 1.01 Definitions. As used in this Master Resolution, the following terms shall have the following meanings unless the context otherwise clearly indicates:

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

“Annual Debt Service” means the total requirement of principal, interest and premium payments, if any, to be paid by the Issuer during any Sinking Fund Year on the Issuer’s outstanding Series 2021 Bonds or other forms of indebtedness, including the Parity Bonds, issued on a parity with the Series 2021 Bonds.

“Average Annual Debt Service” means the sum total of the Annual Debt Service for all Sinking Fund Years divided by the total number of Sinking Fund Years during which any of the Series 2021 Bonds will remain outstanding.

“Bonds” means the Series 2018 Bonds, the Series 2021 Bonds and any Parity Bonds issued by the Issuer.

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

“Business Day” means a day on which banking business is transacted, but not including any day on which banks are authorized to be closed within the boundaries of the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended.

“Dated Date” means the initial delivery date of the Series 2021 Bonds.

“Debt Service Reserve Requirement” means \$[0].

“Default” and “Event of Default” mean, with respect to any default or event of default under this Master Resolution, any occurrence or event specified in and defined by Section 9.01 hereof.

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

“Direct Obligations” means (a) cash, (b) Government Obligations, and (c) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of AAAM-G, AAAM, or AA-m and if rated by Moody’s rated Aaa, Aa1 or Aa2.

“Fully Registered Bond” means any single Fully Registered Bond in the denomination(s) equal to the aggregate principal amount of the applicable Series 2021 Bonds authorized herein.

“Governing Body” means the City Council of the Issuer.

“Interest Payment Dates” means each _____ and _____ beginning _____, 2021.

“Master Resolution” means the 2018 Master Resolution dated as of September 1, 2018 and this Supplemental Master Resolution dated as of _____, 2021.

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

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

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

“Parity Bonds” means any bonds issued in the future on a parity with the Series 2021 Bonds.

“Purchaser” means _____.

“2018 Master Resolution” means the 2018 Master Resolution dated as of September 1, 2018.

“Supplemental Master Resolution” means this Supplemental Master Resolution dated as of _____, 2021.

“Qualified Investments” means any of the following securities:

Direct Obligations;

(i) Obligations of any of the following federal agencies which obligations represent full faith and credit obligations of the United States of America: 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);

(ii) Money market funds rated “AAAm” or “AAAm-G” or better by S&P;

(iii) 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;

(iv) Bonds, notes or other evidences or 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;

(v) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks 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);

(vi) the fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer’s Investment Fund; and

(vii) any other investment permitted by the State Money Management Act, Title 51, Chapter 7, Utah Code Annotated 1953, as amended.

“Registrar” or “Paying Agent” means the person or persons authorized by the Issuer to maintain the registration books with respect to the Series 2021 Bonds and to pay the principal on the Series 2021 Bonds on behalf of the Issuer. The initial Registrar and Paying Agent for the Series 2021 Bonds is the City Recorder of the Issuer.

“Regular Record Date” means the fifteenth day (whether or not a Business Day) immediately preceding each Interest Payment Date with respect to the applicable Series of Bonds.

“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.

“Revenue Fund” means the City of Moab Wastewater and Water Revenue Fund created herein in the hands of the Issuer to be administered pursuant to Section 5.01 of this Master Resolution.

“Revenues” means all gross income and revenues of any kind from any source whatsoever, derived from the operation of the System, including, without limitation, all fees, rates, connection charges, impact fees improved with respect to the Project and other charges, the gross revenues of all improvements, additions and extensions of the System hereafter constructed or acquired and all interest earned by and profits derived from the sale of investments made with the income and Revenues.

“Series 2018 Bonds” means the Issuer’s outstanding Wastewater and Water Revenue Bonds, Series 2018A and Wastewater and Water Revenue Refunding Bonds, Series 2018B.

“Series 2021 Bonds” means the Issuer’s Wastewater and Water Revenue Bonds, Series 2021 issued hereunder.

“Series 2021 Project” means the costs of improvements to the System, including but not limited to, the construction of a well and a water storage tank, water line improvements and all related improvements.

“Series 2021 Reserve Account” means, the account described in Section 3.4 below.

“Sinking Fund Year” means the 12-month period beginning July 1 of each year and ending June 30 of the following year, except with respect to the Series 2021 Bonds that the first Sinking Fund Year will begin on the Dated Date and will end on the following June 30.

“System” means collectively, the wastewater and water facilities of the Issuer, as such facilities now existing, and any other properties now or hereafter owned or operated by the Issuer relating to said facilities and as may hereafter be improved and extended, including specifically all properties of every nature owned by the Issuer and used or useful in the operation of said system, including real estate, personal and intangible properties, contracts, franchises, leases, whether lying within or without the boundaries of the Issuer, including the whole and each and every part of the sewer facilities of the Issuer, including the Series 2021 Project to be acquired and constructed pursuant to this Master Resolution, and all real, personal, and mixed property, of every nature now or hereafter owned by the Issuer and used or useful in the operation of said System, together with all improvements, extensions, enlargements, additions, and repairs thereto which may be made while the Series 2021 Bonds remain Outstanding.

Section 1.02 Master Resolution to Constitute Contract. In consideration of the purchase and acceptance of any and all of the Series 2021 Bonds authorized to be issued hereunder by the Owners thereof from time to time, this Master Resolution shall be deemed to be and shall constitute a contract between the Issuer and the Owners from time to time of the Series 2021 Bonds; and the pledge made in this Master Resolution and the covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Owners of any and all of the Bonds all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority, or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Master Resolution.

Section 1.03 Construction. This Master Resolution, except where the context by clear implication herein otherwise requires, shall be construed as follows:

(a) The terms “hereby,” “hereof,” “herein,” “hereto,” “hereunder,” and any similar terms used in this Master Resolution shall refer to this Master Resolution in its entirety unless the context clearly indicates otherwise.

(b) Words in the singular number include the plural, and words in the plural include the singular.

(c) Words in the masculine gender include the feminine and the neuter, and when the sense so indicates, words of the neuter gender refer to any gender.

(d) Articles, sections, subsections, paragraphs and subparagraphs mentioned by number, letter or otherwise, correspond to the respective articles, sections, subsections, paragraphs and subparagraphs hereof so numbered or otherwise so designated.

The titles or leadlines applied to articles, sections and subsections herein are inserted only as a matter of convenience and ease in reference and in no way define, limit or describe the scope or intent of any provisions of this Master Resolution.

ARTICLE II.
ISSUANCE OF SERIES 2021 BONDS

Section 2.01 Principal Amount, Designation, Series, and Interest Rate. The Series 2021 Bonds are hereby authorized for the purpose of providing funds to (a) finance the Series 2021 Project and (b) pay costs incurred in connection with the issuance of the Series 2021 Bonds. The Series 2021 Bonds shall be limited to \$ _____ in aggregate principal amount, shall be issued in the form set forth in Exhibit A, in fully registered form and shall bear interest at the rate of ____% per annum and shall be payable as specified herein. The Series 2021 Bonds shall be designated as and shall be distinguished from the bonds of all other series by the title, “City of Moab, Utah Wastewater and Water Revenue Bonds, Series 2021.”

Section 2.02 Date and Maturities. The Series 2021 Bonds shall be dated as of the Dated Date, shall be in denominations of [\$5,000 or any \$1,000] multiple in excess thereof, 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 2021 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 2021 Bonds, in which event such Series 2021 Bonds shall bear interest from the Dated Date, payable on _____ and _____ commencing on _____, 20__, at the rate per annum and shall mature on _____ in the amount set forth below:

Maturity	<u>Principal Amount</u>	<u>Interest Rate</u>
(_____)		

Payment of the interest on any Series 2021 Bond shall be made to the person appearing on the Bond registration books of the registrar hereinafter provided for as the Registered Owner thereof by check or draft mailed to the Registered Owner at his address as it appears on such registration books. Interest shall be paid by check or draft mailed on each Interest Payment Date to the Owner of each of the Series 2021 Bonds as the name and address of such Owner appears on the Record Date in the Register.

Section 2.03 Optional Redemption and Redemption Prices. [The Series 2021 Bonds maturing on or prior to _____, 20__ are not subject to redemption prior to maturity. The Series 2021 Bonds maturing on and after _____, 20__ are subject to redemption prior to maturity at the option of the Issuer, in such order of maturity as may be selected by the Issuer, in whole or in part on any day on and after _____, 20__, at a redemption price equal to 100% of the principal amount of the Series 2021 Bonds to be redeemed plus accrued interest to the date of redemption.]

Section 2.04 Execution and Delivery of the Series 2021 Bonds. The Mayor of the Issuer is hereby authorized to execute by manual or facsimile signature the Series 2021 Bonds and the City Recorder of the Issuer to countersign by manual or facsimile signature the Series 2021 Bonds and to have imprinted, engraved, lithographed, stamped, or otherwise placed on the Series 2021 Bonds the official seal of the Issuer. The City Recorder is hereby authorized to deliver to the Purchaser the Series 2021 Bonds upon payment to the Issuer of the proceeds of the Series 2021 Bonds.

ARTICLE III. SERIES 2021 BOND PROVISIONS

Section 3.01 Execution; Limited Obligation. The Series 2021 Bonds shall be executed on behalf of the Issuer with the manual or official facsimile signature of its Mayor, countersigned with the manual or official facsimile signature of the City Recorder, and shall have impressed or imprinted thereon the corporate seal or facsimile thereof of the City Recorder. In case any officer whose signature shall appear on the Series 2021 Bonds, shall cease to be such officer before the delivery of such Series 2021 Bonds, such signature shall nevertheless be valid and sufficient for all purposes, the same as if he had remained in office until delivery. The Series 2021 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 2021 Bond proceeds or other funds created hereunder or the income from the temporary investment thereof).

The Series 2021 Bonds shall be a valid claim of the respective Registered Owners thereof only against the Net Revenues and other moneys in funds and accounts held by the Issuer hereunder and the Issuer hereby pledges and assigns the same for the equal and ratable payment of the Series 2021 Bonds, and the Net Revenues shall be used for no other purpose than to pay the principal of, premium, if any, and interest on the Series 2021 Bonds,

except as may be otherwise expressly authorized herein. The issuance of the Series 2021 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.

Section 3.02 Authentication and Delivery of Series 2021 Bonds.

(a) The Issuer shall deliver executed Series 2021 Bonds to the Registrar for authentication. Subject to the satisfaction of the conditions for authentication of Series 2021 Bonds set forth herein, the Registrar shall authenticate such Bonds, and deliver them upon the order of the Issuer to their respective Owners thereof upon the payment or exchange by the Owners to the Issuer for the account of the Issuer of the purchase price therefor. Delivery by the Issuer shall be full acquittal to the Owners for the purchase price of such Series 2021 Bonds, and the Owners shall be under no obligation to see to the application thereof. The proceeds of the sale of such Series 2021 Bonds shall, however, be disposed of only as provided herein.

(b) No Series 2021 Bond shall be valid or obligatory for any purpose or entitled to any security or benefit hereunder, unless and until a certificate of authentication on such Series 2021 Bond substantially in the form set forth in the forms of Bonds attached hereto shall have been duly executed by the Registrar, and such executed certificate of the Registrar upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered hereunder. The Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

(c) Prior to the authentication by the Registrar of the Series 2021 Bonds there shall have been filed with bond counsel:

(i) A copy of this Master Resolution duly certified by the City Recorder.

(ii) A certificate of the Issuer, dated as of the date of authentication of the Series 2021 Bonds, to the effect that this Master Resolution is still in force and effect without amendments.

(iii) A request and authorization to the Registrar from the Issuer to authenticate the Series 2021 Bonds in the aggregate principal amount therein specified and deliver them to purchasers therein identified upon payment to the Issuer, of the sum specified therein.

(iv) An opinion of bond counsel dated the date of authentication of the Series 2021 Bonds to the effect that (a) the Master Resolution has been duly adopted by the Issuer and creates a valid and binding obligation on the Issuer in accordance with its terms, (b) the Series 2021 Bonds are special obligations of the Issuer payable solely from the Net Revenues and

do not constitute a general obligation indebtedness of the Issuer, and (c) the interest payable on the Series 2021 Bonds is excludable from gross income for federal income tax purposes.

Section 3.03 Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Issuer may execute and the Registrar may authenticate a new Bond of like date, series, maturity and denomination as that mutilated, lost, stolen or destroyed; provided that, in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Registrar, and in the case of any lost, stolen or destroyed Bond, there shall be first furnished to the Registrar evidence of such loss, theft or destruction satisfactory to the Registrar, together in all cases with indemnity satisfactory to the Registrar and the Issuer. In the event any such Bond shall have matured, instead of issuing a duplicate Bond, the Registrar may pay the same without surrender thereof upon compliance with the foregoing. The Registrar may charge the Registered Owner of such Bond with its reasonable fees and expenses in this connection. Any Bond issued pursuant to this Section 3.03 shall be deemed part of the Series of the Bonds in respect of which it was issued and an original additional contract obligation of the Issuer.

Section 3.04 Registration of Bonds; Persons Treated as Owners. The Issuer shall cause the books for the registration and for the transfer of the Bonds as provided herein to be kept by the City Recorder which is hereby constituted and appointed the Registrar of the Issuer with respect to the Bonds, provided, however, that the Issuer may, by Supplemental Resolution, select a party other than the City Recorder to act as Registrar with respect to the Series of Bonds issued under said Supplemental Resolution. Any Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Registrar, duly executed. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon surrender for transfer of any Bond at the office of the Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Registrar and duly executed by, the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and the Registrar shall authenticate and deliver in the name of the transferee or transferees, a new Bond or Bonds of the same Series and the same maturity for a like aggregate principal amount as the Bond surrendered for transfer. Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Bonds of other authorized denominations of the same Series and the same maturity. The execution by the Issuer of any Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to authenticate and deliver such Bond. The Issuer and the Registrar shall not be required to transfer or exchange any Bond (i) during the period from and including any Regular Record Date, to and including the next succeeding Interest Payment Date, (ii) during the period from and including the day fifteen days prior to any Special Record Date, to and including the date of the proposed payment pertaining thereto, (iii) during the period from and including the day fifteen days prior to the mailing of notice calling any Bonds for redemption, to and including the date of such mailing, or (iv) at any time following the mailing of notice calling such Bond for redemption.

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

The Registrar shall require the payment by the Bondholder requesting exchange or transfer of Bonds of any tax or other governmental charge and by the Issuer of any service charge of the Registrar which are required to be paid with respect to such exchange or transfer and such charges shall be paid before such new Bond shall be delivered.

Section 3.05 Notice of Redemption. In the event any of the Series 2021 Bonds are called for redemption, notice thereof identifying the Series 2021 Bonds or portions thereof to be redeemed will be given by the Paying Agent by mailing a copy of the redemption notice by registered or certified mail at least thirty (30) days prior to the date fixed for redemption to the Registered Owner of each Series 2021 Bond to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Series 2021 Bond with respect to which no such failure has occurred. Any notice mailed as provided in this paragraph shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. All Series 2021 Bonds so called for redemption will cease to bear interest after the specified redemption date provided funds for their redemption are on deposit at the place of payment at that time.

Section 3.06 Cancellation. All Bonds which have been surrendered for payment, redemption or exchange, and Bonds purchased from any moneys held by the Paying Agent hereunder or surrendered to the Paying Agent by the Issuer, shall be canceled and cremated or otherwise destroyed by the Registrar and shall not be reissued, and a counterpart of the certificate of cremation or other destruction certificate evidencing such cremation or other destruction shall be furnished by the Registrar to the Issuer; provided, however, that one or more new Bonds shall be issued for the unredeemed portion of any Bond without charge to the Registered Owner thereof.

Section 3.07 Nonpresentation of Bonds. In the event any Series 2021 Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or at the date fixed for redemption thereof, if funds sufficient to pay such Bond shall have been made available to the Paying Agent, all liability of the Issuer to the Registered Owner thereof for the payment of such Bond shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such fund or funds, without liability to the Registered Owner of such Bond for interest thereon, for the benefit of the Registered Owner of such Bond who shall thereafter be

restricted exclusively to such fund or funds for any claim of whatever nature on his part hereunder or on, or with respect to, said Bond. If any Bond shall not be presented for payment within four years following the date when such Bond becomes due, whether by maturity or otherwise, the Paying Agent shall, to the extent permitted by law, repay to the Issuer the funds theretofore held by it for payment of such Bond, and such Bond shall, subject to the defense of any applicable statute of limitation, thereafter be an unsecured obligation of the Issuer, and the Registered Owner thereof shall be entitled to look only to the Issuer for payment, and then only to the extent of the amount so repaid, and the Issuer shall not be liable for any interest thereon and shall not be regarded as a trustee of such money.

Section 3.08 Additional Bonds. No additional indebtedness, bonds, or notes of the Issuer payable on a priority to the pledge of Net Revenues for the payment of the Series 2021 Bonds or the Parity Bonds herein authorized shall be created or incurred without the prior written consent of the Owners of one hundred percent (100%) of the outstanding Series 2021 Bonds or the Parity Bonds. In addition, no Parity Bonds payable on a parity with the Series 2021 Bonds herein authorized out of Net Revenues shall be created or incurred, unless the following requirements have been met:

(a) The Net Revenues of the System for any twelve (12) month period within the twenty-four (24) month period immediately preceding the authentication and delivery of the Parity Bonds were at least one hundred twenty-five percent (125%) of the total principal, premium, if any, interest, if any, for said twelve (12) month period on all of the outstanding Series 2021 Bonds and Parity Bonds secured by the Net Revenues of the System which were then Outstanding.

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

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

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

(B) if (i) is not the case, for the then current Sinking Fund Year and each succeeding Sinking Fund Year to and including the second Sinking Fund Year succeeding the latest estimated date of completion of the Improvements; and

(ii) verifying that the Estimated Net Revenues as shown in (i) above for each of such Sinking Fund Years are not less than one hundred twenty-five percent (125%) of the aggregate Annual Debt Service for each

of such Sinking Fund Years with respect to all of the Series 2021 Bonds and Parity Bonds which would then be Outstanding (after taking into account any principal reductions resulting from regularly scheduled principal or sinking fund redemption payments) and the Parity Bonds so proposed to be issued.

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

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

(ii) Next, the additional Net Revenues, if any, resulting from the Improvements financed with the proceeds of the Parity Bonds will be estimated for the applicable Sinking Fund Years as determined in (b)(1)(i) or (ii) above.

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

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

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

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

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

Section 3.09 Sale of Bonds; Authorization of Agreements. The Series 2021 Bonds shall be sold to the Purchaser at a price equal to \$_____, representing the

principal amount of the Series 2021 Bonds, less a Purchaser's discount of \$ _____ in accordance with the provisions of the Bond Purchase Agreement. The Mayor and City Recorder are hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of the Issuer in substantially the form and with substantially the same content as contained in Exhibit B attached hereto. The appropriate officers of the Issuer, including without limitation the Mayor and City Recorder, are authorized to take all action necessary or reasonably required by the Bond Purchase Agreement to carry out, give effect to and consummate the transactions as contemplated thereby.

ARTICLE IV.
CREATION OF FUNDS AND ACCOUNTS

Section 4.01 Creation of Revenue Fund. There is hereby created and ordered established with the Issuer a revenue fund in the name of the Issuer to be designated the "City of Moab, Utah Wastewater and Water Revenue Fund" (herein defined as the "Revenue Fund"). For accounting purposes, the Revenue Fund may be redesignated by different account names by the Issuer from time to time.

Section 4.02 Creation of Bond Fund. There is hereby created and ordered established in the custody of the Issuer a special fund in the name of the Issuer to be designated the "City of Moab, Utah Wastewater and Water Revenue Bond Fund" (herein defined as the "Bond Fund").

ARTICLE V.
USE OF FUNDS

Section 5.01 Use of Revenue Fund. All Revenues shall be accounted for and maintained by the Issuer in the Revenue Fund, which fund shall be kept separate and apart from all other accounts of the Issuer and which shall be expended and used by the Issuer only in the manner and order of priority specified below:

(a) As a first charge and lien on the Net Revenues, the Issuer shall, at least 15 days prior to each Interest Payment Date, transfer and deposit into the Bond Fund, from the Revenue Fund, an amount equal to:

(i) the interest falling due on the Series 2021 Bonds on the next succeeding Interest Payment Date; plus

(ii) the principal and premium, if any, falling due on the next succeeding Mandatory Sinking Fund Redemption Date or Maturity Date established for the Series 2021 Bonds,

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 Series 2021 Bonds promptly on each such Interest Payment Date, Mandatory Sinking Fund Redemption Date or Maturity Date as the same become due and payable.

(b) If moneys 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 in such account moneys sufficient in amount to restore such account(s) within one year, or a ratable portion of remaining Net Revenues if less than the full amount necessary,

(c) If moneys shall have been withdrawn from the Emergency Repair and Replacement Fund is at any time funded in an amount less than the applicable Emergency Repair and Replacement Requirement, the Issuer shall deposit in such account moneys sufficient in amount to restore such account(s) within one year, or a ratable portion of remaining Net Revenues if less than the full amount necessary,

(d) The Net Revenues remaining after the foregoing deposits and transfers for each Interest Payment Date, may be used at any time for any other lawful purpose.

Section 5.02 Use of Bond Fund.

(a) The Issuer shall make deposits, as and when received, as follows:

(i) all moneys payable by the Issuer as specified in Section 6.01 hereof shall be deposited into the Bond Fund in the order named;

(ii) all other moneys received by the Issuer hereunder 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) Moneys in the Bond Fund shall be expended solely for the following purposes and in the following order of priority:

(i) the payment of principal of and interest on the Bonds as the same become due; and

(ii) the payment of principal and interest accrued, if any, on the Bonds as the same become due upon redemption prior to maturity and such payments and redemption of Bonds in advance of their maturity shall be accounted for separately by the Paying Agent from the payments made by the Issuer pursuant to Subparagraph (i) of this Paragraph (b).

The Issuer shall withdraw sufficient funds from the Bond Fund to pay principal of and interest on the Bonds as the same become due and payable and to make said funds so withdrawn available to the Paying Agent 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 all Bonds issued hereunder (or after provision has been made for the payment thereof as

provided herein so that such Bonds are no longer Outstanding); and the fees, charges and expenses of any paying agent and any other amounts required to be paid hereunder; all amounts remaining in the Bond Fund shall be paid to the Issuer.

Section 5.03 Investment of Funds. Any revenue surpluses or moneys in the Bond Fund may be invested by the Issuer in Qualified Investments. Such investments shall be held by the Issuer, and when the Issuer determines it necessary to use the moneys in the Bond Fund for the purposes for which the Bond Fund was 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 Bond Fund shall be maintained in said Fund and disbursed along with the other moneys on deposit therein as herein provided.

ARTICLE VI. APPLICATION OF PROCEEDS

Section 6.01 Transfer of Fund and Application of Proceeds of the Series 2021 Bonds.

(a) The Issuer shall deposit the proceeds from the sale of the Series 2021 Bonds in the amount of \$ _____ shall be applied as follows:

(i) \$ _____ to finance the Series 2021 Project; and

(ii) The remaining amount to be deposited into the Series 2021 Cost of Issuance Account to pay costs of issuance; and

Section 6.02 Debt Service Reserve Requirement. For purposes of the Series 2021 Bonds, the Debt Service Reserve Requirement shall be \$[0].

ARTICLE VII. GENERAL COVENANTS

Section 7.01 General Covenants. The Issuer hereby covenants and agrees with each and every holder of the Series 2021 Bonds issued hereunder the following:

(a) The Issuer covenants that it shall fund and expressly maintain as provided herein all funds referenced herein until such time as the Series 2021 Bonds have been paid in full.

(b) While any of the Series 2021 Bonds remain outstanding and unpaid, any resolution or other enactment of the Governing Body of the Issuer, applying the Revenues for the payment of the Bonds shall be irrevocable until the Bonds have been paid in full, and shall not be subject to amendment or modification in any manner which would impair the rights of the holders of the Bonds or which would in any way jeopardize the timely payment of principal and interest when due.

(c) The proceeds of the Series 2021 Bonds shall be segregated from all other accounts of the Issuer and used, together with all investment earnings thereon, to finance the Series 2018A Project and the Series 2021 Project. The Issuer shall maintain a record of all earning and withdrawals from such account, along with credible evidence of withdrawals as appropriate expenditures on the Series 2018A Project and the Series 2021 Project and shall provide such records to each Registered Owner upon each withdrawal and expenditure.

(d) The rates for all service supplied by the System to the Issuer and its inhabitants and to all customers within or without the boundaries of the Issuer shall be sufficient to provide Net Revenues for the retirement and/or redemption of the Series 2021 Bonds and accrued interest thereon. There shall be no free service and there shall be charged against all users of the System, including the Issuer, such rates and amounts as shall be sufficient to provide Net Revenues for each fiscal year of the Issuer of not less than 125% of the required debt service payments on the Series 2021 Bonds for such fiscal year, plus an amount sufficient to fund the Series 2021 Reserve Account in the time, rate and manner specified herein. All Net Revenues, including those received from the Issuer, shall be subject to distribution for the payment of the Operation and Maintenance Expenses of the System and the payment of the Series 2021 Bonds and any Parity Bonds as hereinabove provided.

(e) Each Bondholder shall have a right, in addition to all other rights afforded it by the laws of Utah, 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 and collect reasonable rates for services supplied by the System sufficient to meet all requirements of this Master Resolution.

(f) The Issuer will maintain the System in good condition and operate the same in an efficient manner and at reasonable cost.

(g) The Issuer, in its operation of the System, will carry insurance, including, but not limited to, workmen's compensation insurance, property 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.

(h) The Issuer will not sell, lease, mortgage, encumber, or in any manner dispose of the System or any substantial part thereof, including any and all extensions and additions that may be made thereto, until all Series 2021 Bonds have been paid in full, except that the Issuer may sell any portion of said property which shall have been replaced by other property of at least equal value, or which shall cease to be necessary for the efficient operation of the System and that such sale or disposition shall not diminish or decrease Net Revenues.

(i) The Issuer will from time to time duly pay and discharge or cause to be paid all taxes, assessments and other governmental charges, if any, lawfully imposed upon the System or any part thereof or upon the Revenues, as well as any lawful claims for labor, materials or supplies which if unpaid might by law become a lien or charge upon the System or the Revenues or any part thereof or which might impair the security of the Series 2018 Bonds, except when the Issuer in good faith contests its liability to pay the same.

(j) The Issuer will not grant a franchise for the operation of any competing water system within its corporate limits, as long as the Series 2021 Bonds authorized herein remain outstanding.

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

(l) Each Registered Owner or any duly authorized agent or agents thereof shall have the right at all reasonable times to inspect all records, accounts and data relating to the receipt and disbursements of Revenues. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Bond Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants. Each such audit, in addition to whatever matters may be thought proper by the accountant to be included therein, shall include the following:

(i) A statement in detail of the income and expenditures of the System for such fiscal year;

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

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

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

(v) The number of parcels of property connected to the System at the end of the fiscal year;

(vi) An analysis of all funds created in this Master Resolution, setting out all deposits and disbursements made during the fiscal year and the amount in each fund at the end of the fiscal year;

(vii) The number of water and sewer connections within the boundaries of the Issuer, and applications for water and sewer service on hand at the end of the fiscal year;

(viii) The total billings for such fiscal year;

(ix) All schedules of rates and charges imposed for water and sewer service during the fiscal year.

Such audit must be performed in accordance with generally accepted government auditing standards and will be provided to the Bondholders when available, but in no event later than 180 days after the end of said Bond Fund Year. In addition, the Issuer shall provide to the Purchaser when available, but in no event later than the first day of each Bond Fund Year, a copy of the Issuer's budget for such Bond Fund Year.

(m) The Issuer may consolidate the bills submitted for culinary water and sewer service with those submitted for secondary water service for those persons who are liable for the payment of charges for such services and require that each such consolidated bill be paid in full as a unit and refuse to permit payment of one portion without payment of the remainder. Any bill not paid within thirty (30) days from the date it is mailed to the customer shall be deemed delinquent. The Issuer hereby agrees that if any water bill remains delinquent for more than sixty (60) days, it will initiate proceedings to cause all water service to the water user concerned to be cut off immediately.

Section 7.02 First Lien Bonds; Equality of Liens. The Series 2021 Bonds constitute an irrevocable first lien (but not necessarily an exclusive first lien) upon the Net Revenues. The Issuer covenants that the Series 2021 Bonds and any Parity Bonds 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 Series 2021 Bonds and any other Parity Bonds, it being the intention of the Issuer that there shall be no priority among the Bonds and any such additional parity first lien securities regardless of the fact that they may be actually issued and delivered at different times.

Section 7.03 Payment of Principal and Interest. The Issuer covenants that it will punctually pay or cause to be paid the principal of and interest on every Bond issued hereunder in strict conformity with the terms of the Bonds and this Master Resolution according to the true intent and meaning hereof and thereof. The principal of and interest on the Bonds are payable solely from the Net Revenues (except to the extent paid out of moneys attributable to Bond proceeds or other funds created hereunder or the income from the temporary investment thereof), which payments are hereby specifically pledged and

assigned to the payment thereof in the manner and to the extent herein specified, and nothing in the Bonds or this Master Resolution should be considered as pledging any other funds or assets of the Issuer for the payment of the Bonds except for the Net Revenues pledged for such purpose hereunder.

Section 7.04 Performance of Covenants; Issuer. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained herein, and in any and every Bond executed, authenticated and delivered hereunder. The Issuer represents that it is duly authorized under the Constitution of the State to issue the Series 2021 Bonds authorized hereby and to execute this Master Resolution, that all actions on its part for the issuance of said Bonds and the execution and delivery of this Master Resolution have been duly and effectively taken, and that said Bonds in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the Issuer according to the import thereof.

Section 7.05 List of Bondholders. The Registrar will keep on file at its principal 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. At reasonable times and under reasonable regulations established by the Registrar, 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 Registrar.

Section 7.06 Designation of Additional Paying Agents. The Issuer hereby covenants and agrees to cause the necessary arrangements to be made through the Paying Agent and to be thereafter continued for the designation of alternate paying agents, if any, and for the making available of funds hereunder, but only to the extent such funds are made available to the Issuer from Bond proceeds or other Funds created hereunder or the income from the temporary investment thereof, for the payment of such of the Bonds as shall be presented when due at the principal corporate trust office of the Paying Agent, or its successor in trust hereunder, or at the office of said alternate paying agents.

Section 7.07 Tax Exemption of Series 2021 Bonds. The Issuer recognizes that Section 149(a) of the Code requires bonds to be issued and to remain in fully registered form in order that interest thereon not to be includible in gross income for purposes of federal income taxation under laws in force at the time the bonds are delivered. The Series 2021 Bonds issued pursuant to this Master Resolution, the interest on which is excludable from gross income for federal income tax purposes, are referred to in this Section 7.07 as “tax exempt Bonds.” Pursuant to the provisions thereof, the Issuer agrees that it will not take any action to permit tax exempt Bonds issued hereunder to be issued in, or converted into, bearer or coupon form, unless the Issuer first receives an opinion from nationally recognized bond counsel that such action will not result in the interest on any tax-exempt Bonds becoming includible in gross income for purposes of federal income taxes then in effect.

The Issuer's Mayor, City Recorder, and other officers are hereby authorized and directed to execute such certificates as shall be necessary to establish that the tax exempt Bonds issued hereunder are not "arbitrage bonds" within the meaning of Section 148 of the Code and the regulations promulgated or proposed thereunder, including Treasury Regulation Sections 1.148-1 through 1.148-11, 1.149 and 1.150-1 through 1.150-2 as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Issuer covenants and certifies to and for the benefit of the Registered Owners of such tax exempt Bonds that no use will be made of the proceeds of the issue and sale of such tax exempt Bonds, or any funds or accounts of the Issuer which may be deemed to be available proceeds of such tax exempt Bonds, pursuant to Section 148 of the Code and applicable regulations (proposed or promulgated) which use, if it had been reasonably expected on the date of issuance of such tax exempt Bonds, would have caused the tax exempt Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code. Pursuant to this covenant, the Issuer obligates itself to comply throughout the term of such tax-exempt Bonds with the requirements of Section 148 of the Code and the regulations proposed or promulgated thereunder.

The Issuer further covenants and agrees to and for the benefit of the Registered Owners that the Issuer (i) will not take any action that would cause interest on the tax exempt Bonds issued hereunder to become includible in gross income for purposes of federal income taxation, (ii) will not omit to take or cause to be taken, in timely manner, any action, which omission would cause the interest on the tax exempt Bonds to become includible in gross income for purposes of federal income taxation, and (iii) will, to the extent possible, comply with any other requirements of federal tax law applicable to the tax exempt Bonds in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on such tax exempt Bonds.

Section 7.08 Instruments of Further Assurance. The Issuer, the Registrar and the Paying Agent mutually covenant that they will, from time to time, each upon the written request of the other, execute and deliver such further instruments and take or cause to be taken such further actions as may be reasonable and as may be required by the other to carry out the purposes hereof; provided, however, that no such instruments or action shall involve any personal liability of the Paying Agent, Registrar or members of the Council of the Issuer or any official thereof.

Section 7.09 Covenant of State of Utah. In accordance with Section 11-14-307(3) of the Act, the State of Utah pledges and agrees with the Owners of the Series 2021 Bonds that it will not alter, impair or limit the Revenues in a manner that reduces the amounts to be rebated to the Issuer which are devoted or pledged herein until the Series 2021 Bonds, together with applicable interest, are fully met and discharged; provided, however, that nothing shall preclude such alteration, impairment or limitation if and when adequate provision shall be made by law for the protection of the Owners of the Series 2021 Bonds.

ARTICLE VIII.
EVENTS OF DEFAULT; REMEDIES

Section 8.01 Events of Default. Each of the following events is hereby declared an “Event of Default”:

(a) if payment of any installment of interest on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, or

(b) if payment of the principal of or the redemption premium, if any, on any of the Bonds shall not be made by or on behalf of the Issuer when the same shall become due and payable, either at maturity or by proceedings for redemption in advance of maturity or through failure to fulfill any payment to any fund hereunder or otherwise; or

(c) if the Issuer shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) if an order or decree shall be entered, with the consent or acquiescence of the Issuer, appointing a receiver or custodian for any of the Revenues of the Issuer, or approving a petition filed against the Issuer seeking reorganization of the Issuer under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the consent or acquiescence of the Issuer shall not be vacated or discharged or stayed on appeal within 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 their property and any of the aforesaid adjudications, orders, judgments or decrees shall not be vacated or set aside or stayed within 60 days from the date of entry thereof; or

(g) if the Issuer shall file a petition or answer seeking reorganization, relief or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(h) if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Issuer or of the whole or any substantial part of the property of the Issuer, and such

custody or control shall not be terminated within 30 days from the date of assumption of such custody or control; or

(i) if the Issuer shall default in the due and punctual performance of any other of the covenants, conditions, agreements and provisions contained in the Bonds or herein or on the part of the Issuer to be performed, other than as set forth above in this Section 9.01, 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 Registered Owners of not less than 25% in aggregate principal amount of the Bonds then Outstanding hereunder.

Section 8.02 Remedies; Rights of Registered Owners. Upon the occurrence of an Event of Default, the Bondholders may pursue any available remedy by suit at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Bonds then Outstanding or to enforce any obligations of the Issuer hereunder, plus attorneys' fees.

No remedy by the terms hereof conferred upon or reserved to the Registered Owners 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 Registered Owners hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any Event of Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

No waiver of any Event of Default hereunder shall extend to or shall affect any subsequent Event of Default or shall impair any rights or remedies consequent thereon.

Section 8.03 Right of Registered Owners to Direct Proceedings. Anything herein to the contrary notwithstanding, the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to direct the time, the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions hereof, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Master Resolution.

Section 8.04 Application of Moneys. All moneys received by the Paying Agent pursuant to any right given or action taken under the provisions of this Article IX shall, after payment of Paying Agent's fees and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities and advances incurred or made by the Paying Agent, 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 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, in the order of the maturity of the installments of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the persons entitled thereto, without any discrimination or privilege; and

SECOND—To the payment to the persons entitled thereto of the unpaid principal of and premium, if any, on the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions hereof), in the order of their due dates, with interest on such Bonds from the respective dates upon which they become due, and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, 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, 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 over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the persons entitled thereto without any discrimination or privilege.

Whenever moneys are to be applied pursuant to the provisions of this Section 9.04, such moneys shall be applied at such times, and from time to time, as the Registered Owners 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 Registered Owners shall apply such funds, they shall fix the date (which shall be an interest payment date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal paid on such dates shall cease to accrue.

Section 8.05 Rights and Remedies of Registered Owners. Except as provided in the last sentence of this Section 9.05, no Registered Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement hereof or for the execution of any trust thereof or for the appointment of a receiver or any other remedy hereunder, unless an Event of Default has occurred. No one or more Registered Owner of the Bonds shall have any right in any manner whatsoever to affect, disturb or prejudice the lien hereof by its, his or their action or to enforce any right hereunder except

in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the Registered Owners of all Bonds then Outstanding. Nothing herein contained shall, however, affect or impair the right of any Registered Owner to enforce the covenants of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds issued hereunder held by such Registered Owner at the time, place, from the source and in the manner in said Bonds expressed.

Section 8.06 Termination of Proceedings. In case one or more Registered Owner shall have proceeded to enforce any right hereunder by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Registered Owner, then and in every such case the Issuer and the Registered Owner shall be restored to their former positions and rights hereunder, and all rights, remedies and powers of the Registered Owner shall continue as if no such proceedings had been taken.

Section 8.07 Waivers of Events of Default. The Registered Owners may in their discretion waive any Event of Default hereunder and its consequences; provided, however, that there shall not be waived (i) any Event of Default in the payment of the principal of any Bonds at the date of maturity specified therein, 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 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 Registered Owners 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 and the Registered Owners shall be restored to their former positions and rights hereunder, respectively, but no such waiver or rescission shall extend to any subsequent or other Event of Default, or impair any right consequent thereof.

ARTICLE IX. SUPPLEMENTAL RESOLUTIONS

Section 9.01 Supplemental Resolutions Not Requiring Consent of Registered Owners. Upon 30 days prior written notice to the Registered Bond Holders, the Issuer may, without the consent of any of the Registered Owners, enter into a resolution or resolutions supplemental hereto, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) To cure any ambiguity or formal defect or omission herein;
- (b) To grant to or confer upon the Registered Owners any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the Registered Owners or any of them;

(c) To pledge subject to this Master Resolution additional Revenues or other revenues, properties, collateral or security; and

(d) To make any other change hereto which is not materially prejudicial to the interests of the Registered Owners.

Section 9.02 Supplemental Resolutions Requiring Consent of Registered Owners; Waivers and Consents by Registered Owners. Exclusive of Supplemental Resolutions covered by Section 10.01 hereof and subject to the terms and provisions contained in this Section 10.02, and not otherwise, the Registered Owners of 66-2/3% in aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, anything contained herein to the contrary notwithstanding, to (i) consent to and approve the execution by the Issuer of such other resolution or resolutions supplemental hereto as shall be deemed necessary and desirable by the Issuer for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained herein or in any Supplemental Resolution, or (ii) waive or consent to the taking by the Issuer of any action prohibited, or the omission by the Issuer of the taking of any action required, by any of the provisions hereof or of any resolution supplemental hereto; provided, however, that nothing in this Section 10.02 contained shall permit or be construed as permitting (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate of or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bond, without the consent of the Registered Owner of such Bond, or (b) a reduction in the amount or extension of the time of any payment required by any Fund established hereunder applicable to any Bonds without the consent of the Registered Owners of all the Bonds which would be affected by the action to be taken, or (c) a reduction in the aforesaid aggregate principal amount of Bonds, the Registered Owners of which are required to consent to any such waiver or Supplemental Resolution, or (d) the issuance of Additional Bonds in accordance with Section 4.08 hereof, or (e) 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.

ARTICLE X. DISCHARGE OF RESOLUTION

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 Paying Agent all sums of moneys due or to become due according to the provisions hereof, then these presents and the estate and rights hereby granted shall cease, terminate and be void, whereupon the Issuer shall cancel and discharge the lien hereof, except moneys or securities held by the Issuer for the payment of the principal of and interest on the Bonds.

Any Bond shall be deemed to be paid within the meaning of this Article X when payment of the principal of such Bond, plus interest thereon to the due date thereof

(whether such due date be by reason of maturity or upon redemption as provided herein, or otherwise), either (a) shall have been made or caused to have been made in accordance with the terms thereof, or (b) shall have been provided by irrevocably depositing with or for the benefit of the Registered Owners, in trust and irrevocably setting aside exclusively for such payment, (i) moneys sufficient to make such payment, or (ii) Government 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 any credit enhancer 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 Registered Owners. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, it shall no longer be secured by or entitled to the benefits hereof, except for the purposes of any such payment from such moneys or Government 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:

(a) instructed the Paying Agent to call for redemption pursuant hereto any Bonds to be redeemed prior to maturity pursuant to Subparagraph (i) above; and

(b) instructed the Paying Agent to mail, as soon as practicable, in the manner prescribed by Section 4.05 hereof, a notice to the Registered Owners of such Bonds that the deposit required by this Section has been made with the Paying Agent and that such Bonds are deemed to have been paid in accordance with this Article X and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or redemption price, if applicable, on said Bonds as specified in Subparagraph (i) above.

Any moneys so deposited with the Paying Agent as provided in this Article X may at the direction of the Issuer also be invested and reinvested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from all Government Obligations in the hands of the Paying Agent pursuant to this Article X which is not required for the payment of the Bonds and interest thereon with respect to which such moneys shall have been so deposited, shall be deposited in the Bond Fund as and when realized and collected for use and application as are other moneys deposited in that fund; provided, however, that before any excess moneys shall be deposited in the Bond Fund, the Paying Agent shall first obtain a written verification from a certified public accountant that the moneys remaining on deposit with the Paying Agent and invested in Government Obligations after such transfer to the Bond Fund shall be sufficient in amount to pay principal and interest on the Bonds when due and payable.

Notwithstanding any provision of any other Article hereof which may be contrary to the provisions of this Article X, all moneys or Government Obligations set aside and held in trust pursuant to the provisions of this Article X for the payment of Bonds (including interest thereon) shall be applied to and used solely for the payment of the particular Bonds

(including interest thereon) with respect to which such moneys or Government Obligations have been so set aside in trust.

Anything in Article IX hereof to the contrary notwithstanding, if moneys or Government Obligations have been deposited or set aside with the Paying Agent pursuant to this Article X for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment to the provisions of this Article X shall be made without the consent of the Registered Owner of each Bond affected thereby.

ARTICLE XI. MISCELLANEOUS

Section 11.01 Consents, Etc., of Registered Owners. Any consent, request, direction, approval, objection or other instrument required hereby to be executed by the Registered Owners may be in any number of concurrent writings of similar tenor and maybe executed by such Registered Owners in person or by agent appointed in writing. Proof of the execution of any such consent, request, direction, approval, objection or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any of the purposes hereof, and shall be conclusive with regard to any action taken under such request or other instrument, namely, the fact and date of the execution by any person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments within such jurisdiction that the person signing such writing acknowledged before him the execution thereof, or by affidavit of any witness to such execution.

Section 11.02 Limitation of Rights. With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Master Resolution or the Bonds is intended or shall be construed to give to any person other than the parties hereto, the Registered Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect hereto or any covenants, conditions and provisions herein contained, this Master Resolution and all of the covenants, conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Registered Owners of the Bonds as herein provided.

Section 11.03 Severability. If any provision hereof shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions hereof or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses or Sections herein contained, shall not affect the remaining portions hereof, or any part thereof.

Section 11.04 Maintenance of Proceedings. A certified copy of this Master Resolution and every amendatory or supplemental ordinance or resolution shall be kept on file in the office of the City Recorder where it shall be made available for inspection by any Bondholder or his agent. Upon payment of the reasonable cost of preparing the same, a certified copy of this Master Resolution, any amendatory or supplemental ordinance or resolution will be furnished to any Bondholder. The Bondholders may, by suit, action, mandamus, injunction, or other proceedings, either at law or in equity, enforce or compel performance of all duties and obligations required by this Master Resolution to be done or performed by the Issuer. Nothing contained herein, however, shall be construed as imposing on the Issuer any duty or obligation to levy any tax to pay the principal on the Series 2021 Bonds authorized herein or to meet any obligation contained herein concerning the Series 2021 Bonds.

Section 11.05 Defeasance of the Series 2021 Bonds. If the Issuer shall pay or cause to be paid, or there shall be otherwise paid or provision for payment made to the Registered Owner of the Series 2021 Bonds for the payments due or to become due thereon at the times and in the manner stipulated therein, then the first lien pledge of the Net Revenues under this Master Resolution and any and all estate, right, title and interest in and to any of the funds and accounts created hereunder (except moneys or securities held by a Depository Bank for the payment of the Series 2021 Bonds) shall be cancelled and discharged.

Any Series 2021 Bond shall be deemed to be paid within the meaning of this Section when payment of the Series 2021 Bonds (whether such due date be by reason of maturity or upon prepayment or redemption as provided herein) shall have been made in accordance with the terms thereof. At such time as the Series 2021 Bonds shall be deemed to be paid hereunder, they shall no longer be secured by or entitled to the benefits hereof (except with respect to the moneys and securities held by a Depository Bank for the payment of the Series 2021 Bonds).

Section 11.06 Sale of Series 2021 Bonds Approved. The sale of the Series 2021 Bonds to the Purchaser, at par, is hereby ratified, confirmed, and approved.

Section 11.07 Bondholders not Responsible. The Bondholders shall not be responsible for any liabilities incurred by the Issuer in the acquisition, construction or use of the Series 2021 Project.

Section 11.08 Bonds Registrar and Paying Agent. The City Recorder is hereby designated to act as Paying Agent and the Bond Registrar for and in respect to the Series 2021 Bonds.

Section 11.09 Notice of Series 2021 Bonds to be Issued. In accordance with the provisions of the Act, the City Recorder has caused a "Notice of Public Hearing and Bonds to be Issued" (the "Notice") to be (a) published once a week for two consecutive weeks in the Times Independent, a newspaper having general circulation in the Issuer, and has caused a copy of the Parameters Resolution to be kept on file in the office of the City Recorder for public examination during regular business hours at least thirty (30) days from

and after the date of publication thereof, (b) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) created under Section 63F-1-701 Utah Code Annotated 1953, as amended, and (c) posted on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended, no less than fourteen (14) days prior to the hearing. Such notice is hereby reaffirmed and approved. In accordance with the provisions of the Act and the Notice, a public hearing was held on March 23, 2021, to receive input with respect to the issuance of the Series 2021 Bonds and the potential economic impact that the Series 2021 Project will have on the private sector.

Section 11.10 Additional Certificates, Documents, and Other Papers. The appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents, and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Master Resolution and the documents authorized and approved herein.

Section 11.11 Severability. If any section, paragraph, clause, or provision of this Master Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Master Resolution. It is hereby declared by the Governing Body of the Issuer that it is the intention of the Issuer by the adoption of this Master Resolution to comply in all respects with the provisions of the Act.

Section 11.12 Resolutions in Conflict. All resolutions or parts thereof in conflict with the provisions of this Master Resolution are, to the extent of such conflict, hereby repealed.

Section 11.13 Effective Date of Resolution. This Master Resolution shall take effect immediately upon its approval and adoption.

(SEAL)

By: _____
Mayor

ATTEST:

By: _____
City Recorder

EXHIBIT A

FORM OF BONDS

UNITED STATES OF AMERICA
STATE OF UTAH
CITY OF MOAB
WASTEWATER AND WATER REVENUE BOND, SERIES 2021

Number R - _____ \$ _____

Interest Rate Maturity Date Dated Date

Registered Owner: _____.

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

The City of Moab, 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 _____, 2021 (each an “Interest Payment Date”), until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the designated offices of the City Recorder, as Paying Agent or its successors. Interest on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner. Interest hereon shall be deemed to be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America.

This Bond is one of an issue of Bonds of the Issuer designated as the “Wastewater and Water Revenue Bonds, Series 2021” (the “Series 2021 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 Master Resolution dated as of September 1, 2018 (the “2018 Master Resolution”) and a Supplemental Master Resolution dated as of _____, 2021 (the “Supplemental Master Resolution” and together with the 2018 Master Resolution, the “Master Resolution”), approved by resolution adopted on February 23, 2021 (the “Bond Resolution”), for the purpose of providing funds to (a) finance all or a portion of the costs of improvements to

its wastewater and water systems (together, the “System”), including but not limited to, the construction of a well and a water storage tank, water line improvements and all related improvements (the “Series 2021 Project”) and pay costs of issuance with respect to the Series 2021 Bonds, all in full conformity with the Constitution and laws of the State of Utah.

All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest and then to principal.

Both principal of and interest on this Bond and the issue of which it is a part are payable solely from a special fund designated “City of Moab, Utah Wastewater and 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 and more fully described and provided in the Master Resolution.

The Series 2021 Bonds shall be payable only from the Net Revenues and shall not constitute a general indebtedness or pledge of the full faith and credit of the Issuer, within the meaning of any constitutional or statutory provision or limitation of indebtedness.

This Series 2021 Bond is issued under and pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, and this Series 2021 Bonds does not constitute a general obligation indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. The issuance of the Series 2021 Bonds shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of ad valorem taxation therefor or to make any appropriation for their payment.

The Issuer covenants and agrees that, within the limits provided by law, it will cause to be collected and accounted for sufficient Net Revenues as defined in the Master Resolution as will at all times be sufficient to pay promptly the principal of and interest on this Series 2021 Bonds and the issue of which it forms a part and to make all payments required to be made into the Bond Fund, and to carry out all the requirements of the Master Resolution.

It is hereby declared and represented that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Series 2021 Bonds have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Series 2021 Bonds, together with the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues of the Issuer have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of the principal of and interest on this Series 2021 Bonds and the issue of which it forms a part, as authorized for issue under the Master Resolution, and that the Net Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other

than by the issue of the Bonds of which this Series 2021 Bonds is one and all bonds issued on a parity with this Series 2021 Bonds.

The Series 2021 Bonds shall be subject to redemption prior to maturity upon the terms and notice described in the Master Resolution.

The issuance of this Bond shall not, directly, indirectly, or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for its payment.

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

(SEAL)

By: _____ (Do Not Sign)
Mayor

COUNTERSIGN:

By: _____ (Do Not Sign)
City Recorder

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT C

BOND PURCHASE AGREEMENT

CITY OF MOAB, UTAH

\$ _____
WASTEWATER AND WATER REVENUE BONDS
SERIES 2021

_____, 2021

City of Moab, Utah
217 East Center
Moab, Utah 84532

The undersigned, _____ (the “Purchaser”), offers to purchase from the City of Moab, Utah (the “Issuer”), \$ _____ in aggregate principal amount of Wastewater and Water Revenue Bonds, Series 2021 (the “Bonds”) issued under a Master Resolution, dated as of September 1, 2018, as supplemented by a Supplemental Master Resolution dated as of _____, 2021 (together, the “Master Resolution”) with delivery and payment at the offices of Gilmore & Bell, P.C. in Salt Lake City, Utah, based upon the covenants, representations, and warranties set forth below.

- Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, the Bonds. Exhibit 1, which is hereby incorporated by reference into this Bond Purchase Agreement (the “Purchase Agreement”), contains a brief description of the Bonds, the manner of their issuance, the purchase price to be paid for, and the expected date of delivery and payment.
- You represent and covenant to the Purchaser that (a) you have as of the closing of the Bonds on the date hereof (the “Closing”), the power and authority to enter into and perform this Purchase Agreement and the Master Resolution; (b) to adopt the Resolution dated February 23, 2021 (the “Resolution”) that authorized the delivery and sale of the Bonds to the Purchaser pursuant to the terms and conditions set forth in this Purchase Agreement and the Master Resolution; (c) this Purchase Agreement, the Master Resolution and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order, or agreement to which the Issuer is subject; (d) no governmental approval or authorization other than the Resolution is required in connection with the sale of the Bonds to the Purchaser; (e) this Purchase Agreement, the Master Resolution and the Bonds are

legal, valid, and binding obligations of the Issuer enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency, or other similar laws generally affecting creditors' rights; and (f) 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, to the knowledge of the Issuer, threatened against or affecting the Issuer or affecting the corporate existence of the Issuer or the titles of its officers to their respective offices or seeking to prohibit, restrain, or enjoin the sale, issuance, or delivery of the Bonds or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of the Bonds, the Resolution, the Master Resolution or this Purchase Agreement, or contesting the powers of the Issuer or any authority for the issuance, sale and delivery of the Bonds (as such term is defined in the Master Resolution), the adoption of the Resolution, the execution and delivery of the Master Resolution and this Purchase Agreement or the Bonds or the Issuer's legal right, power and authority to collect, receive and pledge the Net Revenues or Pledge Revenues (as such terms are defined in the Master Resolution).

- As conditions to the Purchaser's obligations hereunder:
- From June 30, 2020 to the date of Closing, there shall not have been any (i) material adverse change in the financial condition or general affairs of the Issuer; (ii) event, court decision, proposed law, or rule which may have the effect of changing the federal income tax incidents of the Issuer or the owner of the Bonds or the interest thereon or the transactions contemplated by this Purchase Agreement; or (iii) international or national crisis, suspension of stock exchange trading, or banking moratorium materially affecting, in the Purchaser's reasonable opinion, the market price of the Bonds.
- At the Closing, the Issuer will deliver or make available to the Purchaser:
 - The Bonds, in definitive form and the Master Resolution duly executed;
 - A certificate from authorized officers of the Issuer, in form and substance acceptable to the Purchaser, to the effect that the representations and information of the Issuer contained in this Purchase Agreement are true and correct when made and as of the Closing;
 - The approving opinion of the Issuer's counsel, satisfactory to the Purchaser and Bond Counsel;
 - The approving opinion of Gilmore & Bell, P.C., Bond Counsel, in standard form dated the date of Closing, relating to the legality and validity of the Bonds and the excludability of interest on the Bonds from gross income of the holders thereof for federal income tax purposes; and

- Such additional certificates, instruments, and other documents as the Purchaser may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to the Purchaser.
- The Issuer will pay the cost of the fees and disbursements of counsel to the Issuer, counsel to the Purchaser (in an amount up to \$_____) and Bond Counsel.
- This Purchase Agreement is intended to benefit only the parties hereto, and the Issuer's representations and warranties shall survive any investigation made by or for the Purchaser, delivery, and payment for the Bonds, and the termination of this Purchase Agreement.
- The Purchaser hereby represents that they are acquiring the Bonds for their own account, and not with a view to, or for sale in connection with, any distribution of the Bonds or any part thereof. The Purchaser has not offered to sell, solicited offers to buy, or agreed to sell the Bonds or any part thereof, and has no present intention of reselling or otherwise disposing of the Bonds.
- The Bonds will not be (i) assigned a specific rating by any rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of official statement, private placement memorandum or other offering document, or (iv) assigned a CUSIP number by Standard & Poor's CUSIP Service.
- The Issuer acknowledges and agrees that (i) the purchase of the Bonds pursuant to this Purchase Agreement is an arm's-length commercial transaction between the Issuer and the Purchaser, (ii) in connection with such transaction, the Purchaser is acting solely as a principal and not as an agent or a fiduciary of the Issuer, (iii) the Purchaser has not assumed (individually or collectively) an advisory or fiduciary responsibility in favor of the Issuer with respect to the Bonds, (iv) the Purchaser has financial and other interests that differ from those of the Issuer, and (v) the Issuer has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the Bonds.

Sincerely,

By: _____

Its: _____

ACCEPTED ON BEHALF OF:

CITY OF MOAB, UTAH

By: _____

Mayor

ATTEST AND COUNTERSIGN:

By: _____

City Recorder

EXHIBIT 1

DESCRIPTION OF BONDS

1. Par Amount: \$ _____
2. Purchase Price: \$ _____
3. Purchaser's Counsel Fee: \$ _____
4. Accrued Interest: \$-0-
5. Interest Payment Date: _____ and _____, beginning _____
6. Dated Date: Closing Date
7. Form: Registered Bonds
8. Closing Date: _____, 2021
9. Redemption: [The Bonds are subject to optional redemption as set forth in the Master Resolution.]
10. Bank Designation: [Bonds are Bank Qualified]
11. Mandatory Sinking Fund Schedule:

Mandatory Sinking Fund Date (_____)	Principal <u>Amount</u>
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*Final Maturity Date