

COALVILLE CITY, SUMMIT COUNTY, UTAH
FINAL BOND RESOLUTION
DECEMBER 12, 2022

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF \$332,000 WATER REVENUE BONDS, SERIES 2023, TO FINANCE SECONDARY WATER SYSTEM IMPROVEMENTS, AND RELATED IMPROVEMENTS; AUTHORIZING ALL RELATED DOCUMENTS AND OTHER ACTIONS NECESSARY TO COMPLETE THE TRANSACTION; AND RELATED MATTERS.

WHEREAS, Coalville City, Summit County, Utah (the "Issuer"), desires to finance, in part, the acquisition, construction and installation of secondary water meters, and related improvements (the "Project") related to said System (the "System") and desires to finance said improvements by issuing its \$332,000 Water Revenue Bonds, Series 2023 (the "Series 2023 Bonds"); and

WHEREAS, the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, (the "Act") provides that the Issuer may issue nonvoted revenue bonds as long as revenues generated by the Issuer's System are sufficient to pay for the operation and maintenance of the System and debt service on all outstanding bonds secured by the revenues of the System; and

WHEREAS, the Issuer has determined that its water system, consisting of both its culinary water system and its secondary water system (the "System") is in need of improvements (as more fully described herein, the "Project") and does not have on hand money to pay the costs of the Project; and

WHEREAS, the Issuer has been advised that its System will generate sufficient revenues to pay for operation and maintenance of the System as well as debt service on all proposed and outstanding bonds secured by the revenues of the System, including the Series 2023 Bonds authorized herein; and

WHEREAS, the City Council (the "City Council") of Coalville City, Summit County, Utah desires to finance, in part, (i) the acquisition, construction and installation of improvements to the Issuer's water system (the "System"), including installation of secondary water meters, and related improvements (the "Project"), and (ii) pay the costs of issuing the Bonds; and the cost thereof to be defrayed, in part, through the issuance of its Water Revenue Bonds, Series 2023, in the total principal amount of \$332,000 (the "Series 2023 Bonds") bearing interest at the rate of one percent (1.0%) per annum as authorized by the Act; and

WHEREAS, the Issuer desires to finance the Project by issuing its Water Revenue Bonds, Series 2023 in the total principal amount of \$332,000 (the "Series 2023 Bond or Bonds") with the exception of the Issuer's Outstanding Bonds (as defined herein) the

revenues to be derived by the Issuer from the operation of the System have not been pledged or hypothecated in any manner or for any other purpose; and

WHEREAS, on October 11, 2022, the Issuer adopted a parameters resolution setting forth the maximum aggregate principal amount, interest rate, maturity, and discount for bonds related to the Project; and

WHEREAS, on November 14, 2022, the Issuer held a public hearing regarding the bonds to be issued in an amount not to exceed \$500,000, bearing interest at a rate of one percent (1.0%) per annum, to mature in not more than eighteen (18) years from their date or dates, and to be sold at a price not less than 99% percent of the total principal amount thereof, plus accrued interest, if any, thereon; and

WHEREAS, the Bonds shall be payable solely from the Net Revenues and other moneys pledged therefor in this Resolution, and shall not constitute or give rise to a general obligation or liability of the Issuer or constitute a charge against its general credit or taxing powers; and

WHEREAS, the Series 2023 Bonds will be issued on a parity with the Issuer's Outstanding Bonds (as defined herein); and

WHEREAS, the State of Utah acting through the Department of Natural Resources, Board of Water Resources (the "Board of Water Resources") (the "Purchaser") has offered to purchase at par the Issuer's Series 2023 Bonds in the total principal amount of \$332,000 bearing interest at the rate of one percent (1.0%) per annum on the unpaid principal amount thereof; and

WHEREAS, the Issuer desires to (i) authorize the issuance and sale of the Series 2023 Bonds, and (ii) accept the offer of the Board of Water Resources and to confirm the sale of the Series 2023 Bonds to the Board of Water Resources, and (iii) approve and execute all documents relating to the issuance of the Bonds, all in one or more series:

NOW, THEREFORE, BE IT RESOLVED by the City Council (the "Governing Board") of Coalville City, Summit County, Utah, as follows:

ARTICLE I

DEFINITIONS

As used in this Bond Resolution, the following terms shall have the following meanings unless the context otherwise clearly indicates:

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

“Annual Debt Service” means the annual payment of the principal of, premium or penalty, if any, and any interest to be paid by the Issuer during any Sinking Fund Year on the Series 2023 Bonds and all outstanding bonds, including the Outstanding Bonds, or other forms of indebtedness which are on parity with the Series 2023 Bonds, and which are secured by the Net Revenues of the System.

“Board of Water Resources” means the State of Utah Department of Natural Resources, Board of Water Resources, or any successor agency thereof.

“Bondholder” or “Registered Owner” means the registered owner of any Series 2023 Bond, the issuance of which is authorized herein.

“Bonds” means collectively the Outstanding Bonds, the Series 2023 Bonds, and any Parity Bonds issued pursuant to the authority of this Bond Resolution under Section 4.3.

“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 Water Revenue Fund or for payment of the Bonds, as herein described, the deposits of which bank shall be insured by the Federal Deposit Insurance Corporation.

“Escrow Agent” means the Utah State Treasurer, and its successors and assigns, which shall so act pursuant to the terms of the Escrow Agreement.

“Escrow Agreement” means the agreement entered into among the Issuer, the Board of Water Resources, and the Escrow Agent on the date of delivery of the Series 2023 Bonds.

“Escrow Fund” means the escrow fund created and administered under the Escrow Agreement by the Escrow Agent.

“Exchange Bonds” means the fully registered Series 2023 Bonds issued in substantially the form set forth in Exhibit A-2 hereto in exchange for the State Bonds representing the Series 2023 Bonds or in exchange for other Exchange Bonds, in the denomination of \$1,000 or any integral multiple thereof.

“Fully Registered Bond” means any single Bond that is fully registered in the denomination(s) equal to the aggregate principal amount of the applicable Series 2023 Bonds authorized herein.

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

“Issuer” means Coalville City, Summit County, Utah, or its successors.

“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 after tax revenues are applied to such expenses, including the cost of water and water treatment, whether incurred by the Issuer or paid to any other political subdivision or company pursuant to contract or otherwise, repairs and renewals (other than capital improvements) necessary to keep the System hereinafter required in efficient operating condition, the cost of audits hereinafter required, fees of the paying agents on the Bonds, payment of premiums for insurance on the System 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.

“Original Issue Date” means the date on which the Series 2023 Bonds are issued and delivered in exchange for the proceeds thereof.

“Outstanding Bonds” means (i) the Issuer’s Water Revenue Bonds, Series 2001 in the original principal amount of \$2,500,000, bearing interest at the rate of 1.0% per annum, and (ii) the Issuer’s Water Revenue Refunding Bonds, Series 2019 in the original principal amount of \$4,809,000, bearing interest at the rate of 2.25% per annum.

“Parity Bonds” means all bonds issued by the Issuer on parity with the Series 2023 Bonds in accordance with the terms of this Bond Resolution.

“Paying Agent” means the person or entity, including any successors thereto, authorized by the Issuer to pay the principal of and interest, if any, on the Series 2023 Bonds on behalf of the Issuer. The initial paying agent for the Series 2023 Bonds is the City Recorder of the Issuer.

“Project” means to finance, in part, (i) the acquisition, construction and installation of improvements to the Issuer’s water system, including installation of secondary water meters, and related improvements to the Issuer’s System and all equipment and necessary appurtenances thereto, to be completed with the proceeds of the Series 2023 Bonds.

“Purchaser” means the Board of Water Resources, or any successor thereto.

“Registered Owner” means the person or persons in whose name or names a bond shall be registered on the books of the Issuer kept for that purpose in accordance with the provisions of this Final Bond Resolution.

“Registrar” means the person or entity, including any successors thereto, authorized by the Issuer to maintain the registration books with respect to the Series 2023 Bonds on behalf of the Issuer. The initial Registrar for the Series 2023 Bonds is the City Recorder of the Issuer.

“Revenue Fund” means the Issuer’s Water Revenue Fund as more fully described herein.

“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, 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 such income or other. Balances held in the Revenue Fund on the last day of each Fiscal Year in excess of 25% of the amount of the Operation and Maintenance Expenses for that Fiscal Year, after payment of all Operation and Maintenance Expenses and all deposits required by Section 3.4(a)-(c) of this Bond resolution to that date have been made, shall be considered to be Revenues available for the next Fiscal Year.

“Series 2023 Bond or Bonds” means the Issuer’s Water Revenue Bonds, Series 2023 in the original principal amount of \$332,000, bearing interest at the rate of one percent (1.0%) per annum, and purchased by the Board of Water Resources as authorized herein to finance the Project.

“Sinking Fund” means the Issuer’s Water Revenue Bond Sinking Fund established herein.

“Sinking Fund Year” means the twelve-month period beginning on July 1 of the calendar year and ending on the next succeeding June 30; provided, however, that the first Sinking Fund Year will begin on the Original Issue Date of the Series 2023 Bond and will end on the next succeeding June 30.

“State Bond(s)” means the Fully Registered Bond issued in substantially the form set forth in Exhibit A-1 hereto in the denominations equal to the aggregate principal amount of the Series 2023 Bonds.

“System” means the whole and each and every part of both the culinary water system and the secondary water system of the Issuer, including secondary water improvements for the Project and to be financed in whole or in part with the proceeds of the Series 2023 Bonds to be issued pursuant to this Bond Resolution, and all property, real, personal and mixed, of every nature now or hereafter owned by the Issuer and used or useful in the operation of such water system, together with all improvements, extensions, enlargements, additions, and repairs thereto which may be made while any of the Bonds remain outstanding.

ARTICLE II

ISSUANCE OF SERIES 2023 BONDS

Section 2.1. Principal Amount, Designation, Series and Interest Rate. The Series 2023 Bonds are hereby authorized for issuance for the purpose to finance, in part, (i) the Project, and (ii) pay the costs of issuing the bonds. The Series 2023 Bonds shall be limited to \$332,000 in aggregate principal amount and shall be issued (a) in the form set forth in Exhibit A-1, if issued as a State Bond, and (b) in the form set forth in Exhibit A-2, if issued as Exchange Bonds, and in either case in fully registered form and shall bear interest at the rate of one percent (1.0%) per annum. If issued as Exchange Bonds or State Bonds, the Series 2023 Bonds shall be in the denomination of \$1,000 or any integral multiple thereof. The Series 2023 Bonds shall be numbered from one (1) consecutively upward in order of delivery by the Registrar. The Series 2023 Bonds shall be designated as and distinguished from all other bonds of the Issuer by the title "Coalville City, Summit County, Utah, Water Revenue Bonds, Series 2023".

The Series 2023 Bonds shall be in a form to permit the Board of Water Resources to make incremental advances on its total loan commitment to the Issuer during the period of acquisition and construction of the Project.

The Series 2023 Bonds shall be issued on parity with the Issuer's Outstanding Bonds such that the Series 2023 Bonds shall be secured by an equal lien pledge of the Issuer's Net Revenues on parity with the Outstanding Bonds.

Section 2.2. Advances of Proceeds. On or before fifteen (15) days prior to the first day of each calendar quarter, beginning prior to the payment by the Issuer of costs of construction of the Project, or at such other time as shall be specified by the Board of Water Resources, the Issuer shall provide to the Board of Water Resources a certificate setting forth a schedule of the costs of the Project which the Issuer estimates will become due and payable by the Issuer prior to the next succeeding calendar quarter and are properly payable with the proceeds of the Series 2023 Bonds. Advances made by the Board of Water Resources on the basis of such certificates shall be deposited in the Escrow Fund. All such advances shall be in the minimum amount of \$1,000 or any integral multiple thereof. Upon receipt of evidence of deposit of each advance in the Escrow Fund, the City Recorder or Mayor of the Issuer shall give telephonic authorization followed by written confirmation to the Board of Water Resources to stamp or write the date and amount of such advance made by the Board of Water Resources and the corresponding "Principal Amount" in the appropriate place on the Certificate of Dates of Payment and Amount appearing on the State Bonds. Each advance made by the Board of Water Resources on the State Bonds shall constitute proceeds of the State Bonds and shall be deemed to constitute the full purchase price and Total Principal Sum of the State Bonds noted on the Certificate of Dates of Payment and Amount appearing on the State Bonds. As advances are made by the Board of Water Resources, the Total Principal Sum

shall constitute the “Principal Amount” of the Series 2023 Bonds in the order of maturity of the Series 2023 Bonds.

Section 2.3. Date and Maturities. The Series 2023 Bonds shall be (i) dated as of their Original Issue Date, and (ii) shall be issued in denominations of \$1,000 or any integral multiple thereof, and (iii) shall be paid as provided in this Section 2.3. The Series 2023 Bonds shall be initially issued as one fully registered State Bond.

Except as provided in the next succeeding paragraph, payment of principal, whether payable at maturity or upon prior redemption, shall be payable upon presentation of the applicable Series 2023 Bond at the offices of the Paying Agent for endorsement or surrender or of any successor Paying Agent. Payment of interest, if any, shall be made to the Registered Owner thereof and shall be paid by check or draft mailed to the Registered Owner thereof at his or her address as it appears on the registration books of the Issuer maintained by the Registrar or at such other address as is furnished to the Registrar in writing by such Registered Owner. 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.

So long as the Board of Water Resources is the Registered Owner of the Series 2023 Bonds, payments of principal and interest, if any, on the Series 2023 Bonds shall be made by check or draft mailed to the Board of Water Resources as the Registered Owner at the address shown on the registration books maintained by the Registrar.

Interest shall begin to accrue on the Total Principal Sum of the Series 2023 Bonds as of the date of issuance of the Series 2023 Bonds, and shall be payable annually beginning on December 1, 2023, and shall be payable annually thereafter on each December 1. The Issuer shall make the annual principal payments together with accrued but unpaid interest stated for each year, if any, beginning on December 1, 2025, and continuing on each December 1 thereafter until the Total Principal Sum shall be paid in full, as follows:

<u>Payment Date</u>	<u>Principal Amount</u>
<u>December 1</u>	
2023	Interest only
2024	Interest only
2025	\$17,000
2026	17,000
2027	18,000
2028	18,000
2029	18,000
2030	23,000
2031	24,000
2032	24,000
2033	24,000

<u>Payment Date</u>	<u>Principal Amount</u>
<u>December 1</u>	
2034	\$24,000
2035	25,000
2036	25,000
2037	25,000
2038	25,000
2039	25,000

If less than \$332,000 principal amount is advanced on the Series 2023 Bonds, the repayment period shall be shortened and the number of annual principal installments shall be reduced in the inverse order of maturities (and the amount of the final remaining principal installment shall be reduced, if required) to correspond to the actual Principal Amount of the Series 2023 Bonds.

In the event the Series 2023 Bonds are not issued during the calendar year 2023, then the series of bonds shall be denominated to show the year in which the Bonds are issued.

In the event the bid from the lowest responsible bidder on the Project shows that the costs of the Project will exceed the amount of loan commitments the Issuer has already obtained, then, as authorized in Section 11-14-302 of the Act, the Issuer hereby authorizes the Mayor and City Recorder, as a pricing committee, to approve a final principal amount and repayment schedule for the Series 2023 Bonds within the parameters set forth in the Notice of Public Hearing and Bonds to Be Issued published at least 14 days before the public hearing and also posted on the Utah Public Notice Website at least 14 days before the public hearing, which parameters are in the aggregate principal amount of not to exceed \$500,000, to bear interest at a rate or rates not to exceed one percent (1.0%), to mature in not more than eighteen (18) years from their date or dates, and to be sold at a price not less than 99% of the total principal amount thereof and all other terms of the Series 2023 Bonds, and to approve and execute all documents related to the issuance of the Series 2023 Bonds. The City Recorder is authorized to attest such signatures and apply the City seal as appropriate.

Section 2.4. Optional Redemption and Redemption Prices. Each principal payment of the Series 2023 Bond is subject to prepayment and redemption at any time, in whole or in part (and if in part, in integral multiples of \$1,000), at the election of the Issuer, in inverse order of the due dates thereof, and by lot selected by the Issuer if less than all of the Series 2023 Bonds of a particular due date are to be redeemed, upon notice as provided in Section 2.4 hereof with respect to Exchange Bonds, and upon at least thirty (30) days' prior written notice of the amount of prepayment and the date scheduled for prepayment to the Board of Water Resources with respect to the Series 2023 Bonds. The redemption price of any Series 2023 Bonds shall be equal to 100% of the principal amount to be prepaid or redeemed, plus accrued interest, if any, to the date of redemption.

Section 2.5. Notice of Redemption for Exchange Bonds.

(a) In the event any of the Exchange Bonds are to be redeemed, the Registrar shall cause notice of redemption of Exchange Bonds to be given as provided in this Section 2.4. The notice of redemption shall be mailed by first class mail, postage prepaid, to all Registered Owners of the Exchange Bonds to be redeemed at their addresses as they appear on the registration books of the Registrar at least thirty (30) days but not more than forty-five (45) days prior to the date fixed for redemption. The notice shall state the following information:

- (i) the complete official name, series and identification numbers of the Exchange Bonds to be redeemed;
- (ii) any other descriptive information needed to identify accurately the Exchange Bonds being redeemed, including, but not limited to, the issue date of the Exchange Bonds;
- (iii) in the case of partial redemption of any Exchange Bonds, the respective principal amounts thereof to be redeemed;
- (iv) the date of mailing of redemption notices and the redemption date;
- (v) the redemption price;
- (vi) that on the redemption date the redemption price will become due and payable upon each such Exchange Bond or portion thereof called for redemption; and
- (vii) the place where such Exchange Bonds are to be surrendered for payment of the redemption price, designating the name and address of the redemption agent and providing the name and telephone number of a contact person.

(b) Upon the payment of the redemption price of the Exchange Bonds being redeemed, each check or other transfer of funds issued for such purpose shall identify the Exchange Bonds being redeemed with the proceeds of such check or other transfer.

(c) The Registrar shall not give notice of redemption until there are on deposit with the Paying Agent sufficient funds for the payment of the redemption price.

A second notice of redemption shall be given, not later than ninety (90) days subsequent to the redemption date, to Registered Owners of Exchange Bonds or portions thereof redeemed but who failed to deliver their Exchange Bonds for redemption prior to the 60th day following such redemption date. Any notice mailed as provided herein shall be conclusively presumed to have been given, whether or not the Registered Owner of

the Exchange Bonds receives the notice. Receipt of such notice shall not be a condition precedent to a redemption and failure to so receive any such notice by any Registered Owner shall not affect the validity of the proceedings for the redemption of the Exchange Bonds.

In the event any Exchange Bond is to be redeemed in part only, the notice of redemption which relates to such Exchange Bond shall also state that on or after the redemption date, upon surrender of such Exchange Bond, a new Exchange Bond in principal amount equal to the unredeemed portion of such Exchange Bond will be issued.

Section 2.6. Execution and Delivery of the Series 2023 Bonds. The Mayor of the Issuer is hereby authorized to execute by manual or facsimile signature the Series 2023 Bonds and the City Recorder of the Issuer is hereby authorized to countersign by manual or facsimile signature the Series 2023 Bonds (provided at least one of their signatures is manual) and to have imprinted, stamped or otherwise placed on the Series 2023 Bonds the official seal of the Issuer. The City Recorder of the Issuer is hereby authorized to deliver to the Board of Water Resources the Series 2023 Bonds upon payment to the Issuer of the initial incremental advance of proceeds of the Series 2023 Bonds.

Section 2.7. Delinquent Payment. If any installment payment of principal of and interest, if any, on the Series 2023 Bonds is not paid when due and payable, the Issuer shall pay interest on each delinquent installment at the rate of eighteen percent (18%) per annum from the due date thereof until paid in full.

Section 2.8. Exchange of State Bonds. As long as the Board of Water Resources is the sole Registered Owner of the Series 2023 Bonds, the Series 2023 Bonds shall be issued only as the State Bonds in the form prescribed in Exhibit A-1. It is recognized that the Board of Water Resources may sell or otherwise transfer the Series 2023 Bonds pursuant to the provisions of the State Financing Consolidation Act, Title 63, Chapter 65, Utah Code Annotated 1953, as amended, or otherwise. In the event the Board of Water Resources determines to sell or otherwise transfer all or a portion of the Series 2023 Bonds pursuant to the State Financing Consolidation Act, or otherwise, the Series 2023 Bonds shall be exchanged at the office of the Paying Agent for a like aggregate principal amount of Exchange Bonds in accordance with the provisions of this Section 2.8 and Section 3.1 hereof. Exchange Bonds may thereafter be exchanged from time to time for other Exchange Bonds in accordance with Section 3.1 hereof. Any Series 2023 Bond, or any portion thereof, which is sold or otherwise transferred or liquidated by the Board of Water Resources pursuant to the State Financing Consolidation Act, or otherwise, shall be in the form of an Exchange Bond prescribed in Exhibit A-2, and shall be executed pursuant to the authorization contained in Section 2.5 hereof. Each principal payment on the Series 2023 Bonds not previously paid or canceled shall be represented by an equivalent principal amount of Exchange Bonds, in authorized denominations, and of like maturity. The Issuer and its officers shall execute and deliver such documents and perform such acts as may reasonably be required by the Issuer to accomplish the exchange of the Series 2023 Bonds for Exchange Bonds, provided that the Board of Water Resources shall pay or cause to be paid all costs and

other charges incident to such exchange and the Issuer shall have no obligation to pay any such costs or charges.

ARTICLE III

REGISTRATION, PAYMENT, AND FLOW OF FUNDS

Section 3.1. Execution of and Registration of Series 2023 Bonds; Persons Treated as Owners. The Issuer shall cause books for the registration and transfer of the Series 2023 Bonds to be kept by the City Recorder of the Issuer who is hereby appointed the Registrar of the Issuer with respect to the Series 2023 Bonds. Any Series 2023 Bond may, in accordance with its terms, be transferred only upon the registration books kept by the Registrar, by the Registered Owner, in person or by his or her duly authorized attorney, upon surrender of such Series 2023 Bond for cancellation, accompanied by delivery of a duly executed instrument of transfer in a form approved by the Registrar. No transfer shall be effective until entered on the registration books kept by the Registrar. Upon the surrender of any Series 2023 Bond for transfer as provided herein, the Issuer shall execute and deliver in the name of the transferee or transferees, a new Series 2023 Bond of the same maturity and series for a like aggregate principal amount of the Series 2023 Bonds surrendered for transfer. Series 2023 Bonds may be exchanged at the office of the Registrar for a like aggregate principal amount of Series 2023 Bonds of the same series or other authorized denominations and the same maturity. The execution by the Issuer of any Series 2023 Bond of any authorized denomination shall constitute full and due authorization of such denomination, and the Registrar shall thereby be authorized to deliver such Series 2023 Bond. The Registrar shall not be required to transfer or exchange any Exchange Bond at any time following the mailing of notice calling such Series 2023 Bond for redemption.

Series 2023 Bonds surrendered for payment, redemption or exchange, shall be promptly canceled and destroyed by the Issuer.

The Issuer, the Registrar and the Paying Agent may treat and consider the person in whose name each Series 2023 Bond is registered on the registration books kept by the Registrar as the holder and absolute owner thereof for the purpose of receiving payment of, or on account of, the principal or redemption price thereof and for all other purposes whatsoever, and neither the Issuer, the Registrar nor the Paying Agent shall be affected by any notice to the contrary. Payment of any Series 2023 Bond shall be made only to or upon order of the Registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2023 Bond to the extent of the sum or sums so paid.

The Issuer may require the payment by the Registered Owner requesting an exchange or transfer of Series 2023 Bonds of any tax or other governmental charge and any service charge which are required to be paid with respect to such exchange or transfer and such charges shall be paid before a new Series 2023 Bond shall be delivered.

Section 3.2. Escrow Fund; Deposit of Bond Proceeds. The proceeds from the sale of the Series 2023 Bonds shall be deposited upon delivery in the Escrow Fund and shall be disbursed pursuant to the provisions of the Escrow Agreement. All monies deposited in the Escrow Fund shall be used solely for the purpose of defraying all or a portion of the costs of the Project including the payment of costs of issuance of the Series 2023 Bonds. Pending disbursement, funds on deposit in the Escrow Fund may at the discretion of the Issuer be invested by the Escrow Agent as provided in the Escrow Agreement. Any unexpended balance remaining in the Escrow Fund after completion of the Project shall be paid immediately to each party or entity, other than the Issuer, contributing grant funds thereto in proportion to the amount of grant funds originally deposited into the Escrow Fund. Any amounts remaining in the Escrow Fund after repayment of excess grant funds shall be transferred to the Bond Fund-Series 2023 in the Sinking Fund and used only for the prepayment of the Series 2023 Bonds on a pro rata basis based on original principal amount of each series issued. Principal last to become due shall be prepaid first, and in the event less than all of the principal amount of the Series 2023 Bonds maturing on the last due date are to be redeemed, the Issuer shall by lot select those Series 2023 Bonds to be prepaid. Following the repayment and transfer of unexpended funds from the Escrow Fund as provided herein, the Escrow Fund will be closed.

Section 3.3. The Series 2023 Bonds Constitute Special Limited Obligations; Pledge of Net Revenues. Notwithstanding anything to the contrary in this Final Bond Resolution, all of the principal of and interest, if any, on the Series 2023 Bonds shall be payable solely from the Net Revenues of the System, all of which are hereby pledged to the payment of the principal of and interest, if any, on the Series 2023 Bonds. In no event shall the Series 2023 Bonds be deemed or construed to be a general indebtedness of the Issuer or payable from any funds of the Issuer other than those derived from the operation of the System.

The Issuer may, in its sole discretion, but without obligation and subject to the Constitution, laws, and budgetary requirements of the State of Utah, make available properly budgeted and legally available funds to defray any insufficiency of Net Revenues to pay the Series 2023 Bonds; provided however, the Issuer has not covenanted and cannot covenant to make said funds available and has not pledged any of said funds for such purpose.

Section 3.4. Flow of Funds. From and after the Original Issue Date of the Series 2023 Bonds, and until all the Series 2023 Bonds have been paid in full, the Revenues of the System shall be set aside and deposited into the “Coalville City, Utah Water Revenue Fund”, previously established by resolution (the “Prior Bond Resolution”) and hereby reaffirmed under this Bond Resolution (hereinafter referred to as the “Revenue Fund”), to be held by the Depository Bank. The Issuer will thereafter make accounting allocations of the funds deposited in the Revenue Fund for the following purposes and in the following priority:

- (a) From the amounts on deposit in the Revenue Fund there shall first be paid all Operation and Maintenance Expenses of the System. For this purpose

the Issuer shall establish on its books pursuant to the Bond Resolution, an account known as the “Expense Account” to which shall be allocated monthly, on or before the tenth (10th) day of each month, and such portion of the Revenue Fund as is estimated to be required for Operation and Maintenance Expenses of the System for the following month. There shall be allocated to the Expense Account from time to time during the month such additional amounts from the Revenue Fund as may be required to make payments of Operation and Maintenance Expenses for which the amounts theretofore allocated to the Expense Account are insufficient.

(b) From the amounts in the Revenue Fund there shall first be allocated and transferred to the Expense Account (the “Net Revenues”) shall be allocated next to the Sinking Fund hereby established as hereinafter provided:

(i) Of the amounts allocated to the Sinking Fund, there shall be allocated on a parity basis the following amounts to a sub-fund originally established under the Prior Bond Resolution and reaffirmed hereunder known as the “Bond Fund” such as will assure, to the extent of available Net Revenues, the prompt payment of the principal of and interest, if any, on the Series 2023 Bonds as the same shall become due and all bonds issued on parity therewith, including the Outstanding Bonds. (A) With respect to the Outstanding Bonds, there shall be set aside and allocated to the Bond Fund monthly, on or before the tenth day of each month, the amount set forth in the Prior Bond Resolution for the payment of the principal of and interest, if any, on the Outstanding Bonds. (B) With respect to the Series 2023 Bonds, there shall be set aside and allocated to the Bond Fund monthly, on or before the tenth day of the month, beginning with the month following the issuance of the Series 2023 Bonds an amount equal to 1/12 (in the case of the first Sinking Fund Year, a fraction, the numerator of which is one and the denominator is the number of monthly remaining until the first principal and interest payment date) of the principal of and any interest next falling due on the Series 2023 Bonds, to the end that there will be sufficient funds allocated to the Bond Fund to pay the principal of and interest, if any, on the Series 2023 Bonds when the same become due. In the event there are insufficient Net Revenues to make all the debt service payment allocations as required by this paragraph (i), the available Net Revenues shall be allocated on a pro rata basis among the Bonds on the basis of the debt service payments on the Outstanding Bonds and Series 2023 Bonds then due and payable. Amounts allocated to the Bond Fund shall be used solely for the purpose of paying the principal of and any interest on the Outstanding Bonds and Series 2023 Bonds and shall not be reallocated, transferred or paid out for any other purpose prior to the payment of amounts due with respect to the Outstanding Bonds and Series 2023 Bonds. All of the Issuer’s Net Revenues and the amounts on deposit in the Bond Fund are hereby equally and ratably pledged to the payment of the principal of and any interest on all the Outstanding Bonds and Series 2023 Bonds.

(ii) Of the amounts allocated to the Sinking Fund after there shall have been allocated the amounts required under paragraph (i) above, there shall be allocated monthly on a parity basis (A) those amounts as shall be required under the Prior Bond Resolution to be deposited in the reserve fund established under the Prior Bond Resolution (the "Prior Reserve Fund") until the Prior Reserve Fund is fully funded; and (B) on or before the tenth day of each month, beginning December 10, 2024, to the "Reserve Fund- Series 2023" established on the books of the Issuer the sum of \$365, plus such additional amounts as may be required to meet any monthly installment to the Reserve Fund-Series 2023 not previously made in whole or in part, such allocations to continue until there shall have been accumulated therein an amount equal to \$26,210 over a period not to exceed 72 months. In the event there are insufficient Net Revenues to make full allocation to each Reserve Fund as required by this paragraph (ii), the available Net Revenues shall be allocated pro rata between the Prior Reserve Fund and the Reserve Fund- Series 2023 (the "Reserve Funds") on the basis of the reserve fund requirements for each Reserve Fund that has not yet been funded. Amounts allocated to the Reserve Funds shall be used to pay the principal of and any interest falling due on the respective Outstanding Bonds and Series 2023 Bonds any time there are in sufficient funds in the Bond Fund to pay the same, but pending such use may be invested as hereafter provided. When the Reserve Funds have been fully funded as required by this paragraph (ii), no further allocations to the Reserve Funds need be made unless payments from any Reserve Fund have reduced the same below the amounts required by this paragraph (ii), in which event allocations shall be resumed until such deficiency has been remedied. All funds remaining in the Revenue Fund after all of the allocations required to be made to the Expense Account and the Sinking Fund as provided above may be used by the Issuer (a) to prepay and redeem the Outstanding Bonds or the Series 2023 Bonds, in whole or in part, (b) to make extensions, improvements, additions, repairs, and replacements to the System, or (c) to be applied to any other lawful purpose as determined by the Issuer.

(iii) If at any time, the Net Revenues derived by the Issuer from the operation of the System shall be insufficient to make any payment to any of the above funds or accounts on the date or dates specified, the Issuer shall make good the amount of such deficiency by making additional payments out of the first available Net Revenues thereafter derived by the Issuer from the operation of the System.

Section 3.5 Investment of Funds. Any funds allocated to the Bond Fund and the Reserve Funds may, at the discretion of the Issuer, be invested in accordance with the State Money Management Act. All income derived from the investment of the funds of the Bond Fund shall be retained therein and disbursed along with

the other moneys on deposit therein as herein provided. All income derived from the investment of the Reserve Funds shall at the end of each Sinking Fund Year be transferred by the Issuer to the Bond Fund, provided that after such transfer the Reserve Funds shall be funded as required. In the event that the balance in any Reserve Fund is less than the amount required herein, then any income earned by the Reserve Funds shall be retained therein until the balance in the Reserve Funds equals the required amounts. There shall not be required to be in the Sinking Fund, at any time more than the amount required to pay the total outstanding principal amount of the Series 2023 Bonds and Outstanding Bonds. Whenever the money in the Sinking Fund equals the total principal amount of the Series 2023 Bonds and Outstanding Bonds then outstanding, the money therein shall be used to prepay all of the Series 2023 Bonds and Outstanding Bonds.

COVENANTS

Section 3.5. General Covenants of Issuer. The Issuer hereby covenants and agrees with each and every holder of the Series 2023 Bonds the following:

(a) The Issuer covenants that it shall fund and maintain as provided herein all funds and accounts which were established pursuant to this Bond Resolution, until such time as the Series 2023 Bonds have been paid in full.

(b) The rates for all water 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 for the payment and/or redemption of the Series 2023 Bonds, provided such rates must be reasonable rates for the type, kind, and character of the service rendered. 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 adequate to meet the debt service payments on the Series 2023 Bonds, the Outstanding Bonds and any Parity Bonds (as defined in Section 4.2) when due. The rates charged for water services provided by the System shall be sufficient to produce Net Revenues that are equal to 125% of Annual Debt Service. All 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 2023 Bonds, as herein provided. Balances held in the Revenue Fund on the last day of each Fiscal Year in excess of 25% of the amount of the Operation and Maintenance Expenses for that Fiscal Year, after payment of all Operation and Maintenance Expenses and all deposits required by Section 3.4(a)-(d) of this Bond Resolution to that date have been made, shall be considered to be Revenues available for the next Fiscal Year.

(c) 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 Bond Resolution.

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

(e) So long as any Series 2023 Bonds remain outstanding, proper books of record and account will be kept by the Issuer separate and apart from all other records and accounts, showing complete and correct entries of all transactions relating to the System. Each Bondholder or any duly authorized agent or agents of such holder shall have the right at all reasonable times to inspect all records, accounts and data relating thereto and to inspect the System and all properties constituting the System. Except as otherwise provided herein, the Issuer further agrees that it will within one hundred eighty (180) days following the close of each Sinking Fund Year cause an audit of such books and accounts to be made by an independent firm of certified public accountants,

showing the receipts and disbursements for account of the System, and that such audit will be available for inspection by each Bondholder upon request; provided, however, during such periods of time as the Board of Water Resources is the Registered Owner of the Series 2023 Bonds, each such audit will be supplied to the Board of Water Resources as soon as completed without prior request therefore. Each such audit shall at a minimum include the following:

- (i) A statement in detail of the revenues and expenses of the System for the Sinking Fund Year;
- (ii) A balance sheet as of the end of the Sinking Fund Year;
- (iii) The accountant's comments regarding the manner in which the Issuer has carried out the requirements of this Bond 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 Sinking Fund 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) An analysis of all funds and accounts created in this Bond Resolution, setting out all deposits and disbursements made during the Sinking Fund Year and the amount in each fund or account at the end of the Sinking Fund Year;
- (vi) The number of water connections within the boundaries of the Issuer, and applications for water service on hand at the end of the Sinking Fund Year;
- (vii) The total billings for the Sinking Fund Year; and all schedules of rates and charges imposed for water service during the Sinking Fund Year.

The Bondholder may waive the audit requirements set forth in this Subsection for any particular Sinking Fund Year upon written request from the Issuer setting forth the reasons why a certified audit is not necessary or is impractical, provided that such waiver shall not apply to the reporting requirements of the Issuer set forth in the following Subsection.

(f) In addition to the reporting requirements set forth in the immediately preceding Subsection, the Issuer shall submit to the Board of Water Resources within one hundred eighty (180) days following the close of each Sinking Fund Year, a summary report substantially in the form as provided by the Board of Water Resources to the Issuer upon purchase of the Series 2023 Bonds.

(g) All expenses incurred in compiling the financial information and complying with the reporting requirements of this Section shall be regarded and paid as an Operation and Maintenance Expense. The Issuer agrees to furnish a copy of the information prepared in accordance with Subsections (e) and (f) above to any Bondholder in addition to the Board of Water Resources at its request. Any Bondholder shall have the right to discuss with the accountant compiling such information the contents thereof and to ask for such additional information as it may reasonably require.

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

(i) In connection with the operation of the System, the Issuer will carry insurance, including, but not limited to, workers' compensation, 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, proceeds of such insurance shall be used first to restore or replace the property lost or damaged. Any remainder shall be paid into the Sinking Fund.

(j) The Issuer shall charge for water services and require that each be paid in full. 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 take action to collect such bill.

(k) 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 the Bonds have been paid in full, except that the Issuer may sell any portion of such property which shall have been replaced by comparable property of equal or greater value, or which shall cease to be necessary for the efficient operation of the System, provided, however, that in the event of any sale of such property, the proceeds of the sale shall be paid into the Sinking Fund.

(l) The Issuer may consolidate the bills submitted for water service with those submitted for sewer service, if applicable, 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 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 immediately to terminate all water service to the delinquent customer.

(m) Every officer, agent or employee of the Issuer having custody or control of any of the Revenues or of the proceeds of the Series 2023 Bonds shall be bonded by a responsible corporate surety in an amount equal to two annual payments on the Series 2023 Bonds. The premiums on such surety bonds shall not be an Operation and Maintenance Expense of the System.

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

(o) The Issuer will from time to time duly pay 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 against the System or the Revenues or any part thereof or which might impair the security of the Bonds, except when the Issuer in good faith contests its liability to pay the same.

(p) The Issuer will not grant a franchise for the operation of any competing water system as long as the Series 2023 Bonds authorized herein remain outstanding.

(q) 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 in such manner that the operating efficiency thereof shall be of the highest character, and will use its best efforts to see the Operation and Maintenance Expenses are at no time in excess of the Revenues reasonably available for the payment thereof.

(r) All payments falling due on the Series 2023 Bonds shall be made to the Bondholder thereof at par and all charges made by the Depository Bank for its services shall be paid by the Issuer.

(s) The Issuer will (i) maintain its identity, (ii) make no attempt to cause its existence to be abolished and (iii) resist all attempts by other entities to annex all or any part of the territory now or hereafter within the boundaries of the Issuer or served by the System.

(t) The Issuer covenants and certifies to and for the benefit of the Bondholders of the Series 2023 Bonds that no use will be made of any of the proceeds from the sale of the Series 2023 Bonds, or any funds or accounts of the Issuer which may be deemed to be proceeds of the Series 2023 Bonds pursuant to

Section 148 of the Internal Revenue Code of 1986, as amended, (the “Code”) and applicable regulations promulgated or proposed thereunder (the “Regulations”) which use, if it had been reasonably expected on the date of issuance of the Series 2023 Bonds, would have caused the Series 2023 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 the Series 2023 Bonds with the requirements of Section 148 of the Code and the Regulations. The Issuer further represents and covenants that no bonds or other evidences of indebtedness reasonably expected to be payable from Net Revenues of the Issuer have been or will be issued, sold or delivered within a period beginning 15 days prior to the sale of the Series 2023 Bonds and ending 15 days following the delivery of the Series 2023 Bonds. The Issuer further covenants and agrees to and for the benefit of the Registered Owners of the Series 2023 Bonds that the Issuer (i) will not take any action that would cause interest on the Series 2023 Bonds to become includable in gross income for purposes of federal income taxation, (ii) will not omit to take any action, which omission would cause the interest on the Series 2023 Bonds to become includable in gross income for purposes of federal income taxation and (iii) will take all reasonable and lawful actions to comply with any other requirements of federal tax law applicable to the Series 2023 Bonds, including any new tax laws, in order to preserve the exclusion from gross income for purposes of federal income taxation of interest on the Series 2023 Bonds.

(u) The Issuer will file or cause to be filed with the Internal Revenue Service Center, Ogden, UT 84201, on or before the fifteenth day of the second calendar month after the close of the calendar quarter in which the Series 2023 Bonds are issued, a Form 8038-G, Information Return for Tax-Exempt Governmental Bond Issues, with respect to the Series 2023 Bonds.

Section 3.6. Additional Indebtedness. No additional indebtedness, bonds or notes of the Issuer payable out of the Net Revenues and on a priority superior to the Series 2023 Bonds shall be created or incurred by the Issuer without the prior written consent of all holders of the Series 2023 Bonds. Furthermore, the Series 2023 Bonds shall not be entitled to any priority one over the other in application of the Net Revenues, regardless of the time or times of their issuance, it being the intention of the Issuer that there shall be no priority among the Series 2023 Bonds issued pursuant to this Bond Resolution regardless of the fact that they may be actually issued and delivered at different times. It is expressly agreed and covenanted that the Issuer will not hereafter issue any bonds or obligations payable from the Net Revenues, or any part thereof, or which constitutes a lien on such Net Revenues or on the System until all Series 2023 Bonds have been paid in full unless such additional bonds are issued in such manner that they are in all respects subordinate to the Series 2023 Bonds.

The provisions of the foregoing paragraph are subject to the following two exceptions:

(a) The Series 2023 Bonds or any part thereof may be refunded. The refunding bonds so issued shall enjoy a lien on the Net Revenues on a parity with the Series 2023 Bonds except that if fewer than all of the Series 2023 Bonds outstanding at the time are so refunded, no refunding bonds shall bear interest at a rate higher or mature at a date earlier than the corresponding bond refunded thereby without the consent of the holders of all of the Series 2023 Bonds that will not be refunded. In all other respects, refunding bonds may be secured in such manner and may be payable from such sources and be subject to other terms and provisions that may be provided in the resolution authorizing their issuance. Refunding bonds may be (i) exchanged with the consent of the Bondholder for not less than an equivalent principal amount of the Series 2023 Bonds authorized to be refunded, (ii) sold, or (iii) exchanged in part or sold in part. If sold, the proceeds of the sale not required for the payment of expenses shall be used to refund that portion of the Series 2023 Bonds refunded.

(b) Additional bonds may be issued on parity with the Series 2023 Bonds (herein referred to as "Parity Bonds") if all of the following conditions are met at the time of issuance of the Parity Bonds:

(i) The Net Revenues of the System for the Sinking Fund Year preceding the year in which the Parity Bonds are to be issued were 125% of the average Annual Debt Service on all of the Bonds and Parity Bonds then outstanding and the Parity Bonds so proposed to be issued. For purposes of this Subsection (b)(i), the Net Revenues of the preceding Sinking Fund Year may include an amount equal to ninety-five percent (95%) of the amount by which such Net Revenues would increase due to any water rate increase which became effective prior to and in anticipation of the issuance of the proposed Parity Bonds. The requirements of this Subsection (b)(i) may be waived or modified by the written consent of the Registered Owners and holders of 100% of the principal amount of the Bonds and Parity Bonds then outstanding. Balances held in the Revenue Fund on the last day of each Fiscal Year in excess of 25% of the amount of the Operation and Maintenance Expenses for that Fiscal Year, after payment of all Operation and Maintenance Expenses and all deposits required by Section 3.4(a)-(d) of this Bond Resolution to that date have been made, shall be considered to be Revenues available for the next Fiscal Year.

(ii) All payments required by this Final Bond Resolution to be made into the Sinking Fund must have been made in full and there must be in the Reserve Fund the full amount required by this Final Bond Resolution to be accumulated therein.

(iii) The Parity Bonds must be payable as to principal on December 1 of each year in which principal falls due.

(iv) The proceedings authorizing such Parity Bonds shall provide that the aggregate balance of all reserve accounts shall be increased to an amount not less than the maximum Annual Debt Service of all Outstanding Bonds, Bonds and Parity Bonds then outstanding and the Parity Bonds so proposed to be issued and that balance shall be accumulated within six (6) years after delivery of such Parity Bonds. Whereas, the Outstanding Bonds, as defined herein, shall be accumulated within six (6) years after delivery of such Parity Bonds, as previously authorized.

(v) The proceeds of the Parity Bonds must be used for the making of improvements, extensions, renewals, replacements or repairs to the System.

Section 4.4 Small Issuer Exemption from Rebate. In accordance with section 148 (f)(4)(B) of the Code, the Issuer covenants that it is a governmental unit with general taxing powers; that the Series 2023 Bonds are not “private activity bonds” as defined in Section 141 of the Code; that ninety-five percent (95) or more of the net proceeds of the Series 2023 Bonds are to be used for local governmental activities of the Issuer; and that the aggregate face amount of all tax-exempt obligations (other than “private activity bonds”) issued by the Issuer, including all subordinate entities of the Issuer, during the calendar year 2006 will not exceed \$5,000,000. If for any reason the Issuer does not qualify for an exception to rebate under Section 148 (f) of the Code, the Issuer covenants that it will take all necessary steps to comply with the rebate requirements of the Code.

Section 4.5 Qualified Tax-Exempt Obligation Status. For purposes of and in accordance with Section 265(b)(3) of the Code, the Issuer hereby designates the Series 2023 Bonds to be “qualified tax-exempt obligations” and in support of such designation, the City Recorder or other officer of the Issuer charged with the responsibility of issuing the Series 2023 Bonds shall provide an appropriate certificate of the Issuer as of the date of delivery and payment for the Series 2023 Bonds.

ARTICLE IV

MISCELLANEOUS

Section 4.1. Default and Remedies. Failure of the Issuer to perform any covenant or requirement of the Issuer under this Bond Resolution within thirty (30) days after having been notified in writing by a Bondholder of such failure shall constitute an event of default hereunder and shall allow each Bondholder to take the following enforcement remedies:

- (a) The Bondholder may require the Issuer to pay an interest penalty (the "Interest Penalty") equal to eighteen percent (18%) per annum of the outstanding principal amount of the Series 2023 Bonds. The Interest Penalty shall accrue from the date of the notice of the Bondholder to the Issuer referred to above until the default is cured by the Issuer. The Interest Penalty shall be paid on each succeeding bond principal payment date until the default is cured by the Issuer.
- (b) The Bondholder may appoint a trustee bank to act as a receiver of the Revenues for purposes of allocating and applying the Revenues as required by Section 3.4 herein and in general, protecting and enforcing each Bondholder's rights thereto, in which case, all administrative costs of the trustee bank in performing such functions on behalf of the Bondholders shall be paid by the Issuer.

No remedy conferred herein is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy available to each Bondholder hereunder or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right, power or remedy accruing upon a default shall impair any such right, power or remedy or shall be construed to be a waiver of any default or acquiescence therein; and every such right, power or remedy may be exercised from time to time as may be deemed expedient.

Section 4.2. Amendments to Bond Resolution. Provisions of this Bond Resolution shall constitute a contract between the Issuer and the Bondholder; and after the issuance of the Series 2023 Bonds, no change, variation or alteration of any kind in the provisions of this Bond Resolution shall be made in any manner until such time as all of the Series 2023 Bonds have been paid in full except as hereinafter provided.

The Bondholders shall have the right from time to time to consent to and approve the adoption by the Issuer of resolutions modifying or amending any of the terms or provisions contained in this Bond Resolution in the manner and to the extent set out below.

Whenever the Issuer shall propose to amend or modify this Bond Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be sent to all Bondholders of all Series 2023 Bonds then outstanding. Such notice shall (a)

briefly set forth the nature of the proposed amendment, (b) state that copies thereof are on file at the principal office of the Issuer for inspection by all Bondholders and (c) set forth the manner in which Bondholders are to give or withhold their consent to the proposed amendment. Upon receipt of Bondholder consents representing at least 75% of the aggregate principal amount of the Series 2023 Bonds then outstanding, the Governing Board of the Issuer may adopt by resolution the proposed amendment, and it shall become effective. Nothing in this Section shall permit or be construed as permitting an amendment to this Bond Resolution which would (A)(i) extend the stated maturity or reduce the principal amount of the Series 2023 Bonds or (ii) reduce the rate of or extend the time for paying any interest due on the Series 2023 Bonds, including interest on delinquent installment payments of principal of or any interest on the Series 2023 Bonds, without the consent of the holders of all the Series 2023 Bonds, or (B) reduce the amount of or extend the time for making any payment required by any fund or account established hereunder without the consent of the holders of all the Series 2023 Bonds that would be affected by such reduction or extension, or (C) change the rights of the holders of less than all Series 2023 Bonds then outstanding, without the consent of the holders of all the Series 2023 Bonds that would be affected by such changes.

If a Bondholder shall have consented to and approved the adoption of the amendatory resolution as herein provided, such Bondholder shall not have any right or interest to subsequently object to the adoption thereof or to object to any of the terms or provision therein contained or to the operation thereof or to enjoin or restrain the Issuer from taking any action pursuant to the provisions thereof. Any consent given by a Bondholder pursuant to the provisions of this Section shall be conclusive and binding upon all successive Bondholders.

The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the person signing such instrument acknowledged before such officer the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Section 4.3. Maintenance of Proceedings. A certified copy of this Bond Resolution and every amendatory or supplemental ordinance or resolution shall be kept on file in the office of the City Recorder of the Issuer where it shall be made available for inspection by any Bondholder or his or her agent. Upon payment of the reasonable cost of preparing the same, a certified copy of this Bond Resolution, including 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 Bond 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 either to pay the principal of or interest, if any, on the Series 2023 Bonds or to meet any obligation contained herein concerning the Series 2023 Bonds.

Section 4.4. Defeasance of the Series 2023 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 Owners of the Series 2023 Bonds of the amounts 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 Bond 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 2023 Bonds) shall be cancelled and discharged with respect to the Series 2023 Bonds.

Any Series 2023 Bond shall be deemed to be paid within the meaning of this Section when payment of the Series 2023 Bonds (whether at maturity or upon prior redemption) shall have been made in accordance with the terms thereof. At such time as the Series 2023 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 2023 Bonds).

Section 4.5. Sale of Series 2023 Bonds Approved. The sale of the Series 2023 Bonds to the Board of Water Resources, at par, is hereby authorized, confirmed and approved.

Section 4.6. Bondholders not Responsible. The Bondholders shall not be responsible for any liabilities incurred by the Issuer in the acquisition or construction of the Project or for the failure of the System to function successfully after completion of the Project.

Section 4.7. Notice of Public Hearing and Bonds to be Issued. In accordance with the provisions of the Bonding Act, the City Recorder has caused a "Notice of Public Hearing and Bonds to be Issued" (the "Notice") to be published once at least fourteen days prior to the public hearing in the Summit County News, a newspaper having general circulation in the Issuer and, for at least thirty (30) days from and after the publication of the Notice, cause a copy of the form of this Resolution and the Parameters Resolution to be kept on file in the office of the City Recorder for public examination during regular business hours. Within thirty (30) days of the publication of the Notice, no one contested the legality of the Series 2023 Bonds or any of the resolutions adopted or proceedings held authorizing the issuance of the Series 2023 Bonds.

Section 4.8. Additional Certificates, Documents, and Other Papers. The appropriate officials of the Issuer, and each of them, are hereby authorized and directed to execute and deliver for and on behalf of the Issuer any or all additional certificates, documents, and other papers and to perform all other acts they may deem necessary or appropriate in order to implement and carry out the matters authorized in this Bond Resolution and the documents authorized and approved herein.

Section 4.9. Severability. If any section, paragraph, clause or provision of this Bond 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 Bond Resolution.

Section 4.10. Statutory Authority for the Series 2023 Bonds. The Series 2023 Bonds are issued under the authority of the Act and each Series 2023 Bond certificate shall so recite. By the adoption of this Bond Resolution, it is the intention of the Issuer to comply in all respects with the applicable provisions of the Act and the Series 2023 Bonds issued hereby shall be incontestable for any reason whatsoever after their delivery for value.

Section 4.11. Record of Proceedings. The City Recorder of the Issuer is hereby directed to complete and execute the Record of proceedings attached hereto as Exhibit C to officially record the proceedings at which this Bond Resolution was considered for adoption.

Section 4.12. Resolutions in Conflict. All resolutions or parts thereof in conflict with the provisions of this Bond Resolution are, to the extent of such conflict, hereby repealed.

Adopted and approved this December 12, 2022.

Mayor

ATTEST:

City Recorder

(S E A L)

EXHIBIT A-1

FORM OF STATE BOND

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF SUMMIT
COALVILLE CITY
WATER REVENUE BONDS, SERIES 2023

\$332,000

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

The Coalville City, Summit County, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the State of Utah Department of Natural Resources, Board of Water Resources (the "Board of Water Resources") or registered assigns last named in the Registration Certificate attached to the end of this Bond (the "Registered Owner"), the Total Principal Sum set forth in the "Certificate of Dates of Payment and Amount" set forth at the end of this Bond (the "Certificate"), but in no event more than a maximum principal amount of \$332,000, together with interest accruing on the unpaid principal balance from the date of this Bond, at the rate of one percent (1.0 %) per annum (calculated on the basis of a year of 360 days comprised of twelve 30-day months), payable annually on December 1 of each year, beginning December 1, 2023. Principal shall be payable in registered installments beginning December 1, 2025, and each December 1 thereafter in each of the years and in the amounts as set forth in the following Repayment Schedule

Payment Date December 1	Principal Amount
2023	Interest Only
2024	Interest Only
2025	\$17,000
2026	17,000
2027	18,000
2028	18,000
2029	18,000
2030	23,000
2031	24,000

<u>Payment Date</u>	<u>Principal Amount</u>
<u>December 1</u>	
2032	\$24,000
2033	24,000
2034	24,000
2035	25,000
2036	25,000
2037	25,000
2038	25,000
2039	25,000

If less than \$332,000 principal amount is advanced on the Series 2023 Bonds, the repayment period shall be shortened and the number of annual principal installments shall be reduced in the inverse order of maturities (and the amount of the final remaining principal installment shall be reduced, if required) to correspond to the actual Principal Amount of the Series 2023 Bonds.

Except as provided in the next succeeding paragraph, principal payments, whether at maturity or upon prior redemption, shall be payable upon surrender of this Bond at the offices of the Paying Agent, or of any successor Paying Agent. Payments of interest, if any, shall be made to the Registered Owner hereof by check or draft mailed to the Registered Owner hereof at his or her address as it appears on the registration books of the Issuer maintained by the Registrar, or at such other address as is furnished to the Registrar in writing by the Registered Owner.

As long as the Board of Water Resources is the Registered Owner of this Bond, installment payments of principal and interest, if any, shall be made by check or draft mailed to the Board of Water Resources as the Registered Owner at the address shown on the registration books maintained by the Registrar.

If any installment payment of the principal of or interest, if any, on this Bond is not paid when due and payable, the Issuer shall pay interest on the delinquent installment at the rate of eighteen percent (18%) per annum from such due date until paid. All payments shall be made in any coin or currency which on the date of payment is legal tender for the payment of debts due the United States of America. All payments shall be applied first to interest, if any, and then to principal.

This Bond represents the Issuer's Water Revenue Bonds, Series 2023 (the "Series 2023 Bonds") and is issued pursuant to (i) a Parameters Resolution and a Bond Resolution (the "Bond Resolution") adopted by the Governing Board of the Issuer on October 11, 2022 and December 12, 2022, respectively, and (ii) under the authority of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated, 1953, as amended, for the purposes of providing funds to finance, in part, (i) the acquisition and construction of improvements to the Issuer's water system, and related improvements (the "System") (the "Project"), and (ii) paying the costs of issuing the bonds (as defined

in the Bond Resolution). This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Bond Resolution) of the System and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues of the System.

This Bond is payable solely from the Net Revenues derived from the operation of the Issuer's System, all as more fully described and provided in the Final Bond Resolution. The Final Bond Resolution requires that the Issuer deposit a sufficient amount of the Net Revenues of the System into a sinking fund designated "Coalville City, Summit County, Utah, Water Revenue Bonds, Sinking Fund" (the "Sinking Fund") to provide for the annual principal payment on the Series 2023 Bonds and all bonds on a parity. Pursuant to the terms of the Bond Resolution, all of the Net Revenues of the System and the Sinking Fund have been pledged to the payment of the principal on this Bond and all bonds on a parity.

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 or to make any appropriation for its payment.

This Bond is being issued on parity with the Issuer's Outstanding Bonds (as defined in the Bond Resolution"), such that this Bond and the Outstanding Bonds are equally and ratably secured by a pledge of and entitled to an equal and ratable lien on the Net Revenues of the Issuer's System.

As provided in the Final Bond Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts (the "Additional Obligations"), which may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Bond Resolution, and the aggregate principal amount of the Additional Obligations which may be issued is not limited. Any Additional Obligations issued under the Bond Resolution must either be subordinate to or on parity with this Bond, provided certain conditions are met. If the Additional Obligations are issued on parity with this Bond, then the Additional Obligations and this Bond will be equally and ratably secured by a pledge of the Net Revenues of the System, except as otherwise expressly provided or permitted in or pursuant to the Bond Resolution.

This Bond is subject to prepayment and redemption at any time, in whole or in part (and if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of the due date of the principal installments hereof and by lot selected by the Issuer if less than all Bonds of a particular due date are to be redeemed, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid.

Notice of redemption shall be mailed by the Issuer, postage prepaid, not less than thirty (30) days nor more than forty-five (45) days prior to the date fixed for prepayment, to the Registered Owner of this Bond addressed to such owner at the address appearing

on the registration books maintained by the Issuer. Any notice of redemption so mailed shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. Receipt of such notice shall not be a condition precedent to such redemption and failure so to receive any such notice by any of such Registered Owners shall not affect the validity of the proceedings for the redemption of this Bond.

Subject to the provisions of the Bond Resolution, this Bond is issued in fully registered form, without coupons, in a denomination equal to the principal amount of the Bonds or upon exchange for an Exchange Bond (as defined in the Bond Resolution) in a denomination of \$1,000 and any integral multiple thereof.

The Issuer covenants and agrees that it will (a) fix rates for water service sufficient to pay the principal on this Bond when due, and the principal of and interest on all other bonds, if any, issued pursuant to the Bond Resolution on parity with this Bond, as the same fall due, provided such rates must be reasonable rates for the type, kind and character of the service rendered, (b) collect and account for the Revenues (as defined in the Bond Resolution) to be received for such service, and (c) set aside a sufficient amount of the Net Revenues of the System to pay the principal on this Bond according to the payment terms set forth herein and in the Bond Resolution and the principal of and interest, if any, on any other bonds issued on a parity with this Bond.

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

This Bond shall be registered in the name of the initial purchaser and any subsequent purchasers in the registration book in the office of the City Recorder of the Issuer, who shall be the Registrar and the Paying Agent for this Bond. This Bond is transferable only by notation upon the registration book by the registered owner hereof in person or by his or her duly authorized attorney, by the surrender of this Bond accompanied by a duly executed instrument of transfer in the form approved by the Registrar, whereupon this Bond shall be delivered to and registered in the name of the transferee.

It is hereby declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, happened and been performed in regular and due time, form and manner as required by law, that the amount of this Bond does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that all the Net Revenues to be derived from the operation of the System have been pledged and that a sufficient amount of the Net Revenues will be set aside into the Sinking Fund by the Issuer for the prompt payment of this Bond and all other bonds which are on parity with this Bond, and that the Net Revenues have not been

pledged, hypothecated or anticipated in any way other than by the issue of this Bond and all other bonds which are on parity with this Bond. This Bond shall be incontestable for any reason whatsoever after the delivery hereof for value.

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 the Issuer this _____, 2023.

/s/ _____ (Do Not Sign) _____
Mayor

Countersigned:

/s/ _____ (Do Not Sign) _____
City Recorder

(S E A L)

CERTIFICATE OF DATES OF PAYMENT AND AMOUNT

The undersigned authorized representative of the State of Utah Department of Natural Resources, Board of Water Resources (the “Board of Water Resources”), hereby certifies that the Board of Water Resources has received written authorization from the Treasurer of the Issuer to stamp or write the amount(s) indicated below on the date(s) set forth opposite such amount(s); that the amount last inserted under the column “Total Principal Sum” is the total amount received by the Issuer from the issuance of this Bond, and that the undersigned has placed his/her signature in the space provided opposite such amount(s) to evidence the same.

<u>Amount of Payment</u>	<u>Date of Payment</u>	<u>Total Principal Sum</u>	<u>Representative Signature</u>
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____
\$ _____	_____	\$ _____	_____

REGISTRATION CERTIFICATE

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

EXHIBIT A-2

FORM OF EXCHANGE BOND

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF SUMMIT
COALVILLE CITY
WATER REVENUE BONDS, SERIES 2023

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

INTEREST RATE	MATURITY DATE	ISSUE DATE
1.0%	December 1, _____	_____, 20____

Registered Owner: _____

Principal Amount: _____ Dollars

Coalville City, Summit County, Utah (the "Issuer"), a political subdivision and body politic of the State of Utah, acknowledges itself indebted and for value received hereby promises to pay, but solely in the manner and from the revenues and sources hereinafter provided, to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender thereof, the Principal Amount identified above. Payments shall be payable by check or draft mailed by the City Recorder at the City Offices (the "Paying Agent") to the Registered Owner hereof beginning December 1, 20__ and on each December 1 thereafter until this Bond is paid in full. Interest accruing from the Issue Date specified above, at the Interest Rate specified above on the Principal Amount hereof (calculated on the basis of a year of 360 days comprised of twelve 30-day months) shall be payable by check or draft mailed by the City Recorder at the City Offices (the "Paying Agent") to the Registered Owner hereof beginning December 1, 20__ and on each December 1 thereafter until this Bond is paid in full. The principal and redemption price of this Bond shall be payable upon presentation of this Bond to the Paying Agent, or its successor as such paying agent, for payment on the Maturity Date or the date set for prior redemption as provided herein.

If this Bond is not paid when due and payable, the Issuer shall pay interest on the unpaid amount at the rate of eighteen percent (18%) per annum from the due date thereof until paid in full.

This Bond is issued on a parity with the Issuer's Outstanding Bonds (as defined in the Bond Resolution referred to below), such that this Bond and the Outstanding Bonds are equally and ratably secured by a pledge of and entitled to an equal and ratable lien on the Net Revenues of the Issuer's System (as those terms are defined in the Bond Resolution).

This Bond is one of an authorized issue of bonds of like date, term and effect except as to maturity, in the aggregate principal amount of _____ Dollars (\$_____), issued in exchange for the conversion of the Issuer's Water Revenue Bonds, Series 2023 dated _____, 2023, in the aggregate principal amount of Three Hundred and Thirty-Two Thousand Dollars (\$332,000) bearing interest at the rate of one percent (1.0%) per annum (the "Series 2023 Bonds"), all as authorized by a Bond Resolution of the Issuer duly adopted on December 12, 2022 (the "Bond Resolution"). This Bond and the issue of Bonds of which it is a part is issued pursuant to (i) a Parameters Resolution adopted October 11, 2022, and the Bond Resolution adopted December 12, 2022, and (ii) under the authority of the Utah Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, for the purpose to finance, in part, (i) the acquisition and construction of improvements to the Issuer's water system, and related improvements (the "System") (the "Project"), and (ii) paying the costs of issuing the bonds. This Bond is a special limited obligation of the Issuer payable solely from the Net Revenues (as defined in the Bond Resolution) of the System and does not constitute an indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. In no event shall this Bond be deemed or construed to be a general obligation indebtedness of the Issuer or payable from any funds of the Issuer other than the Net Revenues of the System.

This Bond is issued on parity with the Issuer's Outstanding Bonds (as defined in the Bond Resolution) such that this Bond and the Outstanding Bonds enjoy an equal lien pledge of the Net Revenues of the System.

As provided in the Bond Resolution, bonds, notes and other obligations may be issued from time to time in one or more series in various principal amounts (the "Additional Obligations"), which may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Bond Resolution, and the aggregate principal amount of the Additional Obligations which may be issued is not limited. Any Additional Obligations issued under the Bond Resolution must either be subordinate to or on parity with this Bond, provided certain conditions are met. If the Additional Obligations are issued on parity with this Bond, then the Additional Obligations and this Bond will be equally and ratably secured by a pledge of the Net Revenues of the System, except as otherwise expressly provided or permitted in or pursuant to the Bond 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.

The Series 2023 Bonds are subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of maturity and by lot within each maturity if less than the full amount is redeemed, upon not less than thirty (30) days' nor more than forty-five (45) days' prior notice, at a redemption price equal to 100% of the principal amount of each Bond to be redeemed.

Notice of redemption shall be mailed by the Issuer, postage prepaid, to the registered owners of such Bonds addressed to such owners at their address appearing on the registration books maintained by the Issuer. Any notice mailed as provided herein shall be conclusively presumed to have been given, whether or not the Registered Owner of the Series 2023 Bonds receives the notice. Receipt of such notice shall not be a condition precedent to a redemption and failure to so receive any such notice by any registered owner shall not affect the validity of the proceedings for the redemption of the Series 2023 Bonds.

This Bond is subject to prepayment and redemption at any time, in whole or in part (if in part, in integral multiples of \$1,000), at the election of the Issuer in inverse order of the due date of the principal installments hereof and by lot selected by the Issuer if less than all Bonds of a particular due date are to be redeemed, upon notice given as hereinafter set forth, at a redemption price equal to the principal amount to be so prepaid.

The Issuer covenants and agrees that it will fix rates for water service sufficient to pay the Series 2023 Bonds when due, and the principal and interest, if any, on all bonds which are on parity with the Series 2023 Bonds, if any, as the same fall due, provided such rates must be reasonable rates for the type, kind and character of the service rendered, collect and account for the Revenues (as defined in the Bond Resolution) to be received for such service, and set aside one hundred percent (100%) of the Net Revenues of the System (as defined in the Bond Resolution) to pay the Series 2023 Bonds according to their payment terms, herein above set forth, and the principal and interest, if any, on all bonds and obligations which are on parity with the Series 2023 Bonds.

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

This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the office of the City Recorder (the "Registrar")

in Coalville City, Utah, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution and upon surrender and cancellation of this Bond. Upon such transfer a new registered Bond or Bonds of the same series and the same maturity and of authorized denomination or denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor.

It is hereby certified, recited and declared that all conditions, acts and things essential to the validity of this Bond and the issue of which it forms a part do exist, have happened and have been done, and that every requirement of law affecting the issue hereof has been duly complied with; that this Bond and the issue of which it forms a part does not exceed any limitation prescribed by the Constitution and laws of the State of Utah; that all of the Net Revenues to be derived from the operation of the System, including any future improvements, additions and extensions thereto, have been pledged and that a sufficient amount will be set aside into a special fund and account by the Issuer to be used for the payment of this Bond and all other bonds, if any, issued on a parity with this Bond, and that, with the exception of the Outstanding Bonds, the Net Revenues of the System have not been pledged, hypothecated or anticipated in any way other than by the issue of this Bond and all other bonds, if any, issued on a parity with this Bond.

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 the Issuer this _____, 20__.

By /s/ (Do Not Sign)
Mayor

COUNTERSIGNED:

/s/ Do Not Sign)
City Recorder

(S E A L)

ASSIGNMENT

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

(Tax Identification or Social Security No. _____) the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED:

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

Signature Guaranteed:

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM), PURSUANT TO S.E.C. RULE 17Ad-15.

EXHIBIT C
RECORD OF PROCEEDINGS

The Governing Board of the Issuer met in public session at the regular meeting place of the Governing Board in Coalville City, Summit County, Utah, on December 12, 2022 (the “Meeting”), at the hour of 6:00 p.m., or as soon thereafter as feasible, with the following members of the Governing Board being present:

Mark Marsh	Mayor
Tyler Rowser	Council Member
Don Winter	Council Member
Steven Richins	Council Member
Louise Willoughby	Council Member
Phil Geary	Council Member

Also present:

Nachele Sargent	City Recorder
-----------------	---------------

Absent:

which constituted all the members thereof.

After the Meeting had been duly called to order and other matters were discussed, the foregoing resolution (the “Resolution”) was introduced in written form and fully discussed.

A motion to adopt the Resolution was then duly made by Councilmember _____, and seconded by Councilmember _____, and the Resolution was put to a vote and carried, the vote being as follows:

Those voting YEA:

Those voting NAY:

Those Abstaining:

Other business not pertinent to the Resolution appears in the minutes of the Meeting. Upon the conclusion of all business on the Agenda and motion duly made and carried, the Meeting was adjourned.

CERTIFICATE OF CITY RECORDER

I, Nachele Sargent, the duly appointed and qualified City Recorder of the Issuer do hereby certify that the attached Resolution is a true, accurate and complete copy thereof as adopted by the Governing Board of the Issuer at a public meeting duly held on December 12, 2022 (the “Meeting”). The persons present and the result of the vote taken at the Meeting are all as shown above. The Resolution, with all exhibits attached, was deposited in my office on December 12, 2022, and is officially of record in my possession.

IN WITNESS WHEREOF, I have hereunto subscribed my signature and impressed hereon the official seal of the Issuer, this December 12, 2022.

(S E A L)

City Recorder

**CERTIFICATE OF COMPLIANCE WITH
OPEN MEETING LAW**

I, Nachele Sargent, the undersigned City Recorder of the Issuer do hereby certify, according to the records of the Issuer 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 December 12, 2022, public meeting held by the Issuer as follows:

- (a) By causing a notice, in the form attached hereto as Schedule 1 (the “Meeting Notice”), to be posted at the principal office of the Issuer at least twenty-four (24) hours prior to the convening of the meeting, the Meeting Notice having continuously remained so posted and available for public inspection until the completion of the meeting; and
- (b) By causing a copy of the Meeting Notice to be delivered to a newspaper of general circulation in the geographic jurisdiction of the Issuer at least twenty-four (24) hours prior to the convening of the meeting.
- (c) By causing a copy of the Meeting Notice to be posted on the Utah Public Notice Website at least twenty-four (24) hours prior to the convening of the meeting.

In addition, the Notice of 2022 Annual Meeting Schedule for the Issuer, attached hereto, specifying the date, time and place of the regular meetings of the governing body of the Issuer to be held during the calendar year 2022 was posted on December 29, 2021, at the principal offices of the Issuer and provided to at least one newspaper of general circulation within the geographic jurisdiction of the Issuer on January 11, 2022, and posted on the Utah Public Notice Website on January 11, 2022.

IN WITNESS WHEREOF, I have hereunto subscribed my official signature this December 12, 2022.

(S E A L)

City Recorder

(Attach Meeting Notice and Notice of 2022 Annual Meeting Schedule, including proof of posting thereof on the Utah Public Notice Website)